



AN ANALYSIS ON CSR SPENDINGS- A NEW PERSPECTIVE ON COMPANIES RESILIENCE TOWARDS CSR DURING COVID CRISIS

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Abstract

In today's fast-moving economic world, CSR has become the spirit of every organization, lending an upper hand, and ensuring practical progress. The impact of corporate activities on the environment and society has increased the importance of controllable practices and corporate social responsibility. CSR help the business associations to create positive standing and good capital among the public. For instance, companies which carry out CSR rehearses are probably going to put resources into hardware which empowers more noteworthy item wellbeing and ecological security. Associations which put resources into CSR exercises can more effectively remake their corporate and social picture contrasted with associations without having such strategies (Bhattacharya and Sen, 2004). The main objective of this research is to analyze the corporate social performance of the selected top companies India companies especially during Covid crisis. Additionally, the research aimed to find out the correlation between profit after tax and Corporate social responsibility amount spent by the companies. The statistical tools used for the study are Grade analysis and Correlation coefficient. The most interesting findings of the study is, despite Covid Crisis and economic drop down, the companies managed to spend for CSR more than the stipulated percentage as per the Act.

1. INTRODUCTION

Corporate Social Responsibility (CSR) is the concept that a company must accept responsibility for its activities that have an impact on the general population. As a result of monetary globalization, there is a growing interest in partnerships to play a key role in efforts to alleviate poverty, create fair and responsible governance systems, and ensure environmental security. There was a need to make business a part of society, to promote the positive effects that business endeavor can have on human and environmental well-being, and to prevent the harmful effects of rash enterprise. The "Corporate Social

Responsibility" plan was formed because of this concern.

In today's cutthroat world, CSR has become the spirit of every organization, lending an upper hand and ensuring practical progress. The impact of corporate activities on the environment and society has increased the importance of controllable practices and corporate social responsibility. As a result of increasing pressures from many sources, businesses have begun to engage in CSR activities, revealing their conduct and accomplishments in the process. Government activity has become critical in making disclosure mandatory since administration may encourage disclosure from private elements, carry out execution in a transparent manner, and make disclosure requirements supported by the legitimacy of vote-based cycles.

Several organizations have developed ways to incorporate social and ecological considerations into their investment decisions in recent years.

The continuous consideration on CSR from associations viewpoint has brought up the issue of its monetary nature; it is possible that it ought to be treated as a speculation opportunity or a constrained consumption. The hypothetical perspective says that a decent CSR strategy may build the association's exhibition as far as usefulness and return it suggests a decent connection with partners, gives an upper hand, expanding advancement capacity and furthermore makes esteem by creating generosity. At the point when the consciousness of CSR is expanding to the partners, an association can make a reputational capital and improve their social authenticity, which can prompt higher incomes and furthermore increment client's devotion. These hypothetical perspectives demonstrate CSR as a venture choice. On the opposite side, numerous pioneers have seen CSR as simply one more wellspring of pressing factor or passing prevailing fashion. According to Windsor (2001), the connection between business firms and society depends on corporate interests, not cultural interests. According to these perspectives, this type of CSR favors a receptive methodology and not a proactive methodology (Matten and Moon, 2008). Aside from this authoritative view, a few researchers have additionally thought to be the partners and society to put more significance on CSR (Carroll, 1999; Waddock, 2018; Park, and Ghauri, 2015). According to this view various chiefs have begun to regard it as an imaginative chance to reinforce their associations through adding to the general public. CSR likewise fills in as a focal way to deal with the administrations' general systems for assisting them with tending to any key business issue. The Indian Companies Act, 2013 contains various arrangements regarding CSR. According to Section 135 of Companies Act, 2013 each organization having any of the three: a) The total assets of Rs. 500 crore or more.

b) The turnover of Rs. 1,000 crore or more. c) The net benefit of Rs. 5 crore or more, it is obligatory to spend in any event 2% of its normal net benefits during the keep going three monetary years on CSR exercises. Presently the inquiry is being raised that after the legitimation whether the CSR is in effect truly seen by the organizations as a chance or it is making any constrained responsibility on them? Assuming CSR spending gives flighty returns soon, it tends to be considered as an investment opportunity. On the opposite side if a business association believes that it's smarter to hold such outgoings

in the association, at that point they would think about this spending as a constrained obligation.

2. REVIEW OF LITERATURE, RESEARCH PURPOSE AND HYPOTHESIS:

2.1 REVIEW OF LITERATURE

Saha (2013) investigated existing CSR activities in several Indian businesses. For this study, 18 firms were chosen at random from the Global Reporting Initiative's depository (GRI). The analysis revealed that the selected companies' CSR performance is good. Many companies, on the other hand, outperformed expectations, while others were unable to do so.

Ramesh (2015) performed research to have a better understanding of the New CSR provision envisioned under Section 135 and to look into the expenditure patterns of Indian enterprises that participate in CSR activities.

Verma et al., (2015) contemplated organization Social Responsibility use of the 10 biggest and most remarkable firms in India before the execution of CSR arrangements of firms Act 2013-Studies counsel that monster enterprises are antecedents to CSR responsibilities in a very society and thereupon, vital CSR spending in gigantic firms is likely going to totally impact CSR in more modest organizations.

B. Ramesh (2016) led an examination to instigate Associate in Nursing a rundown on the New CSR arrangement imagined under area one hundred 35, and researched the spending example of Indian firms favorable towards CSR exercises. Ramanujam and Sangeetha (2017) announced that at last, Indian Parliament figured out how to sanction the new law for firms in India. They featured on the duty suggestions, Sooner or later, claims make certain to be made on the sums spent on CSR on the grounds that the use is CSR Expenditure of BSE Listed Companies in India: An Analytical Study 199 transmitted under the law. Conjointly what occurs if firms pick to play safe and add to the Prime Minister's. Public Relief Fund to keep away from all debates? Such commitments will be charge deductible. They completed that every exertion should be made to verify that there's no procedure in executing the new approach. each the organization homes and furthermore the division of organization undertakings owe it to the overall population at gigantic to ensure the achievement of the new drive.

2.2 RESEARCH PURPOSE

- To review the corporate social performance of the selected top Industries in India.
- To Evaluate the relationship between CSR and profitability the companies.
- To investigate the impact of CSR spent and profit by the companies during COVID crisis.

2.3 HYPOTHESIS

For many years, the relationship between CSR and profitability, or a company's financial performance, has been debated. Many empirical studies conducted by various scholars have produced a wide range of results. Because most publications do not distinguish between profitability and financial success of a firm, in this dissertation, profitability refers not just to net profit, but also to the company's overall financial performance. (Aguinis & Glavas, 2012; Kolstad, 2007; Orlitzky, 2001; Pelozo, 2009; Scholtens, 2008; Stanwick, P. & Stanwick, S., 1998; Orlitzky et al., 2003; Pava & Krausz, 1996; Van & Gössling, 2008; Saleh et al., 2011; Griffin & Mahon, 1997; Orlitzky et al., 2003)

Kolstad (2007) contends that a company's CSR success does not always equate to profitability, because the author believes that implementing CSR with a commercial motive in mind is limiting and unethical. Though many businesses continue to pursue profit in their ethical CSR efforts, and stakeholders are unwilling to forego profits to improve social responsibility performance (Pava & Krausz, 1996).

Based on the above literature reviews, the following hypothesis is framed in order to analyze whether truly investment in CSR can affect the profitability of the business. Further this correlation during COVID period will be an added advantage to enrich the study.

Ho: There is no correlation between profit after tax and CSR expenditure by firms

3. RESEARCH METHODOLOGY

There is certifiably not a demonstrated or single system accessible for the CSR Research. The majority of the CSR exercises were not estimated and there is no standard measure accessible. CSR can be estimated by just cash spent on a specific movement. In any case, no two exercises by organizations can be estimated by same strategy. As per Authors, Alfreda Sapkauskiene and Sviesa Leitoniene, in their Research Paper Corporate social responsibility research methods analysis (Year 2014) there are three techniques to investigate the social information for example Content examination, Correlation Analysis and Regression Analysis. Among which Content Analysis is the strategy which is broadly utilized.

With a goal to investigate CSR spending in India, ten organizations recorded on Bombay Stock Exchange (BSE) are assumed the premise of the accessibility of most recent yearly reports of monetary year 2019-20. The organizations are Reliance Industries, ONGC, Indian Oil Corporation, HDFC Bank, Tata Consultancy Services, Infosys, Tata Steel, ITC, NTPC and Power Grid Corporation of India.

4. REVIEW OF CORPORATE SOCIAL PERFORMANCE OF TOP 10 COMPANIES BEING ANALYSED

5.1. RELIANCE INDUSTRIES LIMITED:

(RIL) is an Indian global aggregate settled in Mumbai. Dependence claims organizations across India occupied with energy, petrochemicals, materials, regular assets, retail, and media communications. Dependence is perhaps the most productive organizations in India, the biggest traded on an open market organization in India by market capitalization, and the biggest organization in India as estimated by income after as of late astounding the public authority controlled Indian Oil Corporation. On 10 September 2020, Reliance Industries turned into the main Indian organization to cross \$200 billion in market capitalization.

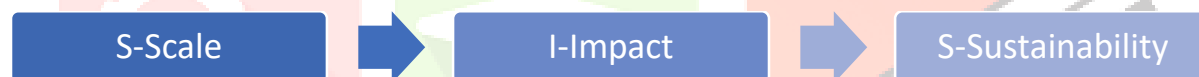
CSR Policy of Reliance

Dependence establishment focuses on Reliance CSR exercises by zeroing in on the three columns

- Endless direct commitment with the general public and local area,
- Creating connections, organizations and coordinated efforts with foundations and
- expanding and utilizing its force

The CSR exercises of Reliance are additionally in similarity of the Sustainable Development Goals that are laid out in the United Nations 2030 Agenda for Sustainable Development.

The vital way of thinking of RIL behind all their smart CSR exercises is guided by three center responsibilities:



5.2. NATURAL GAS CORPORATION LIMITED:

(ONGC) is state claimed Oil and gas organization established on fourteen August 1956. it's a Fortune world five hundred organization positioned 413 and contributes seventy-seven of India's raw rock oil creation and eighty-one of India's ignitable gas creation. it's the second most noteworthy profit creating organization in India. Indian government holds seventy-four.14% price stake during this organization. ONGC is Asia's biggest and most dynamic organization related to investigation and creation of oil. it's related to work for and misusing hydrocarbons in twenty six substance bowls of India. It produces concerning half-hour of India's raw rock oil necessity. It claims and works in far more than 11,000 kilometers of pipelines in India. In 2010, it remained at eighteenth scenario within the Platts prime 250 world Energy Company Rankings. it's financial gain of \$21.447 billion and 36826 staff (in 2010) and having settled at Dehradun, Uttaranchal.

CSR FOCUS AREAS

- Education together with skilled courses.
- Health Care.
- Entrepreneurship (self-improvement and occupation age) plans.
- Infrastructure support on the brink of our operational regions.
- Environment security, environmental preservation, advancement.
- Promotion of craftsman's, specialist, performers, specialists so on for conservation of heritage, craftsmanship and culture.
- Women's strengthening, girl child advancement, sexual orientation delicate undertakings.
- Promoting sports/sports folks; supporting offices advancing games/sports people.
- Water the board together with water re-energize.
- Initiatives for genuinely and simple-minded.
- Sponsorship of categories, gatherings, workshops so forth

5.3. TATA CONSULTANCY SERVICES:

(TCS) is Associate in Nursing Indian world information innovation (IT) advantages and counselling organization, settled in city, geographic region, India and largest grounds and proletariat in urban center, Tamil Nadu, India. As of mite 2021, TCS is that the biggest organization within the IT space on the earth by market capitalization of \$169.2 billion. it's Associate in Nursing auxiliary of the Tata cluster and works in 149 areas across forty-six nations. Despite the actual fact that TCS has places of business in 149 areas, the TCS representatives don't seem to be presently allowable to enter the work premises owing to the COVID-19 pandemic and are approached to telecommute.

Effect through Empowerment

Report same that the core price of TCS' CSR programs is 'Effect through Empowerment'. Strengthening brings concerning empowering people to own a superior existence. The Company's center regions ar Education and talent Development, Health and wellbeing and Environmental property. moreover, the corporate has been supporting the reconstruction of heritage destinations even as taking Associate in Nursing interest in alleviation activities throughout destructive events.

Centered Program

TCS' vision is to change networks by associating people to promising circumstances within the advanced economy. The organization has zeroed in on coaching, skilling, employability, and city business, to assist folks and networks connect the possibility hole. moreover, it upholds the successfulness, health, water, medical care and cleanliness desires of networks.

Enormous Scale Program

The organization's methodology is to assist vast scope, economical, multi-year programs that type comprehensive, impartial, and sensible pathways for youth, women and underestimated gatherings and which may deliberately have an effect on the native space. In India, these comes ar lined up with the govt. of India's social action Policy and also the Tata Group's social action Program.

Employee volunteering

The Company's investment centers around tasks wherever it will contribute definitively either through representative breaking in or by utilizing center talent that creates arrangements. what is a lot of, for key commitment, it likewise collaborates with different Tata substances, NGOs, Government, and customers? TCS' reason driven perspective is shared by its staff WHO contribute their time and mastery for social and natural causes in their near networks. In FY 2020, TCSers offered quite 780,000 breaking in hours.

151-year-old tradition of the Tata cluster

TCS' company Social Responsibility (CSR) responsibility comes from the 151-year-old tradition of the Tata cluster and also the originator's vision that: during a free venture, the native space is not merely a new partner in business but is so the particular reason for its reality.

5.4. HDFC BANK

HDFC Bank restricted is Associate in Nursing Indian banking and financial administrations organization, settled in city, geographic region. HDFC Bank is India's biggest personal space bank by assets and by market capitalization as of Apr 2021. it's the third biggest organization by market gaining by the Indian stock exchanges. it's likewise the thirteenth biggest boss in India with virtually one hundred twenty,000 staff.

Policy Statement/Vision

HDFC Bank centered is targeted on recognizing and supporting comes focused on:

- Developing and propellant the native space and specifically, those at the lower a part of the pyramid who are inconsistent blessed/empowered, and moreover.
- Reducing adverse consequence of its procedure on the climate This strategy can fill in as a managing record containing approach and course given by the board, considering the proposals of the CSR Committee, characterizing core values for determination, execution, and observant of exercises even as particularization of the yearly activity arrange.

The CSR strategy would work as Associate in Nursing automatic system for the Bank's CSR exercises and empower adherence to laws, ethical principles, and worldwide practices in such manner. The Bank's CSR mission is to feature to the social and financial improvement of the native space. Through a progression of mediations, the bank appearance to plain monetarily, actually, and socially tested gatherings and to bring them into the pattern of development, advancement and strengthening. At the

middle of this is often its obligation to attach with underestimated networks through its property sustenance Initiatives. The Bank's system is to include its exercises in native space advancement, social duty and natural obligation and empower each specialty unit or capability to include these contemplations into its tasks.

5.5. INDIAN OIL CORPORATION restricted (IOCL):

Indian Oil is Associate in Nursing Indian government oil and utility. it's underneath the responsibility for of rock oil and gas, Government of India settled in Indian capital. it's the most important business oil organization within the country, with a internet good thing about internet,106 large integer (US\$2.848 billion) for the financial year 2016–17. it's positioned initial in Fortune India five hundred summation for year 2016and 117th in Fortune world five hundred summation of world's biggest organizations within the year 2019. beginning at thirty one March 2017 Indian Oil's representative strength is thirty-three,135, out of that sixteen, 545 are within the official framework. it's India's biggest downstream oil organization, a turnover of ₹5,06,428 large integer and a internet good thing about internet,346 large integer in 2017–18.

Indian Oil's business blessings cowl the full organic compound esteem chain, together with refinement, pipeline transportation, advertising of oil based mostly product, investigation and creation of raw rock oil, ignitable gas and petrochemicals.

Indian Oil's property and CSR vision is to figure its exercises in giving energy answers for its shoppers during a approach that's good, safe and ethical, that limits adverse consequence on climate and upgrades personal satisfaction of the native space, towards supporting Associate in Nursing all-encompassing business. In accordance with the higher than vision,

Indian Oil's S&CSR mission is to:

- Meet partners' wishes for esteem creation and develop aboard the overall public.
- Ensure a secure and sound work area.
- Incorporate natural and social contemplations in business selections.
- Earn partners' selflessness and fabricate a standing as a dependable company resident.
- Conduct business with morals and ease and follow aware strategic approaches.

5.6. INFOSYS LIMITED

Infosys is an Indian global data innovation organization that gives business counseling, data innovation and rethinking administrations. The organization is settled in Bangalore. Infosys is the second-biggest Indian IT organization after Tata Consultancy Services by 2020 income figures and the 602nd biggest public organization on the planet as per Forbes Global 2000 positioning. On 31 December 2020, its market capitalization was \$71.92 billion. The FICO score of the organization is A– (rating by Standard and Poor's).

Infosys CSR Policy expects to:

Strive for financial advancement that decidedly impacts the general public everywhere with negligible asset impression. Embrace duty regarding the Company's activities and support a positive effect through its exercises on hunger, destitution, ailing health, climate, networks, partners, and the public. Center AREAS In agreement with the necessities under the Companies Act, 2013, Infosys CSR exercises, among others, will zero in on.

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating outrageous craving, destitution, and unhealthiness, advancing preventive medical care and disinfection and making accessible safe drinking water.
- **EDUCATION:** Promoting schooling, including specialized curriculum and business upgrading professional abilities particularly among kids, ladies, older and the contrastingly abled, and job improvement projects; money related commitments to scholarly organizations for setting up gift reserves, seats, research facilities, and so on, with the goal of helping understudies in their examinations. CSR Policy Infosys Limited Page 4 of 6
- **RURAL DEVELOPMENT PROJECTS:** Strengthening rustic regions by improving availability, lodging, drinking water, disinfection, force and jobs, in this way making supportable towns.
- **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting sex equity and engaging ladies; setting up homes, lodgings and day care communities for ladies and vagrants; setting up advanced age homes and such different offices for senior residents; and embracing measures for decreasing imbalances looked by socially and monetarily in reverse gatherings.
- **ENVIRONMENTAL SUSTAINABILITY:** Ensuring ecological maintainability, biological equilibrium, security of verdure, creature government assistance, agro-ranger service, protection of common assets and keeping up the nature of soil, air and water.
- **NATIONAL HERITAGE, ART, AND CULTURE:** Protecting public legacy, craftsmanship and culture including rebuilding of structures and destinations of authentic significance and showstoppers; setting up open libraries; advancing and creating conventional expressions and painstaking work.

5.7. NTPC LIMITED

NTPC, some time ago known as National Thermal Power Corporation Limited, is an Indian government power load up occupied with the matter of age of power and partnered exercises. It is an organization fused under the Companies Act 1956 and is under the responsibility for of Power, Government of India. The central command of the organization is arranged at New Delhi. NTPC's center business is the age and offer of power to state-possessed force appropriation organizations and State Electricity Boards in INDIA. The organization likewise attempts consultancy and turnkey project gets that include designing, project the executives, development the board, and activity and the board of force plants.

The organization has likewise wandered into oil and gas investigation and coal mining exercises. It is the biggest force organization in India with an electric force creating limit of 62,086 MW.

NTPC 's CSR GOALS:

1. Starting Community Development Policy (ICD) - 2009
2. Resettlement and Rehabilitation Policy – 2017
3. CSR and SD Policy – 2016 This amendment of CSR strategy 2019 is brought out to have a more prominent vital direction with more associate with partners and a result driven methodology. This CSR strategy is proposed to be in congruity with the arrangements of Companies Act 2013 and DPE Guidelines on CSR, assuming any. In any case, new arrangements will be explicitly fused in the strategy as pertinent every once in a while.

5.8. ITC LIMITED

ITC Limited is an Indian Company settled in Kolkata, West Bengal. Set up by Britishers in 1910 as the Imperial Tobacco Company of India Limited, the organization was renamed as the India Tobacco Company Limited in 1970 and later to I.T.C. Restricted in 1974. The organization currently stands renamed to ITC Limited, where "ITC" today is not, at this point an abbreviation or an initialized structure. ITC has an enhanced presence across businesses like Cigarettes, FMCG, Hotels, Packaging, Paperboards and Specialty Papers and Agribusiness. The organization finished 100 years in 2010 and starting at 2019–20, had a yearly turnover of US\$10.74 billion and a market capitalization of US\$35 billion.

CSR POLICY

It is ITC's Policy to coordinate its CSR Programs, entomb alia, towards accomplishing at least one of the accompanying - destitution easing; advancing training and ability improvement; advancing medical care including preventive medical care; giving disinfection and drinking water; guaranteeing ecological supportability; empowering environment versatility; country advancement projects; making occupations for individuals, particularly those from burdened areas of society; security of public legacy, craftsmanship and culture; safeguarding and advancing music and sports; and giving alleviation and help to casualties of fiascos and catastrophes.

In quest for the abovementioned, ITC has distinguished the accompanying center regions for its CSR Programs dependent on far reaching need appraisal studies of its partners:

- Create supportable occupations and mitigate neediness through advancement of, bury alia, afforestation, water stewardship, reasonable farming and environment keen practices, animals' improvement and ladies strengthening.
- Build capacities for later through intercessions in, bury alia, instruction, professional preparing, sterilization, school WASH (Water, Sanitation and Hygiene), safe drinking water and strong waste administration.
- Promote medical care, including preventive medical care, and improve basic dietary and wellbeing status of in danger populace through intercessions to reinforce mother and youngster wellbeing, healthful substance, conveyance, effort, and results.
- Protect public legacy, workmanship, and culture, and protecting and advancing music and sports; and
- Provide help and help to survivors of catastrophes and disasters.

5.9. TATA STEEL LIMITED

Goodbye Steel Limited is an Indian global steel-production organization situated in Jamshedpur, Jharkhand, and is settled in Mumbai, Maharashtra, India. It is an auxiliary of the Tata Group.

Once known as Tata Iron and Steel Company Limited (TISCO), Tata Steel is among the top steel creating organizations on the planet with a yearly unrefined steel limit of 34 million tons for every annum. It is one of the world's most topographically differentiated steel makers, with activities and business presence across the world. The gathering (barring SEA tasks) recorded a solidified turnover of US\$19.7 billion in the monetary year finishing 31 March 2020. It is the second biggest steel organization in India (estimated by homegrown creation) with a yearly limit of 13 million tons after SAIL.

STRATEGY:

The Company has consistently attempted to lead its business dependably, aware of its social responsibility, regarding appropriate laws and with respect for human nobility. The Company's drawn out CSR objective is "to improve the personal satisfaction of the networks we serve worldwide through long haul esteem creation for all partners", which is in arrangement with the Tata Group Core Purpose. The Company will assign in any event 2% of its normal net benefits before duties of the first three years, towards CSR exercises to maintain and improve a solid and prosperous climate and to improve the personal satisfaction of the networks it serves. The Company may likewise use its items and administrations as appropriate for its CSR exercises. Any overflows emerging out of CSR ventures or projects, or exercises will be re-sent once more into CSR exercises and won't frame a piece of the business benefits of the organization. The Company will decidedly effect and impact its representatives and accomplices in encouraging a feeling of social responsibility for their partners. 2. Centered Geographic Spread. The Company's center regions for formative exercises will be in metropolitan just as provincial regions in the states in which it is found. The Company may likewise uphold drives in different topographies, as endorsed by the CSR and Sustainability Committee ("CSR Committee") of the Board, now and again. While we will guarantee that all networks profit by our CSR exercises, we would zero in on those gatherings that are socially and monetarily underestimated. These would incorporate ladies, young lady youngsters and planned positions and clans.

5.10. POWER GRID CORPORATION OF INDIA LIMITED

Force Grid Corporation of India Limited (POWERGRID), is an Indian government power board and a Maharatna Public Sector Undertaking claimed by Ministry of Power, Government of India which is settled in Gurugram, India and connected essentially in transmission of mass force across various territories of India. POWERGRID communicates about half of the absolute force produced in India on its transmission organization. It is likewise confirmed for PAS 99:2006, incorporating the necessities of ISO 9001:2008 for quality, ISO 14001:2004 for climate the executives and OHSAS 18001:2007 for wellbeing and security the board frameworks. Its previous auxiliary organization, Power System Operation Corporation Limited (POSOCO) handles power the executives for National Grid and all state transmission utilities. POWERGRID likewise works a telecom business under the name POWERTEL. Shri Kandikuppa Sreekant fills in as the Chairman and Managing Director of the organization.

6. ANALYSIS AND INTERPRETATION

6.1. CSR EXPENDITURE:

Since the commencement of the CSR provisions, India Inc. has cumulatively spent close to 7B\$ on legally mandated CSR activities under the provisions of the Companies Act. The spending for listed companies on CSR accounted for 2/3rd of the entire available CSR pool while unlisted companies accounted for the remaining part.

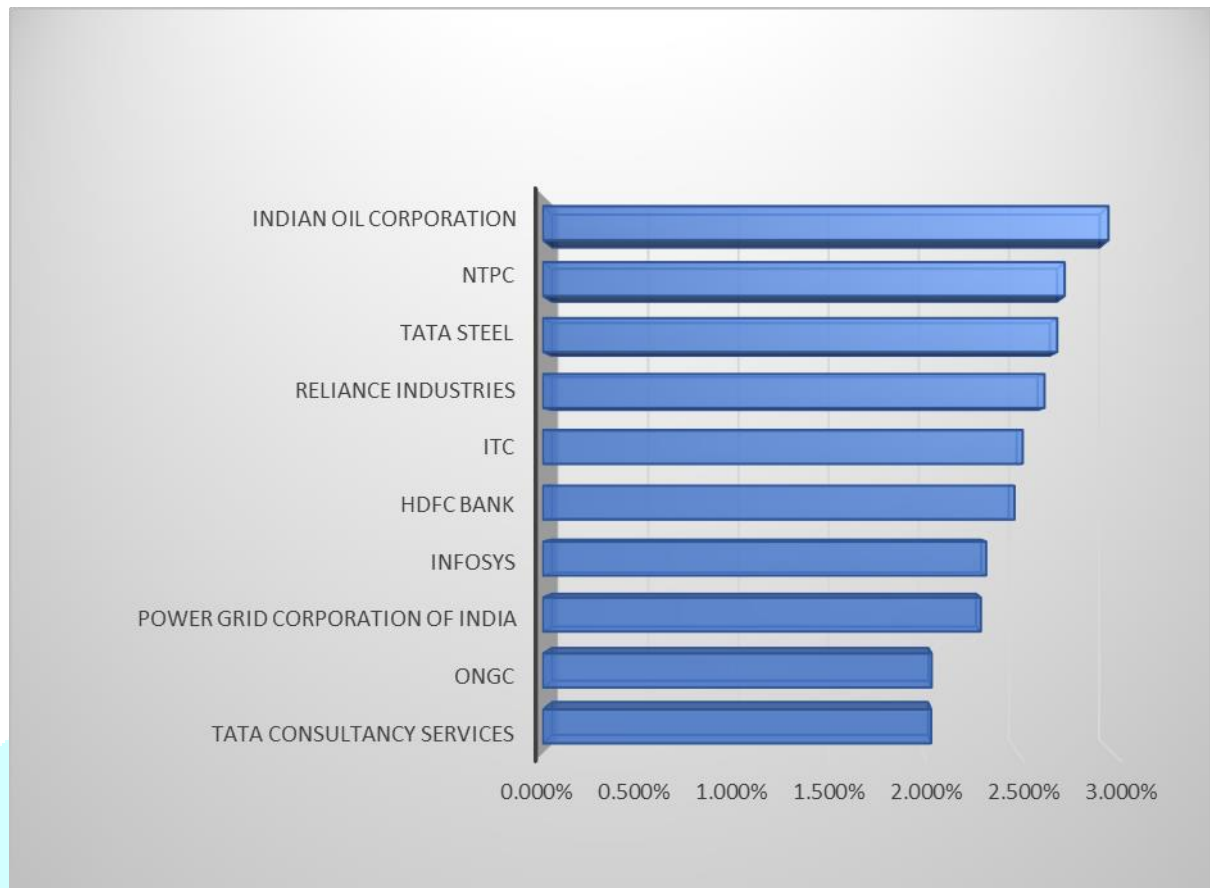
For instance, since the inception of CSR provisions, CSR expenditure by Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) listed companies have witnessed a steady expenditure growth in percentage points. However, CSR expenditure were still more directed towards charitable activities like education, health, vocational training with few items under Schedule VII getting more precedence over others. While education and vocational training have traditionally been more preferred, CSR expenditure towards sanitation, yoga, disaster relief, sports and community development etc. have also seen a steady rise.

The below analysis shows the expenditure of top 10 companies in Corporate Social Responsibility (CSR) in FY 2019-20 comparing the expenditure to their respective 2% of average (Profit After Tax) PAT of FY 18,19 and 20 which is the specified amount of expenditure a company has to spend on CSR activities according to Indian Government The ministry of corporate affairs (MCA) has notified Section 135 and Schedule VII of the Companies Act, 2013, which relate to corporate social responsibility (CSR) that will be effective from April 1, as part of the new Companies Act.

TABLE SHOWING CSR SPENDING:

NAME	INDUSTRY	2% of average PAT of FY (18,19 & 20) (in crores)	CSR spending in FY 19-20 (in Crores)	% Spent Average of PAT of FY (18,19 & 20)
Reliance industries	Oil and gas, petroleum refining and marketing textiles, retail and special economic zones.	664.52	874.94	2.6%
ONGC	Oil, Gas and Power	400.70	409	2.04%
Tata consultancy services	IT services, IT consulting	590.44	602	2.03%
HDFC bank	Financial services	432.15	535	2.5%
Indian oil corporation	Oil and Gas	263.81	490.60	2.9%
Infosys	IT services, IT consulting	309.33	360	2.3%
NTPC	Electricity	208.12	285	2.7%
ITC	FMCG	258.82	326	2.5%
Tata steel	Steel Iron	142.98	193	2.7%
Power grid corporation of India	Electricity grids	207.50	209	2.01%

6.2 PERCENTAGE SPENT AVERAGE OF PAT OF FY (18,19 & 20):



From the above table, it can be observed that all the 10 companies, have fulfilled the criteria of spending 2% of PAT of average of PAT of immediately preceding three financial years. Looking at the table, it can be seen that in terms of value, Indian Oil Corporation has spent highest on CSR with 490.60 crores with 2.969% against the prescribed amount of 263.81 crores of 2% of average PAT of FY (18,19 & 20) followed by NTPC with 285 crores against 208.12 of 2% of average PAT of FY (18,19 & 20) crores and 2.739% and then Tata Steel with 193 crores against 142.98 crores prescribed with 2.7%. Amongst these top three companies in terms of spending of amount, all the companies fulfilled the criteria of 2%. The list changes its character once we look at the amount spent in absolute terms. Looking at the amount spent Indian Oil Corporation tops the list but by percentage spent and by looking at the percentage spent GMR tops the list with 2.96% with least spending of 81 crores on 4th position of Reliance. In line with the study conducted on CSR Spending Estimates including Business Responsibility Report Analysis by Partners in Change- Making Corporate Social Responsibility Your Business, the companies are analyzed on the basis of how much they spent on CSR in FY 19-20, keeping in mind the 2% clause which has come into effect, four grades were set.

6.3 GRADE ANALYSIS:

Grade analysis is done using the following rules:

TABLE SHOWING BASIS OF ASSIGNING GRADES TO THE COMPANIES:

CSR Spending	Grading
2 and more than 2 % of Average Net Profit of FY 17-18, 18-19 & 19-20	A
Between 2 - 1% of Average Net Profit of FY 17-18, 18-19 & 19-20	B
Between 1 - .5 % of Average Net Profit of FY 17-18, 18-19 & 19-20	C
Less than 0.5 of Average Net Profit of FY 17-18, 18-19 & 19-20	D

Companies That Spent More Than 2% Of Average Net Profit of FY 16,17 & 18 Among the ten companies, Nine Companies went beyond the 2% rule and spent more than 2% of their average profits of the previous three years in 2019-20 with GMR Infrastructure on the top with 2.58%, and four Companies spend exactly 2%. The table below shows which companies went beyond the 2% rule with percentage spent and also the grades in which they fall.

TABLE SHOWING COMPANIES IN RESPECTIVE GRADES:

SI No.	Companies	% Spent Average of PAT of FY (18,19 & 20)	Grades
1	Indian oil corporation	2.9%	A
2	NTPC	2.7%	A
3	Tata steel	2.7%	A
4	Reliance industries	2.6%	A
5	ITC	2.5%	A
6	HDFC Bank	2.4%	A
7	Infosys	2.3%	A
8	ONGC	2.04%	A
9	Tata consultancy services	2.03%	A
10	Power grid corporation of India	2.01%	A

No sector specific changes have been seen except for Financial and IT companies which have not fulfilled the criteria and their spending on CSR falls in Grade B or Grade C. In Financials and IT sector only 1 out of 5 has fulfilled the criteria of CSR spending. For Industrial and Consumer Discretionary, 5 out of 9 companies, for Energy and Materials, 3 out of 6, for consumer staple and healthcare all the 4 companies have fulfilled the condition of 2% spend on CSR.

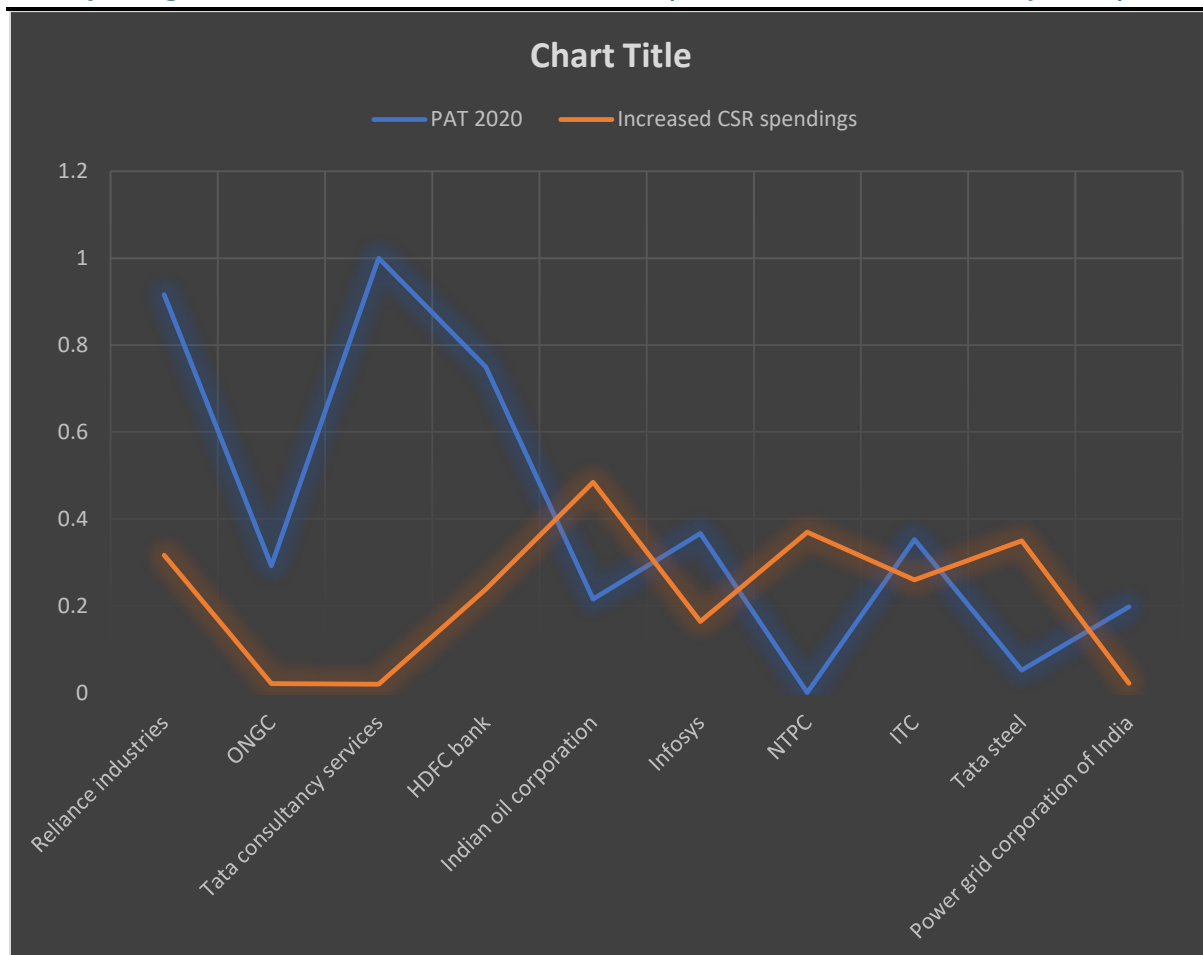
6.4. HYPOTHESIS TESTING: CORRELATION BETWEEN PROFIT AFTER TAX AND CSR EXPENDITURE BY FIRMS:

COMPANIES	PAT 2020 (NORMALIZED)	INCREASED CSR SPENT
Reliance industries	0.915749	0.31665
ONGC	0.291699	0.020704
Tata consultancy services	1	0.019579
HDFC bank	0.74969	0.238001
Indian oil corporation	0.215515	0.484522
Infosys	0.366708	0.163793
NTPC	0	0.369386
ITC	0.352161	0.259543
Tata steel	0.052181	0.349868
Power grid corporation of India	0.197569	0.021563

H₀: There is no correlation between profit after tax and CSR expenditure by firms

CORRELATION BETWEEN PAT AND CSR EXPENDITURE BY FIRMS INFERENCE:

Corporate Social Responsibility (CSR) is an organizational concept that discusses how businesses focus on their influence and contribution to society in addition to strengthening their financial muscles and growing to improve their livelihoods. The development of corporate social responsibility in organizations fosters a favorable relationship between company profitability and corporate social responsibility. As a result, CSR is thought to improve a company's ability to make money. This is reflected in a rise in brand awareness in society. The involvement of a firm in environmental and social initiatives raises public awareness, resulting in a demand for its products from citizens. CSR is also thought to improve employee loyalty. Economists contend, however, that CSR may not always increase profitability and may really represent a cost to the company. This part of analysis intends to examine the relationship between profit and CSR expenditure of the company.



INTERPRETATION:

The part two analysis is done to test the null Hypothesis of the study. This calculation is performed to find, whether any significant relation exist between the company's increase in CSR Spent and Profit. The study found that there is no such correlation between CSR and profit, and the probability of higher spending on CSR increases as the firm becomes bigger.

It can be said that there is a slight relation when the company is having a good benefit in businesses. That is, from the above that chart we can note that when the company's profit is increasing, the amount spent on CSR also increases and vice versa. In any case, CSR exercises firmly connected to the organization's business objectives and falling in the domain of vital CSR (for instance ladies cleanliness classes by quick customer products majors) have higher adjustments and are for the most part done by bigger organizations.

Consumption on CSR expands firms' productivity by building their picture according to buyers, providers and the public authority. Firms likewise deliberately separate their items from opponents' items in the market based on CSR. CSR drives in nearby networks by earth contaminating organizations additionally help in keeping away from fight developments and future administrative guidelines. This decreases dangers and vulnerabilities and expands the soundness and returns of the organizations.

More modest firms with lesser assets available to them are less inclined to receive vital CSR. They ordinarily embrace generosity and local area advancement exercises like schools for youngsters of workers, gifts to strict associations and so forth. Some companies have more profit but less CSR

spending's., E.g., POWERGRID and some companies have not much profits but have great CSR expenditure., E.g.- TCS. As the study did not identify any significant relationship between PAT and CSR spending, the null hypothesis is accepted.

DISCUSSION

The present study has analyzed CSR activities of 10 corporations in India. This study was restricted in nature as annual reports for all the businesses weren't offered. Future analysis will think about larger range of corporations to assess CSR and additionally relation between the dimensions of the corporate with CSR outlay are often done. The study concludes that ten corporations studied have spent a fair of part of PAT of FY 18, 19 and 20. And while analyzing the correlation of the companies profit with the CSR spent, it is found that they have no relation. But the chart indicates a slight connection, that is, whenever companies profit increases, CSR spent also increases and decreases whenever the profit decreases. In India, corporate social responsibility has been regarded as a philanthropic endeavor. It is an action that is carried out in accordance with Indian culture yet is not planned. It has now become a yardstick for measuring corporate excellence. Because business is a vital element of society, the concept of CSR was formed to satisfy a company's commitments to society's needs. The most interesting findings of the study is, despite Covid Crisis and economic drop down, the companies managed to spend for CSR more than the stipulated percentage as per the Act. This indicates the responsibility and accountability of the companies towards the betterment of social welfare. Although the Covid period has taken a toll on entire world, the most appreciable point is none of the companies (considered in this analysis) have exploited it as a reason for not spending towards CSR. In fact, the amount spent on it had even more increased.

CONCLUSION:

Mandatory CSR outlay for firms is additionally distinctive to Indian law and no different country, together with welfare states across Europe, goes thus far on acceptable company profits that truly belong to shareholders, towards welfare. Most regimes modify corporations to fulfil their social responsibility by mandating elaborated public disclosures of the external social and environmental impacts of their operations, guaranteeing welfare of the poor, and providing basic public amenities etc. It has been discovered that all firms have a specific goal in mind when it comes to adopting CSR initiatives. The primary goal of implementing CSR nowadays is to optimize the organization's total influence on society while also receiving government tax incentives. The total organization CSR has become prominent because of increased interest in the role of business organizations in society, which has been aided by increased knowledge of ethical and environmental issues. According to the study, organizations benefit from the implementation of CSR activities. In this regard, it is stated that CSR is an organizational approach that helps to long-term growth and progress by offering social, economic, and environmental benefits to both organizations and society.

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