



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## Impact of CSR Accounting on the Revenue of the Selected Companies

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### Introduction

The term CSR is derived from the fact that the Corporates use the resources that belongs to the society and therefore should return it back. India being the first country to mandate CSR, its role in the Global economy is quiet clear. With the first ever national CSR awards to recognize the outstanding CSR projects the country is making full efforts to promote CSR.

**Applicability of CSR** The provisions of section 135 of Companies Act shall be applicable to Companies having:

Net worth  
>=  
Rs.500 Cr  
during the preceding the financial year.

Turnover  
>=  
Rs.1000 Cr

Net Profit  
>=  
Rs.5 Cr

### Amount of Spending

The company shall spend at least 2 % of the average net profits made during the immediately preceding 3 Financial year.

Year	Particulars	Infosys Ltd	Mahindra & Mahindra	Tata chemicals pvt Ltd	ITC Ltd	Wipro Ltd	Hindusthan Unilever Ltd.	Godrej Consumer Product Ltd	Grasim Industries Ltd	Tech Mahindra Ltd.	Appollo Tyre Ltd.
2020-21	Avg Net Profit	17978.00	5627.86	925.27	17641.94	82817	8087	1402.41	2253.08	5222.3	7659.49
	2%	359.56	112.56	18.51	352.84	1656.34	161.74	28.05	45.06	104.45	153.19
	Amount Spent	359.56	92.56	20.92	352.84	1656.34	161.7	33.9	45.06	104.45	129.91
	Set Off Covid	0.00	20.00	0.00	0.00	0.00	0.00	-5.85	0.00	0.00	0.00
	Amount unspent	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	23.28
2019-20	Avg Net Profit	18620.00	5329.5	1069.65	16308.59	83442	7109.88	1267	2421.32	4737.5	9185.87
	2%	372.40	106.59	21.39	326.17	1668.84	142.20	25.34	48.43	94.75	183.72
	Amount Spent	325.32	126.59	37.81	326.17	1669	143.74	19.49	58.98	94.75	183.72
	Amount unspent	47.08	0.00	0.00	0.00	0.00	0.00	5.85	0.00	0.00	0.00
	2018-19	Avg Net Profit	17018.00	4668.68	992.84	15327.74	88022	6209.71	1093.5	1698.71	4220.5
2%		340.36	93.37	19.86	306.55	1760.44	124.19	21.87	33.97	84.41	213.80

	Amount Spent	342.04	93.37	25.68	306.95	1761	126.45	21.9	47.14	84.41	213.8
	Amount unspent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2017-18	Avg Net Profit	15513.00	4063.55	839.79	14523.4	91647	5610.09	941.5	1107.04	3577.5	10783.12
	2%	310.26	81.27	16.80	290.47	1832.94	112.20	18.83	22.14	71.55	215.66
	Amount Spent	312.60	81.27	14.28	290.98	1833	116.09	18.83	29.84	71.55	215.66
	Amount unspent	0.00	0.00	2.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016-17	Avg Net Profit	14371.00	4165.21	695.76	13763.29	64154	5085.67	819.13	790	3041.1	9218.51
	2%	287.42	83.30	13.92	275.27	1283.08	101.71	16.38	15.80	60.82	184.37
	Amount Spent	289.44	83.3	15.00	275.96	1863	103.88	16.52	18.06	60.82	184.37
	Amount unspent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

*Comparative representation of CSR expenses of the selected Companies for last Five years*

**Scope of the Study:** This study focuses mainly on the impact that CSR accounting has on the income of the various Companies selected as sample. Further the results are based on the analysis of the financial statements published in the Annual report of the selected 25 Companies for the Financial Year 2020-21.

**Methodology:** Data would be analyzed by using simple statistical tools from Microsoft excel like tables, Charts, regression analysis. An attempt will be made to develop an equation with the help of trend line analysis to get linear correlation coefficient ( $R^2$ )

**Variables:** The two variables used in the study are the Profitability variable- Revenue and the CSR variable.

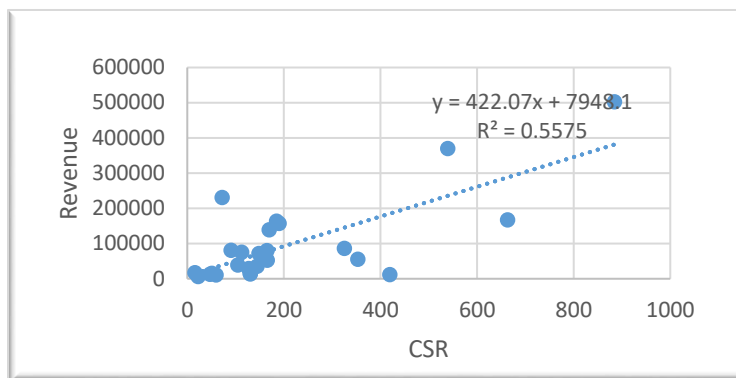
**Null Hypothesis (H<sub>0</sub>):** There is no relationship between the amount spent under CSR initiatives and Revenue/Income earned.

**Alternative Hypothesis:** There is significant relationship between amount spent under CSR initiatives and Revenue / Income earned.

Sr No	Company	CSR	Revenue	Net profit
1	Reliance Industries Ltd	884	502653	53739
2	NTPC Ltd	418.87	11537.83	14969
3	ONGC Ltd	538.752	369895.3	21343.4
4	TCS Ltd	663	167311	32562
5	ITC Ltd	352.84	55787.68	13382
6	Central Coal Fields Ltd	46.46	12580.72	422.34
7	NMDC Ltd	130	15721.66	6247.47
8	Tata Steels Ltd	189.85	157189	8189.79
9	Infosys Ltd	325.32	85,912.00	18040.00
10	Power Finance corporation	148.45	71700.51	15716
11	HDFC Bank Ltd	169.21	139071.2	20487.55
12	ICICI Bank Ltd	184.53	163133.6	45184.31
13	WIPRO Ltd	165.6	52682.3	10060.9
14	AXIS Bank Ltd	90.65	80847.9	7195.4
15	REL	144.32	35575.4	8378.34
16	Hindustan Aeronautics Ltd	71.91	231127.7	32390.6
17	Bajaj Auto Ltd	126.91	29017.54	4857.02
18	Mahindra & Mahindra Ltd	112.56	75310.89	1577.25
19	HPCL	129.97	13920	10816.32
20	BHEL	59.43	10705	3582.13
21	JSW Steel Ltd	164.81	79839	4142
22	Asian Paints Ltd	104.44	38642.2	4353
23	IRFCL	50.52	15770.84	4416.13
24	Apollo Tyre Ltd	15.3	17526.3	350.2
25	Bharat Forge Ltd	22.5	6505.1	-126.9

Table 2

Regression Statistics	
Multiple R	0.74667
R Square	0.55751
Adjusted R Square	0.53827
Standard Error	144.222
Observations	25



## ANOVA

	df	SS	MS	F	Significance F
Regression	1	602758.5665	602758.5665	28.97898	1.81208E-05
Residual	23	478396.6669	20799.85508		
Total	24	1081155.233			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	83.489	37.4902381	2.226952676	0.036025	5.934519715	161.0434524	5.934519715	161.0434524
X Variable 1	0.00132	0.000245376	5.383212715	1.81E-05	0.000813313	0.001828511	0.000813313	0.001828511

**Conclusion**

Correlation between CSR and the revenue of the Companies is tested using regression analysis.

Using the trend line to establish a relationship between the Revenue and CSR expenses, it is found there exist a positive relation between the two variables. The Adjusted R2 is 0.53 there by concluding that the CSR accounting do have a positive impact on the profitability. So we reject the null hypothesis.

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