

A STUDY ON THE EMERGING AREAS OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA – THE JOURNEY SO FAR AND THE WAY FORWARD

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Abstract

The concept of Corporate Social Responsibility (CSR) has been ever changing and dynamic. With the increased participation of private sector in promoting CSR and contributing generously in CSR, the entire corporate scenarios have changed. Governments continue to take care of basic necessities of the people of the country but the other aspects are being taken care by private sector. Over the period of years, new areas have been identified for spending of CSR funds by various stakeholders. At the same time the spending of CSR funds on traditional and established areas have also grown up substantially. With the growth and development of economy and the changing requirements of society, newer areas have emerged where corporates are utilizing their CSR funds so that there can be an all-round development of the society. This paper identifies new areas of CSR, the spending on such new areas, the components where the funds have been spent and also explores the future growth aspects of CSR on these areas. This paper is entirely based on secondary data and simple diagrammatic tools are used to showcase the progress of CSR in these emerging areas. The data analysis and conclusions are based on CSR spending from the year 2014-15 to 2020-21.

Keywords: Corporate Social Responsibility (CSR), CSR activities, Emerging areas, Sustainability

1. INTRODUCTION

The role of corporate, more or less has been labeled in relations of a profitable business model that emphasizes virginaly on economic parameters of success. The business houses have been reflected on as institutions that supply to the market demand by catering products and services, and have the responsibility for generating wealth and

jobs. Their market standing has traditionally been a function of financial performance and profitability. But, over the past two decades, as a result of demanding ecological issues, the sensitivity of the corporate in the societal context within which it functions, has been challenged and subsequently, altered. Stakeholders (employees, community, suppliers and share-holders) nowadays, are again defining the role of business houses considering their widened responsibility towards the society and the environment, beyond the already existent economic performance, and are they are being evaluated on whether they are shepherding their added role in an ethical and socially responsible manner. Due to this change from a purely economic to an economic plus social dimension, the term Corporate Social Responsibility is gaining more and more attention (True Volunteer Foundation, 2008). Not only are the businesses contributing in the traditional areas of social development but they are exploring new avenues and areas on which CSR funds are been spent. This is possible because of the liberal interpretation of CSR under schedule VII and the support of Governments that more and more activities are now identified as eligible under CSR laws. The governments have now understood that as the requirements of society are changing, the definition of CSR should also keep changing and hence be more dynamic and flexible. It is now well settled that intent is more important than the terminology as such because reaching of benefit is more important to the true beneficiaries. These emerging areas have started gaining momentum and in the years to come, they will be quite significant in changing the CSR scenario. More importantly, in these years of growing communication and wide spread emphasis on transparency, the business managers should help their company in the development of a CSR management and reporting framework. The more the organization accepts the concept the CSR, the more it will be able to handle the occasional problems posed by the stakeholders such as the society, employees, suppliers etc. This should start from developing the internal business process which will further influence the external business challenges. The concept of CSR for organizations includes asking questions to themselves as to what is their contribution in the development of the stakeholders as well as the answering the questions put forward by the stakeholders.

CSR in India

CSR and India has got a long and evolving relationship with each other. The history and inception of CSR can be traced to late 1800's when the Tata group laid foundation to India's first integrated steel plant in India. The journey from that time till today has been not only historic but also very memorable. The Tata's have always believed in social philanthropy for all segments of social stakeholders. They always had a belief that if you want to grow, u should involve everyone and take care of the masses. Without doing good to the social stakeholders no matter how much profits you make, that is of no use. If the society in which you operate is not getting benefits from a corporate, then that corporate is not doing any good. Profits is just one of the indicators of success and that may be short run, but if you to grow and run for a longer time period, social philanthropy is inevitable. Few thinkers believed that CSR is a win-win for all as it not only promotes goodwill but also benefits to a large segment of society in multiple ways. In those years,

India was still under British rule and therefore it was essential that the corporates functioning at that time gained popularity and confidence of Indian masses as they knew without their support growth and continuity is not possible.

After Independence, the Tata's under the dynamic and able leadership of Sir JRD Tata found new avenues for spending on CSR. They believed that doing business and making profits is the usual and routine work but what they can do beyond that. What can be done beyond the basic things? Should a company think only about itself and its investors? What about the various social stakeholders? The answers to all these questions was found in CSR. Over these years the Tata group is considered as the pioneer in CSR in India. The legacy that they introduced around 120 years back has come a long way to the present times. Many initiatives which they undertook in those days in the name of social philanthropy is still being continued by them with the new term as CSR. It is well known that the industrial reforms that they introduced for its employees were later being converted into statutes and legislations example better working conditions to workers, fair wages, gratuity bonus etc. All these were some of the known things which can easily be related to care and concern for its stakeholders especially employees.

CSR has a come across a long way and now as it stands in India as a statutory provision (section 135) under the Companies Act, 2013 read with Schedule VII and CSR Rules as amended from time to time. Even before the implementation of this section in India, there were many corporates who were doing CSR under different names and many were also doing non disclosed CSR. Many terms were associated with CSR such as Corporate Philanthropy, Social Benefits, Community Service, Social Obligation Fulfilment etc. As they say what is there in name. The intention to render service and reaching of benefits to the true and deserving beneficiary is important. There were many companies who were doing service for social stakeholders but they never claimed about their great work. The government has also played a good role in popularizing the importance and advantages of doing CSR in India. They have identified the problems and needs of the society and passed them on to the corporates so that the CSR benefits can reach to them in time and correct form. The scope of CSR in Schedule VII has been expanded since 2014 when for the first time in India, the CSR provisions had been mandated on companies fulfilling certain criteria. Many new thematic areas were added to the list so that the corporates have more options to implement and spend their CSR funds on multiple areas. Currently in India there are thirty areas on which CSR spending can be done as compared to seven areas with which the journey had started in 2014. As we say, change is the only thing that is constant, and that is very well applicable to the growth and development of CSR in India.

2. STATEMENT OF THE PROBLEM

CSR is a very dynamic and ever changing field. Not only does it vary from company to company but even for the same company the spending pattern and areas keep changing. Depending on the requirements of society and many other factors, the company decides on which area will it be spending its CSR funds. The traditional fields have been replaced

by newer areas such as sustainable environment and upgradation of people skills sets. The actual spending patterns of CSR funds by corporates will also be analyzed over a period of seven years from 2014 to 2021. This paper aims to identify such new and emerging areas where CSR spending is gaining momentum.

3. OBJECTIVES OF THE STUDY

- To identify new and emerging areas for spending of CSR funds
- To represent the spending patterns by corporates on these emerging areas diagrammatically
- To analyze the spending patterns on these emerging areas

4. LITERATURE REVIEW

In the early years, there was not much talk about the CSR disclosure discourse among the organizations. However, in the recent decades there is a significant growth in attempts to formalize, or more accurately, state what CSR means' (Carroll, 1999). Carroll stated, "CSR encompasses the economic, legal, ethical and discretionary (philanthropic) expectations that society has of organizations at a given point in time." According to Bowen, "CSR refers to the obligations of businessmen to pursue those policies to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of our society." CSR describes a commitment, going through the path of corporate policies and action. This different perception of CSR is mirrored in a firm's performance in terms of the societal angle, which can be measured by how a firm controls its relationships in the society, its impact in the society and the results of its CSR policies and actions (Wood, 1991). Generally, social reporting and audits are conducted to assess the social performance of organizations. Frederick (2018) stated 'Social responsibility means that businessmen should oversee the operation of an economic system that fulfills the expectations of the people which signifies that the economy's means of production should be employed in such a way that production and distribution should enhance total socio-economic welfare'. Therefore, the varied definitions of Corporate Social Responsibility during the 60's and 70's were an effort to link the business and the society, with the society at the center. In the early 70's, the business houses were serving only one responsibility which was to utilize its resources to order to develop processes which can help them to earn profits, the only criteria laid by the society was that they should not engage in fraud and deception and play in a fair manner. Johnston, Amaeshi, Adegbite and Osuji (2021) explained that a socially responsible organization can be defined as one, whose managerial staff has got multiple interests rather than serving one major interest which was putting the effort to earn profits for the organization. The other interests include the responsibilities towards the suppliers, employees, dealers and the society at large. The society's expectation from business organizations falls under the different buckets of: legal, philanthropic, ethical and economic (Turner, 2006). European Commission described CSR as "a concept whereby companies integrate social

and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". World Business Council for Sustainable Development defined CSR as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large." The beginning of the 80's opened the efforts of scope of research in CSR as researchers started concentrating on how to operationalize CSR. New theories and concepts were introduced such as; stakeholder theory, business ethics, corporate governance, responsiveness, corporate social performance, and corporate citizenship. These theories and concepts opened the door for further research as these formed the base for comparing different organization in different parts of the world. Lee (2008) defined Corporate Social Responsibility as a company's commitment to operate in an economically and environmentally sustainable manner, while acknowledging the interests of a variety of stakeholders and maximizing economic, social and environmental value. CSR is considered as a 360degree approach which means different understanding to different groups and stakeholders. Gray, Owen, and Maunders (1987) defined CSR as "the process of communicating the social and environmental effects of organizations economic actions to particular interest groups within society and to society at large". Rahman and Momin (2009) defined corporate social reporting as "the disclosure of those costs and benefits that may or may not be quantifiable in money terms arising from economic activities and substantially borne by the community at large or other stakeholders". Kanter (1999) who first introduced the term 'corporate social innovation' argues that firms should use social issues as a learning laboratory for identifying unmet needs and for developing solutions that create new markets. Large corporations began to go public about corporate social responsibilities and publish some of their efforts, but they also made public that 'any approach to corporate responsibility must begin with the practical recognition that the corporation must be profitable enough to provide shareholders a return that will encourage continuation of investment' (Wilson, 2000). Kapstein (2001) in his study has identified the importance of various stakeholders such as labour unions, environment protection associations etc. who not only lay down a code of conduct for corporate actions, but also monitor them closely and continuously. Bebbington, Larrinaga, and Moneva (2008) in their study focused on CSR reporting which showcase the connection between doing CSR and its effective reporting. According to them without there being effective processes to report and follow up on CSR, the true purpose of CSR is violated. Every organization should develop a robust and effective system in their organization which can detect and track any deviations in CSR spending on a real time basis. CSR was considered as an apt reply to an article published in 1970 by Friedman who stated that 'social responsibility of business is to increase its profits'. In spite of CSR been there for more than 100 years now, academicians around the world could not come out with an apt and appropriate definition of CSR (Wood, 1991; Carroll, 1991). It was referred as the duties of corporate to achieve the objectives and requirements set by the society (Carroll, 1999). Bowen was considered as the father of CSR because of his contributions in developing and spreading awareness about CSR.

There were many reasons why CSR gained momentum in the recent years some of which were declining role of government, increased customer expectation, global pressure, investor awareness and competitive labor markets. Planken, Sahu and Nickerson (2010) have described that how Indian consumers may not value philanthropic CSR as highly as other CSR initiatives and that this may in turn influence their attitudes to different marketing communication strategies. Raj et al (2023) have discussed about the mandatory CSR activities which influence the PIs of customers and the Company Secretary takes care about linking of CSR activities with the Purchase Intention (PI) of the customers. They believed that CSR activities develop a positive impact on customers' mindset and this changes their perception towards the respective corporate. Taneja, Jain, Joshi and Kansal (2022) have pointed out about the issues that the Central Public Sector Enterprises (CPSEs) have to face so that they may correctly assess the actual impact of their CSR activities. To avoid any overlapping with activities of the government/other institutions they had devised internal controls which can check this kind of overlapping. The perceptions of regulators and the regulated are divergent: the regulators expect CPSEs to select more impactful CSR projects to comply with mandatory reporting requirements. Jarboui, Hlima and Bouaziz (2022) have analyzed about how Indian corporates have been forced to take on a more business model-based approach to CSR wherein the main objective is to create value for various social stakeholders by spending CSR funds on social, environment protection and sustainability creation areas.

5. RESEARCH METHODOLOGY

This study is a descriptive research wherein the analysis is entirely based on secondary data collected from the National CSR portal of India. Out of thirty areas on which CSR spending is been reported and monitored, seven areas were selected for this study purpose on which CSR spending has been done since the year 2014 till 2021. These seven areas were selected for the simple reason that they are new and emerging areas as compared to the conventional areas on which CSR spending is already done for all the above years. Considering time and space constraints only seven most emerging areas have been considered for this study. There could be many more areas on which corporates could be spending their CSR funds but because of lack of disclosure and very less publicly available information, only these areas are being considered. Further, these are only broad areas which could be identified. The internal break up of CSR spending and the specific activities under each area where the CSR funds were spent is not available. For many corporates, CSR spending is also not considered because they not qualify for CSR reporting because of statutory exemptions, however they may still be doing voluntarily and non-disclosed CSR. Taking all these aspects into consideration, the method of judgmental sampling is used to select the sample and carry out the analysis.

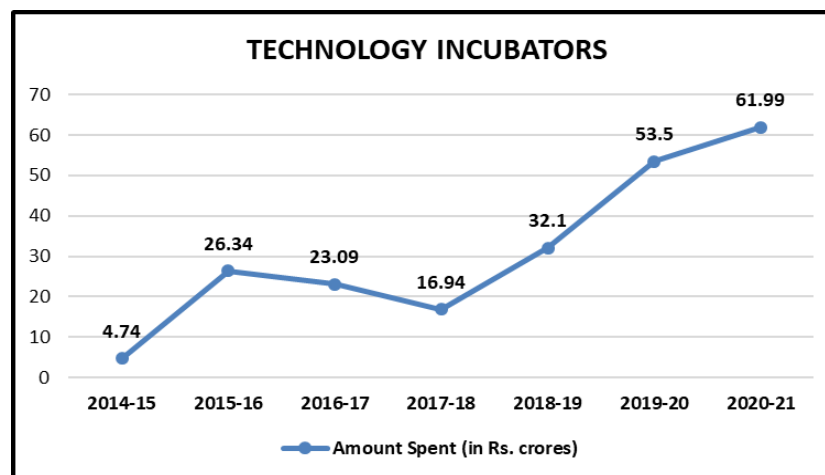
The seven thematic areas which have been identified and included for this study are as follows:

- Technology Incubators
- Vocational Skills
- Sports Promotion
- Environmental Sustainability
- Livelihood Enhancement Projects
- Women Empowerment
- Special Education

6. DATA ANALYSIS AND DISCUSSION

Technology Incubators

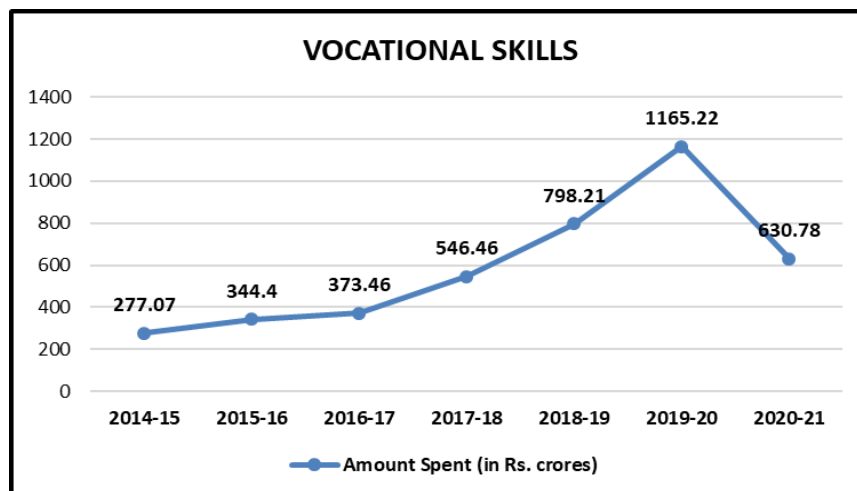
Under this area CSR funds are primarily spent on providing initial financial support to the start-ups, research and development, acquiring necessary machines and equipment, product designing and know how, company incorporation, technology transfer etc. These technology incubators are considered as one of the very important tools for promoting entrepreneurship in the country. They not only provide employment to youth but also provides mechanism of channelizing the fresh energies for economic development and prosperity. Funding in this area is considered very crucial since new start-ups require hand holding support in the initial phases. Many schemes of government are also supporting these incubators such as Atmanirbhar Bharat which is leading the race in promoting self-sufficiency and reducing dependency on foreign made goods and thus promoting local products. The following diagram shows the spending of CSR funds on this area since 2014 to 2021.



The above diagram shows that in the year 2015-16 the spending of CSR funds on Technology Incubators increased substantially by 455% when compared with the previous year 2014-15. This was because of the craze and eagerness to explore the IT industries growing demand for IT and related products and services. However, in the next two financial years the spending declined by 12% and 27% respectively because of cautious approach by companies on spending on this area and also due to uncertainties and foreseeing of risk elements. Thereafter due to positive business environment and support given by the governments the absolute spending has increased on a year to year basis by 90%, 67% and 16% respectively. In spite of the impact of Covid-19 and other difficulties, the spending has increased by 16% which is a healthy sign for this sector. Although the growth percentage is small and declining, yet this sector seems quite promising for a developing economy like India which aims to become a superpower in the years to come. The dream of achieving full Digital India can be possible only with more spending on this area.

Vocational Skills

Under this area CSR funds are primarily spent on providing skills to youth which enable them to earn and making a decent living standards. These skills can be like carpentry, plumbing, artisans, pottery, handicrafts, computer learning, basic engineering etc. These skills can be imparted either through some learning centers or directly. The funds can also be spent through third party skill development trainers who organize learning camps to impart these skills in small batches. The main purpose of imparting these skills is to make the learners independent and capable in making a living. Instead of giving freebies, this mechanism of making the youth skilled will go a long way in achieving the overall objective of Skilled India. These are also supported and promoted under the Kaushal Vikas Yojana where skill development is a considered a key area of human development. The following diagram shows the spending of CSR funds on this area since 2014 to 2021.

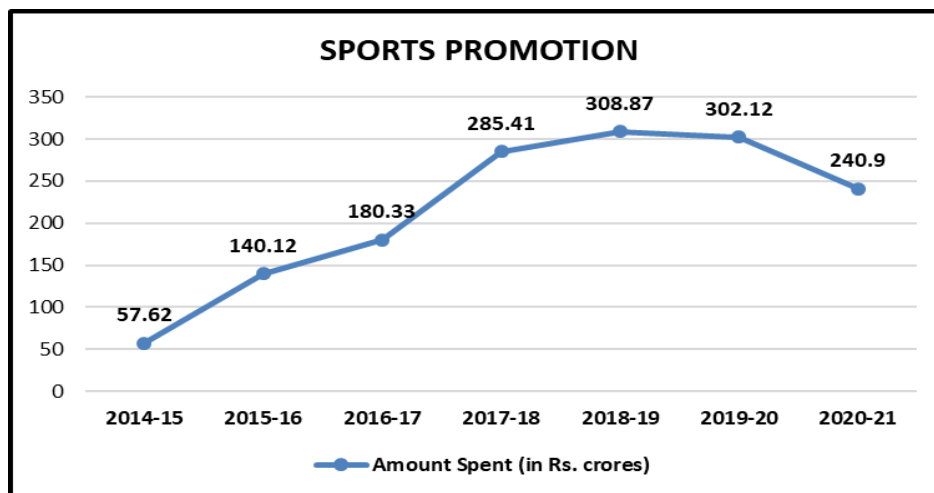


The above diagram shows that in the year 2015-16 the spending of CSR funds on Vocational Skills increased by 24% when compared with the previous year 2014-15. The

same trend of increasing CSR spending continued till the year 2019-20 wherein on a year to year basis, the spending increased by 8% and 46% till the year 2019-20. In 2020-21, there was a sharp downfall in CSR spending on this area mainly because of the impact of Covid-19 and other difficulties. During this period, the spending decreased by 46% since companies were not making adequate profits and consequently CSR funding was also affected. Despite this fall which was mainly due to Covid, CSR spending on this area is quite vital if the objectives of Skill India have to be achieved. With the continuous growing trends for six years, this sector will definitely pick up in the forthcoming years when business environment improves and there is a positive sentiment in the economy towards developing of vocational skills.

Sports Promotion

Under this area CSR funds are primarily spent on sports promotion activities like training to promote rural athletes, providing coaching facilities, basic sports equipment for playing the sports, organizing regular training camps, sponsoring for participation in national and international sports events, providing sports uniforms, shoes etc. to the athletes. Occasionally providing healthy and nutritious food and supplements are also sponsored so that athletes can practice well and at the same time stay fit and healthy. The following diagram shows the spending of CSR funds on this area since 2014 to 2021.

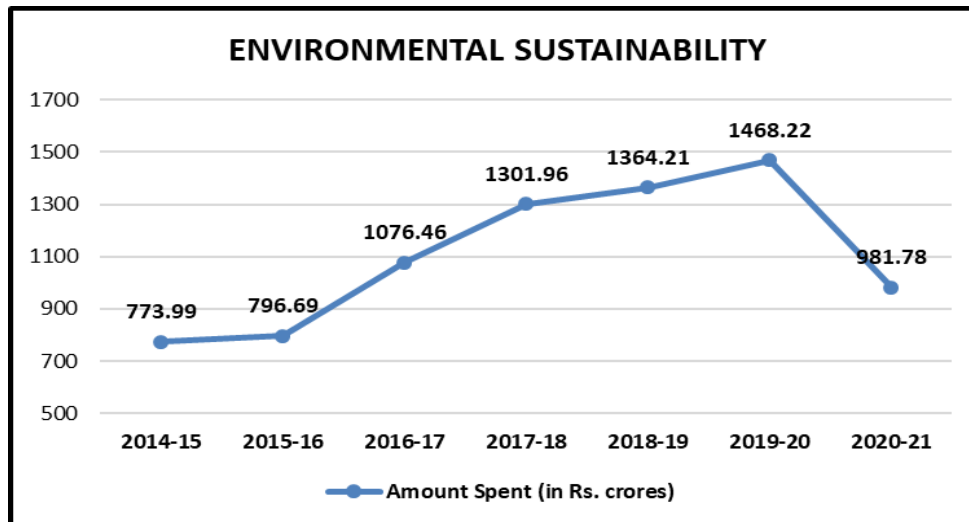


The above diagram shows that in the year 2015-16 the spending of CSR funds on Sports Promotion increased substantially by 143% when compared with the previous year 2014-15. The increasing trend of spending CSR funds to promote sports increased up to year 2018-19 wherein on a year to year basis the spending percentage increased by 28%, 58% and 8% respectively. Although the growth percentage was slowing down, the spending was constantly picking up. In the years 2019-20 and 2020-21 there was decline in CSR spending on this area due to losing attraction and onset of Covid-19 wherein the profits of the companies were declining and it was too difficult to maintain CSR funding. There was decline in spending by 2% and 20% respectively in the year 2020-21. However, it is anticipated that in the years to come as companies come out of the negative

impacts of Covid, the spending patterns will definitely improve as government promotes Khelo India and Fit India movements which are very crucial for keeping the people of this country healthy and active through the medium of sports.

Environmental Sustainability

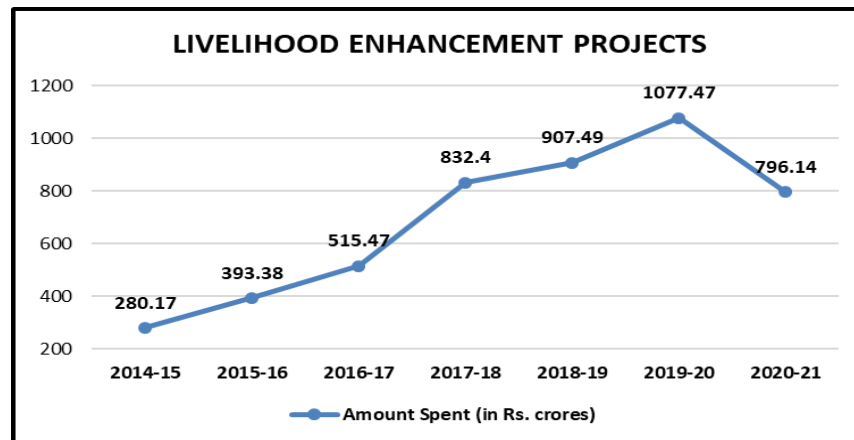
Under this area CSR funds are primarily spent on carrying out activities that promote healthy and safe environment to work and live. Promotion of green technology is the main heading under which the CSR funds are spent. Likewise, supporting in carrying out environmental awareness to public in general, carbon emission reduction, promoting of e vehicles, better waste management practices, usage of environmental friendly production techniques, replacing of plastics by recyclable materials etc. are some of the areas on which CSR funds are spent to make the environment not only better but also sustainable to live for future generations. The following diagram shows the spending of CSR funds on this area since 2014 to 2021.



The above diagram shows that in the year 2015-16 the spending of CSR funds on Environmental Sustainability increased marginally by 2% when compared with the previous year 2014-15 since it was not a very popular area initially. However, in the forthcoming years, the increasing trend of spending CSR funds to make the environment sustainable was clearly visible up to year 2019-20 wherein on a year to year basis the spending percentage increased by 35%, 20% and 4% and 7% respectively. Although the growth percentage was slowing down, the spending was constantly picking up. In the year 2020-21, there was a sharp decline in CSR spending on this area due to losing attraction and onset of Covid-19 wherein the profits of the companies were declining and it was too difficult to maintain CSR funding. There was decline in spending by 33% in the year 2020-21 as compared to 2019-20. As the companies recover from the impact of Covid and they become more aware and conscious in protecting the environment and make the world sustainable for living, it is very likely that the spending patterns and percentages both are going to climb up.

Livelihood Enhancement Projects

Under this area CSR funds are primarily spent on carrying out activities that improve the living standards and way of living. Activities such as yoga camps, art of living sessions, therapeutic treatments, nature camps, expeditions to mountains and other places of natural beauty are arranged. For these activities special associations and companies are being formed who provide these kind of rejuvenating activities with the sole purpose of making live beautiful and to ensure that people enjoy a happy living. In some instances, CSR funding is provided with a view to promote entrepreneurship opportunities in the small and medium sector enterprises so that rural youth gets adequate opportunities to explore their potential and become financially and socially independent. The following diagram shows the spending of CSR funds on this area since 2014 to 2021.

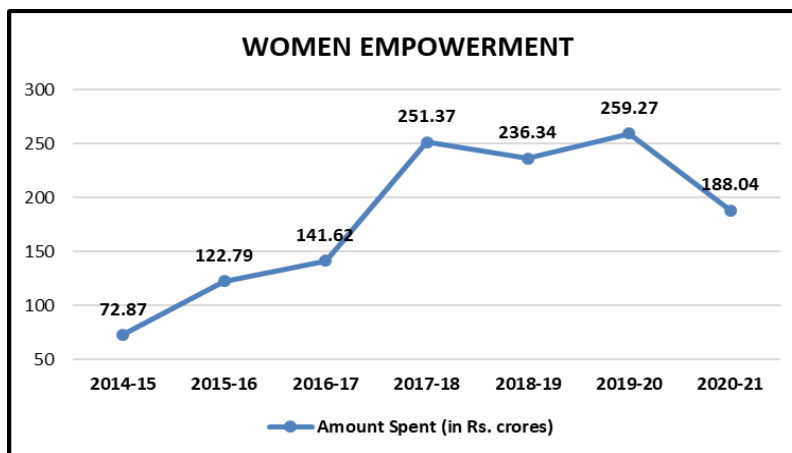


The above diagram shows that in the year 2015-16 the spending of CSR funds on Livelihood Enhancement Projects increased tremendously by 40 % when compared with the previous year 2014-15. However, in the forthcoming years, the increasing trend of spending CSR funds to improve livelihood was clearly visible up to year 2019-20 wherein on a year to year basis the spending percentage increased by 31%, 61% and 9% and 18% respectively. Although the growth percentage was slowing down, the spending was constantly picking up. In the year 2020-21, there was a sharp decline in CSR spending on this area due to onset of Covid-19 wherein the profits of the companies were declining and it was too difficult to maintain CSR funding. There was decline in spending by 26% in the year 2020-21 as compared to 2019-20. As the companies recover from the impact of Covid and they become more interested in improving the way of living, the spending of CSR funds is bound to increase. The corporates have realized that without a happy and fit person they cannot grow. Since development is an inclusive process and everyone's contribution is required for the overall good of society and country.

Women Empowerment

Under this area CSR funds are primarily spent on making the women independent and self-reliant. They are imparted with skills aimed at developing their income potential so that they can earn and enjoy a decent standard of living. Not only are they made

independent in the field of occupation but also provided with business management skills. Instead of helping through money it is believed that empowering a person goes a long way in making the person more acceptable in society and that gives more motivation to be a better person. Under this, training camps are organized wherein skill development is aimed specially for the women. They are taught with basic skills of stitching, handicraft, painting, computer literacy etc. so that they can support their families. CSR funds spent on these activities are considered as the most productive as it changes the entire demographic and social scenario of the economy. The following diagram shows the spending of CSR funds on this area since 2014 to 2021.

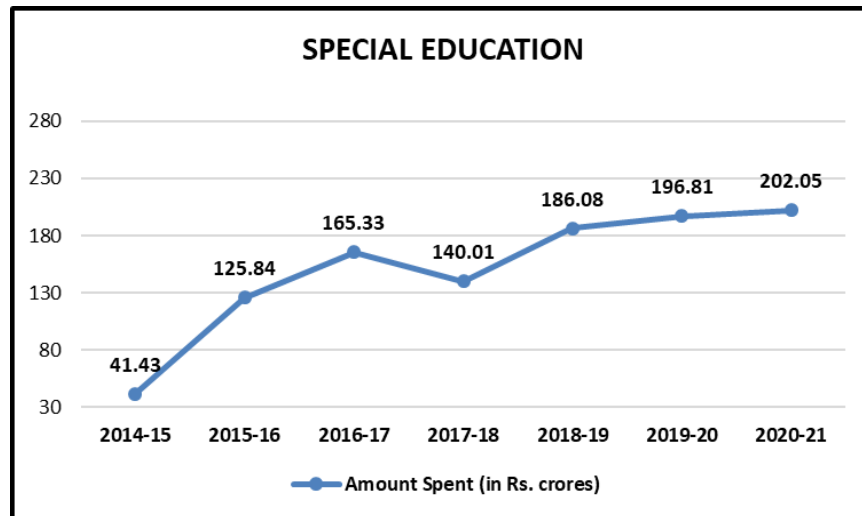


The above diagram shows that in the year 2015-16 the spending of CSR funds on Women Empowerment increased whoppingly by 68 % when compared with the previous year 2014-15. However, in the forthcoming years, the increasing trend of spending CSR funds to empower women was clearly visible up to year 2019-20 wherein on a year to year basis the spending percentage increased by 15%, 77% and 9% respectively. In the year 2018-19 there was a small decline in CSR spending on women empowerment by 5% due to unknown reasons. Although the growth percentage was slowing down, the spending was constantly picking up for all other years. In the year 2020-21, there was a sharp decline in CSR spending on this area due to onset of Covid-19 wherein the profits of the companies were declining and it was too difficult to maintain CSR funding. There was decline in spending by 27% in the year 2020-21 as compared to 2019-20. As the companies recover from the impact of Covid and as they realize the importance of women in all walks of social and economic participation, it is very certain that the spending pattern on women empowerment is waiting for boundless high levels of growth.

Special Education

Under this area CSR funds are primarily spent on spreading awareness about some of the very basic social issues and challenges. Education does not always mean that it has to be in a formal school or college learning environment. It can be done in any way wherein the knowledge and learning level of the people improve. Some of the areas on which CSR funds under this heading are spent are imparting awareness about basic

hygiene in day to day living, cleanliness, sanitation, how to maintain a balanced diet, nutrition enhancement among women, care and concern about the environment etc. As it is widely known that many of the problems exist in the society not because it is there, but due to the poor awareness among people regarding the ways how to overcome those problems. CSR funds under this heading has by and large proved to be a game changer at the society and economy level. The following diagram shows the spending of CSR funds on this area since 2014 to 2021.



The above diagram shows that in the year 2015-16 the spending of CSR funds on Special Education increased substantially by 203 % when compared with the previous year 2014-15. However, in the forthcoming years, except for year 2017-18, the increasing trend of spending CSR funds towards special education was clearly visible up to year 2020-21 wherein on a year to year basis the spending percentage increased by 31%, 32% and 5% and 3% respectively. As it could be seen, in the year 2017-18, the CSR spending declined slightly by 15% due to some unknown reasons. Although the growth percentage was slowing down, the spending was constantly picking up. Quite surprisingly even during the Covid period, the spending of CSR on special education did not decline and grew marginally by 3%. This showed that in spite of fall in profits and other difficulties, the companies were not reluctant in spending to promote education. In fact, the need and importance of online education grew during this period which motivated the companies to spend on this area.

7. FINDINGS AND CONCLUSION

The data analysis of CSR spending on the above identified thematic areas clearly indicate that the spending by the companies on above areas have been on an increasing trend. Apart from few exceptional years and situations, CSR spending has always increased over the years. Most of the areas suffered a setback in CSR spending during the year 2020-21 mainly because of Covid-19 related difficulties. As it is well known that CSR spending is based on 2% of average profits of past three years. During Covid-19

pandemic most of the business houses were making losses and even if they were making profits it was very nominal. Except some sectors like pharmacy etc. all companies were into losses. Due to this there was a dip in CSR spending by such companies since in those difficult times survival itself was a big challenge.

The above study and analysis safely concludes that CSR on new and emerging areas is on a rise and more and more companies are coming forward in spending their CSR funds on these areas. The governments have also realized that they alone cannot cater to all the social and economic needs of the country. They need to join hands with the private sector to achieve many social goals. To achieve this the governments have made Schedule VII of Companies Act, 2013 very simple and flexible with newer areas been identified on a continuous basis. Through legislative changes the overall objective of reaching out to masses is easily possible in the form of CSR.

As Schedule VII keeps evolving with newer areas, the companies are also experimenting in spending in newer areas. Of course the legal requirements and procedures have to be complied in this process. As the administration of CSR provisions becomes more simple and transparent, participation of corporates is also improving. The companies are now aware that it is now no longer necessary to carry out CSR on their own. It can be done even by third parties or contracting agencies who execute the CSR projects on behalf of companies.

Today Schedule VII is so diverse and inclusive that almost any amount spent on CSR can be brought within the ambit of legal requirements. Companies have the option of spending the amounts directly for the targeted beneficiaries or the money can be routed even through third parties. These third parties have to register themselves by following statutory procedures and thereafter they get enrolled as a CSR facilitator. However, the companies have to monitor on a regular basis the progress of projects undertaken in the name of CSR and keep checking the ground realities. They need to ensure that the amount spent is reaching to the true beneficiaries. They will be responsible and held accountable for any non-compliances. The government in discussion with various stakeholders keep updating the list as per changing needs of society so that the true spirit of law can be implemented in a time bound manner. As it is well known that charity begins at home and CSR is the best example of that. The legal provisions have been made quite simple and easy so that maximum benefit can be claimed by corporates who want to really make some positive difference in the society.

Companies have now understood that growth and development is an inclusive process and that they need to include all social stakeholders into consideration if they want to succeed. Reaching out to masses in the name of CSR can achieve twin objectives of complying with the law on one hand and being responsive to the needs of people on the other hand. In fact rather being responsive, companies are now becoming pro-active and venturing into newer areas of CSR spending so that they stand out of the crowd and appear different from their peers.

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