

## **EXPEDITION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) DURING COVID-19 IN INDIA**

**Nijil Jacobi**

Sacred Heart College, Chalakudy, Kerala

### **Abstract**

*Corporate Social Responsibility (CSR) is a method through which an organization consolidates ecological, social and human improvement worries into its arranging and activities to guarantee that its tasks are moral and advantageous for society. CSR in India has customarily been viewed as an altruistic action. Be that as it may, with the initiation of Section 135 in the Companies Act 2013, India turned into the first nation to have legally commanded CSR for determined organizations. The Demonstration requires organizations with a total asset of ₹500 crore or more, or turnover of ₹1,000 crore or more, or a net benefit of ₹5 crore or seriously during the promptly going before monetary year, to burn through 2% of the normal net benefits of the quickly going before three years on CSR exercises. It lists the exercises that can be attempted and the way in which the organizations can embrace CSR projects/programs. In the midst of the COVID-19 outbreak, the Ministry of Corporate Affairs has informed that organizations' consumption to battle the pandemic will be considered substantial under CSR exercises. Assets might be spent on different exercises identified with COVID-19, for example, advancement of medical care including preventive medical care and disinfection, and catastrophe the board.*

**Keywords:** *Company, Corporate Social Responsibility (CSR), COVID-19, Invest India*

### **Introduction**

‘CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations CSR is a way of conducting business, by which corporate entitles visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase, only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations

and growth.’ (CSR as defined by the Ministry of Corporate Affairs, Government of India).

Corporate Social Responsibility (CSR) doesn't have a generally acknowledged definition; the center of the idea in any case, is organized around the conviction that organization has an awareness of others' expectations towards society and individuals from whom they determine their prosperity. In nations like India, where monetary reconciliation and social consideration are basic powers that drive the majority towards development and improvement CSR has turned into an indispensable and effective piece of corporate scene.

The COVID-19 pandemic has been especially hard on the worldwide economy. There has been a lofty ascent in joblessness this year as the lockdowns and social separating standards have not permitted individuals to go to work, and they don't have the right stuff to work distantly. To make financial recuperation in the COVID-19 followed recently ordinary workplace, the labour force should get what it takes to be more employable.

### **Discussion**

India was the first country in the world to force a legal commitment of CSR for companies meeting certain standards. According to Section 135 of the Companies Act, companies with a total assets of INR 5 Bn (\$ 70 Mn) or more, or a yearly turnover of INR 10 Bn (\$ 140 Mn) or more, or net profit of INR 50 Mn (\$) at least 699,125, to burn through two percent of their normal net profits of three years on CSR. This arrangement makes India the main country in the world that makes both the spending and revealing of CSR commitments compulsory. Besides, the Organizations Act and ensuing alterations have extended and clarified exercises for which the two percent subsidizing can be utilized. The Public authority of India has clarified that CSR spending isn't good cause or simple gifts with no vital benefits. Indeed, there has been a coordinated work to define wide regions (Schedule VII of the Companies Act 2013) under which the subsidizing can be diverted, in this way noticeably and emphatically affecting society. Also, there has been a conscious endeavor to keep the CSR enactment lined up with India's obligation to the United Nations Sustainable

Development Goals (UN-SDGs). Schedule VII of the Companies Act 2013 defines expansive spaces of intercession that are expected to be deciphered generously with the inevitable spotlight being on guaranteeing sustainable development of the country.

A sum of INR 71, 277 Cr have been spent on 1,05,358 CSR projects till Financial Year 2019. The best three spaces getting greatest financing are instruction, wellbeing and provincial turn of events. Another region getting significant subsidizing is natural maintainability. Another intriguing pattern is that significant measures of subsidizing go to higher industrialized states. Since Financial Year 2015, Maharashtra, Karnataka, Gujarat and Tamil Nadu have gotten more than 30% of the absolute CSR spend. This could be for a long time like the organization is hoping to have a positive social effect in their spaces of activity, just as more profound associates with social effect associations working in a similar region. This can likewise be found in information on CSR consumption modes where very nearly 44% of all spending is finished by the actual organizations or by means of trusts/social orders/Segment 8 organizations set-up by them. One more 43 percent is done through different execution accomplices. Notwithstanding, the grouping of expenditure in these states, implies that states, for example, Jharkhand, Bihar, Chattisgarh, Madhya Pradesh and Uttar Pradesh which represent more than 55% of the optimistic areas (states with poor financial pointers), get just 9% of the all-out consumption towards CSR. Indeed, no state, aside from Uttar Pradesh, from the rundown above highlight in the main 10 state beneficiaries. For CSR to be genuinely successful, this awkwardness would need to be adjusted. Contribute India's 'Corporate Social Responsibility Projects Repository' on the India Investment Grid (IIG) is a work toward this path. It is trusted that by giving a stage to all states to list potential CSR projects at a focal level, organizations and their execution accomplices

would have the option to survey where their CSR assets would be generally effective across India. Presently, the entryway has over 650+ ventures across eight assorted domains.

**CSR and COVID-19 outbreak in India**

The India Government announced the novel COVID-19 outbreak in the nation a "notified disaster" to empower state governments to assemble assets from the State Disaster Response Funds (SDRF). Following the notification, the Ministry of Corporate Affairs (MCA) clarified that expenditure of assets for COVID-19 help would be an allowable movement under CSR. Once more, the MCA prompted that the exercises ought to be deciphered generously in order to catch the pith of the exercises allowed under the Timetable. The public authority has likewise set up the 'Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES) to react to the COVID-19 emergency and give alleviation to those influenced. Further, Schedule VII was altered to incorporate commitments to PM CARES as CSR alongside the current PM's Public Help Asset. Taking advantage of its tremendous organization and connections, Invest India set up a CSR specific help cell to help corporates to channel their CSR subsidizing into different administrative and non-legislative associations just as focal and state-level finances set up for the specific undertaking of COVID-19 relief. To help commitments to alleviation assets across both the middle and states, Invest India made an internet based vault of 30+ alleviation assets just as fostered a pipeline of INR 163 Cr in gifts and CSR commitments from corporates. This empowered corporates and volunteers to find and associate with associations requiring financial or other help in their exercises. Another key enablement work for Invest India's COVID-19 reaction was the assistance of gifts of fundamental supplies, more than 10,86,100 bits of PPEs, basic consideration hardware and different products to cutting edge associations.

**Table 1: Financial Year-wise amount spent on CSR in India**

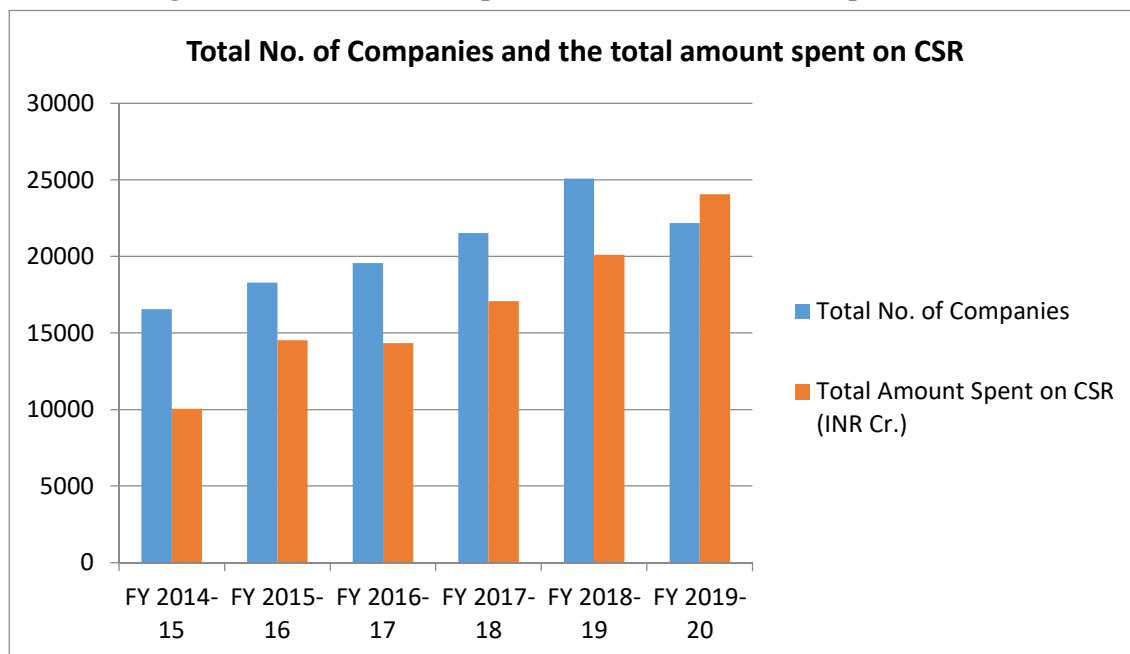
Financial Year	Total No. of Companies	Total Amount Spent on CSR (INR Cr.)	States & UTs Covered	Total No. of CSR Projects	Development Sectors Entered by Companies
FY 2014-15	16548	10066	36	9365	29
FY 2015-16	18292	14517	36	18468	29
FY 2016-17	19552	14344	36	23076	29
FY 2017-18	21515	17079	36	26830	29
FY 2018-19	25093	20099	36	32237	29
FY 2019-20	22155	24063	36	34291	29

*Source: National CSR Data Portal, Ministry of Corporate Affairs, Government of India*

The above table shows the total amount spent on CSR in India. The total number of companies engaged on CSR goes on increasing across the various financial years in India except FY 2019-20. The total number of companies decreased from 25093 in FY 2018-19 to 22155 in FY 2019-20. Even though the number of companies decreased,

the total numbers of CSR projects are very high in FY 2019-20. It is clear that during 2019-20 companies have given more priority to CSR than any other financial years. The total amount spent on CSR in the financial year 2019-20 is the highest than any years. The below given Figure 1 depicts the same.

**Figure 1: Total No. of Companies and the total amount spent on CSR**



Source: National CSR Data Portal, Ministry of Corporate Affairs, Government of India

**Table 2: Top Companies Spent on CSR in India in FY 2019-20**

Company Name	Amount (INR Cr.)
RELIANCE INDUSTRIES LIMITED	908.71
TATA CONSULTANCY SERVICES LIMITED	602.00
OIL AND NATURAL GAS CORPORATION LIMITED	582.07
TATA SONS PRIVATE LIMITED	548.83
HDFC BANK LIMITED	535.31
INDIAN OIL CORPORATION LIMITED	518.49
INFOSYS LIMITED	359.94
BHARAT PETROLEUM CORPORATION LIMITED	346.46
POWER GRID CORPORATION OF INDIA LIMITED	346.21
ITC LIMITED	342.24
NTPC LIMITED	304.92
HINDUSTAN ZINC LIMITED	266.93
REC LIMITED	253.64
J. P. MORGAN SERVICES INDIA PRIVATE L...	204.93
NMDC LIMITED	199.99
TATA STEEL LIMITED	183.80
HINDUSTAN PETROLEUM CORPORATION LIMITED	182.24

Source: National CSR Data Portal, Ministry of Corporate Affairs, Government of India

**Highlights of the work undertaken by Invest India for COVID-19 related CSR engagements**

- ✓ Created a repository of 32 relief funds for companies to access to meet their CSR compliance for the year

- ✓ Assisted in the donation of over 10.86,100+ essential supplies donation from corporates as part of their CSR activities
- ✓ Made 60+ connections for COVID-19 donations
- ✓ Reached out to 289 tech incubators across Indian an effort to channel CSR funds into the developing technology space
- ✓ Developed a pipeline of INR 163 Cr to be channeled to COVID-19 relief funds(state and central level)
- ✓ Received 190 COVID-19 technology solutions approved for CSR funding through national incubators across India

### **CSR Trends in India in 2021**

#### **1. New learning**

The COVID-19 changed the elements of nearly everything. Work was slowed down for quite a long time in associations. Notwithstanding, the CSR society proceeded with their tasks yet in a changed manner. The changing trends likewise brought many new learning for the execution organizations. For instance, they figured out how to keep exceeding the networks and aiding them without doing mass social event. Reception of computerized ended up being a major deliverer for some, CSR projects, particularly in the education sector.

#### **2. COVID-19 Vaccination**

As the year 2020 drew a weighty CSR center around COVID-19 help gauges, the corporates design COVID-19 immunization for local area and production network laborers under their CSR program.

#### **3. Educational Support**

Other than health sector, the educational sector has been profoundly influenced during the COVID-19 pandemic. Education has transformed from off-line to online mode. CSR funds are being used to create a virtual learning environment to the poor who lack such facilities.

#### **4. Livelihood Support**

As a huge number of laborers lost their employment because of lockdown and easing back monetary exercises last year, the CSR activities will be giving push on the expertise improvement and occupation arranged preparing project to empower unemployed for new positions.

#### **5. More joint effort with Government**

The year 2021 will likewise see a lot more elevated level of joint effort between the corporate world and the public authority offices towards execution of CSR projects.

#### **6. Multiple CRS Projects with Same Objectives**

The numerous CSR projects being worked in a similar area and on a similar topic by different companies will create considerable impact in the economy and the society.

#### **7. Bottom-Up Approach**

The CSR projects at ground level will have significantly more understanding this time on execution of the undertaking on the ground level. Their experience of dealing with undertakings and method of making effect will get voice in the CSR project arranging and asset distribution.

#### **8. More usage of CSR reserves**

Usage of CSR reserves is probably hiking as corporates are under moral obligation to help networks and individuals in out-of-the-box ways. The business and market restoration will help corporate feelings and their CSR arranging and execution will be among first concerns.

#### **Conclusion**

CSR of a company is overseen by the most scintillating minds. A company that is spending a lot of its supports needs to consistently guarantee that their cash is spent well, out of power of propensity. To accomplish this, it is executed by scholarly and experienced individuals. Hence, it has an enormous obligation and extension for what's to come. While India is developing at a quick speed, it isn't doing very well in the field of research. Interest in research in training, innovation, medication, space innovation, strategy definition, etc is needed to support native answers for native issues. CSR can turn into a reason for transformation in the field of research. India experiences the issue of mind channel. CSR can possibly keep that from occurring. The year 2020 showed us an alternate feature of life. It caused us to acknowledge how badly pre-arranged we were to confront a catastrophe, regardless of that, how we arose a victor by adjusting to the new and changed conditions. Life after COVID-19 is referred to as 'new-normal' considering the way that it would be for all intents and purposes outlandish for individuals to return to the predictability of the time before the pandemic. 2020 likewise disturbed the CSR space in a significant manner. The greater part of the organizations spent most of their CSR assets towards COVID-19 help in 2020. This removed the funds and consideration from numerous different causes and objectives regarding tending

to them. As the world moves towards the recuperation stage, the organizations are equipping with new plans and objectives for their CSR drives.

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