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An Empirical Study on the Impact of the Corporate Social Responsibility of the Indian Corporate Sectors

Santanu Kumar Das[1+], and Manas Pandey[1]

[1]*Department of Business Economics, Faculty of Management Studies, Veer Bahadur Singh Purvanchal University, India*

Abstract India, has traditionally been involved in various corporate socially responsible (CSR) activities. This paper presents an empirical analysis of CSR activities of some selected public and private organization in India. The key objective of this analysis is to review the companies' CSR investment in sustainability, disclosure, governance, and CSR stakeholders. The Hypotheses development explains the positive significant relationship between CSR and firm performance. Then the methodology section explains sample selection and data source. Using these data, the CSR practices in selected public and private companies are evaluated based on the Global Reporting Initiative guidelines, and a comparative study of the impact of CSR practices on companies' profitability is conducted. The study also focuses on how CSR influences these companies' gross margins, as well as the correlation between environmental concerns and return on investment. The result of this study are appropriate for India's present scenario demonstrating that all companies are conducting CSR operations, but there is a substantial difference in the CSR disclosure practices of the selected firms. The private companies in India invests more in CSR but spend less on the environmental aspects whereas the public companies invest less in CSR but almost spend their entire CSR expenditure on the social and environmental aspects.

Keywords: Indian corporate sectors, FMCG companies, corporate social responsibility, management, economics

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I. Introduction

Corporate social responsibility (CSR) is business practices that go beyond the requirements of an organization, its shareholders, and law to advance societal goals. Traditionally, firms focus on actions and plans that create competencies, capabilities, and resources with superior performance. However, CSR has become an important part of the activities of an organization that influence financial performance (FP) which is a complex and modern technique. Organizations benefit from engaging in activities that benefit the community (Rani & Sarala, 2013; Sehgal & Mir, 2014; Ris, 2015). CSR has widened the scope of companies' activities from stockholders

+**Corresponding Author:** Santanu Kumar Das
Research Scholar, Department of Business Economics, Faculty of Management Studies, Veer Bahadur Singh Purvanchal University, Jaunpur, Uttar Pradesh, India. Email: santanu.das.kumar@gmail.com
Co-Author: Manas Pandey
Professor, Department of Business Economics, Faculty of Management Studies, Veer Bahadur Singh Purvanchal University, Jaunpur, Uttar Pradesh, India. E-mail: manas_pandey@rediffmail.com

to stakeholders by assigning responsibility to all relationships that affect the firm (Maqbool & Zameer, 2018). CSR implementation may be associated with the following reasons: popularity pressure of stakeholders, environment and employee pressure, and integrating societal goals with business tactics. CSR is relevant to the strategic management aspect of the decision-making process for corporate enterprises to enhance business efficiency (Skare & Golja, 2014). Administrators can expand competitiveness by adopting CSR strategies, based on their corporate strengths. Businesses must build trust with their target audience in order to have a successful brand and keep customers, and having a CSR strategy can help in branding. A good reputation can then be used to gain the trust and loyalty of customers. Hence, some businesses are expanding their commitment to CSR with advancement, which is a challenge for organizations that present their CSR activities only through their financial reports (Rantanen & Bernasconi, 2015). Studies have revealed that being socially conscious increases the profit of a business.

In last decades', hyperbolic variations in the relationships between the public, private, and civil society have been observed via entrepreneurship (Zahra & Sillanpaa, 2016). Nowadays CSR is implemented to meet the needs of stakeholders in the business cycle. Each firm is testing its goodwill in this modern business age based on social, economic, and ordinary principles (Shane, 2017). There are several controversies, disputes, and conflicts among CSR researchers on its benefits to businesses including enhancing efficiency and Profitability. In this modern business age, when considering Profitability or productivity of corporation's attention should to be paid to CSR because the business runs in society and society expects corporations to take on some social responsibilities, i.e., corporations or business organizations should contribute to the welfare of society (Shane & Venkataraman, 2017). Business organizations and companies face big development issue such as privatization, deregulation, globalization, and society's standards of contributing to public health and social participation (Switze & Tang, 2017). Although revenue is the primary goal of all types of business organizations, large companies have started to follow the strategy of CSR processes, such as complying with societal requirements, promoting the participation of stakeholders in community initiatives and comprehensively reporting on environmental and social activities (Schlichter & Kraemmergaard, 2017). In this paper, stakeholder's perspective of CSR is present in the form of a pyramid. This comprises four forms of social responsibility economic, legal, ethical, and philanthropic and these forms should be fulfilled via decision policies, actions, and practices.

Figure 1 depicts the pyramidal structure of CSR, which seems complete with all four forms of social responsibility. It is in this order because a firm should be profitable in its economy, and it should legally obey the rules and regulations or laws while being ethical in its management by being a good corporate citizen. Economic responsibility is the mandatory form of CSR, which is producing goods and services that create jobs and profit for stakeholders. However, society not only expects businesses to operate with a profit motive; in mind but also requires them to comply with the laws and regulations imposed by federal, state, and local governments. When it comes to achieving universal human rights, ideal citizenship focuses on self-control and compassion. The apex of the pyramid is incorporated with a philanthropy view, which is desirable by society and stakeholders with discretionary wealth transfer of net income. Self-restraint is a moral choice to avoid exploiting market opportunities left legally unregulated to meet the demand of society.

Figure 1. CSR pyramid

CSR increases public trust, thereby attracting more stakeholders as it leads to more employee engagement, offering new and diverse benefits to an organization and the community. This image of an organization leads to a positive customer and stakeholder impression resulting in brand promotion which helps in differentiating a firm from its competitors. The output of the dependent variables can be stabilized by the independent variables. The output of dependent variables might be profitability, company size, the environment of an organization, financial leverage, board size, board with women members, and reputation with internationalization, which can be measured using the performance and responsibility of an organization as the benchmark.

The entire analysis is carried out to describe the public sector's average investment and the private sector's investment of profit after tax (PAT) in CSR activities. The average investment in CSR activities is set as 2.53% of PAT for steel industries as it uses many renewable and nonrenewable resources. Here the analysis reveals the private and public sector's investment in the national targeted investment.

The contributions of this paper are as follows:

- The hypotheses development explains the positive significant relationship between CSR and firm performance. The methodology section presents the sample selection and data source.
- The CSR practices in selected public and private companies are explained based on Global Reporting Initiative (GRI) guidelines.

- This comparative study of CSR practices of selected public and private companies analyzes the collected data through sample management tools using quantitative data analysis techniques. The results of CSR and sustainability are analyzed.

The remainder of this paper is organized as follows: Section 2 presents recent works in the literature; Section 3 presents a detailed description of the proposed methodology; Section 4 discusses the implementation results, and finally, Section 5 concludes the paper.

II. Literature Review

A lot of techniques for an empirical study of the impact of CSR on Indian corporate sectors have been proposed. Some of them and their drawbacks are discussed below along with their finding on the relationship between CSR, and other independent variables. CSR efforts have a significant effect on organizations, products, and services.

Maqbool and Zameer (2018), Tandon and Kaur (2017) focused on the relationship between CSR and FP, which has been debated by many researchers. They analyzed the data of 43 publicly traded companies over 10 years, from 2008 to 2017. The results revealed that CSR and FP have a curvilinear relationship, signifying that they have an opposing relationship in the long term. The managerial implication of the results is that shareholders' interests should be supported. However, the report claims that there is no immediate benefit from CSR efforts, so company stakeholders should look at CEOs' CSR strategies in the long run.

Sharma and Modgil (2019) examined the effect of total quality management (TQM) and supply chain management (SCM) activities on organizational efficiency and their interconnection. The effect of TQM activities on supply chain practices and organizational efficiency, similarly, the effect of SCM on organizational efficiency. TQM procedures are at the heart of ensuring a flawless supply chain, which has a stronger impact on operational performance achieved through the three practices. Only a few studies have examined how the two sectors might work together to increase operational efficiency. However, TQM practices have a direct impact on supply chain components, which affect total operational performance.

Nair and Bhattacharyya (2019), Sekhar (2016) introduced the enactment of India's Companies Act of 2013, which mandated CSR investment as a government regulatory burden. This study also considers of the resource-based view, which analyzes the combined influence of both performances. It focuses on the top 10,000 Indian businesses in terms of revenue from 2010 and 2018. Information on these businesses was gathered from the CMIE Prowess database. However, the overall impact is not favorable as required spenders raised their CSR intensity more than voluntary spenders decreased their CSR spending.

Malik et al. (2020) investigated whether the personal and professional qualities of a CEO influence the disclosure of CSR activities. Employing 1,790 company-year observations, this article used a dataset of businesses registered on the Pakistan Stock Exchange to investigate this issue. This is done using the logistic regression technique, with personal and technical CEO qualities as explanatory variables and CSR disclosure as the dependent variable finding that CEO ownership has a positive impact on CEO's tenure, education, age, and remuneration. However, according to the result of the logistic regression, CEO ownership has a negative impact on CEO transparency.

Prasad et al. (2019) investigated whether expenditure on CSR is mandatory for some businesses in India. It is an attempt to bring social and environmental responsibilities to the public at the corporate level. It considered the relationship between CSR and energy intensity. The analysis began by evaluating energy intensity using fuel-by-fuel energy consumption statistics. It used the data of 100 firms listed on the Bombay Stock Exchange (BSE) from 2009 to 2015, finding a good relationship between the two variables. However, the empirical evidence on the role of engagement in CSR and a firm's environmental performance is very limited and provides mixed results.

Using the panel data of 520 manufacturing companies in Pakistan, India, Sri Lanka, and Bangladesh, Mehmood et al. (2019) reviewed the effect of corporate diversification and financial structure on the FP of companies for 14 years (2004 to 2017) and evaluated the hypotheses with a two-step dynamic panel technique. They discovered that product and geographic diversification have a significant impact on the FP of companies. Using different FP measures and three models for each of the FP indicators in our study, we reconcile the disparities in their findings.

Patil and Jadhav (2019), Viraj (2020) conducted a study on fast moving consumer goods (FMCG). They expect the increased government emphasis on agriculture, health care, infrastructure, and jobs in the union budget to have a direct impact on the FMCG sector. The FMCG sector comprises a huge number of businesses that serve society by providing a variety of products. The FMCG sector is predicted to grow at a rate of 13 – 14 % over the next 5 -10 years, reaching $220-240 billion by 2025. The emphasis of their paper was on giving investors an idea on how to pick companies and stocks that will help them in the long term and increase their investments.

Additionally, although some studies have suggested a beneficial effect of CSR of FP their relationship is negligible (Das & Bhunia, 2016). There are many empirical studies on CSR and the FP of firms; however, the CSR index of developing countries has focused on a higher perspective (Mansarav et al., 2017). Gherghina and Vintila (2016) found the relationship between CSR and firm value by developing CSR global index The literature review conducted by Pradhan (2016) revealed that corporate reputation can be influenced by CSR. Studies on the relationship between CSR and FP in India mainly focused on entrepreneurial commitment and business performance.

A. Hypotheses development

Wide-ranging research has contributed to an assessment of the empirical correlation and relationship between CSR and FP. A positive relationship between CSR and corporate FP has been established by some researchers (Russo & Fouts, 1997; Waddock & Graves, 1997; Maignan et al., 1999; Luo & Bhattacharya, 2006; Akpinar et al., 2008; Zairi & Peters, 2002). Conversely, other researchers have reported that the two have a negative relationship (Vance, 1975; Aupperle et al., 1985).

Studies of CSR highlight the important role of the industry type (Trotman & Bradley, 1981; Francesco et al., 2007; Sebastian & Malte, 2010; Basuony & Mohamed, 2014). Researchers have revealed that service companies tend to have more positive effects from CSR activities (Calabrese & Lancioni, 2008) than manufacturing companies (Jackson & Parsa, 2009). Wider survey methods use appropriate measures to investigate the influence of firm size and age on CSR (Sebastian & Malte, 2010; Francesco et al., 2007; Francesco, 2006). The literature review reveals that the relationship between CSR and the FP of a firm, as well as CSR and firm size and age has been studied. Here, the hypotheses have been designed to bring out the positive significant relationship between CSR and FP, firm size, firm age, and industry type.

Hypotheses 1 (H1): There is a positive significant relationship between CSR and FP

The concept of CSR was first developed by Sheldon in 1924, but it did not reach a high level like the recent. At the initial stage government, society, and business did not focus on CSR. However, with the growth of the globalized world in the modern era, the availability of knowledge on the economic, cultural, social, and environmental aspects of doing business to everyone is increasing. The positive significance between CSR and business organization has been impacted by the economical, ethical, legal, and discretionary dimensions as depicted in the pyramidal structure.

Hypotheses 2 (H2): FP has a significant relationship with firm size, firm age, and industry type

The size of an organization has a positive effect on the profit of a firm that has been retained as an asset. This demonstrates the growth of a company through its experience and profit. Simply if the size of the firm increases sales also keeps increasing. Due to its popularity in the market, which also holds the performance and kind of organization, firm age also fixes the favorable reaction within society as it stands for such a big height.

Hypotheses 3 (H3): CSR has a significant relationship with firm size, firm age, and industry type.

The independent variables are FP, firm size, the environment of an organization, financial leverage, board size, board with women members, and reputation with internationalization. Among these variables, firm size, firm age, and industry type have a significant relationship with the growth and profitability of an organization.

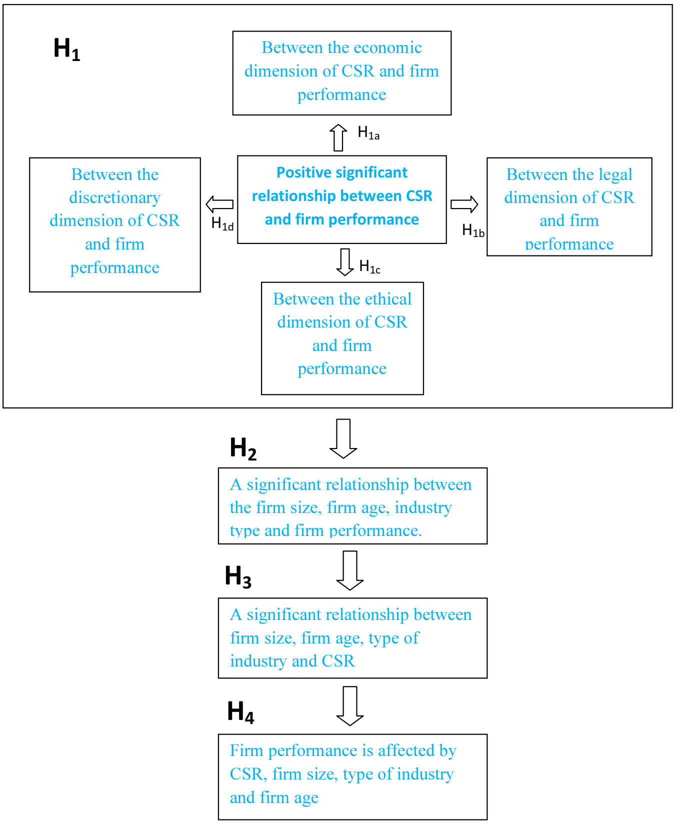
Reviewing the current CSR techniques reveals that TQM has no immediate positive effects on supply chain components as a result of CSR. This impact is favorable, requiring spenders to raise their CSR while voluntary spenders drop theirs. In Pakistani enterprises, the dual function played by a CEO has a negative impact as a CEO's transparency is hidden by CEO's ownership. This empirical study on the impact of the CSR of Indian corporate sector reveals the CSR investments of all public and private organizations above or below the national average. Given the size, age, performance, and kind of the company, which improves CSR performance in its expenditure with sustainability. The next section presents the methodology and perspective of the analysis.

III. Methodology

CSR has emerged as a key idea and strategy for improving social, economic, and environmental problems. This analysis is a comparative study to find out how public and private organizations contribute to socio-economic growth and environmental conservation through their CSR activities. The implementation of CSR is a major step in the overall socio-economic development strategy in India, where there are numerous socio-economic problems. It is necessary to understand the extent to which companies comply with the Act's (the new Companies Act 2013) requirement to invest 2 % of their profits; how they invest this mandated amount; how they obey the provisions of the CSR policy, and the effect of CSR practices on the profitability of the selected companies. This paper describes the developments of the hypotheses as depicted in Figure 2.

The main purpose of this analysis is to examine the impact of CSR on the performance of an organization. A theoretical report has been developed based on the literature review and hypotheses. The model of the study in Figure (2) depicts a positive significant relationship between CSR and firm performance (H1); a significant relationship between firm size, firm age, industry type, and firm performance (H2); and a significant relationship between firm size, firm age, industry type, and CSR (H3).

Figure 2. Model of the study



The study is based on secondary data collected from the website of the BSE and the National Stock Exchange. These organizations practice CSR in a variety of disciplines, and some have been recognized by the Federation of Indian Chambers of Commerce and Industry, the Associated Chambers of Commerce and Industry of India (ASSOCHAM), and the Golden Peacock Awards Committee for their efforts. The data are collected from various private and public FMCG sectors from 2016-/17 to 2019-/20. The primary data are compiled by academics, journals, analysts, and journalists. Questionnaires are developed to better understand the stakeholders' attitudes and perceptions of the CSR initiatives of their companies. A total of 100 questionnaires were administered to the stakeholders of the selected companies. The financial statements of the selected firms, business sustainability reports, corporate CSR reports, company official websites, private institution survey reports, CSR Karma Yoga study report, and CSR blogs are the primary sources of secondary data, which are tested using mean, average returns, percentage, variance, correlation, standard deviation, regression, chi-square test, and t-test under GRI guidelines.

A. CSR practices in selected public and private sector companies as per GRI guidelines

Under the GRI guidelines, CSR practices are carried out with 'broader techniques of sustainability accounting and accountability as GRI seeks more information than traditional financial accounting. Thus GRI guidelines are potentially powerful tools for planning, managing, and accounting the social and environmental impacts of an organization and presenting qualitative information on sustainability. We find that public sector companies invested only 66.7 % of the approved mandatory CSR spending in the first year at end of March, whereas private businesses invested 82%. Under the 2013 Companies Act, 2 % of the net income of both public and private corporations had to be set aside for CSR. NextGen's data on 85 of the top 100 NSE-listed companies in India reveal that 19 Public Sector Units (PSUs) invested 1,686 crores in the 2015 fiscal year, whereas 66 private companies invested 3,307 crores. Public firms outperformed private firms in one area the environment. Public firms invested 391.3 crores in the climate, which is 23% of their overall expenditure; whereas private firms invested 291.7 crores or 8.8% because many PSUs are natural resource firms and have a direct effect on the climate. The data also reveal that women-led companies have a higher rate of achieving the 2 % spending target. Out of the 85 companies surveyed, the CSR investment of six women-led companies State Bank of India (SBI), Axis Bank Ltd, Industrial Credit and Investment Corporation of India (ICICI) Bank Ltd, Hindustan Petroleum Corporation Ltd, Life Insurance Corporation Housing Finance, and Apollo Hospitals Ltd was 90.5% of the target, whereas the average total of the 85 companies was 76.1%. It may be because women leaders are more aware of corporate governance and laws. The most common reason businesses have cited for failing to achieve the target is that they have undertaken long-term projects. This indicates that the money was set aside for a long-term project and the businesses were carrying out the investment. Both the public and private sectors play a vital role in CSR the social and environmental aspects of CSR. Here, we analyze the results of corporate sustainability reports of the various companies. The next section presents the result of public and private organizations that made an average investment in CSR, focusing on environmental activities.

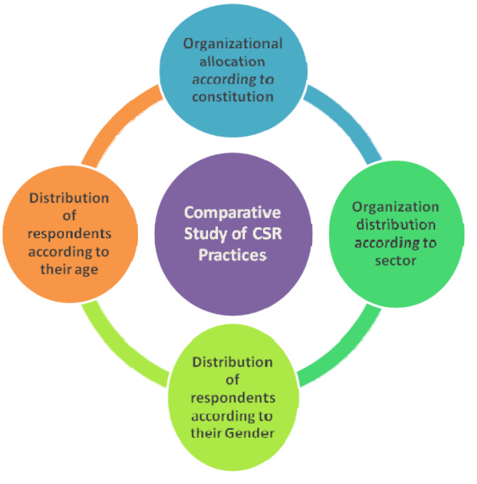
IV. Result and Discussion

The present study compares the private and public sectors based on four key CSR criteria sustainability, CSR partners, disclosure, and governance and their performance is scored.

A. Comparative study of CSR practices in public and private sectors

The present study is a comparative analysis of the CSR variables of selected public and private organizations. The data are collected through sample management tools and analyzed using quantitative data analysis techniques mean, standard deviation, and standard mean error (SEM).

Figure 3. Comparative study of CSR practices in public and private sectors



1. Organizational allocation according to the constitution

The descriptive statistics provide concise summaries of the sample and the steps [22, 23, 24]. In this study, the number of and private sector organizations is equal, totaling 20.

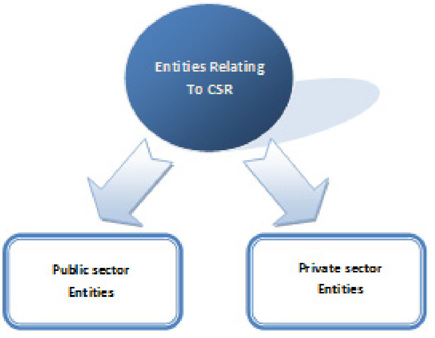
2. Organization distribution according to sector

Among the private sector entities, 30 % (n= =3) belong to the petrochemical sector; the manufacturing sector accounts for 30 % (n= =3); 20% (n=2) belong to the pharmaceutical sector and 10 % (n= =1) belong to the transmission and power generation sector. Among the public sector organizations, 30 % (n= =3) belong to the petrochemical industry; the energy generation and transmission sector accounts for 30 % (n= =3); 30% (n= =3) belong to the production sector, and 10 % (n= =1) are part of the engineering sector.

3. Types of entities relating to CSR

As part of their CSR initiatives both public and private organizations are active in environmental-related activities. Thus, this paper includes a comparative study of CSR practices of selected public and private organizations.

Figure 4. Entities relating to CSR



3.1 Private sector entities

In the private sector, 74 % (n= =37) of policymakers perceive that their companies are largely engaged in "environmental awareness initiatives. "Moreover, 12% (n= =6) of private sector policymakers said that, to some extent their company engages in "environmental awareness initiatives," whereas 14 % (n= =7) of the respondents were neutral. The next most favored activity in terms of the investment made by private sector entities in the area of environment is "reduction of pollution" at 72 % (n= =36), with policymakers agreeing to a great extent. Moreover, 26 % (n= =13) of private sector policymakers said that, to some extent, their business engages in "pollution control," although the respondents (2%) (n= =1) were optimistic.

The other practice that is of high priority in the activities related to the environment is "recycling," with 68 % (n= =34) of the private sector policymakers agreeing to a large extent. Moreover, 24 % (n= =12) of private sector policymakers said that, to some extent, their business engages in "recycling," although 8 % (n= =4) of the respondents were neutral.

Nearly 66 % (n= =33) of private sector policymakers agreed to a large extent that their company is involved in "waste reduction" and "green belt development," whereas While 30 % (n= =15) of private sector policymakers said that, to some extent, their firm engages in "waste reduction" and "green belt growth." For both activities, 4 % (n= =2) of the respondents were of neutral opinion. Furthermore, 58% (n= = 29) of private sector policymakers mentioned that their business engages in "solid waste management" to significant degree, whereas 38 % (n= = 18) of private sector policymakers said that, to some extent, their business engages in "solid waste management," and 4 % (n= =2) of the respondents were neutral. Conversely, 40% (n= =20) of private sector policymakers agreed to a large extent that their company is involved in "rain water harvesting," whereas, 50 % (n= =25) of private sector policymakers think that, to some extent, their firm engages in "rain water harvesting," and 10 % (n= =5) of the respondents were neutral.

The other practices in which, according to the policymakers, private sector companies are involved to some degree are 52 % (n= =26) and 58 % (m= =29) "reduction of water use." However, only 32 % (n= =16) and 28 % (n= =14) agree to a large extent on both "water consumption reduction" and "energy conservation," respectively. It is observed that, due to CSR, most private sector firms are more involved in waste reduction, recycling, pollution reduction, and green belt development as part of their environmental activities. In addition, several organizations in India are engaged in diverse issues such as healthcare, sanitation, arts, heritage, micro credit and empowerment of women, rural development, education, culture, as well as wildlife and nature preservation. CSR is defined by individual firms in their own restricted ways and perspectives. The result is that all the activities performed as CSR are simply philanthropic.

3.2 Public sector entities

The result reveal that 74 % (n= =37) of the policymakers of public sector organization perceive that their companies are engaged in "awareness campaigns for the protection of the environment" to a large extent, 12 % (n= =6) of public sector policymakers said that, to some extent, their firm engages in "environmental protection initiatives," and 14 % (n= =7) of the respondents were neutral. The next most preferred investment operation by public sector agencies in the environmental aspect is green belt development at 64% (n= =32), with policymakers agreeing to a large extent. Moreover, 35 % (n= =13) of the policymakers of public sector entities opined that their firm is engages in "green belt development" to some extent, although 6 % (n= =3) of the respondents were neutral. Nearly 54 % (n= =27) of the public sector policymakers agreed to a large extent that their company is involved in "waste reduction." Although 44 % (n= =22) of public sector policymakers said that, to some extent, their firm engages in "waste reduction," 2 % (n= =1) of the respondents were neutral.

The other activity that is given preference in environment- related activities is "recycling" with 52 % (n= =26) of the policymakers of the public sector entities agreeing to a large extent. 40 % (n= =20) of the policymakers of public sector entities opined that their company is engaged in "recycling" to some extent, and although 8 % (n= =4) of the respondents were neutral. Moreover, 50 % (n= =25) of public sector officials agreed to a significant degree that their business was interested in "pollution control," However, 40 % (n= =20) of public sector policymakers said their business is engaged to some degree in "pollution reduction," to some extent, and 10 % (n= =05) of the respondents were neutral. Moreover, 42 % (n= =21) of the policymakers of the public sector entities agreed to a large extent that their firm is involved in "energy conservation." However, 48 % (n= =24) of public sector policymakers said that, to some extent, their business engages in "energy conservation," and 10 % (n= =5) of the respondents were neutral. According to the policymakers, the public sector entities are involved to some extent are "solid waste management" 52 %; (n= =26), and "rain water harvesting" 56% (n= =28).

Only 38% (n= =19) agreed to all the three "water consumption reduction" activities, and

34% (n= =17) agreed to "rain water harvesting" 32% (n= =16) to a large extent. It can also be argued that both public and private organizations are active in environmental protection programs. In private sector entities, this is followed by "pollution reduction" at 72%, "recycling" at 68%, "waste Reduction" and "green belt development" at 66%, "solid waste management" at 58%, "rain water harvesting" at 40%, "water consumption reduction" at 32% (n= =16) and "energy conservation" at 28% (n= =14). In public sector organizations, this is followed by "green belt growth" at 64%, "waste reduction" at 54%, "recycling" at 52%, "pollution reduction" at 50%, "energy conservation" at 42%, "water use reduction" at 38%, solid waste management at 34%, and rain water harvesting at 32%. "Green belt development" is given second preference by public sector entities whereas private sector entities give fourth preference to this issue. This subsection presents the comparative analysis of CSR practices of public and private organizations. The impact of CSR practices on companies' profitability is discussed as follows.

B. Impact of CSR practices on companies' profitability

CSR poses several challenges for enterprises, including the need to define their responsibilities to the public, to determine the extent of their obligations in the supply chain; and determine the period that they should anticipate and plan for the consequences of their activities, especially in the use of natural resources. Legislation has changed the nature of CSR implementation across India; in both the public and private sectors such as multinational companies with around 10,000 companies covered by the Act. A recent survey of the implementing organizations by Times Group resulted in complex responses to the various challenges faced by CSR initiatives in different parts of India, which are community level participation in CSR activities, building local capacities, issues of transparency, nonavailability of competent NGOs, media role, limited perception of CSR initiatives, nonavailability of clear CSR guidelines, and lack of consensus on implementing CSR issues. These challenges have restricted the capacity of a firm to conduct an impact assessment of its initiatives from time to time. Based on the above consideration, this study analyzes the impact of CSR practices on companies. Table 1 presents the score of the 16 public and private organizations on the four key criteria.

Table 1. *Top 16 Companies Score Card Table*

Name of the organization	Rank	CSR %	CSR stakeholders	Sustainability	Disclosure	Score	Governance
Private sector							
TATA STEEL	1	3.37	28	20	10	76	18
TATA CHEMICALS	2	1.4	36	15	10	74	13
MAHINDRA & MAHINDRA	3	1	30	20	10	72	12
MARUTI SUZUKI	4	.79	32	13	8	71	18
TATA MOTORS	5	6.36	24	20	8	67	15
L&T	7	1.49	27	18	10	65	10
INFOSYS	9	.11	19	18	10	62	15
RELIANCE INDUSTRIES	12	1.7	28	13	8	61	12
Public sector							
SIEMENS INDIA	5	.3	33	11	6	67	17
COCA COLA INDIA	8	1.9	27	18	4	64	15
GAIL	9	1.61	24	15	8	62	15
SAIL	9	1.5	28	13	4	62	17
NTPC	16	.55	24	15	8	59	12
INDIAN OIL CORP	19	1.58	22	10	10	57	15
HPCL	22	2.41	23	10	8	55	15
BPCL	22	.68	19	13	8	55	14

Table 1 [20] provides a rough idea of how companies in the public and private sectors behave in terms of four parameters (CSR percentage, CSR stakeholder, disclosure, and governance) and their outcome in the form of the overall score of sustainability, where different fixed weights are given to these criteria, accruing 100 points in total. The performance rating of an organization is measured in numerical values; out of the total weight, the top CSR carries 50 points, sustainability and governance carry 20 points each and disclosure carries 10 points. The companies' scores of the various points on the individual parameter and the combined points are called the score card for the product. The top 16 companies on the Table 1 are Tata Steel, Tata Chemicals, Mahindra & Mahindra, Maruti Suzuki, Tata Motors, Larsen and Toubro (L&T) Ltd, Infosys, and Reliance Industries, which are private sector organizations, as well as Coca-Cola India, Gas Authority of India Ltd (GAIL), Steel Authority of India Ltd. (SAIL), Siemens India, National Thermal Power Corporation Limited (NTPC), Indian Oil Corp, Hindustan Petroleum Company Limited (HPCL), and Bharat Petroleum Corporation Limited (BPCL), which are public sector organizations. Among the top five companies, four are private and Tata Steel is the best-ranked public company, and the fifth place is occupied by SIEMENS India. Tata Steel is the leading manufacturing company with good stock value. Among the top 10 companies, seven are private, and only three are public; among the top 15 companies 11 are private, and only four are public sector firms.

From the above Table 1 private sector organization have 2.0275% CSR, 28 CSR stakeholders have been accumulated,17.12% sustainability, 9.25 out of 10 disclosure points, and 14.125 out of 20 governances' points. Conversely, public sector organizations have 1.32% CSR, 25 accumulated stakeholders, 13.125 % sustainability, 7 out of 10 disclosure points, and 15 out of 20 governance points. According to the above result, the CSR percentage, CSR stakeholders, sustainability, and disclosure, scores of the private sector are high than those of the public sector, whereas governance is high for the public sector than in the private sector. Therefore, companies in the private sector are more professional and concerned than companies in the public sector.

C. PAT analysis of CSR

PAT is the profit of an organization after all taxes are paid to the government. It is issued or presented in all quarterly or annual reports. PAT is calculated after all nonoperating and operating expenses and other liabilities that have been distributed to its stakeholders have been detected. Bharti Airtel runs a major educational initiative through the foundation Bharti and also has business sustainability initiatives such as Farmers and Fishermen and Apna Chaupal. Housing Development Finance Corporation Limited (HDFC) is active in programs such as microfinance, rural development, and branches of customers, which integrate social inclusion and business. In many areas, ICICI Bank contributes via the ICICI Foundation and focuses on "access to finance," thus integrating CSR and business performance. SBI contributes to CSR primarily through donations. For Coal, India CSR is a strategic resource for sustainable growth that combines business with social processes.

Coal India's CSR is primarily aimed at land outsets as coal mining contributes to community displacement. In NTPC, the main focus of CSR policy is resettlement and rehabilitation. Mostly, sponsorship and health and safety services are given priority, followed by philanthropy. Out of 10 companies, environmental impact management is listed by seven companies and voluntarism by six. Processes are at least addressed by the code of the ethics and the quality of the project.

Public members are mostly listed among stakeholder concerns, and in this category, each group, except one, discusses education and quality of life. Five out of 10 businesses listed environmental protection and arts and culture within this category. Health is the least discussed problem of community and consumer stakeholders, whereas it is the most discussed problem of stakeholders in the employee category. None of the companies mentioned issues of shareholders, whereas only one company discussed issues relating to suppliers.

Table 2. *CSR and Percentage of PAT*

Si.no	Company	CSR as % of PAT
1	Tata Motors	6.36%
2	Reliance	1.70%
3	Indian Oil	1.60%
4	ICICI Bank	1.40%
5	ONGC	1.25%
6	SBI	1%
7	Bharti Airtel	0.58%
8	HDFC Bank	0.58%
9	NTPC	0.55%
10	Coal India	0.50%

Table 2 presents the total spending on CSR activities [20] by different sectors in India out of their PAT. The Table 2 provides the type of industry and its CSR investments out of PAT. Again, Tata motors is in the first position as it spends 6.36% of its PAT on CSR activities, with 24 CSR stakeholders and 15 out of 20 governance point. The Table 2 is presented in descending order. SBI is in the middle with 1% CSR and Coal India which is a public company, is the last. This analysis also indicates that the private sector contributes the most CSR percentage. In the following subsection, the CSR of the major steel and automobile companies and their sustainability are compared.

1. CSR and sustainability

The ability of a company to maintain or support activity over the long term is called sustainability. Corporate sustainability aims to prevent the depletion of natural and human resources so that it remains for a longer period. The figure depicts a rough image of the type of industry and its CSR investments. Because the iron and steel industries, as well as automobile manufacturers, are more reliant on primary resources and have the highest negative impact on the environment, economy, and society, they are more concerned about CSR than other industries. Thus, we study how sustainability is associated with the effect of CSR efforts on profitability, using prominent public and private companies as examples in the following subsection.

A comparison of the first ranked private sector steel company (Tata Steel) and the first ranked public sector steel company SAIL. The figure (5) reveals that Tata Steel is more powerful and more concerned with all parameters.

Figure 5. Graphical illustration of CSR and sustainability of major steel companies

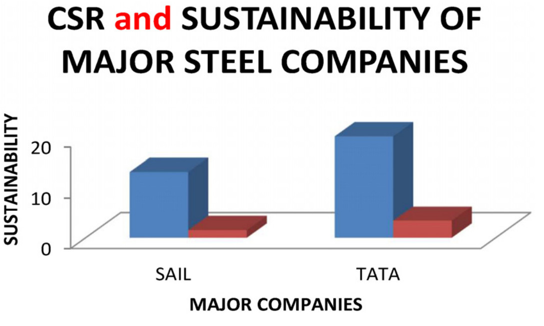


Figure 5 depicts the relationship between the profitability of a company in response to its investment in CSR activities of PAT with the main private and public sector iron and steel firms. The first column reflects the conditions of the general rule of investing 2% of PAT in CSR activities, and sustainability is measured over 20 which is considered to be 100%. The second column represents the figures of SAIL, where the investment in CSR activities is 1.5% of PAT and 13% of sustainability i.e., 65%. The third column presents the result about Tata Steel, where CSR investment accounts for 3.37% of PAT and sustainability accounts for 20%, i.e., 100%. The budget and actual expenditure of CSR has been analyzed based on the sustainability check, and it is found that the private sector has high sustainability than the public sector.

V. Conclusion

A detailed study has been conducted on the CSR of the Indian corporate sector. The influence of corporate governance in terms of ownership structure and board of directors on socially responsible practices in large Indian enterprises is examined in this study. In Section 2, the paper discusses the existing literature on the impact of CSR, building hypotheses to analyze the suitability and profitability of the public and private sectors. Next, the methodology section presents the data source along with the GRI guidelines. This paper covers various studies including current CSR practices and collaboration among different stakeholders, such as the private sector, government, and local communities in deepening and strengthening CSR. This study finds that the private sector invests more in CSR than public sectors, but public sector invests more in the environment. Tata motors, which is a private sector, invests 6.39 % of its PAT in CSR, and SAIL, a public sector company, invests of its PAT in CSR. IOCL, a public sector organization, spends 31.89 % of its CSR expenditure on environment. In the future, security and health concerns, which may make an an organization to achieve higher goals in profitability and have a positive impact on marketing should be considered.

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