COVID-19 and Corporate Social Responsibility related activities in India

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Abstract: Corporate social responsibility (CSR) can be said to include all those activities and strategies that a company brings into action as part of its Corporate Governance. Such activities are designed to ensure that the company’s operations are ethical and beneficial for society as a whole. With the advent of COVID-19 pandemic in the country, companies have become handicapped both in financial and economic terms. This situation has made business organizations re-think about their strategies and decisions and come up with something beneficial for all. This article focuses on the CSR activities incorporated by the Indian companies amid COVID-19 pandemic. The information has been collected from secondary sources such as government websites, articles and journals.

Keywords: Corporate Social Responsibility, COVID-19, economic and social development.

Introduction

Corporate Social Responsibility (CSR) has become a part and parcel of Indian business organisations in the modern era ever since India became the first country in the world to have statutorily mandated CSR. The basic idea of CSR is to make businesses operate in an economically, socially, and environmentally sustainable manner. To engage in CSR means that, in the ordinary course of business, a company is operating in ways that enhances the society and environment instead of contributing negatively to them. (Chen J, 2020).

Ratan Tata rightly said that “A company should have in its DNA, a sense to work for the welfare of the community. CSR is an extension of individual sense of social responsibility. Active participation in CSR projects is important for a company”. No doubt the main objective of an organization is to earn profits. But, lately companies, especially the big corporate houses, have taken their responsibility towards society very seriously (Kumar, 2018). All their acts and decisions are taken keeping in mind the effect it will have on the society at large. It emerges from the strong will of the companies to do well and get the desired results in return as well as fulfilling the societal obligations of the business. Indian companies get an opportunity of competitive advantage by incorporating CSR activities in their strategies and decisions and by fulfilling their responsibility towards sustainable development.

CSR has become all the way more important for companies that have their business operations in rural or remote areas. Such companies need to come up to the expectations of the communities residing there to fulfill their needs of raw materials and human resources.
Literature Review

CSR related activities ensure that the companies grow in a sustainable manner while keeping in mind the benefit of all those affected by the business operations. Companies have been able to make a change, a good change, in the society thus, improving the standard of living of all those involved (Shyam, 2016). Companies have become more responsible towards the society at large because they have come to this realization that they can’t survive without the support of their stakeholders or the community around them. As a result of this, they are incorporating activities like social audit, environmental reporting, investing in social programmes etc. in their day-to-day business operations (Premlata et al., 2013). Corporate houses must realize the fact that the government alone cannot contribute and work for the development of the society. The government needs the support of the business organisations to pull the cart of the economic and social development (Hole et al., 2019). Businesses in India prioritize their nation’s interest first and then their business interest. They are of the opinion that the CSR guidelines can include the benefits of both the stakeholders and shareholders while remaining in line with the societal norms (Garg et al., 2018).

However, the extent and degree of CSR activities depends on whether the business operates on a large scale or a small scale. Small business organisations usually don’t get involved in such activities as their operations are very limited (Mahapatra & Baral, 2021). Big corporate houses have no option than to adhere to the CSR Rules if they want to survive in the global world (Kumar, 2017).

Objective of the study

The general objective of this study is to find out the response of the Indian companies towards the COVID-19 pandemic as a part of their Corporate Social Responsibility.
As can be seen in the above figure, different industries in India have contributed towards the PM CARES Fund and other COVID Relief Funds as a part of their CSR activity.

Apart from all these, companies have obviously experienced a sharp decrease in their profits and a slowdown in their business operations. The lockdown is surely going to have long lasting impact on them. During this time, the entire nature of CSR went through a drastic change. Initially, the regulations related to Corporate Social Responsibility were voluntary and it was on the part of the companies whether to take up such activities or not. But, the new CSR Rules pose an obligation on the companies to follow and work accordingly, the disobedience of which can prove to be fatal for companies. They not only have to report their CSR activities but also require permission from the CFOs for disbursement of funds and its utilisation. Moreover, one of the provisions of the new rule states transfer of unspent funds to a designated ‘Unspent CSR Account’. This has created a lot more pressure on the fund spending.

### Conclusion

Thus, it can be said that the COVID uncertainty is still there and can be hazardous if the Government and corporate houses fail to act quickly. The government needs the help and support of the economic wheels of the country both in monetary and non-monetary terms. Also, it is in the favour of the companies to work along with the government and non-government organisations to curb the spread of the virus because at the end, the society and community will have more faith on those companies that have put their heart and soul and given their best during these tough times. The government also appreciates those business houses who take up their responsibility with full enthusiasm and zeal. Companies who have taken up their social...
responsibility with all due care and seriousness will surely see its positive results in the long run. They have supported the government and prevented it from going handicapped in these tough times, thus making sure that the economic development of the country is least affected by the pandemic.

References


