



## Trend Analysis Of CSR Activities Of The Select Listed Companies

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### ARTICLE INFO

### ABSTRACT

A business entity is an organ of the society. It is an economic agent of the society and therefore it should remain accountable to the society. Hence, the context of Corporate Social Responsibility (CSR) has evolved. It is also receiving attention and is growing significantly for playing a pivotal role in Corporate India. Indian Corporate are feeling imperatively to work for the cause of social upliftment. The conceptual and operational dimension of CSR emerged in the 20th Century but it becomes a discipline of serious study during last 65 years (Carroll). H. R. Bowen (1953) is known as the father of CSR for his famous work on Social Responsibility. Bowen is the first learned personality who gave a look of academic seriousness to CSR in his book, ' Social Responsibilities of Businessman'. According to him, "Businesses are obliged to the society for the values and goals of the society for which business exists in the commercial world". He has stated that CSR is correlated with economic aspects of social welfare and social well-being.

**Keywords:** CSR activity, Trend Analysis, KPR mills, ELGI, BMW, Craftsman Automation and Shanthi Gears.

### INTRODUCTION

In USA, CSR concentrates on three models namely, the shareholder value, the stakeholders and ethics. USA believes in two parameters of CSR, which are employment and environment. Stakeholders in the US include investor relations, environment and society. Canada practices CSR in positive manner and they have been seen in the case of the USA and UK. Corporations in Canada act as the agent of social change. In 2011, Jantzi-Sustain analytics in conjunction with Maclean's magazine published that in NGOs, Canada is number one in all G7 countries in terms of its CSR practice. Businessmen of Canada thinks that CSR is part and parcel of their day to day business life. In Canada, customers support the business maximum. The concept and philosophy of CSR is well accepted and supported by the Government of China. The important time came on January 1, 2006 when Chinese Corporate Law was revised to include formally the concept and philosophy of CSR in the legislation. In the same year, the State Grid Corporation of China issued the first ever CSR report by a Chinese State Owned Enterprises (SOEs). Chinese government supported CSR activities of the state owned organizations with an objective to integrate the same with the global market. Secondly, it offers its own CSR definition and guidelines that aimed at developing a CSR oriented business culture. The concept of CSR practice was included in Chinese Labour Law in 2008.

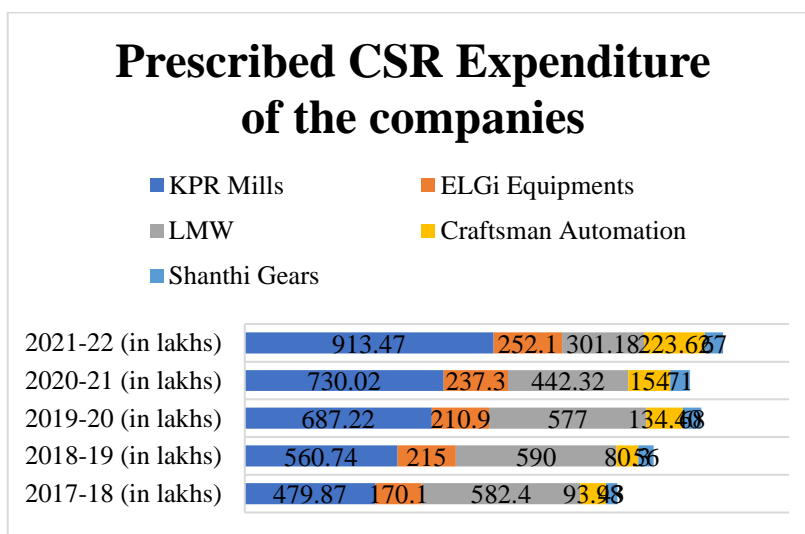
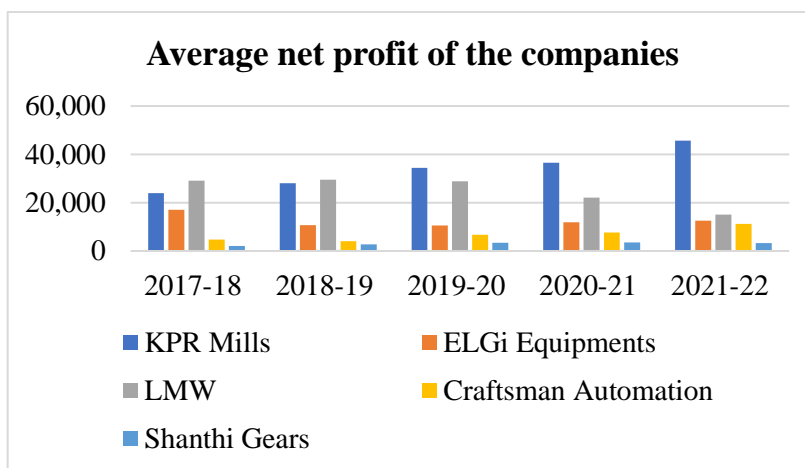
### OBJECTIVES OF THE STUDY

To analyse the trend in the pattern of amount spent in CSR activities.  
To identify the fields and areas on which CSR activities have been carried out.

### RESEARCH METHODOLOGY

The data were collected from the annual reports of the 5 listed companies (KPR Mills, ELGI Equipments, LMW, Craftsman Automation and Shanthi Gears) on Coimbatore which were selected on the basis of probability systematic sampling method.

## ANALYSIS



## Comparison between the prescribed amount and the amount actually spent

Prescribed CSR Expenditure										
Companies	2017-18 (in lakhs)		2018-19 (in lakhs)		2019-20 (in lakhs)		2020-21 (in lakhs)		2021-22 (in lakhs)	
	P	AS	P	AS	P	AS	P	AS	P	AS
<b>KPR Mills</b>	479.87	481.75	560.74	589.67	687.22	691.42	730.02	832.02	913.47	1026.64
<b>ELGi Equipments</b>	170.1	416.1	215	468.16	210.9	211.03	237.3	237.3	252.1	11.5
<b>LMW</b>	582.4	647.95	590	598.99	577	580.47	442.32	450.16	301.18	308.63
<b>Craftsman Automation</b>	93.98	92.03	80.3	82.03	134.40	89.144	154	53.28	223.62	223.95
<b>Shanthi Gears</b>	43	44	56	56	68	69	71	75	67	68

Source: Secondary Data

**P – Prescribed amount; AS- Amount actually spent**

The data reveals that KPR Mills, LMW and Shanthi Gears have spent the prescribed CSR amount without keeping any balance while ELGI equipments have kept Rs.240.6 lakhs unspent during the financial year 2021-22 which is to spent within 3 years for the social welfare measures and Craftsman Automation has kept Rs.149.14 in total as unspent CSR amount in which Rs.1.95 lakhs is unspent during the financial year 2017-18, Rs.45.24 lakhs is kept unspent during the financial year 2019-20 and Rs.101.95 during the financial year 2020-21, all these unspent amount has been transferred to CSR A/c by the company.

It is clear from the table that ELGI equipments stands first by spending a huge amount in excess of the prescribed limit followed by KPR mills, LMW, Shanthi gears and Craftsman Automation respectively.

Amount spent on various fields from 2017-2022					
CSR Activities	KPR Mills (in lakhs)	ELGI Equip (in lakhs)	LMW (in lakhs)	Craftsman Automation (in lakhs)	Shanthy Gears (in lakhs)
Promotion of education	2459.71	1172.02	569.97	195.72	72.1
Gender equality and women empowerment	6.38	-	-	-	-
Reduction of child mortality and improving maternal health	-	-	8	-	-
Environmental sustainability	5	4.2	123	118.34	99
Health care	-	91.8	748.49	151.8	24.44
Rural development projects	1.15	-	251	12.32	36
Promotion of sports	2	2.304	4.596	27.192	-
Contribution to public welfare	236	67.74	8.104	24.46	37.98
Livelihood for differently abled children	2	6	1.64	-	-
Infrastructure	2	-	111.96	5.645	44.1

It is clear that KPR, Craftsman Automation and ELGI equipments has spent their maximum amount on education while LMW has spent their maximum amount on health care and Shanthy Gears has spent their maximum amount on Environmental sustainability.

### FINDINGS

- The average net profit of KPR Mills is the highest among the five listed companies taken for the study.
- The prescribed CSR expenditure of KPR Mills was maximum in the year 2021-22 amounting to 913.47 lakhs.
- The prescribed CSR expenditure of ELGI Equipment's was maximum in the year 2021-22.
- The prescribed CSR expenditure of LMW was maximum in the year 2018-19.
- The prescribed CSR expenditure of Craftsman Automation was maximum in the year 2021-22.
- The prescribed CSR expenditure of Shanthy gears was maximum in the year 2021-22.
- The prescribed CSR expenditure of KPR Mills is higher than the other companies taken for the study.
- The highest amount on CSR was spent by KPR Mills during the financial year 2021- 22 amounting to 1026.64 lakhs. During the period 2017-22, the company has spent Rs.3,621.5 lakhs for the purpose of CSR.
- ELGI Equipments has spent highest amount on CSR during the financial year 2018- 19 amounting to Rs.468.16 lakhs. During the period2017-22, the company has spent Rs.3,796 lakhs for the purpose of CSR.
- The highest amount for CSR was spent by LMW during the financial year 2017-18 amounting to Rs.647.95 lakhs. During the period2017-22, the company has spent Rs.1,344.09 lakhs for the purpose of CSR.
- Craftsman Automation has spent the highest amount during the financial year 2021-22 amounting to Rs.223.95 lakhs. During the period2017-22, the company has spent Rs.540.437 lakhs for the purpose of CSR.
- The highest amount for CSR was spent by Shanthy Gears during the financial year 2020-21 amounting to 75 lakhs. During the period2017-22, the company has spent Rs.312 lakhs for the purpose of CSR.
- During the financial years 2017-22, among the five companies KPR Mills has spent the maximum amount of Rs.3,621.5 lakhs for the CSR activities.
- KPR Mills, LMW and Shanthy Gears have spent the prescribed CSR amount without carrying it forward to the subsequent years.
- ELGI Equipments have kept Rs.240.6 lakhs unspent during the financial year 2021- 22.
- Craftsman Automation have kept Rs.298.28 lakhs unspent during the financial year 2021-22.
- During the financial years 2017-22, KPR Mills has spent Rs.250.18 lakhs in addition to the prescribed amount.
- ELGI has spent Rs.2.06 lakhs in addition to the prescribed amount during the financial years 2017-22.
- During the financial years 2017-22, the LMW has spent Rs.93.3 lakhs in addition to the prescribed amount.
- Craftsman Automation has spent Rs.2.06 lakhs in addition to the prescribed amount, During the financial years 2017-22.

- During the financial years 2017-22, Shanthi Gears has spent Rs.7 lakhs in addition to the prescribed amount.
- ELGI equipments has spent more than the prescribed limit for CSR when compared to the other companies taken for the study.
- KPR Mills has spent Rs.3,370.91 lakhs in total during 2017-22 promotion of education.
- During 2017-22, ELGI Equipments has spent Rs.1,172.03 lakhs for promotion of education.
- LMW has spent Rs.569.97 lakhs in total during 2017-22 for promotion of education.
- During 2017-22, Craftsman Automation has spent Rs.195.72 lakhs for promotion of education.
- Shanthi Gears has spent Rs.72.1 lakhs in total during 2017-22 years for promotion of education.
- Among the five companies KPR ltd has spent the maximum amount of Rs.3370.91 lakhs for the purpose of promotion of education.
- KPR Mills has spent the maximum amount of Rs.638 lakhs for the purpose of gender equality and women empowerment.
- For reduction of child mortality and improving maternal health 8 lakhs in total has been spent by LMW during 2017-22.
- Among the five companies taken for study LMW has spent the maximum amount of Rs.8lakhs for Reduction of child mortality and improving maternal health.
- In the last five financial years, KPR Mills has spent Rs.5 lakhs for environmental sustainability programs.
- During the financial years 2017-22, ELGI Equipments has spent Rs.4.2 lakhs for environmental sustainability programs.
- LMW has spent Rs.123 lakhs for environmental sustainability programs during the financial years 2017-22.
- During the financial years 2017-22, Craftsman Automation has spent Rs.118.34 lakhs for environmental sustainability programs.
- Shanthi Gears has spent Rs.99 lakhs for environmental sustainability programs, during the financial years 2017-22.
- During the financial years 2017-22, among the five companies LMW has spent the maximum amount of Rs.123 lakhs for environmental sustainability.
- ELGI Equipment has spent Rs.91.08 lakhs during the financial years 2017-22 for health care.
- During the financial years 2017-22, LMW has spent Rs.748.49 lakhs for health care.
- Craftsman Automation has spent Rs.151.8 lakhs in financial years 2017-22 for health care.
- Shanthi Gears has spent Rs.24.44 lakhs during the financial years 2017-22for health care.
- During the financial years 2017-22, among the five companies LMW has spent the maximum amount of Rs.748.49 lakhs for the purpose of health care.
- LMW has spent Rs.251 lakhs for rural development projects in the financial years 2017-22.
- During the financial years 2017-22, Craftsman Automation has spent Rs.12.32 lakhs for rural development projects.
- Shanthi Gears has spent Rs.36 lakhs for rural development projects during the financial years 2017-22.
- Among the five companies LMW has spent the maximum amount of Rs.251 lakhs for the purpose of rural development projects.
- KPR Mills has spent Rs.2Lakhs during the financial years 2017-22for promotion of sports.
- During the financial years 2017-22, ELGI has spent Rs.2.304 Lakhs for promotion of sports.
- LMW has spent Rs.4.596 Lakhs during 2017-22for promotion of sports.
- Craftsman Automation has spent Rs.27.172 lakhs from 2017-22 for promotion of sports.
- Craftsman Automation has spent the maximum of Rs27.172 lakhs for promoting sports.
- During the financial years 2017-22, KPR Mills has contributed Rs.236 lakhs for public welfare.
- ELGI has contributed Rs.67.74 lakhs during the financial years 2017-22for public welfare.
- During the financial years 2017-22, LMW has contributed Rs.8.104 lakhs for public welfare.
- Craftsman Automation has contributed Rs.24.46 lakhs during the financial years 2017-22for public welfare.
- During the financial years 2017-22, Shanthi Gears has contributed Rs.37.98 lakhs for public welfare.
- Among the five companies taken for the study, ELGI Equipments has contributed the maximum amount of Rs.67.74 lakhs for the public welfare.
- ELGI has spent Rs. 6 lakhs for livelihood for differently abled children during the five financial years.
- LMW has spent Rs.1.64 lakhs for livelihood for differently abled children during the financial years 2017-22.
- In the last five years, among the five companies taken for the study ELGI Equipments has spent the maximum amount of Rs.6 lakhs for proving livelihood for differently abled children.
- KPR Mills has spent Rs.2 lakhs during 2017-22 for the development of infrastructure.
- During 2017-22, LMW has spent Rs.114.96 lakhs in total for the development of infrastructure.

- Craftsman Automation has spent Rs.5.645 lakhs during 2017-22 for the development of infrastructure.
- During 2017-22, Shanthi Gears has spent Rs.44.1 lakhs for the development of infrastructure.
- Among the five companies, LMW has spent the maximum amount of Rs.89.96 lakhs in the last five financial years for the development infrastructure in backward areas.

### **SUGGESTIONS**

- The companies can have tie up with NGOs, so that they get efficient manpower to spend their budgeted amount for CSR.
- The companies can conduct a research on the areas which requires developments and the aspects which has to be developed in that area before taking CSR decisions.
- The CSR committee of the companies shall have members who are selected on the basis of involvement in developing the society.
- The government should have a proper check on the treatment of the unspent amount on CSR by the companies.
- Efficient manpower should be utilised for implementing the welfare measures.

### **CONCLUSION**

CSR being a law in India, corporates in the country whose average net income is beyond the prescribed threshold limit has to do social work. CSR is included in social work, which is necessary for the upliftment of society, to uplift the needy sections of society. The CSR law was enshrined in the Companies Act on 1 April 2014. Since then, CSR became mandatory in India but even before that, a few Indian companies used to do social welfare of their own volition. It is concluded from the study that the companies in Coimbatore are performing well in CSR, though it is an obligation they have done the social welfare activities with the concern on the society. The area which requires improvement has been analysed by the companies and the total budgeted amount of CSR has been distributed among the various CSR activities as prescribed in the Schedule VII of the Companies Act, 2013. The companies have also spent more than the prescribed limit for the corporate social Responsibility. The companies are also involving the community while developing CSR assessment to identify their needs. Several aspects of SDGs are also being covered through CSR activities of the companies. Corporate Social Responsibility activities undertaken by the company has balanced corporate power with responsibility.

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