

AN ANALYTICAL STUDY ON CORPORATE SOCIAL RESPONSIBILITY: WITH REFERENCE TO NIFTY MEDIA

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ABSTRACT

The Corporate Social Responsibility (CSR) during the COVID-19 epidemic plays a role which is perceived as an indispensable and relevant facet of the corporate system. The primary goal of the research is to find out how much the CSR spending and CSR contribution gets affected during the COVID-19 epidemic and also to check out the focus area of the companies for CSR spending. The sample size consists of the top ten companies belonging to the NIFTY MEDIA Indexogram. The study used secondary data to analyze the data, graphs, and student t-tests. The findings showed that the mandatory provision of CSR has achieved a height. In comparison to previous years, CSR expenditure has been steadily increasing which indicates that Indian companies are genuinely committed to assisting the government in social activities, instead of only contributing money as a mandatory requirement.

Keywords: Corporate Social Responsibility, CSR Contribution, Student- t-Test, Nifty Media.

Introduction

There is a word "sense of responsibility" which as a human being everyone should have, in the same manner "a company" as an artificial person have some responsibility towards the society in which it exists that is named "Corporate Social Responsibility" (CSR). There is no particular definition given on CSR that define it universally.

With the stream of time, the act of philanthropy in the late 1990s has now become a mandatory requirement to be complied by companies in the form of CSR. There has been a credible change that shows how CSR is creating a sense of responsibility among the corporate. In most developed and developing countries, CSR has likely to be grown up during the last two decades.

The government realizes that the corporate sector in a developing nation like India played a key role in addressing the problems of the nation. In the year 2014, India will become the first country that mandates CSR vide "Section-135 of the Companies Act, 2013". This section mandates that the company needs to fulfill the CSR obligation as well as do reporting of the same for the companies which have a net worth of rupees five hundred crore or more, or net profit of rupees five crore or more, or an annual turnover of rupees 1000 crore or more. These companies are required to contribute a minimal of two percent of their average net profit of the three immediately preceding financial years. The manner in which the companies need to spend the contributed amount is also defined under "Schedule VII of the Companies Act, 2013". The government makes an effort to make the CSR legislation in the lineup with India's commitment to the UN-SDGs (i.e. United Nations Sustainable Development Goals).

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Media and entertainment is the important sector and this can be recognized by the fact that India is the second-largest television market and has the largest consumer of mobile data. It is considered the sunrise sector of the Indian economy. The last year, in November 2021, the government of India had increased the Foreign Direct Investment limit to 100% from 74%. The media and entertainment industry includes film, television, print, radio, over-the-top (OTT) media services, animation & VFX, and online gaming. The media and entertainment sector plays important role during the COVID-19 epidemic and also acts actively. People used mainly over-the-top (OTT) media services and online gaming during the COVID-19 epidemic.

The Nifty media Indexogram is a constituent of ten companies that belongs to the NIFTY MEDIA which was considered by the NSE (National Stock Exchange) by considering its own parameter of creating the Indexogram. Hence the NIFTY media and entertainment sector is considered for the purpose of research.

During the outbreak of COVID-19 epidemic, the companies through their CSR policy and CSR contribution worked as a helping hand to the government and society. By circulating a notification, the MCA (Ministry of Corporate Affairs) elucidates that spending funds on various activities related to the covid-19 relief would be considered under CSR activity. Hence the need arises to analyze the CSR contribution trend during pre and post COVID-19 epidemic and to find out the key areas where the CSR spending is mainly done.

Literature Review

Corporate Social Responsibility i.e. CSR is a buzzword in today's dynamic corporate world. CSR during COVID-19 plays a supportive role to the government as the corporate world helps the government by contributing to CSR. The following are literature related to CSR addressing the CSR expenditure, drivers of CSR and barriers of CSR, and areas of the CSR Expenditure:

Dr. Reena Shyam (2016) did exploratory research on Corporate Social Responsibility and found that the company had the capability to grow on a sustainability basis as well as ensure fairness to all the stakeholders. The corporate helps the people in improving their quality of life and successfully ensures that business can be done with social inclusion and attaining environmental sustainability.

Abhishek Mukherjee et.al (2016), in their study, investigated the barriers and drivers of CSR (Corporate Social Responsibility) expenditure as well as the impact of having mandatory CSR provisions. The study found that CSR spending varies according to size, age, and the type of ownership. Well, establish companies spend as they are bothered for the society while smaller and young companies spend for their internal reason which revolves around improving the employee's conditions.

Akhil Krishana (2018), in his paper, tried to find out the difference among CSR expenditure spent by the manufacturing and service industries and draws the conclusion that the manufacturing industry contributes more towards CSR activities as compared to the service industry. The contribution made by manufacturing is more on environmental management so that its negative impact can be reduced and as a result, the financial gain and profitability also increase.

Ms. Himandir kewlani et. al (2019), in their research, compare and contrast the CSR expenditure, CSR initiatives and the impact of CSR on the stock price of the Indian banks. And the result showed that the change in CSR expenditure was an upward trend in the private sector banks while the public sector banks had a dynamic trend. The effect of CSR on the share price of private sector banks was positive and on the public sector, bank is negative.

Sagar Gupta et.al (2019), in their paper the research was carried out make a comparison of two companies belonging to the automobile sector namely Maruti and TATA using primary data by making a questionnaire. The result showed that the CSR expenditure done by Maruti is more than the TATA and doing 30% of its expenditure was on road safety. But the perceptions of the respondents were the same for Maruti and TATA.

Dr. Anshuja Tiwari & Swati Yadav (2019), in their paper they examined the CSR activities attained by the Idea & Airtel using descriptive statistics and compared their CSR activities. It was found that telecom sector companies spend the CSR-related funds on certain activities only; there was a need to focus on more activities related to CSR. The idea of company spending and activities related to CSR was wider than Airtel.

Veena M et.al (2021), in their paper, analyzed whether time influences the corporate spending on social activities by the companies or not and whether the CSR spending of the companies is related or

not. The result showed the CSR spending of both the companies was not affected by the time as well as the CSR expenditure of one and the other company was not related to each other.

Objectives

The goal of the research was to analyze the Net profit after tax (NPAT) during the period of pre-COVID-19 epidemic and post-COVID-19 epidemic, the CSR contribution during the period of pre-COVID-19 and post-COVID-19 epidemic, the CSR spending during pre-COVID-19 epidemic and post-COVID-19 epidemic, and to find out the area wise CSR expenditure made by the companies

Hypotheses

- H₀₁:** There is no significant relationship among the pre-COVID-19 NPAT epidemic and post-COVID-19 epidemic NPAT
- H₀₂:** There is no significant relationship among pre-COVID-19 epidemic CSR contribution and post-COVID-19 epidemic CSR contribution
- H₀₃:** There is no significant relationship among pre-COVID-19 epidemic CSR Spending and post-COVID-19 epidemic CSR Spending

Data and Methodology

For the study, the sample consists of the top ten companies which are part of the NSE Indexogram of the sector Nifty media. The secondary information was gathered from the selected companies annual reports from the year 2017-18 to 2020-21 and to analyze the data graphical method was used. A student t-test was performed to evaluate the hypothesis. The pre-COVID-19 epidemic span consists of 2017-18 and 2018-19 while the post-COVID-19 epidemic span consists of 2019-20 and 2020-21.

The sample consists of the companies named below:

S. No.	Name of the company
1.	Zee Entertainment Enterprises Ltd.
2.	PVR Ltd.
3.	Sun TV Network Ltd.
4.	TV 18 Broadcast Ltd.
5.	Saregama India Ltd.
6.	INOX Leisure Ltd.
7.	Dish TV India Ltd.
8.	Network18 Media & Investment Ltd.
9.	Nazara Technologies Ltd.
10.	Hathway Cable & Datacom Ltd.

Results and Discussion

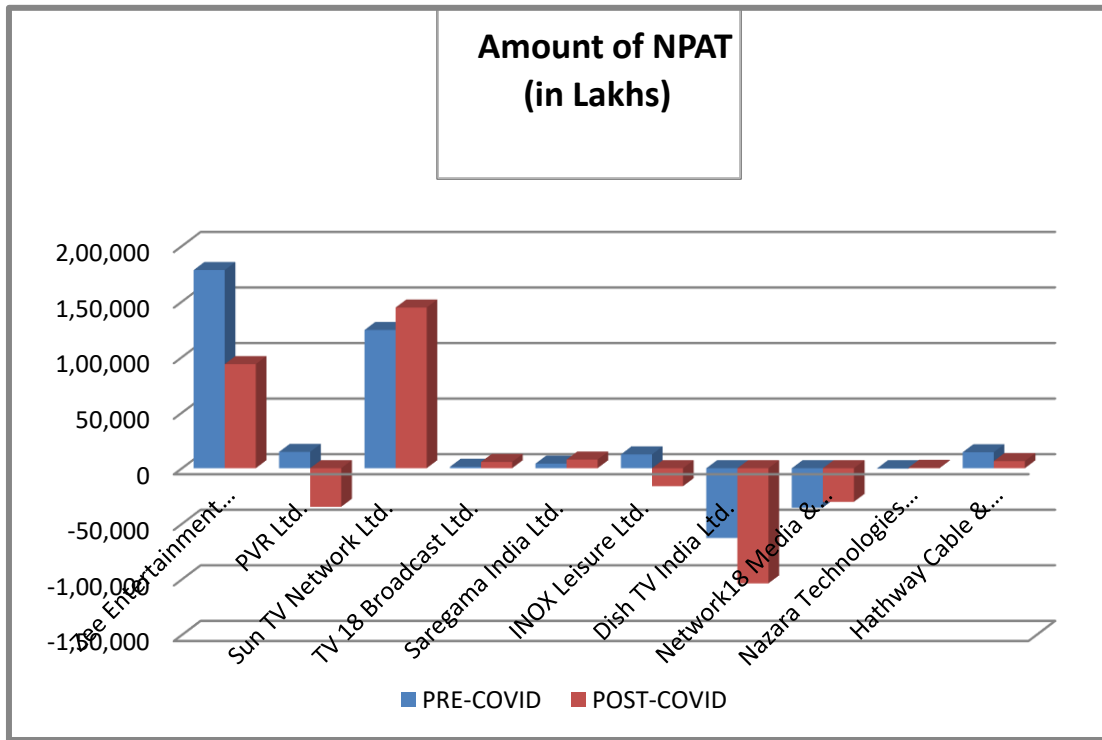
The table and graph below are showing the relation among pre-COVID-19 epidemic NPAT and post-COVID-19 epidemic NPAT.

- H₀₁:** There is no significant relationship among the pre-COVID-19 epidemic NPAT and post-COVID-19 epidemic NPAT

t-test: with paired two sample for means

Table 1

	PRE-COVID-19 epidemic NPAT	POST-COVID-19 epidemic NPAT
Mean	25108.265	7382.592
Variance	5196877857	4708514347
Observations	10	10
Pearson Correlation	0.894728381	
Hypothesized Mean Difference	0	
df	9	
t Stat	1.72694420	
P(T<=t) one-tail	0.05912536	
t Critical one-tail	1.83311292	
P(T<=t) two-tail	0.11825073	
t Critical two-tail	2.26215715	



Graph 1

(Source: Author's own compilation)

From the above table 1.1, it can be depicted that the computed value is for the one-tail test the p-value is 0.059 and for the two-tail test, the p-value is 0.118, both of which are greater than the level of significance value of 0.05. Hence the null hypothesis is not get rejected. So, there is no significant relationship among the pre-COVID-19 NPAT and post- COVID-19 NPAT.

From the above graph 1.1, it is concluded that the profitability of the companies gets affected up to some extent. The companies can retain themselves in a profitable situation but not in that amount as before the COVID-19 epidemic.

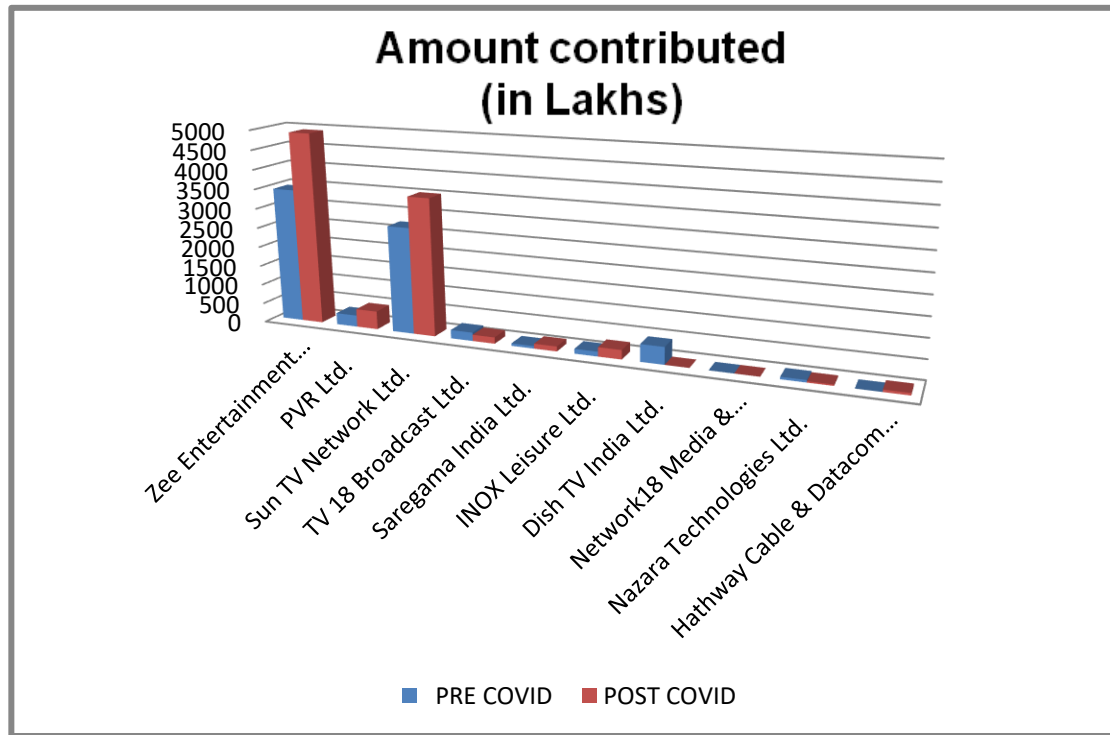
The table and graph below are showing the relation among pre-COVID-19 epidemic contribution and post-COVID-19 epidemic contribution.

H⁰¹: There is no significant relationship among the pre-COVID-19 epidemic contribution and post-COVID-19 epidemic contribution

t-test: paired two sample for means

Table 2

	PRE- COVID-19 Epidemic Contribution	POST- COVID-19 Epidemic Contribution
Mean	737.255	952.5645
Variance	1583378.538	3098376.907
Observations	10	10
Pearson Correlation	0.991956641	
Hypothesized Mean Difference	0	
df	9	
t Stat	-1.26975657	
P(T<=t) one-tail	0.1180090	
t Critical one-tail	1.83311292	
P(T<=t) two-tail	0.23601806	
t Critical two-tail		



Graph 1.2

(Source: Author's Own Compilation)

From the above table 1.2, it can be depicted that the computed value is for the one-tail test the p-value is 0.118 and for the two-tail test, the p-value is 0.236, both of which are greater than the level of significance value of 0.05. Hence the null hypothesis is not get rejected. So, there is no significant relationship among the pre-COVID-19 contribution and post COVID-19 contribution.

From the above graph 1.2, it can be concluded that most of the companies contributed more during the post-COVID-19 period as compared to the pre-COVID-19 period which shows that the companies are fulfilling their responsibilities toward society.

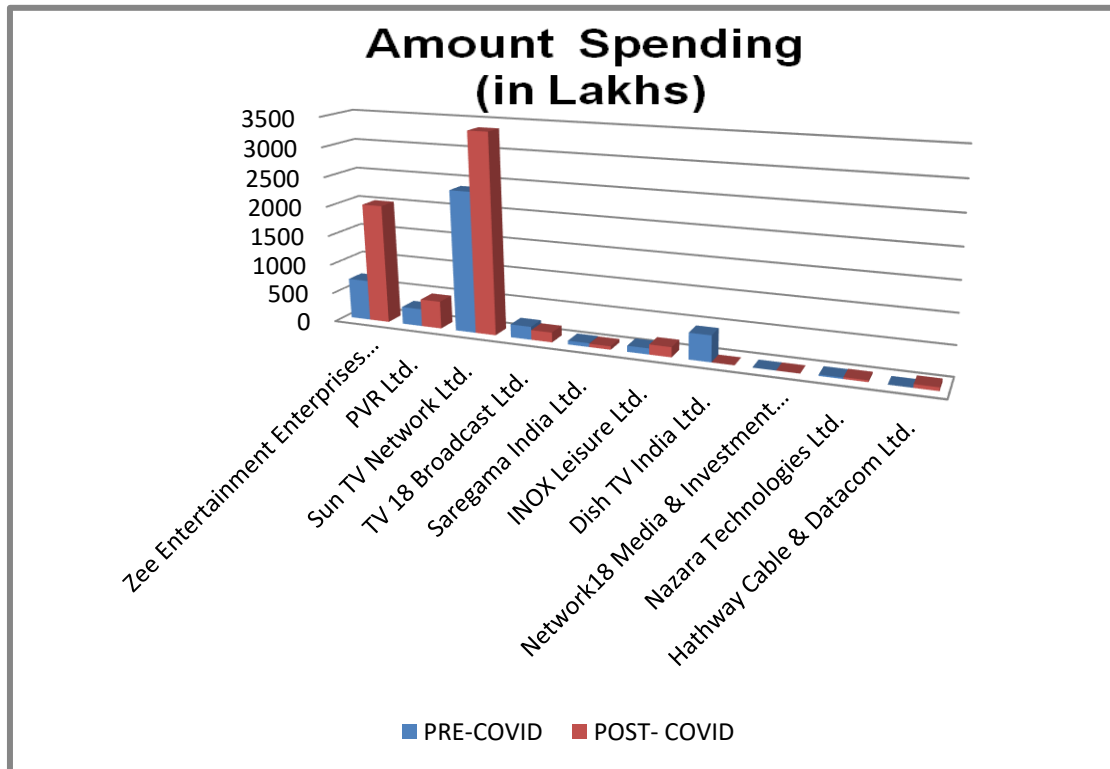
The table and graph below are showing the relation among pre-COVID-19 epidemic spending and post-COVID-19 epidemic spending.

H₀₁: There is no significant relationship among the pre-COVID-19 CSR epidemic spending and post-COVID-19 CSR epidemic spending.

t-Test: Paired Two Sample for Means

Table 3

	PRE-COVID-19 CSR Epidemic Spending	POST- COVID-19 CSR Epidemic Spending
Mean	421.533	633.785
Variance	524689.7907	1301819.671
Observations	10	10
Pearson Correlation	0.934950487	
Hypothesized Mean Difference	0	
df	9	
t Stat	-1.26597816	
P(T<=t) one-tail	0.1186536	
t Critical one-tail	1.83311292	
P(T<=t) two-tail	0.23730737	
t Critical two-tail	2.26215715	



Graph 3

(Source: Author's own Compilation)

From the above table 1.3, it can be depicted that the computed value is for the one-tail test the p-value is 0.118 and for the two-tail test, the p-value is 0.237, both of which are greater than the level of significance of 0.05. Hence the null hypothesis is not get rejected. So, there is no significant relationship among pre-COVID-19 spending and post-COVID-19 spending.

From graph 1.3, it can be concluded that most of the companies are spending more during the post-COVID-19 epidemic as compared to pre-COVID-19, although from graph 1.1, it can be seen that most of the company's profitability gets affected to some extent.

Overall Conclusion

On an average, the contribution made by the companies gets increased. It was found that the contribution towards CSR Expenditure largely varies by the size, age, and type of ownership of the companies. Most companies are in a profitable position during the COVID-19 epidemic. So, they can contribute exactly "two percent of the average net profit of the three immediately preceding financial years". The media and entertainment sectors don't get affected more during the COVID-19 epidemic. Hence this sector will be helping hand the economy during the severe epidemic.

The mandatory provision of CSR has achieved a height and there is a constant rise in the CSR expenditure as compared with the earlier years which indicates that Indian companies are genuinely committed to assisting the government in social activities, instead of only contributing money as a mandatory requirement.

The focus area of the media and entertainment sector while doing csr expenditure are as follows:

- For rural development such as integrated rural development centers, rural transformation initiatives, etc.
- For encouraging Paralympics sports, rural sports, and Olympic sports
- For disaster management such as flood-affected victims, the chief minister's distress relief fund, etc.

- For the health & care such as treatment & rehabilitation provided to the mentally challenged people, nutrition & rehabilitation to the street children, etc.
- For the promoting education
- For the protection of the culture and heritage
- For women's empowerment
- For the slum areas development

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