

EVALUATING CORPORATE SOCIAL RESPONSIBILITY INITIATIVES: A STUDY OF COMPANIES IN PUNJAB

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ABSTRACT

Corporate Social Responsibility (CSR) has emerged as an integral component of sustainable business strategy, emphasizing ethical responsibilities alongside economic goals. This study, "Evaluating Corporate Social Responsibility Initiatives: A Study of Companies in Punjab," examines the CSR practices of selected companies operating within the Punjab, aiming to evaluate their contribution to social development, sustainability, social and community welfare. The research explores how these firms conceptualize CSR, the nature of their initiatives, and the extent to which their activities align with statutory requirements and stakeholder expectations.

The selected companies representing diverse sectors such as manufacturing, services, and agriculture-based industry were analyzed through both qualitative and quantitative measures. Secondary data were obtained from annual reports, CSR disclosures, sustainability reports, official sites and official corporate publications. The study focuses on major CSR domains including education, healthcare, environmental protection, woman empowerment, skill development, rural upliftment, and collaboration with non-governmental organizations.

The findings reveal notable variations in CSR orientation and implementation across these companies. While each organization undertakes socially responsible activities, differences exist in strategic planning, fund utilization, transparency, and impact assessment practices. Certain initiatives reflect long-term developmental objectives and measurable social outcomes, whereas others appear limited in scale or compliance-driven. The research also identifies challenges such as inadequate stakeholder participation, fragmented monitoring mechanisms, and the need for standardized reporting frameworks.

The study concludes that a well-integrated CSR approach can significantly enhance corporate credibility while fostering sustainable regional development. It recommends stronger policy alignment, community engagement, and performance evaluation systems to maximize the effectiveness of CSR initiatives in Punjab.

Keywords: Corporate Social Responsibility, CSR Practices, Punjab, Sustainable Development, Community Welfare, Selected Companies.

1. INTRODUCTION

Corporate Social Responsibility (CSR) is termed as Corporate citizenship, corporate sustainability, responsible business, corporate conscience etc. Corporate Social Responsibility (CSR) refers to the responsibility of a company to operate in a socially responsible manner, contributing to the economic, social, and environmental well-being of society. As per Section 135 of the Companies Act, 2013, CSR encompasses activities that promote social welfare, address environmental concerns, and create a positive impact on society. This **Section 135 of the Companies Act, 2013** mandates CSR for companies that meet any of the following criteria:

- Net worth of ₹500 crore or more, or
- Annual turnover of ₹1,000 crore or more, or
- Net profit of ₹5 crore or more during the immediately preceding financial year.

Such companies are required to spend at least 2% of their average net profits over the previous three financial years on CSR activities.

Schedule VII provides a list of activities that qualify as CSR under the Act. These include:

- Eradicating hunger, poverty, and malnutrition.
- Promoting education, including special education and employment-enhancing vocational skills.
- Promoting gender equality and empowering women.
- Reducing child mortality and improving maternal health.
- Ensuring environmental sustainability.
- Protection of national heritage, art, and culture.
- Measures for the benefit of armed forces veterans, war widows, and their dependents.
- Contribution to the Prime Minister's National Relief Fund.
- Rural development projects.

Spending on CSR Activities in India is increasing every year. Like that CSR spending in Punjab are increasing from year 2019-20 to 2023-24 that are 189.44 Cr., 158.48 Cr., 185.41 Cr., 263.51 Cr., 351.89 Cr. Respectively. The CSR spending in Punjab are basically towards education, health, sanitation, rural development, gender equality, slum area development, heritage art & culture etc. out of total CSR expenditure 515.29 Crore have been spends towards education, differentially 360.22 Crore have been spend on health, poverty & malnutrition, soft drinking water and sanitation, 127.38 Crore spends on environment, animal welfare, about 80.57 Crore have been spend towards rural development during year 2019-20 to 2023-24. The most of CSR spending are toward these areas. The top CSR spending district is Ludhiana.

2. LITERATURE REVIEW

Idowu (2007) have studied twenty companies in U.K., propounded that the U.K. companies have now become ethical in the content of social responsibility as companies disclose its CSR

with a view of public benefits, government request and issue information to stakeholders because the companies think that stakeholders of twenty first century are better educated than past. **Chaturvedi (2012)** article entitled “CSR looks set to emerge as an independent stream with measurable output” on India CSR site, declared about the proposed bill of CSR that how the bill will affect the company’s policies. The researchers presented their views and said that due to this bill, company’s activities will change a lot the companies who has not engaged in CSR activities till now, will start investing on society. Further, who has already engaged in these areas will get a strong foundation or bond with the society. **Verma and Kumar (2014)** analyzed the expenditure pattern of corporate towards CSR activities in the period of voluntary spending. The study found that CSR spending has been very low with respect to revenue and profits during voluntary spending phase. **Mishra (2020)** evaluated the CSR spending of top 100 listed companies as per market capitalization on National Stock Exchange. The paper analyzed areas of CSR spending, availability of CSR information and corporate compliance as per Companies Act, 2013. **Nayak and Khatei (2021)** examined the extent of CSR expenditure by Public Sector Undertaking as well as Non-Public sector undertakings and analysis state wise allocation of CSR expenditure in India. The study found that CSR spending in India not evenly distributed among different sectors. **Kaur (2023)** and **Sukhmani (2023)** found that while CSR activities significantly impact rural households' social and economic upliftment, there is a mismatch between corporate initiatives and actual community needs. For example, Pernod Ricard and Ambuja Cement Foundation have focused specifically on health and substance abuse prevention among truckers in **Derabassi**, a critical regional need often overlooked in broader national policies. **Chauhan and Sukhmani (2023)** observed that while beneficiaries are increasingly aware of CSR as a concept, they lack detailed knowledge of the specific activities mandated by law. In the Malwa region, beneficiaries often view CSR merely as "profit donation" rather than a strategic effort to mitigate the environmental risks caused by local industries. This suggests a gap in the "true spirit" of CSR implementation. **Goyal (2025)** and Sattva Consulting (2021/Updated 2024) highlight that the Malwa region receives the majority (approx. 69%) of the state's CSR funds due to its industrial density. The primary sectors of investment remain Education (26%), Healthcare (21%), and Environmental Sustainability (15%). Large corporate players such as HPCL-Mittal Energy Limited and Trident Limited are identified as the leading contributors to the state's development projects.

3. OBJECTIVES

- To analyze CSR spending in Punjab from the year 2019-20 to 2023-24.
- To analyze CSR spending in selected companies of Punjab from the year 2019-20 to 2023-24.

4. RESEARCH METHODOLOGY

The study is based on Secondary data collected from reports, **National CSR Portal** (Ministry of Corporate Affairs, Government of India), CSR disclosures, sustainability reports, official sites and official corporate publications. It focuses on a quantitative evaluation of Corporate Social Responsibility (CSR) practices and expenditure trends within the specific geographical and economic context of Punjab. Sample size for the study is five. Five companies from Punjab is selected to analyze CSR spending. The study covers five years, period from financial year 2019-20 to 2023-24. The collected data was tabulated using Microsoft Excel to identify year-on-year trends. To facilitate a clear comparison of CSR expenditure and performance across the five companies, the data is presented using Line Charts.

5. ANALYSIS AND INTREPRETATION

The study has comprehensively examined the patterns and trends of Corporate Social Responsibility (CSR) spending in the state of Punjab. It focuses on how companies allocate their CSR funds across key sectors such as education, healthcare, environmental sustainability, and rural development. The analysis highlights the priorities of organizations and their alignment with local socio-economic needs. It also evaluates the effectiveness and impact of these expenditures on community development and welfare. Furthermore, the study identifies gaps and opportunities to enhance the efficiency and strategic implementation of CSR initiatives in Punjab

CSR Spending in Punjab

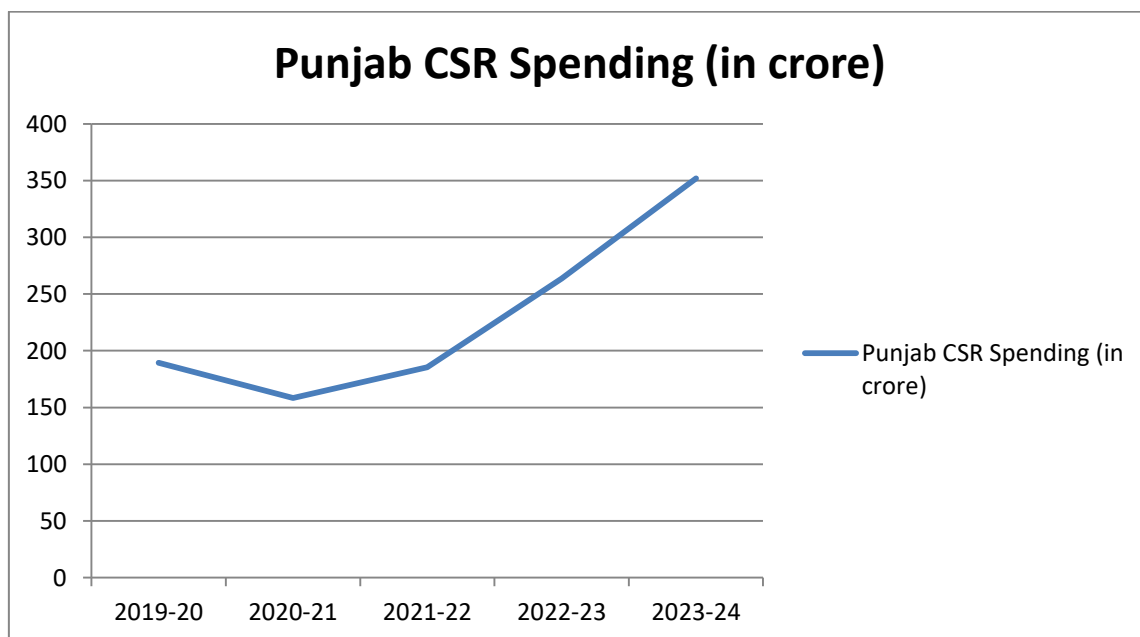
Table 1: CSR spending in Punjab

Year	Spending (in Crores)
2019-20	189.44
2020-21	158.46
2021-22	185.41
2022-23	263.51
2023-24	351.89

Source: Compiled from National CSR Portal

Table No. 1 shows the CSR expenditure from the year 2019-20 to 2023-24. It shows that the CSR expenditure in 2019-20 was 189.44 Crore has decreased in 2020-21 to 158.46 Crore. The table shows that the CSR expenditure has increasing yearly from year 2021-22 to 2023-24. In 2021-22 the spending was 185.41 Crore, in 2022-23 spending were 263.51 Crore and in 2023-24 it was 351.89 crore. So, the expenditure on CSR has increasing during the period of study.

Figure 1: CSR spending in Punjab (2019-20 to 2023-24)



Source: Compiled from National CSR Portal

Figure No. 1 Showing that the CSR expenditure decreased in 20-21 as compared to 2019-20, and after 2020-21 the CSR expenditure goes on increasing during the period of study.

CSR in selected Companies of Punjab

The CSR Expenditure in selected companies of Punjab are given as follows:

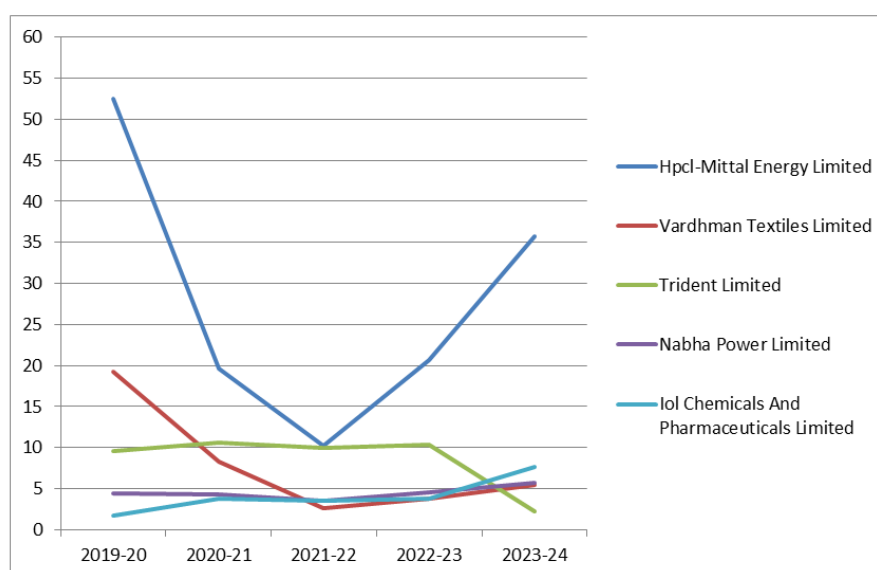
Table No. 2: CSR spending in companies of Punjab

Company/ Year	Hpcl-Mittal Energy Limited	Vardhman Textiles Limited	Trident Limited	Nabha Power Limited	Iol Chemicals And Pharmaceuticals Limited
2019-20	52.51 Cr.	19.27 Cr.	9.55 Cr.	4.4 Cr.	1.74 Cr.
2020-21	19.59 Cr.	8.33 Cr.	10.55 Cr.	4.34 Cr.	3.8 Cr.
2021-22	10.25 Cr.	2.63 Cr.	9.92 Cr.	3.58 Cr.	3.49 Cr.
2022-23	20.66 Cr.	3.84 Cr.	10.32 Cr.	4.59 Cr.	3.77 Cr.
2023-24	35.75 Cr.	5.46 Cr.	2.22 Cr.	5.72 Cr.	7.69 Cr.

Source: Compiled from National CSR Portal

Table No. 2 shows the CSR expenditure of five selected companies in Punjab. These companies are Hpcl-Mittal Energy Limited, Vardhman Textiles Limited, Trident Limited, Nabha Power Limited, Iol Chemicals and Pharmaceuticals Limited. There is lot of variation in CSR expenditure of these companies during period of study. In Hpcl-Mittal Energy Limited the CSR expenditure in year 2019-20 was 52.51 Crore and that was 19.59 Cr. in year 2020-21 and 10.25 Cr. 2021-22 but expenditure increases in 2022-23 that was 20.66 Cr. And 2023-24 it was 35.75 Cr. as compared to 2020-21 & 2021-22. In the Vardhman Textiles Limited CSR spending was decreasing, Trident limited the expenditure are decreasing, in case of Nabha Power Limited and Iol Chemicals And Pharmaceuticals Limited, the expenditure are increasing during the period of study.

Figure No. 2: CSR spending in companies of Punjab



Source: Compiled from National CSR Portal

Figure No. 2 shows the CSR spending in companies of Punjab. The data shows that there is more variations in CSR spending. During the period of study in **Hpcl-Mittal Energy Limited** the expenditure was decreased in year 2021-22 and after that, its expenditure begins to increase. **Vardhman Textiles Limited's** CSR spending in year 2019-20 was maximum , after that the expenditure goes on declining during 2021-22 to 2023-24. In the **Trident Limited** the CSR expenditure was stabilize , there is little change in their spending and in year 2023-24 the expenditure declines. **Nabha Power Limited**, in year 2021-22 the CSR spending declines and after that the expenditure goes on increasing in year 2022-23 and 2023-24. **Iol Chemicals And Pharmaceuticals Limited**, company the CSR expenditure are in increasing trend during the period of study. It shows the “U” shaped trend of CSR spending.

6. CONCLUSION

The present paper studied the CSR expenditure in Punjab state as well as in the selected companies of Punjab. The paper concludes that the CSR expenditure is increasing during the period of study i.e. 2019-20 to 2023-24. But in case of companies that are selected for study, there is more variation in CSR spending. In year 2019-20, the CSR spending of all five companies except Iol Chemicals And Pharmaceuticals Limited are its maximum point, and CSR spending decline in 2021-22 and in year 2023-24 the CSR expenditure of all the companies except Trident Limited are increasing.

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