



## CSR SPENDING IN RESPONSE TO COVID-19 BY TOP 10 COMPANIES OF SENSEX 30

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**ABSTRACT** The Pandemic has hit India very hard. Since the outbreak of COVID-19, many people were affected by it and it also led to shutdown of the economy. There was an implication of lockdown to counter the virus which led to a negative effect on all the sectors of the economy and its various stakeholder. Big Corporate Houses are an important part of the society and they have a big role to play here, in the war against COVID. This paper aims to study how top corporate houses have responded to pandemic. Top 10 companies of SENSEX 30 were taken under consideration for the study. The CSR spending related to COVID-19 were taken into account.

**KEYWORDS :** COVID-19, CSR, PM CARES, CORPORATES

### INTRODUCTION:

The outbreak of COVID-19 has affected each and every part of the world. The SARS Cov2 virus which caused COVID-19 spread was found in Wuhan city in December 2019, China. From there it kept spreading to whole world. COVID-19 led to a global health emergency and led many countries into global lockdowns. COVID-19 transmits from one person to another through respiratory fluids carrying infectious virus. Measures like wearing mask, social distancing, lockdown, quarantine, etc. are used to control the spread of this virus.

In India, the virus started spreading in march 2020, and to counter it, Indian Government imposed a complete lockdown which lasted 55 days since March 25<sup>th</sup> 2020. The deadly virus followed by the lockdown caused severe depreciating impact on all the sectors of Indian Economy as well as negative health impact on the citizens of the country. The virus hit the country very hard, as economy was shut down, so with health problems caused by COVID-19, financial problems followed. During April 2020, the unemployment rate was as high as 23.52% because of decrease in demand and disruption of workforce. Between February to April 2020, the share of households that experienced fall in income were 46% and simultaneously inflation was rising as well. During the lockdown period more than 140 million people lost their jobs. Though the unemployment rate was controlled later and it gradually came down to 6.53% in January 2021. But again in 2<sup>nd</sup> wave of COVID-19 during May 2021, another 7 million people lost their jobs. The GDP of India also weakened due to COVID-19 induced lockdown. According to Ministry of Statistics, the growth of India slowed down to 3.1% during the fourth quarter of fiscal year 2020. India clocked a negative growth of 7.3% for financial year 2020-2021. During the first quarter of 2020-2021, India's GDP reduced by 24.38% due to COVID-19.

As of May 2021, there were more than 2.9 crore positive cases of covid. However, around 2.7 crore people have recovered from the virus. Unfortunately, there are 3,63,097 deaths due to covid.

Indian companies play a very important role in managing the pandemic. Many companies have come up to support government counter and fight covid. Corporate Social Responsibility is a tool used by companies to provide for society. It can be used now, to manage the covid crisis.

CSR is a tool for companies to be socially responsible, to itself and its stakeholders. This tool helps companies in managing how they are going to impact the society. In 1900, JN Tata quoted, CSR as "to pay back to society". The Companies Act 2013 has made CSR as a compulsory activity. India is the first county to make CSR mandatory. Under CSR companies invest their money, time, human resources for sustainable wealth creation for stakeholders. CSR activities help in managing relationship with various stakeholders. These activities impact the future of the society as a company exists in society and is a part of society, so by these activities it determines the future of the society

There is no universally agreed definition of Corporate Social Responsibility. The entirety of CSR can be bifurcated into three words: corporate, social and responsibility. CSR also includes the responsibilities which both parties of this relationship need to perform. CSR on many levels, consists of all stakeholders and constituent

parties that hold an ongoing stake within the organisation's operations. "Corporate responsibility involves a commitment by a company to manage its role in society as producers, employers, marketers, customers, and citizen in a responsible and sustainable manner. That commitment can include a set of voluntary principles over and above legal requirements that seeks to ensure that company has a positive environment in which it operates" ~Unites states council of business advancing corporate responsibility – a statement the USCIB corporate responsibility committee November 2002

*"Corporate social responsibility is a hard-edged business decision. Not because it is a nice thing to do or because people are forcing us to do it... because it is good for our business"*

CSR can be used as a tool to control the covid crisis. Even government has labeled COVID-19 relief by companies as an eligible activity for CSR. The government has set up 'Prime Minister Citizens Assistance and Relief in Emergency Situations Fund' (PM CARES) to respond to COVID-19 crisis and provide relief to those affected by it. Government has also made an amendment in Schedule VII of Companies Act 2013 to include contributions to PM CARES as CSR eligible activity.

On March 23<sup>rd</sup> 2020, all the activities related to COVID-19 response were added as eligible expenditure for CSR. On August 2020, the government also added another amendment in CSR norms which includes R&D spending on Vaccine, Drugs, Medical service related to COVID-19 as eligible CSR activity. So, government is also square with the idea of CSR as a tool to counter COVID-19.

The contribution to PM CARES Fund by Private sector companies stands at 5,565 Crore and by public sector it is 3,249 crores. (Source: Times of India)

Even before the announcements related to CSR by government many companies voluntarily came up and offered resources to combat COVID-19. Indian companies are taking necessary steps willingly to combat this pandemic and are extending their support. This pandemic led the corporate leaders to take responsibility for the safety of employees while running necessary core operations. Companies have made efforts to keep employees safe and protected from the virus.

IICA quoted "Companies across all the sectors have undertaken the opportunity to further embed themselves into the social and fabric of the communities where they operate. CSR presents a pathway to protect consumer trust, investor confidence and workforce loyalty. CSR practices can act as powerful when responding to COVID crisis". Companies have always come up with support in previous epidemics and pandemics too.

### RESEARCH METHODOLOGY:

#### OBJECTIVE OF STUDY:

The objective of the study is to determine the CSR spending in view of COVID-19 crisis by top 10 companies of SENSEX 30 (as of March 2021) during the financial year 2020-2021. The study uses secondary data being collected through different business magazines, news articles and official websites of the companies for this study.

#### Period of Study:

The study takes into account data from March 2020 to March 2021.

The widespread COVID-19 outbreak occurred in March 2020.

### Population of Study:

#### Top 10 companies of SENSEX 30 as of March 2021:

1. Reliance Industries Limited
2. HDFC Bank Limited
3. Infosys Limited
4. HDFC Limited
5. ICICI Bank Limited
6. TCS Limited
7. Kotak Mahindra Bank Limited
8. Hindustan Unilever Limited
9. ITC Limited
10. Axis Bank Limited

CSR spending related to Covid:

#### Reliance Industries Limited:

Reliance Industries Limited has made lot of contribution to support the county in facing the COVID-19 Crisis. The company has made following contribution to support funds :

- Rs 500 crores contributed towards PM CARES fund.
- Rs 5 crores contributed towards fund of Maharashtra.
- Rs 5 crores contributed towards CM fund of Gujarat.

#### Apart from monetary donation, reliance has also contributed in following ways:

- Raised the production of Liquid Oxygen (Medical Grade) from 0 to 1000 MT per day, Free of Cost. It contributes to 11% of total production in the Country.
- The company airlifted 24 ISO containers so that it can transport Oxygen, creating additional transportation capacity of 500 MT for India.
- Provided 875 beds for covid patients:  
At National Sports Club of India, Mumbai, it created a 650 covid facility  
Trident Hotel, BKC- 100 Beds  
Seven Hills Hospital- 125 Beds (45 ICU beds)  
All patients are treated free at these facilities

#### HDFC Bank Limited:

CSR done by parent company HDFC Limited.

#### Infosys Limited:

Rs 100 crores contribution towards the PM CARES fund.

Infosys foundation constructs a 100 beds hospital for Girls at IIIT Tiruchirappalli

Infosys Foundation, the philanthropic and CSR arm of Infosys and Narayana Health, launched a 100 rooms facility of quarantine for COVID-19 patients in Bengaluru. An operation theater section with 5 major top-class OTs was constructed at the KMIO, Bengaluru, Karnataka. Necessary equipment was also provided. A Memorandum of Understanding (MoU) was signed with JICSR, Bengaluru. The MoU included an undertaking to build a hospital with 300 beds to improve the health services and treat poor patients.

#### HDFC Limited:

PM CARES Fund Contribution- Rs 60 Crores

Distribution of dry ration kits, cooked meals and preventive and curative equipment worth RS 18 crores was done to support various communities.

HDFC covid response was done to combat Human & Health crisis faced by socioeconomically weaker sections of society, healthcare workers and frontline personnel, like police & sanitation workers. To execute the relief work, financial help from CSR commitment and voluntary employee's contribution was provided. HDFC did following:

- Distribution of dry ration and hygiene kits, to households whose income had been directly affected due to lockdown
- Cooked meals to individuals comprising primarily stranded migrants
- Procurement and distribution of protective gears to healthcare workers and police personnel
- Procurement and distribution of Curative equipment and supporting isolation wards.

14 states of India with a per individual spending of Rs 890 were benefitted by the CSR activities totaling to 2,01,760 individuals across.

#### ICICI Bank Limited:

ICICI Group committed Rs. 100 crores in helping the country in combatting the COVID-19 virus.

PM CARES Fund Contribution- Rs 80 Crores

Towards state and local authorities- Rs 20 Crores

ICICI Group was working actively to help state governments and other authorities to help them in safeguarding the citizens. Over 2.13 lakh surgical masks, over 40,000 N95 masks, 20,000 liters of sanitizers, 16,000 gloves, 5,300 personal protection equipment (PPE) suits, 2,600 protective eye gear and equipment like 50 thermal scanners and 3 non-invasive categories were provided by ICICI Foundation.

#### TCS Limited:

Tata Sons and Tata Trusts have provided Rs 1500 crores towards the fight against COVID-19.

Out of these 1500 crores, Rs 500 crores were contributed towards PM CARES Fund. The fund of Rs 1000 crores will be used for providing PPE kits for medical personnel on the frontlines, respiratory systems, testing kits, modular treatment facilities and training of health workers as well as the general public.

Technology is also provided to solve various problems here and have made their proprietary distance learning software platform available for free to educational institutions. The TCS iON Digital Glass Room a web education platform, which help educators to engage with students in real time by sharing lessons, videos, worksheets, assignments, and assessments is also made available free of cost. TCS Limited is supporting the fight with COVID-19 in way or the other.

#### Kotak Mahinda Bank Limited:

To help and support employees across the country in their fight against the pandemic, Kotak has put in place a series of emergency measures including tie-ups for medical emergency response services. Under this policy, family members/nominee of deceased employees from 1st April, 2020 and subsequent cases up to 31st March, 2022 will receive full monthly fixed salary Cost to Company for two years beginning June 2021.

- Contribution to PM CARES fund- Rs 50 crores
- Contribution to CM fund of Maharashtra- Rs 10 crores

#### Hindustan Unilever Limited:

Mission HO2PE was conducted by HUL. Under this they have procured 5000+ oxygen concentrators from around the world. The Company has provided to most impacted areas of the country. They are also providing oxygen concentrators to various hospitals across 16 States. HUL is also donating 50 ventilators in contribution to its fight.

Domex brand has worked with the Municipal Corporation of Greater Mumbai (MCGM) to disinfect public spaces in Mumbai. They also donated around 50,000 liters of Domex Disinfectant Floor Cleaners for the same.

Rs 100 crores was committed by them to support the communities impacted by the COVID-19. HUL provided food kits and donated more than 20 million soaps and sanitizers to more than 1,00,000 migrant labor families. They have also contributed to improvement in healthcare infrastructure by donating medical equipment. They had come up in an agreement with Apollo Hospital, State Bank of India, Lemon Tree, Oyo, and others in metros to make sure that people have ready access to isolation facilities with medical supervision. A campaign about protective measures was conducted in association with UNICEF which reached over 600 million people, to spread awareness in context of COVID-19

#### ITC Limited:

ITC limited provided Rs 150 crores COVID contingency fund to fight the Virus. ITC has provided support to the Government for fight against COVID-19 through its value chain. The fund set up by ITC will be used to help weaker sections of the society who have been negatively by COVID.

ITC has also been helping in second wave of COVID-19, it has worked in facing the oxygen crisis by joining with Linde India so that it can airfreight 24 cryogenic ISO containers of 20 tons each from Asian countries to be used to transport medial oxygen across the country.

**Axis Bank Limited:**

Axis Bank was one of the first financial institution to respond to COVID-19 and it announced a fund of Rs 100 crore to support various stakeholders.

**CONCLUSION:**

The top 10 companies have come up with the best of their capacity. The companies fulfilled their social responsibility by supporting and helping in combatting COVID-19. They accessed the severity of situation and came up with all the monetary and non-monetary help. Many companies did help in combatting covid even before it was made compulsory as CSR activity. This shows the voluntary efforts and care for the society by the corporate houses. These top companies also set an example for other companies and promote the culture of help.

According to the study, from the secondary sources it is clear that Indian Corporate Leaders did not leave the situation untouched and they did show up to lend a helping hand in this war against COVID-19.

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