CSR in PSUs- Reckoning Compliance and Expenditure of Transportation and Logistics Companies

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Abstract

The companies are expected to discharge their social obligations to benefit society and environment. The transportation and logistics companies work to curb the time and place barriers and for that utilizes the resources from society itself. This study deals with compliance and expenditure of transportation and logistics PSUs in context of CSR along with determining the impact of various CSR parameters on aggregate CSR expenditure. The data of four companies have been studied from 2014-15 to 2020-21 and explained through percentages and descriptive statistics and analyzed through sample t-test, one-way ANOVA and panel regression analysis. The companies across the sector differ in their compliance and expenditure significantly, however do not differ in their approach over the years and the aggregate CSR expenditure gets significantly determined by its various parameters. There is a need of specified guidelines on CSR expenditure to ensure the inclusive growth and efficient contribution towards social activities.

Keywords: Corporate Social Responsibility, Transportation and Logistics Companies

Introduction

Corporate social responsibility has been an evolving concept and changing its form with the dynamic environment. It has been becoming significant from a recent past drastically due to its need and nature of the activities involved. Companies are keen to accept this concept of social responsibility as it yields them the benefit which are not being provided by sticking to profit motive only. When public sector undertakings in India came into the purview, since then it has been continuously operating towards the upliftment of an economy and the country. Though there are many industries that function within the horizon of PSUs, transport and logistics industry holds a special importance as it utilizes the infrastructure intensively and has been loaded with lot of social and environmental aspects in terms of market accessibility, employment, congestion, quality of life, pollution, resource depletion etc.

For building a better future, the Indian government has brought in to affect new CSR guidelines through Section 135 of Companies Act, 2013 along with Schedule VII which underlines some broad areas where CSR funds of the companies can be deployed to discharge their social obligations towards various sections of the society. However, the continuous amendments have been made in the section concerning CSR.

This study focuses on the level of compliance and expenditure of the transportation and logistics sector along with determining the impact of CSR parameters on its aggregate expenditure in context of CSR in accordance with Section 135 of the Companies Act, 2013 and Schedule VII lies within it.

Review of Literature

The business must be profitable, abide by the law, be ethical and be the one who take initiatives to live up to the expectations of the society. The management should incorporate morality instead of immoral acts to ensure the social responsibility in the business (Caroll, 1991). In order to ascertain integration of equitable social development into good business practices, a business must contribute towards CSR beyond philanthropy (Arora and Puranik, 2004). There are diversified forms of media for social and environmental disclosure, but annual reports and standalone reports of environmental and social disclosure are widely used and accepted due to its credibility. It has been evolved during course of time and integrated into single sustainability reporting that comprises of social, environmental, health, safety and community issues. The need to increase confidence in data reliability, boosting reporting transparency, interest of investors in social disclosures and government pressures has been contemplated as the major driving forces for developing reporting standards (Jenkins and Yakovleva, 2006). Though, not all activities of CSR are functional. It can only be considered functional if moral commitments are used as a factor of production and conversation with public in this regards helps in creating awareness that will result in creating mutual benefit with stakeholders (Will and Heilscher, 2014). While, stakeholders do not pay equal attention to all dimensions and

consider it as economic responsibility primarily followed by legal, ethical and philanthropy at last (Fadun, 2014). However, it is believed that corporate social responsibility assists in boosting an image of an organization. The industries adopting CSR get immense support of the public as they seem such industries as their source of upliftment (Jaysawal and Saha, 2015; Kadlubek, 2015). All the companies making any kind of disclosure is a result of legitimacy and a drive to contribute more towards CSR lies in the essence of gaining competitive advantage (Hossain, Hecimovic and Lema, 2015). CSR in India is a progressing thought and keeps evolving over the time but gets affected by the number of challenges like transparency issues, non-participation of community and not being on a same page in context of CSR implementation (Jha and Singh, 2016). The mandatory provisions of CSR marked a great change in the companies that the expenditure on it has been increased twice than incurred earlier (Verma and Kumar, 2014; Rami, Shah and Bhatt, 2019). In spite of implementation of mandatory provision of CSR, many companies fail to contribute till the minimum limit of 2% (Sai, 2017; Kumar and Dhanda, 2017). Even the clear reason for such a failure in contribution has not been revealed by any company (Kumar and Dhanda, 2017). The transparent disclosure in reports indicate the good CSR performance while the poor CSR performance associates with the ambiguous disclosure in reports (Nazari, Hrazdil and Mahmoudian, 2017). The CSR disclosures in developed countries have been influenced by public

pressure while in developing countries government regulations poses such pressure to disclose about CSR (Ali et al., 2017). The criticisms over burdening of regulations without additional benefit and limited disclosures on CSR thrust areas has been witnessed but these new regulations have led to more transparent reporting and formulation of structured policies for CSR, eventually which opined to result in cordial relations between corporate and society (Ray, 2017). The accountability perspective on CSR emphasize on enticing the corporate attention towards the environmental obligations towards their natives. Also, it promotes enforceability mechanism by developing a suitable criterion for performance evaluation and a consent document in a legalized form to impose compliance (Jeremiah, 2018). The companies contributing less towards CSR in voluntary period have increased their expenditure to reach up to the level of 2% while the companies contributing more earlier reflected a declined expenditure towards CSR to stay at the level of 2%. Moreover, the inclination of expenditure has been seen towards healthcare and education (Kavitha, 2018). The amount of CSR practices differs from one sector to another, for say manufacturing concerns contribute more towards CSR as compared to service concerns (Krishnan, 2018; Kumar and Kidwai, 2018). Also, there has not been any consistency exists between sectors, projects and geographical location (Poddar, Narula and Zutshi, 2019). It is important to address environmental sustainability at a greater extent but the companies are not going beyond healthcare, education

and community development (Banerjee and Pulikkamath, 2019). In spite of contribution towards various CSR activities, detailed information has not been present adequately in reports (Kikwiye, 2019). The government is required to implement strong evaluation system for the companies so that the minimum contribution towards CSR can be ensured (Mishra and Banerjee, 2019). Since corporate social responsibility plays such a major role in ensuring the sustainability of businesses and enhancing the performance of institutions, it is vital to increase spending on it in order to ensure its effectiveness (Bani-Khaled et al., 2021). Companies are required to spend money on CSR activities as part of their ongoing operations which are seen as an additional burden by them. CSR activities, therefore, should be designed to complement the existing skills and expertise of the companies, rather than replacing them. Another way for the government to promote CSR activities is by allowing businesses to deduct their CSR expenditures in their taxes. Additionally, it is possible for Schedule VII to be expanded beyond the current exhaustive list of activities to include a broader range of activities than what is currently listed (Sharma and Aggarwal, 2022). The companies complying with CSR legislations mandatorily makes it more prone to discernibility and inspection that lead to reduced tax antagonism of firms (Raithatha and Shaw, 2022). There are a number of factors that have an impact on the conduct of the industry in which developing and implementing policy is one of the crucial factors. Thus, it is of utmost importance for policy makers to increase awareness about corporate social responsibility (CSR) among firms and its potential strategic benefits in order to enhance the economic growth and also to support social development at the same time. For the firm to adopt, the document provides a framework that explains in various ways how they can spend money on CSR activities as well as communicate these activities to their financial groups so that they can increase the impact of these activities on their performance (Shukla and Geetika, 2022).

On the basis of the review of literature carried out, certain gaps have been identified. Though a lot has been talked about CSR contribution in more or less terms, no study has taken an in-depth approach towards the CSR expenditure for the considered period of time. This study is based on the foundation of Schedule VII of Companies Act, 2013 taking all the 13 parameters into consideration incorporating all the latest amendments and measuring the impact of diverse of CSR parameters on the aggregate CSR expenditure is sort of an effort not made yet. The transport and logistics sector in Public Sector Undertakings has been an underdog which at a great extent affects the society and environment but has been given very less attention. Thus, this study deals with such a sector which is significant but less acclaimed.

Research Methodology

The study focuses on measuring and analysing the CSR compliance and expenditure along with determining the impact of diverse parameters of CSR on the aggregate CSR expenditure in line with Section 135 of the Companies Act,

2013 in the transportation and logistics PSUs. For the said purpose, the sample of four companies viz., CONCOR Ltd., CWC Ltd., DFCCI Ltd. and SCI Ltd. has been considered for which the data have been collected from their annual reports from 2014-15 to 2020-21 giving it a form of panel data.

For the said purpose, data have been collected in two sets as shown in Table 1– first set consists of disclosure checklist as per Section 135 of Companies Act 2013 in the form of "Yes" or "No".

There were 12 items in the checklist and their disclosures made by the companies during a period of seven years from 2014-15 to 2020-21. Second set consists of actual CSR expenditure under the items mentioned in right-hand side part of Table 1. For the first set of data, disclosure checklist has been converted into percentage of disclosures made out of total items applicable. The percentage calculation for Section 135 compliance has not considered the count of "NA" i.e. Not Applicable clauses.

Table 1: CSR Disclosure Parameters

Parameters for Disclosure for complying with Section 135 of Companies Act, 2013	Parameters for CSR Expenditure
Composition of CSR Committee	Eradicating Hunger, Poverty and malnutrition, promoting health care & sanitation
Contents of CSR Policy in the Report	Promoting Education & enhancing vocational skills
CSR Policy on Website of Company	Promoting gender equality, empowering women, child and senior citizens welfare & reducing inequalities
Minimum Spend of 2% of Average Profits of three preceding financial years	Ensuring Environmental sustainability
Annual Report on CSR having Details of CSR Expenditure	Protection of national heritage, art & culture
Activities in CSR Policy is in alignment with Schedule VII of Companies Act, 2013	Measures for the armed forces veterans, war widows & dependents
Reasons for Unspent Amount of Prescribed CSR	Training to promote sports at national & international level
Transfer of Unspent Amount to Specified Funds (if any)	Contribution to various Govt. funds for welfare of society & backward classes
Transfer of Unspent Amount related to ongoing project to "Unspent Corporate Social Responsibility Account" opened by the firm in any scheduled bank (if any)	Contribution towards technological incubators

Utilization of Amount of "Unspent Corporate Social Responsibility Account" within three financial years from date of transfer (if any)	Rural and Urban development
Transfer of Amount to specified fund if failed to spend within stipulated period of three financial years (if any)	Slum Area Development
Details of Impact Assessment of CSR Projects (if applicable)	Disaster Management and Relief Activities
	Others

Source: Section 135 and Schedule VII of the Companies Act, 2013

The following hypotheses have been developed for testing the CSR compliance level and to make the intra and inter-firm comparison in terms of CSR expenditure of the companies which have been tested using one sample t-test and one-way ANOVA respectively.

$H_{01:}$ *The companies do not comply with the mandatory guidelines of the Section 135 of the Companies Act, 2013.*

$H_{02:}$ *There is no significant difference between CSR expenditure pattern of each Transportation and Logistics sector PSUs over the years.*

$H_{03:}$ *There is no significant difference between CSR expenditure pattern of Transportation and Logistics sector PSUs.*

Panel Regression Model

For determining the impact of diverse variables of CSR on the aggregate CSR expenditure of the company, panel regression model has been developed to test the following hypothesis.

$H_{04:}$ *There is no significant impact of CSR variables on the aggregate CSR expenditure of Transportation and Logistics sector PSUs.*

The following regression equation has been branched out for testing the corresponding hypothesis-

$$ACSR = \alpha + \beta_1*EHPM\&HCN + \beta_2*E\&VS + \beta_3*GEWE + \beta_4*ES + \beta_5*NH + \beta_6*AFVWD + \beta_7*INS + \beta_8*GF + \beta_9*TI + \beta_{10}*RUD + \beta_{11}*SAD + \beta_{12}*DMRA + \beta_{13}*Others + e_i$$

where, α-constant, β-coefficients, CSR-Aggregate Corporate Social Responsibility Expenditure EHPM&HCN- Eradicating Hunger, Poverty and Malnutrition & Promotion of Healthcare and Sanitation; E&VS- Promoting Education and Vocational Skills; GEWE- Promoting Gender Equality and Empowering Women, child and senior citizens, welfare & reducing inequalities; ES- Promoting Environmental Sustainability; NH- Protection of National Heritage, Art and Culture; AFVWD- Measures for armed forces veterans, war widows and dependents; INS- Promotion of international and national sports; GF- Contribution to various Govt. funds for welfare of society

& backward classes; TI- Contribution to technological incubators; RUD- Rural and Urban Development; SAD- Slum Area Development; DMRA- Disaster Management and Relief Activities, e_i- error term

Results and Discussion

Table 2: CSR Disclosure Compliance (%)

Year	CONCOR Ltd.	CWC Ltd.	DFCCI Ltd.	SCI Ltd.
2014-15	85.71	85.71	85.71	14.29
2015-16	100.00	100.00	100.00	28.57
2016-17	100.00	85.71	100.00	71.43
2017-18	85.71	100.00	100.00	85.71
2018-19	85.71	100.00	85.71	85.71
2019-20	85.71	85.71	85.71	100.00
2020-21	88.89	88.89	80.00	88.89

Source: Author's Calculation on the basis of Annual Reports of the Companies

It has been found from the results that there has been a volatility in the compliance level of the companies over the years from 2014-15 to 2020-21. CONCOR Ltd. has shown 100% compliance of Section 135 in 2015-16 and 2016-17. In other years, except 2020-21, it has disclosed 85.71% items. In 2020-21 it reached to 88.89%. CWC Ltd. has shown 100% compliance in 2015-16, 2017-18 and 2018-19. In other years, except 2020-21, it has disclosed 85.71% items. In 2020-21 it reached to 88.89%. DFCCI Ltd. has shown 100% compliance in 2015-16, 2016-17 and 2017-18. In remaining years, except 2020-21, it has shown 85.71% compliance. In 2020-21 it reduced to 80% compliance. SCI Ltd. has shown least compliance as compared to other companies. In 2014-15 it showed 14.29% compliance followed by 28.57% in 2015-16. It significantly increased to 71.43% in 2016-17 and 85.71% in both 2017-18 and 2018-19. In 2019-20 compliance increased to 100% which reduced to 88.89% in 2020-21.

Table 3: Descriptive Statistics and Results of t Test for Compliance

Company	N	Mean	Std. Dev.	t	df	p Value
CONCOR Ltd.	7	90.249	6.761	-3.816	6	.009
CWC Ltd.	7	92.290	7.298	-2.795	6	.031
DFCCI Ltd.	7	91.020	8.639	-2.750	6	.033
SCI Ltd.	7	67.800	33.013	-2.581	6	.042

Source: Author's Calculation on the basis of data gathered from Annual Reports of the Companies

Table 3 shows that mean values of all companies except SCI Ltd. for all seven years stood between 90-92.5%. This shows that majority of companies are showing high level of disclosures. SCI Ltd. has the lowest level of disclosure as it is disclosing only 67.8% on an average of all disclosures mentioned in Section 135. Disclosures of all companies, except SCI Ltd., are consistent as is evident from low values of standard deviation. All the calculated values of t came to be negative as all the disclosures were less than 100. All the p values were less than 0.05, confirming the rejection of null hypothesis and it can be concluded that there is significant difference between the mandatory disclosures prescribed by Section 135 and actual disclosures made by sampled companies.

Table 4 presents the disclosure of CSR expenditure under various parameters mentioned in Table 1.

Table 4: Disclosure of CSR Expenditure

Company	Disclosures	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
CONCOR Ltd.	Total Parameters	13	13	13	13	13	13	13
	No. of Parameters Covered	8	4	5	6	8	8	9
	%	61.54	30.77	38.46	46.15	61.54	61.54	69.23
CWC Ltd.	Total Parameters	13	13	13	13	13	13	13
	No. of Parameters Covered	4	3	3	5	4	4	1
	%	30.77	23.08	23.08	38.46	30.77	30.77	7.69
DFCCI Ltd.	Total Parameters	13	13	13	13	13	13	13
	No. of Parameters Covered	2	1	2	2	2	2	0
	%	15.38	7.69	15.38	15.38	15.38	15.38	0.00
SCI Ltd.	Total Parameters	13	13	13	13	13	13	13
	No. of Parameters Covered	0	0	4	5	4	2	2
	%	0.00	0.00	30.77	38.46	30.77	15.38	15.38

Source: Compiled on the basis of data gathered from Annual Reports of the Companies

Table 4 discloses only CONCOR Ltd. has shown improvement in expenditure over the years. Expenditure of all other companies has declined in 2020-21 as compared to other years. DFCCI Ltd. expended on none of the parameters in 2020-21. In other years also, its expenditures are quite low as it has

covered 1 or 2 out of 13 parameters. CWC Ltd. reflected moderate level of expenditure till 2020-21 when it remained to only 1 parameter. It was also found that for the parameters "Slum Area Development", "Disaster Management and Relief Activities" and "Others" neither of the companies has disclosed anything in any of the years.

Table 5: Descriptive Statistics

	Mean	Std. Deviation	Minimum	Maximum
EHPM	2.28	3.41	0.00	11.63
E&VS	1.40	1.53	0.00	5.32
GEWE	0.02	0.06	0.00	0.20
ES	1.49	3.29	0.00	14.19
NH	0.03	0.11	0.00	0.56
AFVWD	0.11	0.31	0.00	1.00
INS	0.16	0.32	0.00	1.00
GF	1.11	4.78	0.00	25.00
TI	0.01	0.04	0.00	0.20
RUD	1.12	1.98	0.00	6.28
SAD	0.00	0.00	0.00	0.00
DMRA	0.00	0.01	0.00	0.04
Others	0.00	0.01	0.00	0.03

Source: Author's Calculation on the basis of data gathered from Annual Reports of the Companies

The initial summary of statistics is assessed through the central tendency using mean, minimum, maximum and standard deviation. As per table 5, the average of EHPM&HCN is 2.28 with highest standard deviation is recorded at 3.41 followed by ES, and E&VS with 1.49 and 1.40 which depict the companies are spending towards eradicating hunger, poverty and malnutrition followed by environmental sustainability and promoting education and vocational skills more in comparison with other variables of CSR expenditure.

Expenditure made by different companies for CSR activities were tested for significance of difference. (inter-firm comparison). Results of one-way ANOVA have been presented in Table 6.

Table 6: Results of ANOVA for Inter-Firm Comparison

Groups	Count	Sum	Average	Variance
CONCOR Ltd.	7	369.2308	52.74725	205.6917
CWC Ltd.	7	184.6154	26.37363	95.80163
DFCCI Ltd.	7	84.61538	12.08791	36.63004
SCI Ltd.	7	130.7692	18.68132	233.8687

ANOVA					
Source of Variation	SS	df	MS	F	P-value
Between Groups	6677.937	3	2225.979	15.5665	0.00
Within Groups	3431.953	24	142.998		

Source: Author's Calculation on the basis of data gathered from Annual Reports of the Companies

It is found from Table 6 that highest disclosure of CSR expenditure is made by CONCOR Ltd. as is evident form high mean value whereas DFCCI and SCI Ltd. are having lower disclosures of CSR expenditure. The calculated value of F is 15.56 with a p value of 0.00. Thus null hypothesis is rejected at 5% level of significance and it can be concluded that there is significant difference among the CSR expenditure disclosures made by different sampled companies.

CSR Expenditure: Intra-Firm Comparison

Expenditure made by companies for CSR activities were tested for significance of difference among different years (intra-firm comparison). Results of one-way ANOVA have been presented in Table 7.

Table 7: Results of ANOVA for Intra-Firm Comparison

Years	Count	Sum	Average	Variance
2014-15	4	107.6923	26.92308	690.3353
2015-16	4	61.53846	15.38462	197.2387
2016-17	4	107.6923	26.92308	98.61933
2017-18	4	138.4615	34.61538	177.5148
2018-19	4	138.4615	34.61538	374.7535
2019-20	4	123.0769	30.76923	473.3728
2020-21	4	92.30769	23.07692	986.1933

ANOVA					
Source of Variation	SS	df	MS	F	P-value
Between Groups	1115.807	6	185.9679	0.434211	0.84772
Within Groups	8994.083	21	428.2897		
Total	10109.89	27			

Source: Author's Calculation on the basis of data gathered from Annual Reports of the Companies

It is found from Table 7 that highest disclosure of CSR expenditure is made in the years 2017-18 and 2018-19 as is evident form high mean value whereas 2015-16 is showing lower disclosures of CSR expenditure. The calculated value of F is 0.434 with a p value of 0.85. Thus null hypothesis is accepted at 5% level of significance and it can be concluded that there is no significant difference among the CSR expenditure disclosures made by sampled companies in different years.

Econometric Analysis

In order to assess panel data of CSR parameters covering four companies with a span of 7 years, panel regression has been imposed to ensure the behaviour of unit's pragmatic transversely time. The person correlation has been used to check if the independent variables are not highly correlated to each or there is no multi-collinearity present.

Table 8: Pearson Correlation

	1	2	3	4	5	6	7	8	9	10	11	12
EHPM	1.00											
E&VS	-0.15	1.00										
GEWE	0.24	0.07	1.00									
ES	0.02	-0.13	-0.15	1.00								
NH	0.13	-0.15	-0.05	0.33	1.00							
AFVWD	0.09	-0.06	-0.09	-0.12	0.27	1.00						
INS	-0.02	-0.23	-0.08	-0.16	-0.05	0.02	1.00					
GF	-0.05	-0.20	-0.08	-0.01	0.11	0.36	-0.03	1.00				
TI	0.08	-0.13	-0.02	0.36	.936	-0.06	-0.05	0.03	1.00			
RUD	-0.37	-0.23	-0.13	-0.09	-0.08	-0.05	-0.06	-0.04	-0.08	1.00		
DMRA	0.18	0.03	.58	-0.12	-0.06	-0.06	-0.05	-0.05	-0.04	-0.09	1.00	
Others	0.32	0.05	.52	-0.20	-0.10	-0.10	-0.02	-0.09	-0.06	-0.15	0.28	1.00

Source: Author's Calculation on the basis of data gathered from Annual Reports of the Companies

Table 8 depicts the Pearson correlation coefficients for independent variables excluding slum area development as none of the sampled company has made any expenses to this indicator of CSR. All the variables found to be moderate correlated to each other. Additionally, in correlation matrix, some indicators also depicted the negative correlation or close to no correlation.

Table 9: Diagnostics Statistics

Tests	Statistics	Prob Value
Hausman Test	28.72	0.00
Breusch-Pagan test	19.69	0.07

Source: Author's Calculation on the basis of data gathered from Annual Reports of the Companies

For checking the robustness of the model, Hausman test has been used to confirm if fixed effect is best fit or random effect. The null hypothesis for Hausman test states that the random effect is consistent, however, the prob. value of Hausman test is 0.004 in table 9 which indicates the significant results. Hence, the null hypothesis of Hausman is rejected, therefore, which depicts that fixed effect is best fit for the current study. Also, Breusch Pagan Test has been used to check the heteroscedasticity in the data. The null hypothesis for Breusch Pagan Test states that the variance is consistent, and the prob. value of Breusch Pagan Test is 0.073 in table 9 which indicates the insignificant results. Hence, the null hypothesis is accepted and there is a presence of heteroscedasticity.

Table 10: Fixed Effect Regression Results

Indicators	Coefficients (β)	Std. Error	Sig. Value
EHPM	1.00	0.00	0.00
E&VS	1.00	0.00	0.00
GEWE	0.99	0.00	0.00
ES	0.99	0.00	0.00
NH	0.99	0.00	0.00
AFVWD	1.00	0.00	0.00
INS	1.00	0.00	0.00
GF	1.00	0.00	0.00
TI	0.99	0.00	0.00
RUD	0.99	0.00	0.00
DMRA	1.00	0.00	0.00
Others	1.00	0.00	0.00
R-Squared:	1.00		
F Statistics	8.42		
Sig. (F-Statistics)	0.00		

Source: Author's Calculation on the basis of data gathered from Annual Reports of the Companies

The fixed effect model in table 10 indicates the significant relationship among all the 13 CSR indicators for the study. The sig. value for each variable is below 5%, hence the null hypothesis formulate for the study is rejected. R^2 which explains the magnitude of each explanatory variables contribution in the model also shows 100% accuracy along with the F statistics prob. value which is 0.00 indicates model fitness which is justified on the ground of model being based upon Schedule VII of the Companies Act, 2013 which deems to envelope all the possible parameters under its purview. However, the parameter Slum Area Development data summed to 0 in each year of every company, therefore it didn't count in the regression output.

Conclusion

The significance of the corporate social responsibility has been grown with the changing scenario and took a front seat in recent times. When Section 135 of Companies Act, 2013 came into the picture, it has transformed the era of discharging social responsibilities and its disclosures. Though the companies adhered to the mandatory compliances of the act, in initial years, the company found it difficult to comply with it efficiently. That has been evidently shown in the performance of the sampled companies. In this line, the above tested hypothesis validated that there is a significant difference in actual compliance of the companies as compared to the required guidelines. But, eventually the companies have covered it up and paced up their expenditure

and performance. In context of which, there has been no significant difference in the CSR expenditure pattern of the companies over the years. However, they differ in their expenditure pattern when compared to each other. Also, the various CSR parameters on which contribution has been made significantly determines the extent of aggregate CSR expenditure. In all this, the ambiguity in the reasons stated for an unspent amount has been observed. Moreover, likewise the government has specified the parameters in the Schedule VII, in the same way should demonstrate the guidelines on the coverage of expenditure towards each area specified in the schedule so that inclusive expenditure pattern can be assured and every section of the society can be benefitted out of the social actions of the companies. Also, in the run of complying with minimum limit of 2%, the companies do not use their CSR funds judiciously and devote maximum of the fraction of expenditure towards one or two areas. They are required to incur expenditure in such a manner so that maximum areas specified in schedule can be addressed in order to ensure inclusive growth. Correspondingly, the consistency in the CSR performance need to be maintained in order to ensure the efficient and effective discharge of social obligations of the companies. It is substantial to deal with CSR in such a manner that its expenditure and disclosure can be assured to be discharged efficiently, benefitting every section of the society and the environment these companies are dealing with. The transparent disclosure would assist in boosting the

confidence of the public in the social actions of the companies while the efficient expenditure will result in an inclusive growth of the society. Thus, it is important to make use of the guidelines of the section 135 of the Companies Act, 2013 effectively to contribute socially in the best interest of the society and the country as a whole. The further study can be carried out for upcoming years by taking private sector and more industries into consideration. Also, the detailed comparative study can be conducted by considering pre and post implementation era.

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