



# THE CHANGING LANDSCAPE OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA: PRE AND POST COVID – 19

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**Abstract:** Corporate Social Responsibility (CSR) in India has undergone a significant transformation in the wake of the COVID-19 pandemic, reflecting a shift from traditional philanthropic practices to more strategic, responsive, and impact-driven approaches. Prior to the pandemic, CSR activities in India were largely guided by statutory obligations under the Companies Act, 2013, with a primary focus on sectors such as education, rural development, and environmental sustainability. However, the unprecedented socio-economic and public health crisis caused by COVID-19 reshaped corporate priorities, compelling businesses to realign their CSR strategies toward immediate societal needs. In the post-pandemic phase, CSR in India is gradually transitioning toward a more strategic and sustainable model, emphasizing long-term impact, digital inclusion, mental health, and environmental resilience. This paper also identifies key challenges such as lack of uniform implementation, transparency issues, and the tendency toward short-term philanthropic responses during crises. This study critically examines the changing landscape of CSR in India by comparing pre- and post-pandemic trends, analysing policy shifts, and evaluating the emerging role of corporations as key agents of social transformation. COVID-19 has acted as a catalyst in redefining Corporate Social Responsibility from a compliance-driven obligation to a core component of corporate strategy and sustainable development.

**Key Words:** Corporate Governance, Sustainable Development, Stakeholder Engagement, Social Impact, Public Health Response, Corporate Accountability.

## 1. Introduction:

Corporate Social Responsibility (CSR) has evolved as a significant aspect of corporate governance, reflecting the responsibility of companies toward society beyond profit maximization. In India, CSR occupies a unique position as it is not merely a voluntary philanthropic activity but a statutory obligation under the Companies Act, 2013. The Indian CSR framework aims to ensure that corporate entities actively contribute to social, economic and environmental development.

Before the COVID – 19 pandemic, CSR initiatives in India largely focused on education, skill development, healthcare, rural development, and environmental sustainability. Companies complied with statutory requirements while also aligning CSR activities with long-term sustainability goals. However, CSR practices were often criticized for being compliance-driven rather than impact-oriented.

The outbreak of the COVID – 19 pandemic in 2020 fundamentally altered the socio-economic landscape of India. The unprecedented public health crisis, economic disruption and humanitarian challenges compelled corporations to reassess their social responsibilities. CSR activities rapidly shifted toward emergency relief, healthcare infrastructure, vaccination drives, and livelihood support, highlighting the adaptive role of CSR during crises.

In the Post – COVID – 19 eras, CSR in India has undergone a significant transformation. Companies increasingly view CSR as a strategic tool for resilience, stakeholder trust and sustainable development. In the Indian context, CSR has been closely linked with constitutional values such as social justice, equality and welfare of the marginalized. Corporate participation in nation-building has been increasingly emphasized as an extension of these constitutional ideals. By mandating CSR, Indian company law recognizes that corporations as powerful economic actors must contribute to addressing structural inequalities and developmental gaps prevalent in society. Furthermore, the global discourse on responsible business conduct sustainability and stakeholder capitalism has significantly influenced the evolution of CSR in India. International frameworks such as the United Nations Sustainable Development Goals (SDGs), OECD Guidelines for Multinational Enterprises and ESG Principles have encouraged Indian companies to adopt broader social and environmental commitments. As Indian corporations integrate into global supply chains, their CSR obligations have expanded beyond local philanthropy to encompass global accountability standards.

The COVID – 19 pandemic served as a critical stress test for the effectiveness of CSR mechanisms in India. It revealed both the strengths and limitations of the existing CSR framework, highlighting the need for flexibility, responsiveness, and ethical leadership. The pandemic underscored the role of corporations as key stakeholders in crisis management and social protection, thereby reshaping the understanding of CSR from a statutory requirement to a moral and strategic imperative.

## **2. Evolution and Concept of Corporate Social Responsibility in India:**

The concept of CSR in India has deep historical roots in philanthropy, ethical business practices and community welfare, traditional Indian business houses such as the TATA and BIRLA emphasized social responsibility long before statutory regulation. Corporate Social Responsibility gradually evolved from voluntary charity to structured social engagement. With economic liberalization and globalization, CSR gained prominence as corporations expanded their social footprint. The introduction of mandatory CSR under the Companies Act, 2013 marked a paradigm shift by integrating social responsibility into corporate governance.

The concept of Corporate Social Responsibility in India has its roots in traditional notions of trusteeship and philanthropy, where businesses were viewed as custodians of societal resources. Early industrialists such as Mahatma Gandhi advocated the idea that wealth creation must be accompanied by social responsibility, emphasizing ethical business conduct and voluntary contributions toward social welfare. During this phase, CSR was largely, discretionary and driven by moral and cultural values rather than legal obligations.

With the liberalization of the Indian economy in the 1990s, the role of corporations expanded significantly, leading to increased scrutiny of their social and environmental impact. Globalization exposed Indian companies to international norms on sustainable development, corporate governance and stakeholder accountability. As a result, CSR gradually shifted from isolated charitable activities to more structured initiatives focusing on education, health, environmental protection and community development.

The most significant transformation in the evolution of CSR in India occurred with the enactment of the Companies Act, 2013 which introduced mandatory CSR provisions under Section 135, India became the first country to legislate CSR spending requiring eligible companies to allocate at least two percent of their average net profits toward specified social activities. This marked a paradigm shift from voluntary philanthropy to a regulated framework emphasizing transparency, accountability and measurable social impact.

### 3. Legal Framework Governing CSR in India:

Section 135 of the Companies Act, 2013 mandates CSR compliance for companies meeting prescribed financial thresholds. The eligible companies must constitute a CSR Committee, formulate a CSR Policy and spend at least 2% of average net profits on CSR activities.

Schedule VII of the Act enumerates permissible CSR activities including education, healthcare, poverty alleviation, environmental sustainability, and disaster management. The amendments and Ministry of Corporate Affairs (MCA) circulars have further clarified CSR obligation, reporting requirements and penalties for non-compliance.

Over time, the CSR legal framework has been strengthened through amendments, notifications and clarification circulars issued by the Ministry of Corporate Affairs (MCA). The Companies (Amendment) Act, 2020 introduced significant changes by shifting CSR from a “comply or explain” regime to more stringent compliance based approach including penalties for non-compliance and mandatory transfer of unspent CSR amounts. These reforms have enhanced accountability, improved monitoring mechanisms and reinforced the role of CSR as a legally enforceable corporate obligation rather than a mere voluntary commitment.

### 4. Corporate Social Responsibility in India: Pre – COVID – 19 Scenarios:

Before COVID – 19, CSR activities were relatively stable and predictable. Companies focused on long-term projects aligned with Schedule – VII emphasizing education, sanitation, skill development and rural upliftment. However, CSR implementation faced challenges such as lack of impact assessment, limited community participation and compliance oriented mind set. Many companies treated CSR as a statutory burden rather than a strategic investment in social development.

The Pre-pandemic CSR landscape was not without limitation. Several studies indicated that CSR initiatives were frequently compliance-driven with limited emphasis on impact assessment or community participation. Smaller companies often struggled with strategic CSR planning, while larger corporations faced challenges in aligning CSR objectives with core business strategies. Monitoring and reporting mechanism, through mandatory, were sometimes treated as procedural formalities rather than substantive accountability tools.

### 5. Impact of COVID – 19 on CSR Practices:

The COVID – 19 pandemic triggered an immediate shift in CSR priorities. The Ministry of Corporate Affairs clarified that COVID- 19 related expenditure would qualify as CSR, enabling companies to redirect funds toward emergency relief. CSR contributions were utilized for healthcare infrastructure, oxygen supply, PPR kits, vaccination programmes, migrant welfare and food distribution. Corporate participation in the PM CASRES Fund became a major avenue for CSR spending during the crisis. During the pandemic, CSR initiatives became more immediate, humanitarian and need based in nature. Corporate activities contributed to the PM CARES fund, provide medical equipment, supported vaccination drives and assisted migrant workers affected by lockdowns. The crisis underscored the potential of CSR as a tool for social resilience, highlighting how corporate resources could complement state efforts in managing large-scale emergencies.

The pandemic also prompted greater collaboration between corporations, government agencies and civil society organizations. Public-private partnerships became increasingly prominent, facilitating efficient mobilization of resources and expertise. CSR governance mechanisms evolved to allow faster decision making while digital acknowledges were leveraged for project implementation, monitoring and reporting thereby improving transparency and efficiency.

However, the impact of COVID-19 on CSR practices also exposed certain challenges. Many companies faced financial constraints due to economic slowdown, which affected their ability to meet CSR expenditure requirements. Despite these challenges, the pandemic ultimately acted as a catalyst for

reimagining CSR as a dynamic and responsive instrument aligned with societal needs rather than a rigid compliance obligation.

## **6. POST – COVID – 19 CSR Trends:**

Post – COVID – 19 Corporate Social Responsibility reflects a more responsive and strategic approach. Companies increasingly integrate CSR with Environmental, Social and Governance (ESG) frameworks, focusing on long-term sustainability and resilience. Digital health, mental well-being, climate action, livelihood regeneration and inclusive growth have emerged as key CSR priorities. Enhanced disclosure requirements and impact assessments have improved transparency and accountability.

In the Post – COVID – 19 periods, Corporate Social Responsibility in India has undergone a strategic shift from short-term relief measures to long-term sustainable development initiatives. Companies are increasingly aligning their CSR activities with national and global priorities such as healthcare system strengthening, digital education, livelihood generation and climate resilience. This transition reflects a broader understanding of CSR as an instrument for sustainable social transformation rather than episodic charitable intervention.

Another emerging trend in post-pandemic CSR is the integration of Environmental, Social and Governance (ESG) principles into corporate decision – making. Corporations are focusing on impact measurement, transparency, and stakeholder engagement, supported by enhanced reporting requirements and regulatory scrutiny. The emphasis on data-driven assessment and outcome-based evaluation has improved accountability and ensured that CSR initiatives generate measurable social value.

Post – COVID CSR governance has witnessed increased emphasis on collaboration and innovation. Companies are partnering with non-governmental organisations, startups and local communities to design inclusive and scalable solutions. Digital platforms and technology driven models are being utilized to enhance outreach, monitoring and efficiency, reinforcing the role of CSR as a proactive and adaptive component of corporate governance in a rapidly changing socio-economic environment.

Another notable Post- COVID development is the increased emphasis on local community engagement and decentralised CSR implementation. Companies are progressively adopting area-based development models, focusing on districts and regions most affected by the pandemic. This localized approach ensures that CSR interventions are context specific, socially inclusive and capable of addressing ground-level challenges such as healthcare access, education gaps and livelihood recovery.

Additionally, the post-pandemic period has seen heightened regulatory scrutiny and enhanced disclosure requirements concerning CSR spending and outcomes. Amendments to CSR Rules have strengthened compliance mechanisms by mandating detailed impact assessments for large projects and clearer reporting unspent funds. These reforms have reinforced the accountability framework, ensuring that CSR initiatives are not only compliant with legal requirements but also effective in delivering tangible social benefits.

## **7. Role of Government, Corporations and Stakeholders:**

The Government plays a regulatory and facilitative role through legislative amendments and policy guidance. Corporations act as agents of social change by aligning business strategy with societal needs. Civil society organizations and local communities contribute to effective CSR implementation through partnerships and grassroots engagement.

The Government plays a pivotal role in shaping and regulating Corporate Social Responsibility in India through legislative mandates, policy guidelines and oversight mechanisms. By enacting statutory provisions under the Companies Act, 2013 and issuing clarificatory circulars, the Government ensures that CSR activities are aligned with national development objectives. During and after the COVID-19 pandemic regulatory flexibility and policy support further enabled corporations to respond effectively to emerging social challenges.

Corporations, as primary duty-bearers under the CSR framework, are responsible for designing, implementing and monitoring CSR initiatives in a manner that ensures transparency and impact. Corporate boards and CSR committees are entrusted with strategic decision-making, resource allocation and compliance reporting. In the post-pandemic era, corporations have increasingly embraced stakeholder-centric approaches, integrating CSR with core business strategies and long-term sustainability goals.

Stakeholders, including employees, local communities, non-governmental organizations and beneficiaries play a crucial role in ensuring the effectiveness of CSR initiatives. Their participation enhances accountability, contextual relevance and social acceptance of CSR projects. The growing emphasis on stakeholder engagement reflects a shift toward inclusive governance, where CSR outcomes are shaped through collaborative efforts rather than unilateral corporate action.

### **8. Judicial interpretation:**

The judicial interpretation governing Corporate Social Responsibility in India has played a significant role in clarifying the scope, objectives and enforceability of CSR obligations. Judiciary and regulatory authorities have emphasized that CSR is not merely a philanthropic activity but an integral component of corporate governance and social accountability under company law.

- I. Tata Consultancy Services Ltd. v. State of Andhra Pradesh (2014) – This case highlighted the broader social responsibilities of corporations operating within a welfare-oriented constitutional framework.
- II. M C Mehta v. Union of India (Oleum Gas Leak Case) – The Supreme Court reinforced the principle that corporations bear social and environmental responsibility for their operations.
- III. Sterlite Industries Ltd. v. Union of India – The case emphasized corporate accountability for environmental and social consequences arising from industrial activities.
- IV. Union of India v. Azadi Bachao Andolan – In this case the judgment indirectly acknowledged the growing role of corporate responsibility in a globalized economic regime.
- V. M. K. Ranjitsinh v. Union of India (2025) - The Supreme Court of India redefines Corporate Social Responsibility (CSR) to inherently include environmental protection. CSR funds are a means to discharge corporations' constitutional environmental duty, not just charity. It was held that CSR must include environmental protection as a constitutional duty under Article 51A (g).

### **9. Observations:**

The study observes that Corporate Social Responsibility in India has evolved from a voluntary philanthropic practice into a structured and legally enforceable corporate obligation. The statutory framework under the Companies Act, 2013 has significantly enhanced corporate participation in social development by institutionalizing CSR governance mechanisms and ensuring minimum expenditure requirements.

It is further observed that prior to the COVID – 19 pandemic, CSR implementation in India was largely compliance-driven with limited emphasis on impact assessment and stakeholder engagement. While companies complied with statutory spending norms, CSR initiatives often lacked flexibility and responsiveness to emerging social needs.

Post – COVID – 19 developments indicate a shift toward strategic, sustainability-oriented CSR practices. Companies are increasingly integrating CSR with ESG frameworks, focusing on long-term development goals, measurable outcomes and transparent reporting mechanisms. This evolution reflects a maturing CSR regime aligned with global standards of responsible business conduct.

Finally, the study observes that while significant progress has been made, challenges remain in ensuring uniform compliance, effective monitoring and equitable distribution of CSR resources. Strengthening regulatory oversight, enhancing stakeholder participation and promoting impact-based evaluation are essential to maximize the social effectiveness of CSR initiatives in India.

## 10. Conclusion:

This comparative analysis of CSR practices before and after the COVID – 19 pandemic highlights a clear shift in corporate priorities and operational approaches. While pre-pandemic CSR initiatives were largely compliance-oriented and project-driven, the pandemic compelled corporations to adopt a more responsive, humanitarian and flexible approach. This transition demonstrated the capacity of CSR to address urgent societal challenges when supported by adaptive regulatory mechanisms. In the Post – COVID – 19 eras, CSR has increasingly aligned with sustainability, resilience and long-term impact. Now corporations are recognizing CSR not merely as a statutory obligation but as a strategic component of responsible business conduct and stakeholder engagement. The government, corporations and stakeholders have played critical role for strengthening the CSR ecosystem. A collaborative and inclusive approach has emerged as essential for ensuring that CSR interventions are context-specific, transparent and socially meaningful. COVID-19 has acted as a catalyst in redefining CSR in India from a statutory obligation to a more dynamic, stakeholder-oriented, and purpose-driven approach. It underscores the need for policy refinement and stronger accountability mechanisms to ensure that CSR contributes effectively to inclusive and sustainable development in the evolving corporate landscape.

## 11. Suggestions:

- a. The Corporate Social Responsibility framework should place greater emphasis on impact assessment and outcome-based evaluation to ensure that CSR initiatives lead to measurable and sustainable social benefits.
- b. The Government should strengthen monitoring and enforcement mechanisms to ensure uniform compliance with CSR obligations across companies of varying sizes and sectors.
- c. Corporations should be encouraged to integrate CSR with long-term business strategies and ESG principles, moving beyond short-term or fragmented social interventions.
- d. Enhanced stakeholder participation particularly from local communities and civil society organizations should be promoted to improve the relevance and effectiveness of CSR projects.
- e. Greater inter-corporate collaboration and public-private partnerships should be fostered to optimize resource utilization and address large-scale social and developmental challenges.

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