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## **Abstract**

In the modern business environment, it has been widely accepted that the good CSR practices are in the best interest of the companies. In such an environment, the accounting and reporting of CSR practices have gained more importance so as to provide the adequate information to the stakeholders of the business on its social contribution. The regulatory authorities and professional bodies in India and abroad have been taking concerted efforts for the proper accounting and reporting of CSR practices. It is in this context, the present study has been conducted to explain the conceptual and regulatory framework of accounting and reporting of CSR practices, present the profile of SICs, analyze and compare the CSR practices in SICs, analyze and compare the accounting and reporting of CSR practices in SICs, compare the CSR practices of SICs on the basis of ownership, study the relationship between CSR practices of SICs and their characteristics such as profitability, size and age; and suggest the measures for improvements in the CSR practices and their accounting and reporting in Indian companies.

A comprehensive review of the studies that have made significant contribution to the various dimensions of CSR practices and their accounting and reporting has been conducted to do the present study. The present study is a unique study as it has attempted to analyze and compare the CSR practices and their accounting and reporting in SICs on the basis of various items of accounting and reporting of CSR practices. The seven null hypotheses have been formulated and tested in the present study including hypothesis no. 1 of no significant difference in the CSR practices of SICs over the study period, hypothesis no. 2 of no significant difference in the accounting of CSR practices of SICs over the study period, hypothesis no. 3 of no significant difference in the CSR practices of SICs on the basis of ownership, hypothesis no. 4 of no significant association between the CSR practices of SICs and their profitability, hypothesis no. 5 of no significant association between the CSR practices of SICs and their size, hypothesis no. 6 of no significant association between the CSR practices of SICs and their age, and hypothesis no. 7 of no significant difference in the reporting of CSR practices of SICs over the study period.

The data for the study has been collected from the websites and annual reports of SICs for the financial years 2012-13 and 2015-16. The study includes a sample of 30 Indian companies comprising of 6 public sector companies and 24 private sector companies which were on BSE

Sensex as on March 31, 2016. The CSR practices and their accounting and reporting in SICs have been analyzed and compared for the financial years 2012-13 and 2015-16 so as to find out the changes in CSR practices and their accounting and reporting in SICs over the study period in the context of the implementation of the Companies Act 2013, the Companies (Corporate Social Responsibility Policy) Rules 2014 and the ICAI's Guidance Note 2015 on Accounting for Expenditure on CSR Activities. The 5 selected CSR accounting items and 25 selected CSR reporting items have been used to analyze and compare the accounting and reporting of CSR practices in SICs. The CSR practices and their accounting and reporting in select Indian companies have been analyzed and compared using the descriptive and inferential statistical tools and techniques with the help of IBM SPSS 20.0 version. The descriptive statistics used include mean, maximum, minimum and ranks. The inferential statistics used include paired samples t test, one way ANOVA, correlation analysis (Pearson correlation) and regression analysis.

The CSR practices of SICs have significantly improved over the study period and they have started spending a larger percentage of the PAT to CSR activities over the study period. The SICs have given the maximum importance to the Schedule VII (i): Health and the minimum importance to the areas including Schedule VII (ix): Technology Incubators and Schedule VII (xi): Slum Development for their CSR spending for FY 2015-16. The SICs have made the better accounting of their CSR practices for FY 2015-16 as compared to 2012-13 as they have started accounting for the CSR spending on the areas specified in Schedule VII of the Companies Act 2013, required CSR spending and budgeted CSR spending in addition to accounting for the CSR ratio and the actual CSR spending. Although the CSR practices of select public companies are better than select private companies for both FY 2012-13 and 2015-16, yet the difference in their CSR practices is not statistically significant. The CSR practices of SICs are significantly associated with their characteristic of profitability only for both FY 2012-13 and 2015-16. The reporting of CSR practices of SICs has significantly improved over the study period as they have started reporting more CSR reporting items in FY 2015-16 over FY 2012-13 as per the requirements of the Companies Act 2013, the Companies (Corporate Social Responsibility Policy) Rules 2014 and the ICAI's Guidance Note 2015 on Accounting for Expenditure on CSR Activities.

To conclude, it can be said that although the CSR practices and their accounting and reporting in Indian companies have improved significantly during the study period due to the concerted efforts made by the professional and regulatory bodies, yet the CSR accounting and reporting framework can further be improved as per the best international practices by developing the accounting standard and uniform reporting framework related to the accounting and reporting of CSR practices so that more classified, uniform and complete information can be provided to the stakeholders.