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Impact of Corporate Social Responsibility on Financial Performance:

Evidence from Top Five Indian Companies

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Abstract

Corporate Social Responsibility (CSR) has emerged as a significant component of corporate strategy in India, particularly after the enactment of the Companies Act, 2013, which mandates CSR spending for eligible companies. This study examines the impact of CSR activities on the financial performance of the top five CSR-performing companies in India, namely Tata Consultancy Services Limited, Reliance Industries Limited, Oil and Natural Gas Corporation Limited, Indian Oil Corporation Limited, and HDFC Bank Limited. Using secondary data extracted from annual reports over a nine-year period from 2016 to 2024, the study analyses sector-wise CSR allocation and its influence on key financial indicators such as profitability, liquidity, and solvency. Multiple Linear Regression was employed using SPSS to study impact of CSR expenditure on selected performance indicators.. The findings reveal significant variations in CSR expenditure across sectors such as education, healthcare, environmental sustainability, and rural development. Further, the results indicate that CSR expenditure has a measurable impact on selected financial performance indicators, though the degree of influence varies across companies and ratios. The study highlights that CSR, when strategically aligned, can contribute to both corporate financial stability and societal development, reinforcing the role of responsible business practices in sustainable economic growth.

Keywords: Corporate Social Responsibility, Financial Performance, Performance indicators, Regression Analysis, CSR Expenditure

Introduction

Corporate Social Responsibility (CSR) has become a crucial aspect of business strategy for companies worldwide, including in India. With the introduction of the Companies Act, 2013, CSR has been mandated for large corporations, making it essential to examine its impact on businesses, society, and the economy. Corporate Social Responsibility (CSR) is a business approach that seeks to integrate the company's social and environmental concerns into its operations and interactions with its stakeholders. CSR involves a range of activities that companies can undertake, including philanthropy, volunteering, environmental sustainability, ethical business practices, and social initiatives.

The primary goal of CSR is to ensure that companies are not solely focused on making a profit but also taking responsibility for the impact their operations have on society and the environment. This approach can help companies build a positive reputation, improve relationships with stakeholders, and contribute to sustainable development. CSR initiatives can take various forms, including charitable donations, employee volunteer programs, environmental sustainability programs, fair labor practices, and ethical supply chain management. Many companies also report on their CSR activities as a means of being transparent and accountable to their stakeholders. This study explores the impact of CSR initiatives undertaken by the top five companies in India. It analyzes how these companies integrate CSR into their business models, their contributions to social and environmental causes, and the overall effectiveness of their CSR programs. By evaluating financial performance, brand reputation, and community development, this research aims to understand how CSR influences both corporate success and societal well-being.

Review of Literature

Prior studies have examined CSR from both theoretical and empirical perspectives. Kundu (2019) analysed CSR practices in selected public and private sector companies in India and observed significant differences in disclosure practices, though direct profitability impacts were limited. **Chopra, Khan & Ekta (2024) performed an** Empirical evaluation of CSR practices between public and private sector companies, considering compliance with statutory CSR norms (post-Companies Act).**Srivastava & Srivastava (2023) c**ompared CSR practices of selected private and public companies in India, particularly in **education and healthcare CSR activities.Ranjan & Tiwary (2017) c**ompared CSR activities of ten reputed public (e.g., NTPC, SAIL, IOCL, SBI) and private firms (e.g., Tata Steel, Mahindra, HDFC Bank), assessing initiatives and impacts in the era of globalization.Chinnadurai (2014) emphasised the evolving nature of CSR in India and highlighted the need for structured implementation. Praveen Kumar (2014) identified challenges in CSR implementation, including lack of awareness and transparency. Inyang (2013) focused on the role of SMEs in CSR and noted their contribution to community development and employee welfare. More recent studies suggest that while CSR may not yield immediate financial gains, it contributes to long-term sustainability and risk mitigation. However, empirical evidence linking CSR expenditure to financial ratios remains mixed, indicating the need for further firm-level analysis, particularly in the Indian context.

Objectives of the study

1. To analyse the sector-wise allocation of Corporate Social Responsibility expenditure among the selected companies
2. To analyse the impact of CSR expenditure on the select financial performance Indictors (profitability, liquidity, solvency)

Research Methodology

The study adopts a **descriptive and analytical research design**. Secondary data were collected from the published annual reports of the selected companies for a period of nine years (2016–2024). The population of the study comprises the top five companies in India based on CSR expenditure: Tata Consultancy Services Limited, Reliance Industries Limited, Oil and Natural Gas Corporation Limited, Indian Oil Corporation Limited, and HDFC Bank Limited.

CSR expenditure across various sectors and financial performance indicators were analysed using statistical tools such as Ratio Analysis, One-Way ANOVA, Post-Hoc Tukey test, MANOVA, and Multiple Linear Regression. Financial ratios considered include Return on Assets (ROA), Return on Equity (ROE), Current Ratio, Quick Ratio, Debt-Equity Ratio, and Interest Coverage Ratio. SPSS software was used for data processing and analysis.

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Results and discussion:

Objective 1: To analyse the sector-wise allocation of Corporate Social Responsibility expenditure among the selected companies

Hypothesis(H_{01}):

There is significant difference in sector-wise CSR expenditure among the selected companies.

Table 1.1 Descriptive Statistics on allocation of CSR Fund in selected sectors

Sector of contribution	N	RIL	TCS	HDFC	IOC	ONGC	Total
Education	Mean	282.8078	131.5489	55.8144	64.0078	81.73	123.1818
	SD	150.0915	227.5262	46.4623	32.64555	60.33411	148.252
Environmental Sustainability	Mean	3.8256	2.3156	8.4844	48.0211	52.0078	22.9309
	SD	6.43442	3.43504	13.70966	30.02841	96.98079	49.23235
Health Care	Mean	282.4289	5.7511	37.1244	59.57	79.4556	92.866
	SD	179.1093	11.46113	42.16244	39.04301	64.26712	130.4205
Livelihood Project	Mean	29.0822	155.6189	71.4756	38.6856	22.3	63.4324
	SD	42.74513	221.5233	84.6732	57.61072	37.5107	117.8199
Rural Development Project	Mean	182.0344	0.4144	274.9167	43.84	69.1322	114.0676
	SD	178.9107	0.60508	123.2195	41.45204	56.63228	140.6304

Source: Annual reports of companies

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Table 1.2 **ANOVA** on sectors wise contribution of CSR fund						
		Sum of Squares	df	Mean Square	F	Sig.
Education	Between Groups	317777.74	4	79444.436	4.894	**≤.01*****
	Within Groups	649282.4	40	16232.06		
	Total	967060.14	44			
Environmental Sustainability	Between Groups	22263.212	4	5565.803	2.638	**.048***
	Within Groups	84385.076	40	2109.627		
	Total	106648.29	44			
Health Care	Between Groups	431268.1	4	107817.02	13.598	**≤.01*****
	Within Groups	317150.21	40	7928.755		
	Total	748418.31	44			
Livelihood Project	Between Groups	108425.31	4	27106.327	2.158	0.091
	Within Groups	502362.35	40	12559.059		
	Total	610787.66	44			
Rural Development Project	Between Groups	453240.52	4	113310.13	10.871	**≤.01*****
	Within Groups	416943.54	40	10423.588		
	Total	870184.06	44			

Source: Annual reports of companies

To examine this objective, One-Way ANOVA was applied to compare CSR expenditure across major sectors such as education, healthcare, environmental sustainability, livelihood projects, and rural development among the selected companies. The results of the ANOVA indicate statistically significant differences in CSR allocation across companies in key sectors, particularly education, healthcare, environmental sustainability, and rural development.

Reliance Industries Limited emerged as the leading contributor in the education and healthcare sectors, reflecting a strong orientation toward large-scale social development initiatives. Public sector enterprises such as ONGC and IOC demonstrated comparatively higher expenditure on environmental sustainability, indicating greater regulatory and ecological responsibility. HDFC Bank showed dominant involvement in rural development initiatives, aligning with its focus on financial inclusion and community outreach. Conversely, CSR spending on livelihood projects did not show significant variation, suggesting a relatively uniform and limited emphasis across companies.

Since significant inter-company differences were observed in most CSR sectors, the null hypothesis (H_{01}) is rejected. This indicates that CSR allocation is influenced by company-specific priorities, sectoral orientation, and strategic considerations rather than being uniform across firms.

Objective 2: To assess the impact of Corporate Social Responsibility expenditure on the financial performance of the selected companies

Hypothesis($H_0$2):

Corporate Social Responsibility expenditure does have a significant impact on the financial performance of the selected companies.

Multiple Linear Regression analysis was conducted to examine the relationship between CSR expenditure and selected financial performance indicators. The regression results indicate that CSR expenditure has a statistically significant influence on profitability ratios, particularly Return on Assets and Return on Equity. This suggests that CSR investments may contribute to improved operational efficiency and enhanced shareholder value over time.

The relationship between CSR expenditure and liquidity ratios was found to be positive but relatively weak, while the impact on solvency ratios was limited. These findings imply that while CSR expenditure may enhance short-term performance and profitability, it does not substantially influence long-term capital structure decisions. Based on the regression results, the null hypothesis (H_{03}) is rejected with respect to profitability indicators, but partially accepted for liquidity and solvency measures.

Impact of CSR Expenditure on Selected Financial Performance Indicators

Here the analysis explores the impact of CSR expenditure on key financial ratios of the top 5 companies using Multiple Linear Regression. Financial Ratios such as Return on Equity (ROE), Return on Asset (ROA), Current Ratio (CR), Quick Ratio (QR), Debt Equity Ratio (DER) and Interest Coverage Ratio (ICR) are considered here.

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Table 2.1 Multiple Linear Regression on ROA

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.688[a]	.474	.407	8.08588
a. Predictors: (Constant), Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, Education				

Source: *Annual Reports of Companies*

Table 2.2 Anova Table on Impact of CSR on ROA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2297.732	5	459.546	7.029	**.000[b]**
	2549.876	39	65.381		
Residual	4847.607	44			
a. Dependent Variable: Return on Asset					
b. Predictors: (Constant), Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, Education					

Source: *Annual Reports of Companies*

Table 2.3 Impact of CSR Expenditure on Return on Asset

Coefficients						
		Unstandardized		Standardized		
		Beta	Std. Error	Beta		
1	(Constant)	13.437	2.335		5.754	**.000***
	Education	.015	.009	.206	1.699	.097
	Health Care	-.027	.010	-.334	-2.775	**.008***
	Environmental	-.028	.025	-.131	-1.103	.277
	Livelihood	.028	.011	.314	2.643	**.012***
	Rural	-.036	.009	-.480	-4.078	**.000***
a. Dependent Variable: Return on Asset						

Source: *Annual Reports of Companies*

The regression analysis investigates the influence of five Corporate Social Responsibility

(CSR) initiatives—Education, Health Care, Environmental Sustainability, Livelihood Project,

and Rural Development Project—on the financial performance metric; Return on Asset (ROA). From the Model Summary, the multiple correlation coefficient (R) is 0.688, indicating a moderately strong relationship between the predictors and the dependent variable. The R Square value of 0.474 suggests that 47.4% of the variance in ROA can be explained by the five CSR initiatives. The Adjusted R Square, which accounts for the number of predictors, stands at 0.407, indicating a decent model fit despite some variation due to sample size and the number of predictors. The standard error of the estimate is 8.08588, showing the average distance that the observed values fall from the regression line.

The ANOVA table supports the overall model significance. With an F-statistic of 7.029 and a significance value (**p-value of 0.000**), the model is statistically significant at the 1% level. This means that, collectively, the five CSR activities have a significant predictive relationship with ROA, and the variance explained by the model is not due to chance.

The Coefficients table provides insight into the individual contribution of each CSR activity. The constant value (intercept) is 13.437, which is the predicted ROA when all CSR variables are at zero. Among the independent variables, the Rural Development Project shows a significant negative relationship with ROA (**β = - 0.480, p = 0.000**), suggesting that higher investments in this area may reduce financial returns. Health Care also has a statistically significant negative effect (**β =**
-0.334, p = 0.008), indicating a potential inefficiency or delayed return in this category. On the other hand, the Livelihood Project displays a positive and significant impact on ROA (**β = 0.314, p = 0.012**), implying it is a valuable area of investment. Education has a positive but not statistically significant effect (β = 0.206, p = 0.097), while Environmental Sustainability has a negative and insignificant impact (β = -0.131, p = 0.277). These results imply that not all CSR initiatives equally enhance financial performance—some may require re-evaluation or better execution strategies to ensure positive financial outcomes.

Table 2.4 Multiple Linear Regression on ROE

Model Summary				
1	.690a	.476	.408	9.66529
A. Predictors: (Constant), Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, Education				

Source: *Annual Reports of Companies*

Table 2.5 Anova Table on Impact of CSR on ROE

Anova						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3303.433	5	660.687	7.072	**.000b**
	Residual	3643.293	39	93.418		
	Total	6946.726	44			
a. Dependent Variable: Return on Equity						

Source: *Annual Reports of Companies*

Table 2.6 Impact of CSR Expenditure on Return on Equity

Coefficients						
Model		Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	21.906	2.791		7.847	**.000***
	Education	.015	.010	.179	1.471	.149
	Health Care	-.042	.012	-.432	-3.592	**.001***
	Environmental sustainability	-.043	.030	-.168	-1.424	.163
	Livelihood Project	.040	.013	.374	3.153	**.003***
	Rural Development Project	-.029	.011	-.329	-2.800	**.008***
a. Dependent Variable: Return on Equity						

Source*: Annual Reports of Companies*

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This regression analysis examines the impact of various Corporate Social Responsibility (CSR) initiatives—Education, Health Care, Environmental Sustainability, Livelihood Project, and Rural Development Project—on the financial metric Return on Equity (ROE). The results provide several insightful findings:

The overall regression model is statistically significant (**F = 7.072, p < 0.001**), indicating that the combined effect of the selected CSR variables significantly predicts Return on Equity. The R-squared value of 0.476 implies that 47.6% of the variance in ROE is explained by the five CSR predictors. The adjusted R-squared (0.408) confirms that the model retains a good fit even after accounting for the number of predictors.

Among the individual predictors, Health Care and Rural Development Project have significant negative impacts on ROE. Specifically, Health Care (**β = -0.432, p = 0.001**) has the strongest negative influence, suggesting that higher investment in health care initiatives may currently reduce ROE, possibly due to high costs or delayed financial returns. The Rural Development Project (**β = -0.329, p = 0.008**) also shows a significant negative effect, reinforcing the trend seen in the ROA model that such projects may not be delivering short-term financial benefits.

On the positive side, the Livelihood Project exhibits a significant positive effect on ROE (**β= 0.374, p = 0.003**), indicating that companies focusing on improving livelihood conditions are likely to see better equity returns. This suggests that this initiative not only contributes to social well-being but also enhances shareholder value.

In contrast, Education (β = 0.179, p = 0.149) and Environmental Sustainability (β = -0.168, p = 0.163) do not show statistically significant effects on ROE, even though Education has a slight positive influence. This implies that these areas might require more time or strategic adjustments before reflecting a measurable financial impact.

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Table 2.7 Multiple Linear Regression on CR

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.530[a]	.280	.188	1.18549
a. Predictors: (Constant), Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, Education				

Source: *Annual Reports of Companies*

Table 2.8 Anova Table on Impact of CSR on CR

Anova						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.358	5	4.272	3.040	**.021[b]**
	Residual	54.810	39	1.405		
	Total	76.169	44			
a. Dependent Variable: Current Ratio						
b. Predictors: (Constant), Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, Education						

Source: *Annual Reports of Companies*

Table 2.9 Impact of CSR Expenditure on Current Ratio

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.035	.342		5.944	**.000***
	Education	.001	.001	.089	.628	.534
	Health Care	-.003	.001	-.302	-2.145	**.038***
	Environmental Sustainability	-.004	.004	-.145	-1.044	.303
	Livelihood Project	.002	.002	.175	1.264	.214
	Rural Development Project	-.004	.001	-.376	-2.730	**.009***
a. Dependent Variable: Current Ratio						

Source: *Annual Reports of Companies*

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The Model Summary table shows an R value of 0.530, indicating a moderate positive correlation between the predictors (Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, and Education) and the Current Ratio. The R Square value is 0.280, which means that approximately 28% of the variance in the Current Ratio is explained by the five predictors. However, the Adjusted R Square is lower at 0.188, suggesting a reduction in explanatory power when adjusting for the number of predictors. The standard error of the estimate is 1.18549, indicating the average distance that the observed values fall from the regression line. The ANOVA table confirms that the regression model is statistically significant (**F = 3.040, Sig. = 0.021**), meaning that the predictors, taken together, have a statistically significant impact on the Current Ratio.

In the Coefficients table, individual predictor significance is analyzed, Health Care has a significant negative effect on the Current Ratio (**B = -0.003, Beta = -0.302, t= -2.145, Sig. = 0.038**), suggesting that increased expenditure or focus on health care is associated with a decrease in the Current Ratio. Rural Development Project is also a significant negative predictor (**B = -0.004, Beta = -0.376, t = -2.730, Sig. 0.009**), indicating that greater investment here correlates with a lower Current Ratio. Other predictors like Education, Environmental Sustainability, and Livelihood Project do not show statistically significant impacts (**p-values** > **0.05**).

Thus the model reveals that while the predictors moderately explain variations in the Current Ratio, only Health Care and Rural Development Projects significantly and negatively influence it.

This suggests the need for companies to closely monitor resource allocation in these areas to maintain liquidity and short- term financial health.

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Table 2.10 Multiple Linear Regression on QR

Model Summary				
Model	R	R Square	Adjusted R Square	SE of estimate
1	.510[a]	.260	.165	1.28246
A. Predictors: (Constant), Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, Education				

Source: *Annual Reports of Companies*

Table 2.11 Anova Table on Impact of CSR on QR

Anova						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.503	5	4.501	2.736	**.033[b]**
	Residual	64.144	39	1.645		
	Total	86.647	44			
a. Dependent Variable: Quick Ratio						

Source: *Annual Reports of Companies*

Table 2.12 Impact of CSR Expenditure on Quick Ratio

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.783	.370		4.814	**.000***
	Education	.001	.001	.095	.662	.512
	Health Care	-.003	.002	-.317	-2.222	**.032***
	Environmental	-.005	.004	-.173	-1.235	.224
	Livelihood Project	.003	.002	.223	1.584	.121
	Rural Development	-.003	.001	-.282	-2.019	.050
a. Dependent Variable: Quick Ratio						

Source: *Annual Reports of Companies*

The regression analysis conducted on the Quick Ratio as the dependent variable reveals several insights. The overall model is statistically significant (**F = 2.736, p = 0.033**), indicating that the predictors—Education, Health Care, Environmental Sustainability, Livelihood Project, and Rural Development Project—jointly have a meaningful impact on a firm's quick liquidity position.

The model explains 26% of the variance in the Quick Ratio ($R^2 = 0.260$), and the Adjusted R^2 is 0.165, showing moderate explanatory power after adjusting for the number of predictors.

Among the individual predictors, Health Care and Rural Development Project are found to have significant negative impacts on the Quick Ratio. Health Care has a standardized beta of -0.317 (**p = 0.03**2), suggesting that higher expenditure on health care is associated with reduced quick liquidity. Similarly, the Rural Development Project shows a significant negative effect (Beta = -0.282, p = 0.050), indicating that investments in rural development may also constrain readily available financial resources. Other variables—Education, Environmental Sustainability, and Livelihood Project—do not show a

statistically significant effect on the Quick Ratio all (**p-values > 0.05**), although Livelihood Project shows a relatively higher beta (0.223) compared to the rest, hinting at a possible positive but not statistically conclusive influence.

Table 2.13 Multiple Linear Regression on DER

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.559[a]	.313	.225	.37820
a. Predictors: (Constant), Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, Education				

Source: *Annual Reports of Companies*

Table 2.14 Anova Table on Impact of CSR on DER

Anova						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.538	5	.508	3.549	**.010b**
	Residual	5.578	39	.143		
	Total	8.117	44			
a. Dependent Variable: Debt Equity Ratio						
b. Predictors: (Constant), Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, Education						

Source: *Annual Reports of Companies*

Table 2.15 Impact of CSR Expenditure on Debt Equity Ratio

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.316	.109		2.892	**.006***
	Education	-.001	.000	-.214	-	.131
	Health Care	.000	.000	.068	.497	.622
	Environmental	1.06	.001	-.004	-.031	.976
	Livelihood	1.565E-05	.000	.004	.032	.975
	Rural	.002	.000	.542	4.031	**.000***
	a. Dependent Variable: Debt Equity Ratio					

S***ource:*** *Annual Reports of Companies*

The regression analysis examines the impact of corporate social responsibility (CSR) variables—Education, Health Care, Environmental Sustainability, Livelihood Project, and Rural Development Project on the Debt-Equity Ratio as the dependent variable. The model shows a moderate correlation (R = 0.559) between the predictors and the Debt-Equity Ratio.

The R Square value is 0.313, indicating that about 31.3% of the variation in the Debt-Equity Ratio is explained by the model. The Adjusted R Square is 0.225, reflecting a reasonable fit considering the number of predictors. The model is statistically significant (**F = 3.549, p = 0.010**), meaning the combination of CSR factors significantly predicts the Debt-Equity Ratio.

The regression model confirms that Rural Development Projects significantly increase the Debt-Equity Ratio, pointing to increased debt financing associated with these initiatives. Other CSR variables—Education, Health Care, Environmental Sustainability, and Livelihood Projects—do not have statistically significant effects. This finding suggests that among the examined CSR domains; rural development has the most pronounced financial implications in terms of firm leverage.

Table 2.16 Multiple Linear Regression on ICR

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.514[a]	.264	.170	3.14672
a. Predictors: (Constant), Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, Education				

Source: *Annual Reports of Companies*

Table 2.17 Anova Table on Impact of CSR on ICR

Anova						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	138.504	5	27.701	2.798	**.030b**
	Residual	386.173	39	9.902		
a. Dependent Variable: Interest Coverage Ratio						
b. Predictors: (Constant), Rural Development Project, Health Care, Environmental Sustainability, Livelihood Project, Education						

Source: *Annual Reports of Companies*

The regression model is statistically significant (**F = 2.798, p = 0.030**), indicating that the combination of independent variables—Education, Health Care, Environmental Sustainability, Livelihood Project, and Rural Development Project—significantly explains variation in the interest coverage ratio. The R value of 0.514 shows a moderate correlation between the predictors and the dependent variable, while the R^2 value of 0.264 implies that about 26.4% of the variance in the interest coverage ratio can be explained by these CSR components. Although this is a moderate explanatory power, it suggests that CSR activities play a meaningful role in influencing a firm's financial health in terms of its ability to meet interest obligations.

Table 2.18 Impact of CSR Expenditure on Interest Coverage Ratio

Coefficients						
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	6.397	.909		7.039	**.000***
	Education	.003	.003	.141	.983	.331
	Health Care	.002	.004	.075	.527	.601
	Environmental Sustainability	.014	.010	.197	1.410	.166
	Livelihood Project	-.001	.004	-.038	-.274	.786
	Rural Development Project	-.011	.003	-.453	-3.251	**.002***
a. Dependent Variable: Interest Coverage Ratio						

Source: *Annual Reports of Companies*

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Among the individual predictors, the Rural Development Project stands out with a statistically significant negative effect on the interest coverage ratio (**B = -0.011, p = 0.002**).

This indicates that increased investment in rural development initiatives is associated with a decrease in the interest coverage ratio, possibly due to the capital-intensive nature of such projects, which may not yield immediate returns and hence strain short-term financial liquidity. The standardized beta coefficient for rural development (-0.453) further confirms that it has the most substantial impact among all predictors. Other variables—Education (p = 0.331), Health Care (p = 0.601), Environmental Sustainability (p = 0.166), and Livelihood Project (p = 0.786)—did not show statistically significant effects on the interest coverage ratio, indicating that their impact may be weaker or more long-term in nature. However, Education and Environmental Sustainability had positive coefficients, suggesting a potentially favorable influence on the firm's ability to cover interest payments, though not strong enough to be conclusive in this model.

Conclusion

The key idea behind CSR is for corporations to pursue other pro-social objectives, in addition to maximizing profits. The study can be concluded with the few points on the

CSR initiatives by the companies in India. The objective-wise analysis demonstrates that CSR practices among leading Indian companies are strategically differentiated and sector-specific. The statistically significant association between CSR expenditure and profitability supports the argument that CSR, when effectively integrated with corporate strategy, can contribute to sustainable financial performance. However, the varied impact across financial indicators suggests that CSR should be viewed as a long-term strategic investment rather than a short-term financial tool.

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