Synopsis Seminar

Seminar Title	: CSR & Disclosure Practices in India: Empirical Evidence from Non-financial Service Sector Companies
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Venue	: Conference Hall
Date and Time	: 24 Sep 2024 (11:00 A.M.)

Abstract : Corporate social responsibility (CSR) is integral to sustainable development, aligning societal welfare with corporate goals. It plays a critical role in creating shared value, meeting both financial and non-financial objectives. While much of the academic focus has been on CSR reporting and disclosure (CSRD), this study examines the factors driving CSR expenditure in corporate India, particularly in the non-financial service sector. The research explores the relationships between CSR expenditure, ownership structure, cost of equity (COE), financial performance, and corporate governance.

The first objective of the study investigates the non-linear relationship between ownership structures (family, foreign, institutional, and government ownership) and CSR expenditure among 243 non-financial service sector firms in India from 2010 to 2021, using the Generalised Method of Moments (GMM) methodology. The results show an inverse U-shaped relationship between institutional ownership and CSR expenditure. Family, foreign, and government ownership positively influence CSR spending. The study also explores how board characteristics (size, independence, multiple directorships, and gender diversity) moderate the ownership-CSR relationship. Board size and gender diversity positively affect CSR spending under foreign and institutional ownership, while multiple directorships positively moderate government ownership and CSR expenditure.

The second objective examines the non-linear relationship between CSR expenditure and the COE of 171 listed non-financial service firms, also for the period 2010 to 2021. The results indicate an inverse U-shaped relationship, where CSR expenditure initially increases COE, but after a certain point, further CSR spending reduces it. The study also finds that board independence and family ownership moderate this relationship. Board independence flattens the CSR-COE association, while family ownership steepens it.

The third objective assesses the relationship between CSR expenditure and financial performance, focusing on the role of family ownership. Based on a sample of 241 firms from 2010 to 2023, the study finds that CSR expenditure positively impacts financial performance, as measured by Tobin&rsquos Q and return on assets. Additionally, family ownership positively moderates this relationship, especially concerning Tobin's Q.

The final objective explores the level of CSRD and how corporate governance mechanisms influence it. Using content analysis and Fuzzy Set Qualitative Comparative Analysis (fsQCA) on the top 100 non-financial service firms in 2023, the study finds that overall CSRD quality is below 50%, with the highest focus on shareholders and regulatory authorities, and the least attention on suppliers. The study identifies seven corporate governance factors&mdashfamily ownership, board size, board independence, gender diversity, CEO duality, board meetings, and board busyness&mdashthat enhance CSRD. Board busyness positively impacts CSRD, while CEO duality has a negative effect. Moderate family ownership (26-50%) is particularly effective in improving CSRD.

The findings provide significant insights for academics, managers, and policymakers. The research highlights the importance of India&rsquos institutional framework in promoting CSR, offering strategies for leveraging CSR expenditure to enhance COE and financial performance, particularly for family-owned firms. Policymakers are encouraged to develop policies that incentivise CSR compliance, with a focus on corporate governance practices that align CSR with long-term shareholder value. The study also suggests further exploration of CSR across different sectors and countries.

Keywords: *Corporate social responsibility, ownership structure, cost of equity, financial performance, corporate governance, panel data regression, GMM, Non-financial service sector.*