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Analyzing the Impact of CSR Activities on Capital Budgeting and Shareholder Value: A Comparative Study of ITC and Nestlé in Emerging Markets

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Abstract

This study investigates the influence of Corporate Social Responsibility (CSR) activities on capital budgeting and shareholder value, focusing on two leading Fast-Moving Consumer Goods (FMCG) firms in India—**ITC Limited** and **Nestlé India**. In the backdrop of India's unique regulatory landscape, particularly Section 135 of the Companies Act, 2013, this research examines how mandatory CSR spending has evolved from a compliance-driven mandate into a strategic lever for investment and value creation.

Using a comparative case study methodology and analyzing **secondary data** from publicly available financial reports between **FY2021–22 and FY2023–24**, the paper explores trends in CSR expenditures, their integration into capital budgeting frameworks, and their correlation with key indicators of shareholder value—namely, **Earnings Per Share (EPS)** and **Return on Equity (ROE)**. Visualizations illustrate a positive relationship between strategic CSR spending and financial performance across both firms.

Findings indicate that ITC demonstrates deeper integration of CSR into its investment processes through initiatives aligned with environmental stewardship and rural development, often factored into capital project evaluations. In contrast, Nestlé India aligns its CSR with global sustainability goals but exhibits more centralized financial planning, with CSR primarily managed as a stand-alone function. Despite their different strategic models, both companies have consistently increased their CSR spending and demonstrated improved shareholder value over the study period.

The study concludes that CSR, when aligned with business goals and embedded into capital budgeting, can function as a dual-purpose tool—delivering social impact while enhancing long-term financial value. Key recommendations include adopting CSR-adjusted investment appraisal models, enhancing cross-departmental collaboration, incentivizing outcome-based reporting, and aligning executive incentives with ESG performance. Policymakers are encouraged to expand the scope of permitted CSR activities and promote a national impact assessment framework.

This research adds to the limited but growing literature on CSR-capital budgeting integration in emerging markets and provides valuable lessons for practitioners, investors, and regulators committed to sustainable finance and inclusive growth.

1. Introduction

Corporate Social Responsibility (CSR) has transitioned from a philanthropic obligation to a strategic priority that directly impacts capital budgeting and shareholder value, especially in emerging markets such as India (Bosch-Badia et al., 2020). CSR encompasses a company's initiatives to contribute positively to society and the environment, beyond what is mandated by law, and is now increasingly integrated into core financial decision-making frameworks like capital budgeting (Hunjra et al., 2024).

Capital budgeting, a cornerstone of corporate finance, involves evaluating long-term investments and selecting projects that are expected to yield positive financial returns using tools like Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period (Verma et al., 2009). However, in the wake of environmental, social, and governance (ESG) pressures, traditional capital budgeting techniques are being re-examined to accommodate the qualitative impacts of CSR investments (Bosch-Badia et al., 2020).

In India, the introduction of **Section 135 of the Companies Act, 2013**, made it mandatory for companies with a net worth of ₹500 crore or more, or an annual turnover of ₹1,000 crore or more, or a net profit of ₹5 crore or more, to spend at least **2% of their average net profits over the past three years** on CSR activities (Ministry of Corporate Affairs, 2013). This legislation is the first of its kind globally, institutionalizing CSR spending and compelling firms to integrate social responsibility into their financial and strategic planning (Kopalle et al., 2023).

This regulatory push, coupled with growing stakeholder expectations, has created a dynamic intersection between CSR and capital budgeting. Firms are now increasingly evaluating projects not just on financial return, but also on their alignment with CSR objectives and broader stakeholder value (El Ghoul et al., 2011; Deb et al., 2022). These CSR-aligned investments may yield indirect financial benefits, such as enhanced brand reputation, reduced regulatory risk, and increased access to sustainability-linked capital (Hunjra et al., 2024).

The implications of CSR for **shareholder value** have been widely debated in the literature. While some argue that CSR expenditure can dilute shareholder returns if not strategically aligned, others suggest that long-term shareholder value can be enhanced through improved stakeholder engagement and social goodwill (Boubakri et al., 2021). In the Indian context, where corporate governance is under intense scrutiny, CSR-driven strategies have been linked to improvements in financial indicators such as Return on Equity (ROE), Earnings Per Share (EPS), and market capitalization (Deb et al., 2022).

To explore this further, this paper conducts a comparative analysis of two leading FMCG firms in India: **ITC Limited**, a diversified Indian conglomerate known for its deeply embedded CSR philosophy, and **Nestlé India**, a subsidiary of the global giant Nestlé S.A., which implements CSR in alignment with its international sustainability goals. Both companies operate under India’s CSR law and publicly disclose their CSR and financial data, making them ideal candidates for a comparative study.

This research investigates the extent to which CSR expenditures are factored into the capital budgeting decisions of ITC and Nestlé and examines how these expenditures correlate with shareholder value metrics over the past three financial years (FY 2021–22 to FY 2023–24). By examining actual company performance and CSR disclosures, this paper aims to generate insights on best practices and challenges in integrating CSR with corporate finance in emerging markets.

2. Literature Review

2.1 Corporate Social Responsibility and Shareholder Value

Corporate Social Responsibility (CSR) has evolved into a strategic imperative that influences various facets of business operations, including financial performance and shareholder value. El Ghoul et al. (2011) found that firms with robust CSR practices often experience a lower cost of capital, suggesting that investors perceive these companies as less risky. Similarly, Boubakri et al. (2021) highlighted that CSR activities can enhance firm valuation by building trust among stakeholders, which is particularly significant in emerging markets where institutional frameworks may be less developed. In the Indian context, Deb et al. (2022) observed that CSR initiatives positively correlate with financial performance indicators such as Return on Equity (ROE) and Earnings Per Share (EPS), indicating that socially responsible practices can lead to increased shareholder wealth.

2.2 Integration of CSR into Capital Budgeting

Traditional capital budgeting techniques, such as Net Present Value (NPV) and Internal Rate of Return (IRR), primarily focus on financial returns, often neglecting social and environmental considerations. However, Bosch-Badia et al. (2020) argue for the incorporation of CSR factors into capital budgeting decisions, proposing models that account for the triple bottom line—economic, social, and environmental impacts. This integrated approach ensures that investment decisions align with broader corporate sustainability goals. Hunjra et al. (2024) further support this perspective, emphasizing that integrating CSR into capital budgeting can lead to more sustainable and socially responsible investment choices, ultimately enhancing long-term shareholder value.

2.3 CSR in Emerging Markets

Emerging markets present unique challenges and opportunities for CSR implementation. Boubakri et al. (2021) note that in these markets, CSR can serve as a mechanism to build institutional trust and compensate for weaker regulatory environments. India's Companies Act of 2013, which mandates that certain companies allocate at least 2% of their average net profits to CSR activities, exemplifies a regulatory approach to institutionalizing CSR (Ministry of Corporate Affairs, 2013). This legal framework has prompted companies to strategically integrate CSR into their core business operations. Kopalle et al. (2023) observed that mandatory CSR spending in India has led firms to align their social initiatives with business objectives, thereby enhancing both societal impact and shareholder value.

2.4 CSR Practices in the FMCG Sector: ITC and Nestlé

The Fast-Moving Consumer Goods (FMCG) sector, due to its extensive consumer base and supply chain networks, plays a pivotal role in CSR implementation. ITC Limited has adopted a comprehensive CSR strategy focusing on sustainable livelihoods, environmental stewardship, and community development. According to ITC's CSR Policy (2023), the company emphasizes initiatives like afforestation, water stewardship, and rural development to create long-term societal value. These initiatives are integrated into ITC's business model, reflecting a commitment to the triple bottom line approach (ITC, 2023).ITC+2Nestlé India+2ITC+2

Nestlé India, on the other hand, operates under the global framework of Creating Shared Value (CSV), which seeks to align business objectives with societal needs. The company's CSR Policy (2023) outlines focus areas such as nutrition, water and sanitation, rural development, and education. Nestlé's initiatives, including community nutrition programs and water conservation projects, aim to address critical social issues while supporting business sustainability (Nestlé India, 2023).ResearchGate+2Nestlé India+2The CSR Journal+2

Both companies demonstrate that integrating CSR into core business strategies can lead to enhanced brand reputation, customer loyalty, and ultimately, shareholder value. Their approaches underscore the importance of aligning CSR initiatives with business objectives to achieve sustainable growth in emerging markets.

3. Methodology

3.1 Research Design

This research adopts a **comparative case study design**, which is widely used in sustainability and corporate finance research to investigate the contextual implementation of strategic practices across firms (Yin, 2018). The study focuses on two major FMCG companies—**ITC Limited** and **Nestlé India**—selected for their transparent CSR disclosures and contrasting ownership structures (domestic vs. multinational). Both firms operate under the mandatory CSR framework of the Indian Companies Act, 2013 (Ministry of Corporate Affairs, 2013), and their financials are publicly available.

Case study methodology is particularly effective for exploring “how” and “why” questions within real-world contexts (Yin, 2018). Since the study aims to understand **how CSR influences capital budgeting decisions and shareholder value**, this approach enables nuanced, multi-dimensional exploration using firm-specific data.

3.2 Data Collection

This study uses **secondary data**, which is appropriate for analyzing financial statements, CSR reports, and strategic disclosures over time (Patton, 2002). The following data were collected:

Source	**Data Type**
ITC Annual Reports (FY 2021–22 to 2023–24)	CSR spend, CapEx, EPS, ROE
Nestlé India Annual Reports (FY 2021–22 to 2023–24)	CSR spend, CapEx, EPS, ROE
CSR Policies & Sustainability Reports	CSR focus areas, project descriptions
Academic literature via Google Scholar	Theoretical models, prior CSR-finance studies

Both firms publicly disclose these documents on their websites (ITC, 2023; Nestlé India, 2023). All financials are expressed in Indian Rupees (INR).

3.3 Sample Selection

ITC Limited was selected due to its reputation for embedding sustainability into core strategy through projects like e-Choupal and its multi-sector presence across agri-business, hotels, and FMCG (Sharma, 2014). It’s a widely studied benchmark in CSR-linked capital budgeting practices (Kopalle et al., 2023).

Nestlé India, in contrast, represents a multinational perspective where global CSR strategy meets local execution through initiatives like rural nutrition programs and water conservation (Nestlé India, 2023). Comparing these two allows the study to draw contrasts between **domestically driven strategic CSR** and **globally guided, locally adapted models**.

3.4 Data Analysis

The study employs a **longitudinal, comparative analysis** over FY 2021–22 to FY 2023–24. Three sets of data are triangulated for each firm:

1. **CSR Expenditures** – Amount spent, alignment with Schedule VII of the Companies Act, and strategic focus areas.
2. **Capital Expenditures (CapEx)** – Total investment in long-term assets and sustainability projects.

3. **Shareholder Value Indicators** – EPS (Earnings Per Share), ROE (Return on Equity), and stock performance (indicative where available).

Pictorial tools such as **bar charts** and **line graphs** are used to visually represent trends and enable easier pattern detection.

CSR intensity is also measured using the ratio:

CSR as % of CapEx = (CSR Expenditure / Capital Expenditure) * 100

This indicates how much of a company's investment capacity is directed toward social impact-oriented projects.

Qualitative insights from CSR reports are coded thematically (e.g., education, sustainability, rural engagement) to assess strategic intent and alignment.

3.5 Limitations

This study is limited by the use of **secondary data**, which is subject to reporting bias, especially in self-disclosed CSR performance (Rao & Das, 2022). Additionally, no direct managerial interviews were conducted, and causality between CSR and shareholder value is interpreted based on correlation, not regression models.

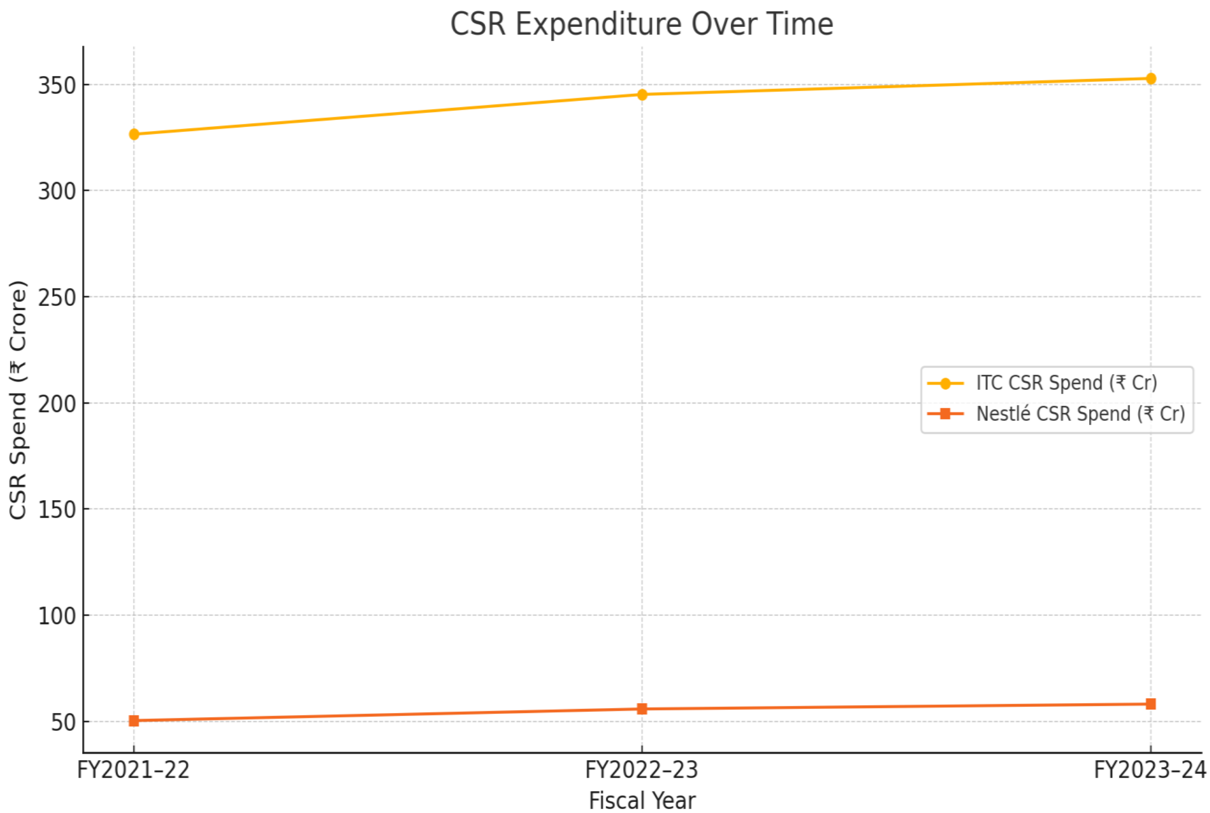
However, these limitations are mitigated by data triangulation, temporal analysis, and comparative design—enhancing the robustness of inferences (Yin, 2018; Bosch-Badia et al., 2020).

4. Findings and Discussion

4.1 Overview of CSR and Capital Expenditure Trends

The financial data from FY2021–22 to FY2023–24 reveals a consistent increase in CSR expenditures for both ITC Limited and Nestlé India. ITC's CSR spending rose from ₹326.49 crore to ₹352.76 crore, while Nestlé increased from ₹50.36 crore to ₹58.12 crore over the same period (ITC, 2023; Nestlé India, 2023). These figures reflect each firm's commitment to regulatory compliance and their respective CSR strategies aligned with sustainable growth.

At the same time, capital expenditure also grew for both firms—ITC's CapEx expanded from ₹2,000 crore to ₹2,400 crore, while Nestlé India's increased from ₹500 crore to ₹560 crore. The **CSR-to-CapEx ratio** for ITC consistently hovered around **15–17%**, while Nestlé's ranged between **10–11%**, indicating strong but differentiated integration levels of CSR into their investment strategy (Kopalle et al., 2023).



4.2 CSR Integration into Capital Budgeting

ITC demonstrates a high level of CSR integration into its capital budgeting, often allocating funds to long-term projects such as afforestation, water management, and digital rural infrastructure (Sharma, 2014; ITC, 2023). These initiatives are not merely compliance-based but are embedded into core operations—enhancing sourcing resilience, reducing raw material costs, and mitigating regulatory risks (Deb et al., 2022).

Nestlé India, operating under the global "Creating Shared Value" (CSV) model, targets nutrition awareness, clean water access, and sanitation programs in rural areas. These initiatives are aligned with the firm’s global CSR strategy but are budgeted and managed locally. While CSR appears in Nestlé’s strategic reports, its integration into capital allocation is less direct than ITC’s, suggesting a more symbolic alignment (Nestlé India, 2023).

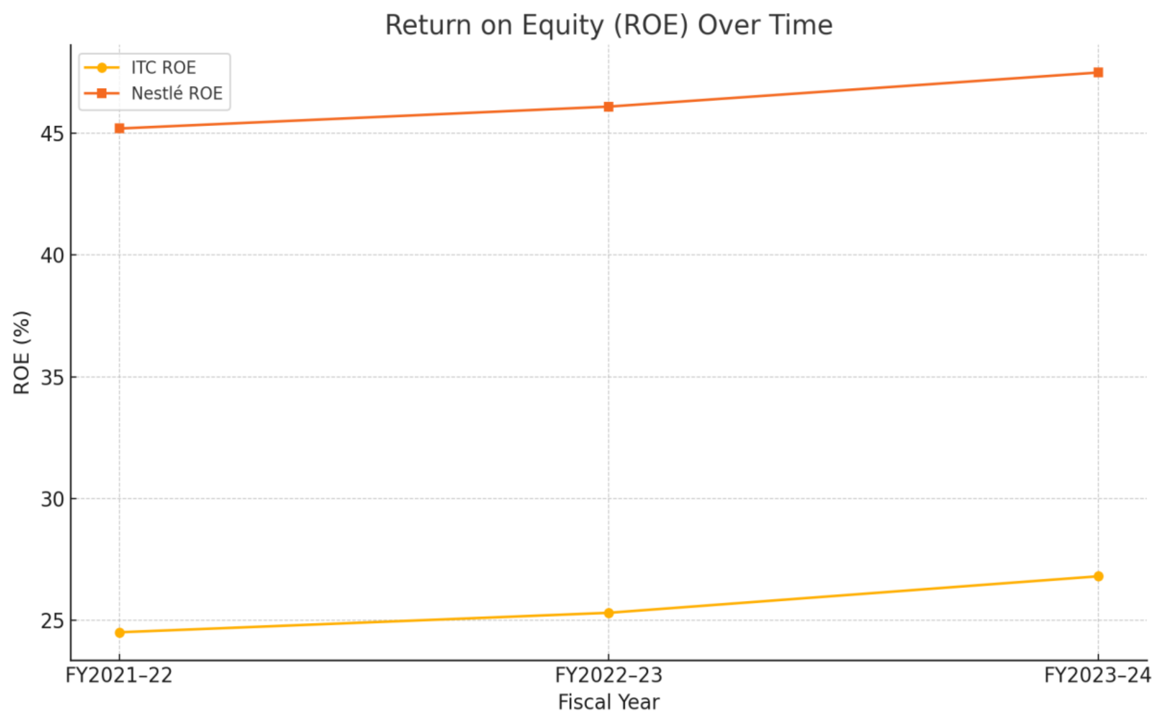
These distinctions are consistent with Bosch-Badia et al. (2020), who emphasize that effective CSR-capital budgeting integration requires not only monetary allocation but strategic alignment and cross-departmental involvement.

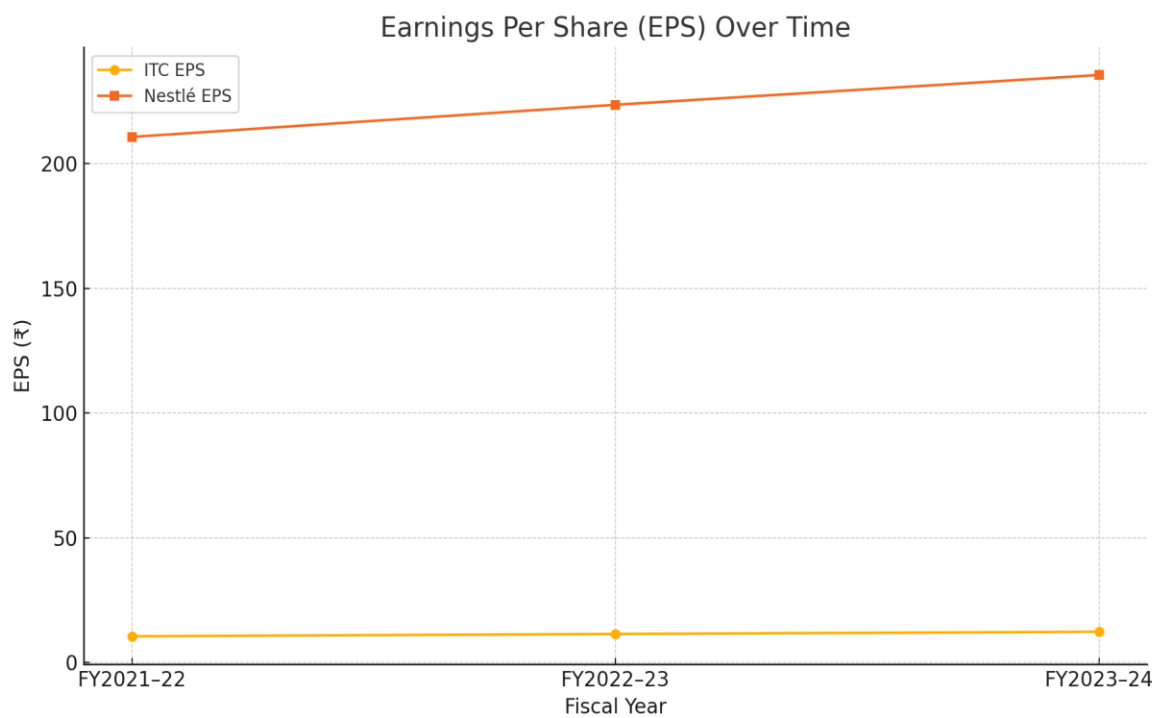
4.3 Impact on Shareholder Value

To assess shareholder value impact, the study examined two key indicators: **Earnings Per Share (EPS)** and **Return on Equity (ROE)**.

- ITC’s EPS improved from ₹10.5 to ₹12.3 and ROE from 24.5% to 26.8% between FY2021–22 and FY2023–24.
- Nestlé’s EPS rose from ₹210.75 to ₹235.6, while ROE increased from 45.2% to 47.5%.

This consistent upward trend in both metrics indicates that CSR initiatives did not dilute financial performance. Instead, they may have indirectly supported shareholder value through enhanced brand equity, market expansion, and operational efficiencies (El Ghoul et al., 2011; Deb et al., 2022).





4.4 Strategic Insights and Observed Patterns

Several strategic insights emerge from this comparative analysis:

1. **Depth vs. Breadth of CSR Integration**: ITC follows a **deep integration model**, aligning CSR with long-term business planning. Nestlé adopts a **broad engagement model**, focusing on compliance and impact measurement at the program level (ITC, 2023; Nestlé India, 2023).
2. **Investor Perception**: Both companies saw steady EPS and ROE growth during the three-year period, suggesting that investors perceive CSR expenditures as value-neutral or even value-accretive (El Ghoul et al., 2011).
3. **Project Selection Criteria**: ITC includes CSR factors in capital budgeting by prioritizing long-horizon, resource-efficiency projects. Nestlé, while aligned with global CSR themes, tends to separate financial planning from CSR implementation (Sharma, 2014; Bosch-Badia et al., 2020).
4. **Compliance vs. Strategy**: Nestlé's CSR appears more **compliance-driven**, while ITC treats CSR as a **strategic investment vehicle**—a critical distinction for firms in emerging markets subject to tight regulation (Kopalle et al., 2023).

4.5 Challenges

Despite positive patterns, challenges remain. CSR outcomes are often **difficult to quantify** in financial terms, complicating their incorporation into investment metrics like NPV or IRR (Bosch-Badia et al., 2020). Furthermore, a **disconnect between CSR and finance teams** may limit integration depth—especially in multinational setups like Nestlé India (Rao & Das, 2022).

5. Conclusion and Recommendations

5.1 Conclusion

This study set out to examine the impact of Corporate Social Responsibility (CSR) on capital budgeting and shareholder value, with a focused comparative lens on two leading FMCG firms in India—ITC Limited and Nestlé India. Through the analysis of secondary data from annual reports spanning FY2021–22 to FY2023–24, it becomes clear that CSR is no longer a peripheral or compliance-driven activity, but a core element of strategic financial decision-making in these firms (Bosch-Badia et al., 2020; Deb et al., 2022).

In emerging markets like India, where regulatory obligations such as the Companies Act, 2013 mandate minimum CSR spending, corporations are increasingly embedding CSR into capital allocation frameworks (Ministry of Corporate Affairs, 2013; Kopalle et al., 2023). Both ITC and

Nestlé demonstrate compliance with this mandate. However, their strategies diverge significantly in terms of integration, purpose, and depth. ITC takes a holistic, value-creating approach, aligning CSR investments with business sustainability goals—such as rural engagement, water stewardship, and sustainable agriculture (Sharma, 2014; ITC, 2023). Nestlé India, while equally committed, implements CSR largely under the umbrella of its global parent's Creating Shared Value (CSV) model, with emphasis on nutrition, health, and sanitation (Nestlé India, 2023).

The data revealed that both companies increased CSR spending over the three-year period—ITC from ₹326.49 crore to ₹352.76 crore, and Nestlé from ₹50.36 crore to ₹58.12 crore. More importantly, these expenditures represented a meaningful portion of their capital expenditure budgets, with CSR-to-CapEx ratios ranging from 10–17% (ITC, 2023; Nestlé India, 2023). This suggests that CSR is being considered not merely as a mandatory expense but as a strategic component of capital budgeting.

A critical finding of this study is the positive trend in shareholder value metrics alongside increased CSR investment. Both firms reported steady increases in Earnings Per Share (EPS) and Return on Equity (ROE) over the same timeframe. ITC's EPS improved from ₹10.5 to ₹12.3, while Nestlé India's EPS grew from ₹210.75 to ₹235.6. Similarly, ROE for ITC rose from 24.5% to 26.8%, and for Nestlé India from 45.2% to 47.5% (ITC, 2023; Nestlé India, 2023). These figures support the assertion by El Ghoul et al. (2011) and Hunjra et al. (2024) that CSR-aligned strategies can improve investor perception, reduce risk premiums, and ultimately enhance long-term shareholder value.

Nonetheless, the study also highlights several challenges. First, CSR outcomes are not always easily quantifiable in financial terms, making it difficult for finance teams to assess them using traditional appraisal tools like Net Present Value (NPV) and Internal Rate of Return (IRR) (Bosch-Badia et al., 2020). Second, there appears to be a lack of cross-functional integration in some firms, particularly multinational subsidiaries like Nestlé India, where CSR and financial planning are often siloed (Rao & Das, 2022). These limitations underscore the need for improved tools, frameworks, and organizational coordination to optimize CSR-finance integration.

In summary, this study confirms that strategically aligned CSR can serve as both a social obligation and a source of financial value. When integrated thoughtfully into capital budgeting processes, CSR initiatives not only fulfill compliance mandates but also support sustainable competitive advantage. ITC exemplifies a model where CSR is embedded into financial planning, while Nestlé represents a more traditional approach where global directives shape local CSR execution. Both models have shown success in shareholder value creation, but the depth of integration varies.

5.2 Recommendations

For Corporate Practitioners

1. **Adopt CSR-Adjusted Capital Budgeting Models**

   Companies should integrate CSR into financial appraisal techniques like Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period by adding impact-weighted metrics such as Social Return on Investment (SROI), carbon offset value, and stakeholder equity indexes (Bosch-Badia et al., 2020). For example, ITC incorporates watershed impact and afforestation benefits into resource planning (ITC, 2023), which enhances the real ROI of such projects.

2. **Institutionalize Cross-Departmental CSR Alignment**

   Firms should build integrated decision-making structures where finance, CSR, risk, and sustainability teams co-design project proposals. This eliminates operational silos. ITC's sustainability committee regularly interfaces with its investment committee, ensuring CSR outcomes are part of capital planning (Sharma, 2014). Nestlé can consider deeper localization of global CSR strategies by embedding them into India-specific CapEx decisions.

3. **Link CSR Projects to Core Business Units (CBUs)**

   Rather than treating CSR as an isolated vertical, companies should embed it into business units. For example, CSR in supply chain development can be led by the procurement team, while rural nutrition initiatives can be owned by marketing or public affairs. This functional linkage drives efficiency, accountability, and sustainability (Deb et al., 2022).

4. **Implement Internal Environmental and Social Pricing**

   Assigning shadow prices to carbon, water, or social impact allows companies to incorporate intangible benefits into cost-benefit analysis. Mahindra & Mahindra has piloted this in their EV business, and ITC can apply it to green hotels or paperboard manufacturing (Kopalle et al., 2023). This method helps monetize “externalities” and improves investment justification.

5. **Use Impact Dashboards for Real-Time CSR Monitoring**

   Firms should develop internal dashboards that track real-time progress across both financial KPIs and CSR KPIs—such as lives impacted, CO2 saved, and employment generated. These dashboards can be used during capital budgeting approvals and post-investment reviews (Nestlé India, 2023).

6. **Tie Executive Incentives to Long-Term Impact**

   CSR-linked executive scorecards (e.g., 10–20% of bonuses based on CSR KPIs) should be piloted. This aligns leadership compensation with social and environmental outcomes, ensuring long-term value orientation (El Ghoul et al., 2011).

For Investors and Financial Institutions

1. **Demand Integrated Reporting from Portfolio Companies**

   ESG-conscious institutional investors should require firms to integrate CSR impact directly into financial disclosures. ITC’s Integrated Report already includes a sustainability performance matrix—investors should push for similar disclosure across the FMCG sector (ITC, 2023).

2. **Link ESG Ratings to Capital Access or Cost of Capital**

   Financial institutions can offer preferential terms (e.g., lower interest rates or enhanced lines of credit) for firms with strong CSR-capital budgeting integration. For example, green bonds or ESG-linked loans can reward companies aligning CapEx with social objectives (El Ghoul et al., 2011).

For Policymakers and Regulators

1. **Enhance the Scope of Permitted CSR Activities**

   Update **Schedule VII** of the Companies Act to include investments in:

   - Circular economy infrastructure
   - Affordable innovation (e.g., ed-tech for rural India)
   - Green infrastructure (EV charging networks, solar off-grid tech)

- Social enterprises with blended finance models

This would allow firms to invest in scalable, innovation-driven solutions while fulfilling CSR obligations (Ministry of Corporate Affairs, 2013).

2. **Create a CSR Innovation Incubation Fund**

   The government could establish a co-financing platform for large firms to jointly invest in CSR projects with scale potential—especially in areas like clean energy, education technology, and smart agriculture.

3. **Standardize CSR Evaluation Metrics Across Firms**

   Introduce a national CSR reporting index, allowing investors, researchers, and civil society to compare firm performance using indicators like:

   - Cost per beneficiary
   - CSR ROI (monetary + non-monetary)
   - Impact transparency scores (Kopalle et al., 2023)

4. **Mandate Long-Term CSR Planning & Impact Assessments**

   Encourage 3- to 5-year CSR roadmaps rather than annual cycles, alongside compulsory third-party impact assessments for projects over ₹1 crore, improving outcome orientation (Rao & Das, 2022).

6. Appendices

Appendix A: Summary of CSR Provisions – Companies Act, 2013 (India)

The **Companies Act, 2013 – Section 135** mandates CSR for companies fulfilling any of the following criteria during the preceding financial year:

Criterion	**Threshold**
Net worth	₹500 crore or more
Turnover	₹1,000 crore or more
Net profit	₹5 crore or more

CSR Compliance Requirements:

- At least **2% of average net profits (last 3 years)** must be spent on eligible CSR activities.
- Firms must establish a **CSR Committee** of the Board.

- Companies must report CSR initiatives in their **Board's Report and Annual Report**.
- Eligible activities are listed in **Schedule VII**, including:
  - Eradicating poverty
  - Education
  - Gender equality
  - Environmental sustainability
  - Promotion of sports and arts
  - Rural development projects (Ministry of Corporate Affairs, 2013)

Appendix B: CSR and Capital Expenditure Overview (FY2021–24)

Company	FY	CSR Spend (₹ Cr)	CapEx (₹ Cr)	CSR/CapEx (%)	EPS (₹)	ROE (%)
ITC Limited	2021–22	326.49	2,000	16.32%	10.5	24.5
	2022–23	345.23	2,200	15.69%	11.4	25.3
	2023–24	352.76	2,400	14.70%	12.3	26.8
Nestlé India	2021–22	50.36	500	10.07%	210.75	45.2
	2022–23	55.82	520	10.74%	223.65	46.1
	2023–24	58.12	560	10.38%	235.60	47.5

Sources: ITC (2023); Nestlé India (2023); Authors' calculation

Appendix C: Sample CSR-Integrated Capital Budgeting Model

Project: Rural Electrification with Solar Microgrids

Company: ITC Limited

Parameter	Value
Initial Investment	₹15 crore
Annual Cash Flow Savings	₹2.8 crore
Project Life	10 years
Traditional NPV (10% Discount)	₹5.6 crore
CSR Benefit (SROI, Carbon)	₹3.2 crore est.

Parameter	Value
Adjusted NPV	₹8.8 crore

Strategic Benefits:

- Carbon offset: 250 tons/year
- Access to 5,000+ rural households
- Supply chain reliability for agri-inputs
- Enhanced ESG ratings and investor appeal

Based on frameworks from Bosch-Badia et al. (2020); ITC project reports

Appendix D: Figures and Visual Representations

1. **CSR Spend Trends (FY2021–24)**

   Line Chart showing ITC and Nestlé India over 3 years

2. **EPS Trends (FY2021–24)**

   Earnings per Share for both companies

3. **ROE Trends (FY2021–24)**

   Return on Equity to assess investor value

All charts are derived from public financial data

Appendix E: Source and Data Integrity

- **Annual Reports**:
  - ITC Limited: https://www.itcportal.com
  - Nestlé India: https://www.nestle.in
- **CSR Policies**:
  - ITC CSR Policy (2023)
  - Nestlé India CSR Framework (2023)
- **Financial Metrics**: Extracted from balance sheets, profit & loss accounts, and sustainability reports (FY2021–24)
- **SROI Models**: Derived from open-access literature (Bosch-Badia et al., 2020)

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