

Societal perception of corporate social responsibility activities of kerala minerals and metals limited

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Abstract

This study examines community awareness and public perception of the Corporate Social Responsibility (CSR) initiatives of Kerala Minerals and Metals Limited (KMML). Using a descriptive survey design, primary data were collected from residents of Panmana Grama Panchayat through a structured questionnaire and analysed using descriptive and inferential statistics. The findings indicate that the community has a high level of awareness of KMML's CSR initiatives and a positive perception of its contributions to healthcare and education. However, environmental initiatives receive comparatively less favourable responses due to concerns about industrial pollution. The study concludes that greater environmental transparency and participatory CSR practices can strengthen community trust and enhance the effectiveness of CSR initiatives significant influence. The study concludes that KMML should strengthen environmental transparency, enhance stakeholder engagement, and adopt more participatory CSR practices to build greater community trust and improve the effectiveness of its CSR initiatives.

Keywords: Corporate social responsibility (CSR), public sector undertaking (PSU), public perception, environmental transparency, kmml, kerala

Introduction

The global corporate landscape is undergoing a monumental paradigm shift. Moving beyond an exclusive focus on profit maximization, contemporary corporations are actively engaging in philanthropic and community development initiatives. Businesses increasingly recognize that long-term profitability is inextricably linked to sustained societal support and environmentally sustainable practices. In this context, Corporate Social Responsibility (CSR) serves as a vital strategic mechanism for executing impactful social welfare initiatives.

Closely tied to CSR is corporate governance—the comprehensive framework of rules, policies, and internal practices directing corporate operations.

It is the core responsibility of a company's Board of Directors to supervise these governance structures. Organizations that cultivate robust corporate governance frameworks naturally evolve into socially responsible entities, establishing CSR as an indispensable subset of corporate governance. When both frameworks are executed cohesively, they reinforce corporate sustainability.

As noted by Kolk and Pinkse (2010) [2], corporate governance ensures that enterprises behave responsibly toward both society and the natural environment. Consequently, corporate governance encompasses not only the financial accountability of the Board but also its broader socio-environmental duties.

Active CSR engagement empowers corporations to drive transformative social changes. It cultivates customer and stakeholder trust by prioritizing critical environmental causes—such as Earth Day initiatives—raising public awareness and advocating for constructive societal shifts. Ultimately, these practices elevate an organization to the status of a responsible corporate citizen.

The United Nations Industrial Development Organization (UNIDO) conceptualizes CSR as:

“...a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.”

Conventionally, CSR frameworks are categorized into four distinct responsibilities

Ethical Responsibility: Focuses on upholding strong moral principles within the workplace. This includes prioritizing labor welfare, institutionalizing fair labor practices, maintaining strict gender equality, and eliminating racial or religious discrimination.

Philanthropic Responsibility: Encompasses corporate initiatives driven by altruism and human kindness, such as funding educational programs, backing public health infrastructure, donating to charitable organizations, and supporting disaster relief funds.

Environmental Responsibility: Addresses the escalating global ecological crises. Corporates must design eco-friendly operational policies, minimize air and water pollution, implement systematic waste management protocols, and practice the sustainable utilization of natural resources.

Economic Responsibility: Forms the baseline foundation for all other responsibilities. Companies must maintain operational efficiency to secure financial profitability. Achieving economic stability allows corporations to provide equitable returns to investors, offer fair compensation to employees, deliver high-quality products to consumers at reasonable prices, and fund community development.

The Statutory Framework of CSR in India

Following an amendment to the Companies Act, 2013, India scriptedly became the first country globally to mandate CSR spending, effective April 2014. Under this statutory mandate, qualifying corporations are legally required to expend at least 2% of their average net profits generated during the three immediately preceding financial years on approved CSR initiatives.

The mandate applies to every company registered under the Companies Act, 2013 (or any prior foundational company law) that satisfies at least one of the following thresholds during any given financial year:

1. A net worth of ₹500 crores or more; or
2. An annual turnover of ₹1,000 crores or more; or
3. A net profit of ₹5 crores or more.

To administer these obligations, corporations must establish a dedicated board-level CSR Committee. In the Indian context, execution is typically funneled through registered trusts, societies, or Section 8 companies. Notably, the legal framework explicitly dictates that activities benefiting exclusively the company's employees or their immediate families do not qualify as valid CSR expenditures.

Furthermore, under the Companies (Amendment) Act, any unutilized corporate CSR funds must be deposited into a designated fund specified under Schedule VII before the conclusion of that fiscal year. If these transferred funds remain unspent for three consecutive years from the date of transfer, they are automatically reassigned to one of the central funds listed in the schedule. Non-compliance with these provisions carries severe legal liabilities, including substantial monetary penalties and imprisonment for defaulting officers.

The CSR Landscape in Kerala

During the devastating floods of 2018 and the subsequent COVID-19 pandemic, the state of Kerala witnessed extensive philanthropic mobilization driven by local communities and corporate entities.

Both Public Sector Undertakings (PSUs) and private sector enterprises across Kerala assign immense strategic importance to CSR. Notably, Kerala's corporate CSR funding outpaced national averages, exhibiting a 465% growth rate between 2014 and 2019. According to data published by the Ministry of Corporate Affairs, Kerala's aggregate CSR expenditure surged from ₹68 crores in fiscal year 2014–15 to ₹386 crores in fiscal year 2018–19. Concurrently, the number of active corporate participants rose to 993 entities. The top two corporate CSR spenders within the state remain Reliance Industries Limited (RIL) and Adani Ports and Special Economic Zone.

Given that Public Sector Undertakings operate under an inherent mandate to advance regional socioeconomic welfare, evaluating their performance is vital. As a premier profit-making PSU operating in Kerala, Kerala Minerals and Metals Limited (KMML)—headquartered in Chavara, Kollam—serves as an ideal subject. This research paper presents an empirical analysis evaluating the societal impact and localized public perceptions of KMML's ongoing CSR initiatives.

Review of Literature

A systemic review of existing literature establishes the theoretical boundaries of this study and isolates existing research gaps.

- **Friedman (1962):** Introduced foundational perspectives on corporate boundaries, famously arguing that few trends could thoroughly undermine the bedrock of a free society quite like the acceptance of social obligations by corporate executives other than the singular objective of maximizing financial returns for their shareholders.
- **Rani and Mishra (2009):** In *Corporate Governance: Theory and Practice*, the authors argued that CSR functions as an explicit moral obligation for modern business firms, primarily because contemporary corporations are structurally viewed as equivalent to a physical person in a moral and legal sense.
- **Kumar (2013):** Comparative analysis of CSR activities executed by private sector (Reliance Industries Ltd.) and public sector (ONGC) giants in India revealed that while both sectors actively implement diverse social portfolios, both require greater systemic integration and structured management to maximize community benefits.
- **Nalakam and Ganesan (2016):** Evaluated the spending trends of businesses in Kerala in “Societal Impact on CSR Initiatives of Companies in Kerala”. Their findings demonstrated that local corporations execute wide-ranging, community-centric welfare programs that significantly enhance regional development.

Research Gap

While existing literature extensively addresses generalized macro-level trends of corporate CSR across India and explores state-wide spending trends within Kerala, there is a distinct shortage of empirical case studies analyzing specific heavy-industrial PSUs. Crucially, the localized public perception and social impact of CSR programs operated by a chemical manufacturing PSU like KMML have not yet been evaluated systematically. This paper addresses this gap by directly assessing how neighboring communities perceive and benefit from the CSR portfolio of KMML.

Statement of the Problem

Corporations actively implement CSR programs to accelerate community development and earn a positive public reputation. Modern enterprises recognize that long-term industrial survival is unattainable without concrete local public support and environmental balance. In India, qualifying companies are legally mandated to reinvest 2% of profits into local development.

Kerala Minerals and Metals Limited (KMML) is a highly profitable titanium dioxide manufacturing PSU. Due to its heavy chemical manufacturing footprint, KMML's localized operations directly interface with the surrounding community. While the company implements various CSR programs that have visibly upgraded local infrastructure, there is an ongoing requirement to systematically evaluate whether these capital investments align with local needs and generate positive public sentiment. This study examines the structural scope of KMML's CSR programs and quantifies the surrounding society's perception of them.

Objectives of the Study

1. To identify and catalog the specific CSR activities undertaken by KMML.

2. To mathematically analyze the localized public perception toward KMML's CSR interventions.
3. To determine the overall awareness levels of the surrounding local communities regarding KMML's community welfare programs.

Significance of the Study

As framed by Kotler and Lee (2005) [3], CSR represents a corporate commitment to enriching community well-being via discretionary business choices and the strategic deployment of corporate resources. As an industrial entity dealing with chemical extraction and processing, KMML operates in an environment where tracking community sentiments and providing remedial welfare interventions is vital. This study serves as an empirical feedback loop. The findings allow corporate decision-makers to view their welfare portfolios through the lens of local communities, providing data to optimize future strategic CSR planning.

Research Methodology

This study deployed a descriptive, survey-based quantitative methodology to collect and evaluate local public feedback.

Population & Sampling: Panmana Grama Panchayat, which has an aggregate population of 29,008 individuals. Given the resource constraints and localized focus, a non-probability convenience sampling method was applied to gather primary data from a sample size of 100 local residents.

Data Collection Tools: Primary quantitative data was captured using a structured, closed-ended questionnaire distributed to the local public. Items measuring perception were plotted along a 5-point Likert scale, where: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. Secondary insights were derived from official corporate interviews with KMML Public Relations and Community Liaison officers, corporate annual reports, media publications, and government web databases.

Statistical Analysis: Quantitative datasets were tabulated and analyzed using descriptive statistics (frequencies, percentages, means, and standard deviations) alongside inferential statistics, specifically a One-Way Analysis of Variance (ANOVA).

Institutional Profile: Kerala Minerals and Metals Limited (KMML)

The mineral-rich properties of the beaches of Sankaramangalam in Chavara were originally identified in 1909 by German scientist Dr. Schomberg, who observed traces of monazite within imported coir flakes sourced from the region. This led to the creation of F.X. Pereira and Sons (Travancore) Pvt. Ltd. in 1932, which was subsequently taken over by the Government of Kerala in 1956, evolving into the contemporary state PSU.

Commissioned as a fully integrated enterprise in 1984, KMML operates as a prominent fully integrated titanium dioxide pigment plant, combining mining, mineral separation, and synthetic rutile production. Beyond titanium dioxide pigment, its operational outputs include ilmenite, rutile, zircon, sillimanite, and synthetic rutile. Despite the severe economic headwinds induced by the global COVID-19 pandemic, KMML reported a turnover of ₹783 crores alongside a net profit of ₹112 crores during the 2020–21

financial year. The company optimized its cost structures by converting its primary fuel source from LPG to LNG. Employing over 2,000 personnel, KMML has expanded into aerospace and national defense supply chains via its specialized Titanium Sponge Plant.

Structural Review of KMML's CSR Portfolio

KMML's corporate strategy integrates social and environmental safeguards. Because it operates a heavy chemical production facility in a densely populated region largely composed of middle- and lower-income families, localized community relations are essential.

In compliance with Section 135 of the Companies Act, 2013, KMML's Board of Directors formalized a board-level CSR Committee on June 3, 2014, consisting of four directors. This body designs, reviews, and budgets annual CSR actions aligned with Schedule VII. Operationally, an Internal CSR Committee oversees immediate regional actions; it holds delegated authority to sanction individual welfare allocations up to ₹1,00,000, whereas any outlays exceeding this threshold require explicit approval from the corporate Board.

Geographically, KMML's CSR programs concentrate heavily across seven target wards within the Panmana Grama Panchayat (including Kalari, Kolam, Mekkadu, Chittoor, Ponmana, and Porookkara), with occasional expansions spanning the block, district, and state levels during emergencies. To maintain institutional transparency, the company's Public Relations Officer (PRO) and Community Liaison Officer review all community financial requests to verify their authenticity against the approved annual CSR roadmap.

Core Implementation Verticals

Medical and Healthcare Interventions: KMML sponsors monthly localized medical camps complete with free diagnostic services and pharmaceutical distributions. The corporation funds the salaries of six community health workers and medical officers deployed at the Community Health Centre (CHC) in Chavara. Additionally, KMML constructed and furnished a dedicated building for the Chavara CHC at an expense of ₹55,00,000, while sustaining a recurring annual supply of medicines worth ₹2,50,000 and essential medical oxygen cylinders.

Financially, the company provides direct medical grants of ₹15,000 to regional oncological patients across Chavara and Panmana, alongside targeted monetary subsidies for cardiac surgeries and renal dialyses within Kollam district. Specialized health outlays include a ₹1,50,000 sanitization grant to Panmana Panchayat for monsoon epidemic prevention, a ₹3,00,000 grant for the Neendakara Taluk Hospital Dialysis Unit, ₹8,00,000 allocated to the Chavara Ayurveda Hospital, and the provision of a specialized water ambulance to the Munroe Island Grama Panchayat. During the COVID-19 pandemic crisis, KMML converted the Government Higher Secondary School in Chavara into a specialized 854-bed oxygen-equipped care facility with an absolute capital commitment of ₹5 crores. This was supported by the distribution of N95 masks and a ₹2 crore contribution to the Chief Minister's Distress Relief Fund (CMDRF).

Financial Support to the Education Sector: KMML regularly services the infrastructural needs of regional

government and aided schools. The company has equipped neighboring educational centers with over 130 benches, desks, and computing setups for digital labs, alongside a ₹1,00,000 structural grant for upgrading traditional classrooms into interactive smart classrooms. To bridge the digital divide during COVID-19 remote learning phases, KMML supplied smartphones, televisions, and laptop computers to economically disadvantaged students. The enterprise subsidizes mid-day noon meal schemes across five regional schools, funds clean water filtration setups, and sponsors academic and literary events at the Government College, Chavara.

Civic and Environmental Initiatives: To mitigate groundwater issues arising from past industrial activity, KMML engineered a public potable water supply network. Spanning over 50 kilometers of pipeline networks, this system provides safe drinking water to adjacent

communities across the Panmana and Chavara Panchayats. Socioeconomic safety nets include providing fully subsidized monthly food kits (valued at ₹750 each) to families caring for bedridden patients, alongside an expenditure of ₹87,087 toward localized community kitchens fed partly by corporate farming initiatives spanning three acres. Furthermore, during the surveyed financial period, KMML expended ₹17,41,124 on community environmental sanitation, allocated ₹1,97,000 for local road access modifications, funded localized pond and river rejuvenation campaigns, and provided institutional capital to the Panchayat to streamline plastic waste disposal protocols.

Data Analysis and Interpretation

Demographic Profile of Respondents

The collected primary demographic characteristics of the sampled population (N=100) are systematically classified and presented below in Table 1.

Variables	Categories	Frequency	Percentage (%)
Gender	Male	56	56.0
	Female	44	44.0
	Total	100	100.0
Age Group	18 – 25 years	11	11.0
	26 – 35 years	16	16.0
	36 – 45 years	15	15.0
	46 – 55 years	25	25.0
	Above 55 years	33	33.0
	Total	100	100.0
Employment Status	Government Sector	23	23.0
	Private Sector	24	24.0
	Self-Employed	26	26.0
	Retired	7	7.0
	Homemaker	11	11.0
	Unemployed	3	3.0
	Student	6	6.0
Monthly Income (₹)	Total	100	100.0
	Under 20,000	20	20.0
	20,001 – 40,000	4	4.0
	40,001 – 60,000	13	13.0
	60,001 – 80,000	22	22.0
	80,001 – 100,000	16	16.0
	Above 100,000	25	25.0
	Total	100	100.0

As indicated in Table 1, the sample features a balanced gender distribution comprising 56% male and 44% female respondents. Age tracking shows mature segments form the majority, with 33% aged above 55 years and 25% falling between 46 and 55 years. Employment metrics are highly distributed: 26% are self-employed, followed by private-sector workers (24%) and government employees (23%). Income trends show a segmented distribution: 25% earn above ₹100,000 per month, while 22% fall within the ₹60,001–₹80,000 bracket, and a notable 20% subsist on household incomes under ₹20,000.

Public Awareness Levels Regarding Corporate CSR

Awareness Level	Frequency	Percentage (%)	Mean (SD)
High (3)	58	58.0	2.44 (0.729)
Moderate (2)	28	28.0	
Low (1)	14	14.0	
Total	100	100.0	

The statistical summary presented in Table 2 shows that a clear majority of the local public (58%) possesses a high level of conscious awareness regarding KMML's localized CSR investments. The calculated mean awareness score sits at 2.44 against a maximum weight of 3.00, coupled with a standard deviation of 0.729.

Perception of Community Development Activities

Survey Items / Interventions	Mean Score	Standard Deviation (SD)
Actively intervenes and works to solve local social problems	3.98	1.330
Donates funds and implements civic infrastructure development activities	3.64	1.280
Grants academic scholarships to students within the immediate community	3.77	1.420
Regularly conducts localized free medical camps	4.03	1.240
Provides employment training to youth and creates local job opportunities	3.80	1.380
Sponsors local neighborhood events related to sports, arts, and cultural activities	4.00	1.230

Provides direct financial assistance to poor people for medical treatment	3.60	1.470
Grand Mean	3.83	—

Perception of Environmental Protection Initiatives

Survey Statements	Mean Score	Standard Deviation (SD)
Demonstrates proper and sustainable utilization of natural resources	2.28	1.101
Strict compliance with legal and statutory requirements to protect the environment	2.53	1.149
Company should assign much higher priority to reducing pollution and waste	3.90	1.251
Grand Mean	2.90	—

Perception of Educational Sector Interventions

Survey Statements	Mean Score	Standard Deviation (SD)
Approves of structural grants given for constructing school buildings	3.87	1.345
Valued the supply of smart devices and TVs during the COVID-19 pandemic	4.10	1.275
Efficiently provides funding for basic infrastructure facilities in local schools	4.38	0.961
Grand Mean	4.12	—

Perception of Healthcare Sector Interventions

Survey Statements	Mean Score	Standard Deviation (SD)
Appropriately provides funding for the infrastructural development of local hospitals	4.40	0.984
Provided extensive support to the regional healthcare sector during the COVID-19 crisis	4.36	1.039
Grand Mean	4.38	—

Inferential Hypothesis Testing

Hypothesis 1: Impact of Age on CSR Perception

To determine if public perception of corporate CSR varies significantly based on the age of the respondents, the following null hypothesis was tested using a One-Way ANOVA:

H0: There is no statistically significant difference in the public perception of corporate CSR initiatives across different age groups of respondents.

Age Category	Mean Score	SD	F-Value	Sig (p-value)
18 – 25 years	3.40	1.527	—	0.167
26 – 35 years	3.40	1.268		
36 – 45 years	3.40	1.362		
46 – 55 years	3.97	0.956		
56 years or more	4.05	0.906		

The mean values in Table 7 show that older respondents (46–55 years and above 56 years) hold a more favorable view of corporate CSR activities than younger demographics. However, the One-Way ANOVA yielded a significance (p-value) of 0.167. Because $p = 0.167 > 0.05$, the finding is not statistically significant at the 5% level. Therefore, the null hypothesis (H0) is accepted.

Hypothesis 2: Influence of Public Awareness on CSR Perception

To evaluate if a respondent's self-reported awareness level significantly influences their overall perception of corporate CSR actions, the following null hypothesis was examined:

H0: The awareness level of the respondents has no statistically significant influence on their perception of corporate CSR initiatives.

Awareness Level	Mean Score	SD	F-Value	Sig (p-value)
High Awareness	4.92	0.061	—	< 0.001
Moderate Awareness	3.65	1.406		
Low Awareness	3.07	1.028		

The inferential calculations compiled in Table 8 demonstrate a strong positive relationship between

institutional awareness and public perception. Individuals with high awareness levels reported a very high perception score (Mean = 4.92), whereas those with low corporate awareness displayed lower perception ratings (Mean = 3.07). The One-Way ANOVA produced a significance value of $p < 0.001$. Therefore, the null hypothesis (H0) is rejected.

Conclusion and Strategic Recommendations

This empirical evaluation shows that the local community surrounding Panmana Panchayat has a strong awareness of the CSR initiatives operated by Kerala Minerals and Metals Limited (KMML). Categorized across health, education, infrastructure, and ecological management, KMML's overall welfare portfolio achieved above-average public approval, establishing a strong reputation for the enterprise within the region.

The analysis confirms that local communities highly value the company's corporate contributions to health and education. However, public perception regarding environmental responsibility remains mixed. While local residents recognize and value the company's social outlays, they also express clear concerns about local pollution and resource utilization.

Recommendations

- Enhance Environmental Transparency:** The company should assign a higher priority to environmental mitigation strategies, upgrade its pollution control infrastructure, and regularly share transparent safety data with local communities.
- Target Information Campaigns:** Because inferential testing proved that higher public awareness directly drives positive community perceptions, the company should implement structured public information campaigns.
- Structured Stakeholder Dialogue:** Future CSR allocations should move toward a participatory model, actively engaging local community leaders.

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