

# A Survey on CSR Activities of Companies in India

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## **Abstract**

*Corporate Social Responsibility (CSR) in India is governed by Section 135 and Schedule VII of the Companies Act, 2013. The provision makes it mandatory for companies to take up social welfare activities. To analyse the performance of companies since the act came into force, a research survey was undertaken covering three financial years namely 2014-15, 2015-16 and 2016-17. The study is based on secondary data collected from National CSR data portal, Government of India and companies' websites. The data analysis shows that there is a lacklustre performance of the companies on various aspects. To motivate the companies to spend on CSR activities, Government of India and the State Governments need to devise policies that benefit them. Also, companies have to realise that spending on CSR activities create positive impact on the society and they can achieve sustainable growth.*

**Keywords:** *corporate social responsibility, sustainable development, CSR expenditure, CSR and society*

## **1. INTRODUCTION**

“Corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders (“Definition of corporate social responsibility,” n.d.).” CSR in India is governed by Section 135 and Schedule VII of the Companies Act, 2013 (“Companies Act Notification,” 2014). The provision makes it mandatory for the companies to take up social welfare activities and thereby producing a positive impact on the society. India is the first country in the world to do so.

More specifically, the norm stipulates that the companies with at least Rs. 5 crores net profit or Rs. 1,000 crores turnover or Rs. 500 crores net worth have to spend two per cent of their three-year average annual net profit on CSR activities in each financial year (ENS Bureau, 2014).

## **2. METHODOLOGY**

To analyse the performance of companies since the act came into force, a research survey was undertaken covering three financial years namely 2014-15, 2015-16 and 2016-17. The study is based on secondary data and the required data was collected from National CSR Data Portal, Ministry of Corporate Affairs, Government of India. For data that was not available, the required data was collected from individual company's website. The data analysis covers the following aspects.

1. Overall amount spent on CSR activities by companies in India.
2. Top 15 companies based on total amount spent on CSR activities.
3. Companies' compliance as per the statutory requirement.
4. Listed and unlisted companies and their contribution to CSR activities.

5. Contribution of public sector and other companies to CSR activities.
6. An overview of CSR expenditure by the companies.
7. State-wise expenditure of companies on CSR activities.
8. Sector-wise expenditure of companies.

**3. DATA ANALYSIS**

**3.1 Amount spent on CSR activities**

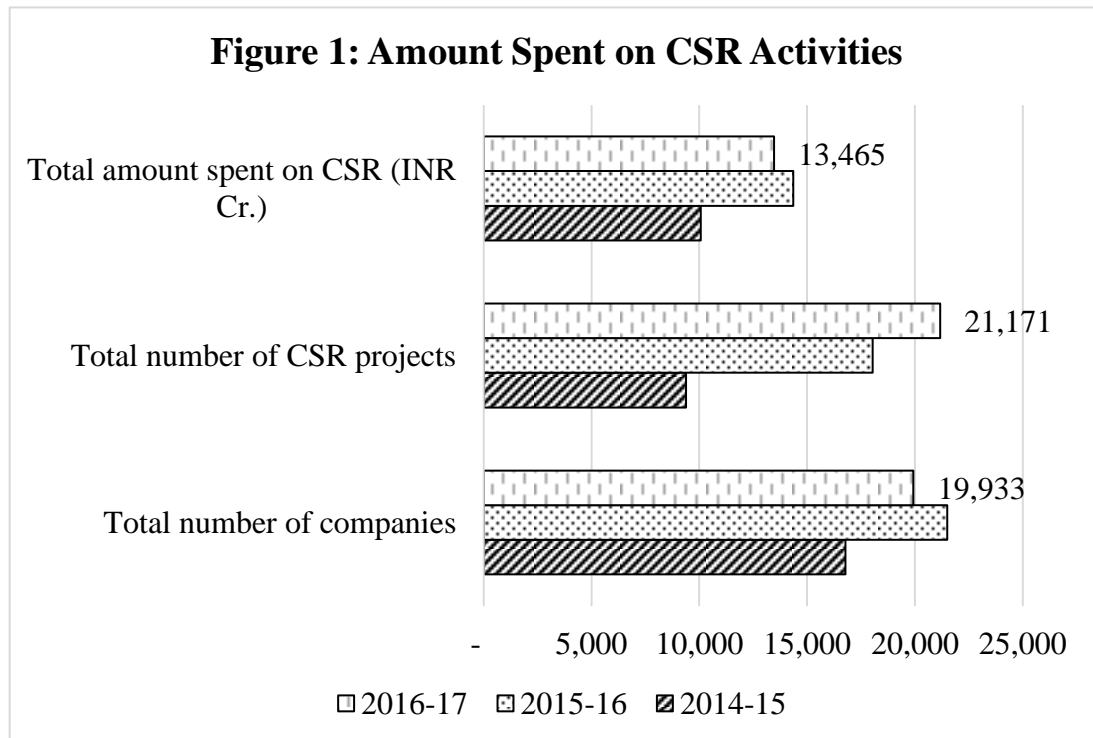
The data analysis on the CSR activities by companies shows that the number of projects undertaken by the companies over the years is increasing. But at the same time the amount spent on CSR activities has risen from Rs.10,066 crores in the year 2014-15 to Rs.14,366 crores in 2015-16 and came down to Rs. 13,465 in the year 2016-17. The total amount spent on CSR activities during the three financial years was Rs. 37,897 crores

The number of companies participated over the three financial years also shows the same trend. Number of companies have grown from 16,785 in the year 2014-15 to 21,498 in year 2015-16 but declined to 19,933 in the financial year 2016-17 (Table 1 and Figure 1). The CAGR of number of companies, number of CSR projects and amount spent on CSR were 9%, 50% and 16% respectively.

**Table 1: Amount spent on CSR activities**

Financial year	Total number of companies	Total number of CSR projects	Total amount spent on CSR (Rs. in Cr.)
2014-15	16,785	9,391	10,066
2015-16	21,498	18,044	14,366
2016-17	19,933	21,171	13,465
<b>CAGR</b>	<b>9%</b>	<b>50%</b>	<b>16%</b>
<b>Total amount spent</b>			<b>37,897</b>

Source: <https://csr.gov.in/CSR/>



### 3.2 Performance of Individual Companies

To examine the performance of individual companies on CSR activities, the amount spent by each company was collected for three financial years and the total amount spent in three years was calculated. The analysis (*Table 2, Table 3 and Figure 2*) shows that the Reliance Industries Limited had spent highest in all the three years followed by Oil and Natural Gas Corporation Limited. Only these two companies have spent more than Rs. 1,000 crores in three financial years put together.

Further the analysis shows that among the 15 top spending companies, 7 were public sector companies and 8 were not. The share of public sector undertaking companies was 45% and the non-public sector undertaking was 55% during these three years (*Figure 3*). Out of total CSR spending, about 31% of the amount was spent by the top 15 companies in the financial years.

**Table 2: CSR Spent: Top 15 companies**

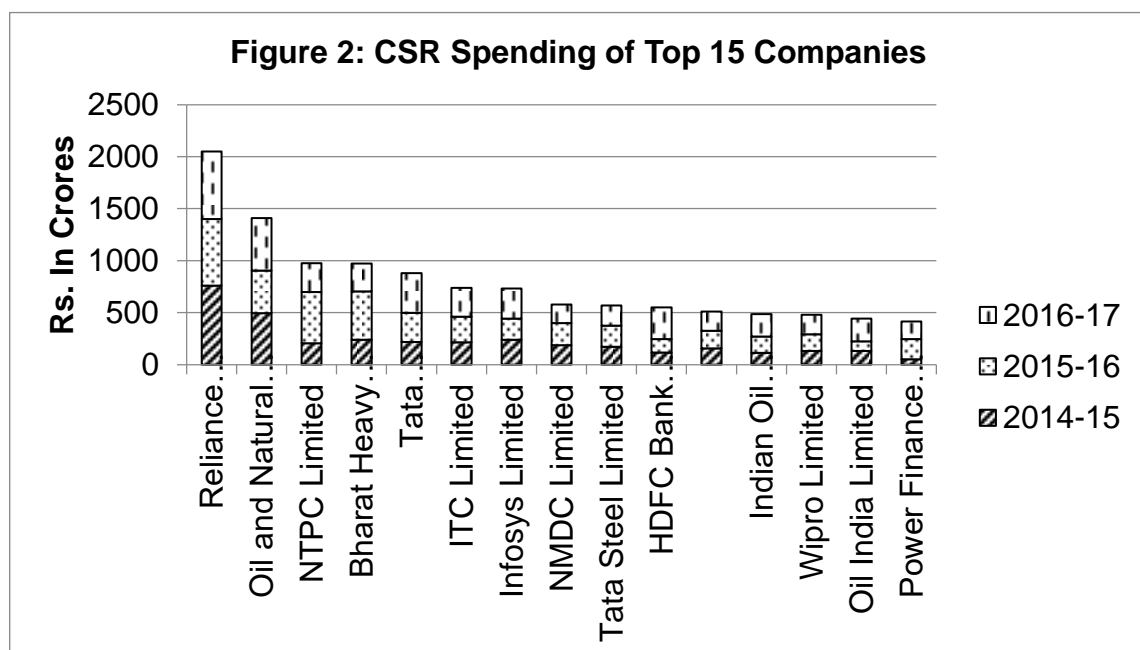
#	Company Name	2014-15	2015-16	2016-17	Total spending (Rs. In Cr.)
1	Reliance Industries Limited	760.58	639.70	649.26	2,050
2	Oil and Natural Gas Corporation Limited	495.23	408.99	504.91	1,409
3	NTPC Limited	205.17	491.80	277.81	975
4	Bharat Heavy Electricals Limited	239.11	465.70	267.80	973
5	Tata Consultancy Services Limited	218.43	280.22	380.00	879
6	ITC Limited	215.05	247.50	275.96	739
7	Infosys Limited	239.54	202.30	289.44	731
8	NMDC Limited	188.65	210.09	178.19	577
9	Tata Steel Limited	171.46	204.46	194.00	570
10	HDFC Bank Limited	117.56	127.28	305.42	550
11	ICICI Bank Limited	155.54	171.51	182.37	509
12	Indian Oil Corporation Limited	113.79	156.68	213.99	484
13	Wipro Limited	132.70	159.82	186.31	479
14	Oil India Limited	133.31	92.21	216.74	442
15	Power Finance Corporation Limited	51.71	194.47	168.11	414
	<b>Total (15 companies)</b>	3,438	4,053	4,290	11,781
	<b>Total amount spent on CSR</b>	10,066	14,366	13,465	37,897
	<b>Percent spent</b>	<b>34.15</b>	<b>28.21</b>	<b>31.86</b>	<b>31.09</b>

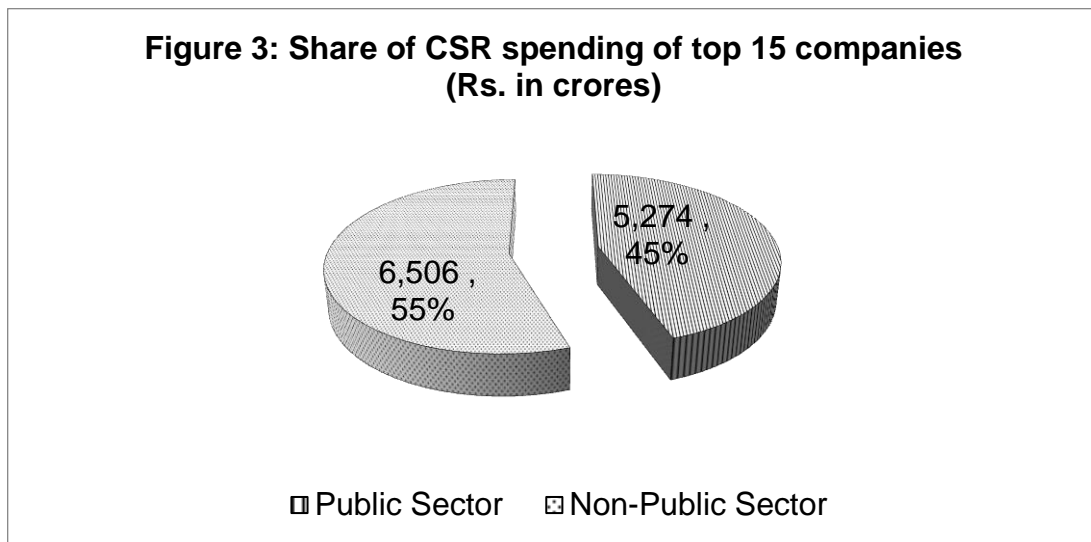
Source: <https://csr.gov.in/CSR/>

**Table 3: CSR Spent: Top companies and their rank over the years**

#	Company Name	2014-15	2015-16	2016-17
1	Reliance Industries Limited	1	1	1
2	Oil and Natural Gas Corporation Limited	2	3	2
3	Infosys Limited	3	9	5
4	Bharat Heavy Electricals Limited	4	-	-
5	Tata Consultancy Services Limited	5	4	3
6	ITC Limited	6	5	7
7	NTPC Limited	7	2	6
8	NMDC Limited	8	7	-
9	Tata Steel Limited	9	8	-
10	ICICI Bank Limited	10	-	-
11	Central Coalfields Limited	-	6	-
12	Power Finance Corporation Limited	-	10	-
13	HDFC Bank Limited	-	-	4
14	Oil India Limited	-	-	8
15	Indian Oil Corporation Limited	-	-	9
16	Wipro Limited	-	-	10

Source: <https://csr.gov.in/CSR/>





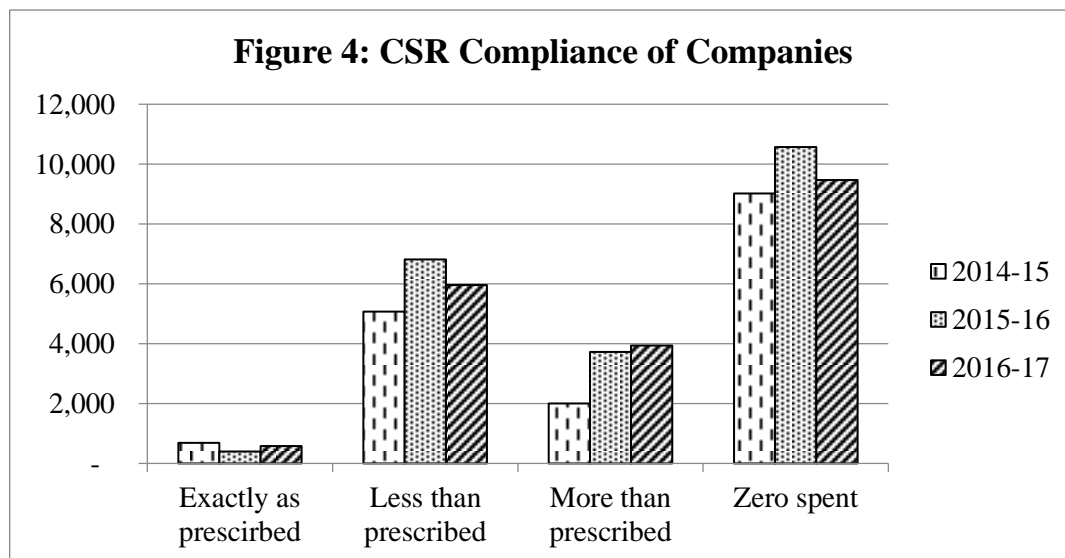
### 3.3 CSR Compliance of Companies

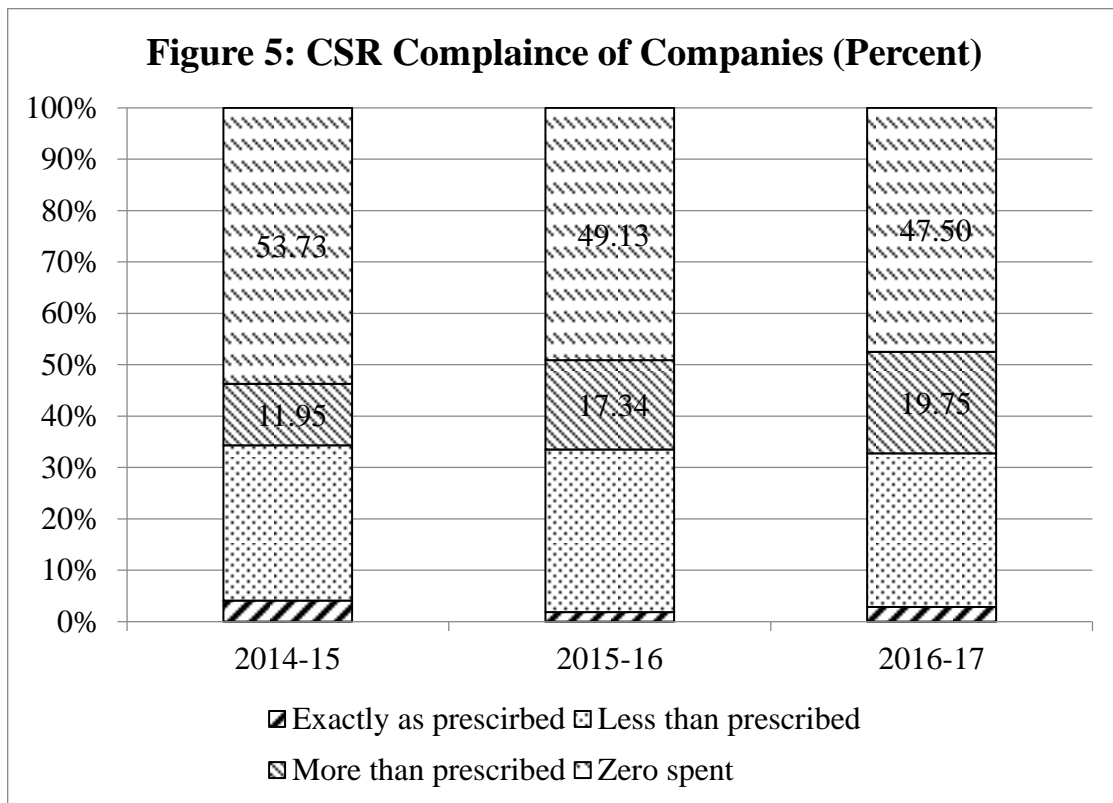
The analysis on CSR compliance of companies as per the statutory requirement revealed that on an average about 50% of the companies have not spent any amount on CSR activities and only about 16% of the companies have spent more than the prescribed amount. Moreover, about 31% of the companies have spent less than the stipulated amount (Table 4, Figure 4 and Figure 5).

**Table 4: CSR Compliance of Companies**

As prescribed	2014-15		2015-16		2016-17	
	No. of companies	Percent	No. of companies	Percent	No. of companies	Percent
Exactly	688	4.10	396	1.84	574	2.88
Less than	5,073	30.22	6,812	31.69	5,954	29.87
More than	2,006	11.95	3,727	17.34	3,937	19.75
Zero spent	9,018	53.73	10,563	49.13	9,468	47.50
<b>Total</b>	<b>16,785</b>	<b>100.00</b>	<b>21,498</b>	<b>100.00</b>	<b>19,933</b>	<b>100.00</b>

Source: <https://csr.gov.in/CSR/>





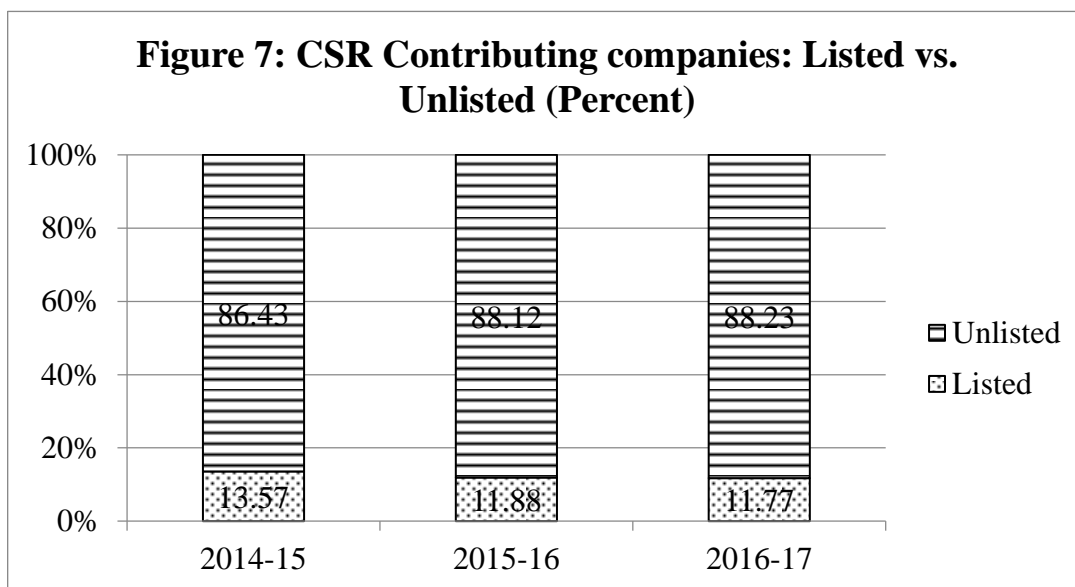
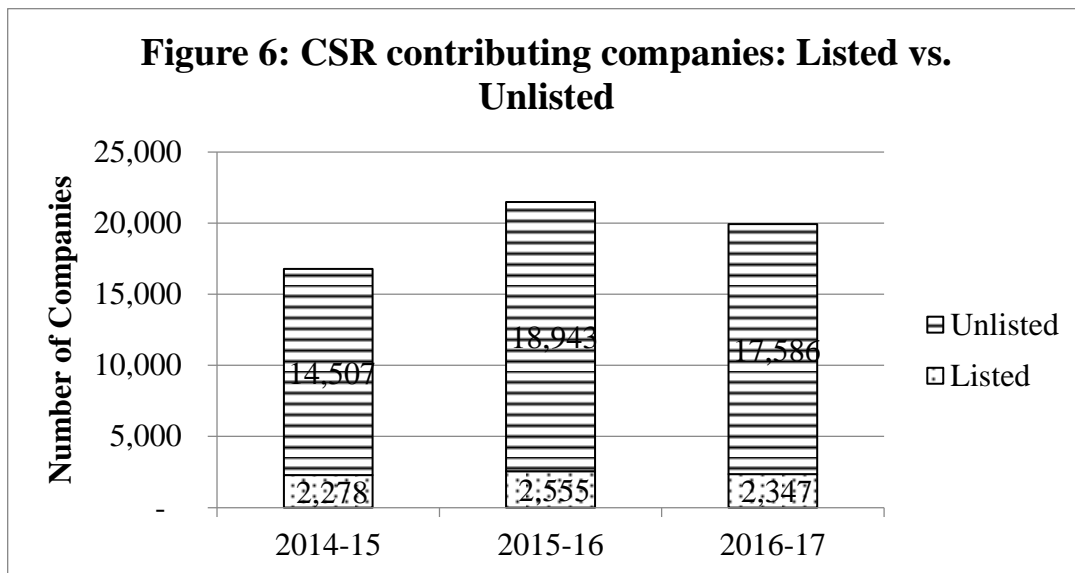
**3.4 CSR Contributing Companies: Listed vs. Unlisted**

The analysis about listed and unlisted companies contributing to the CSR activities is given in Table 5, Figure 6 and Figure 7. There was a growth in the number of listed and unlisted companies from 2014-15 to 2015-16. But the number of listed and unlisted companies decreased from 2015-16 to 2016-17. The listed companies averaged about 13% and unlisted companies about 87%

**Table 5: CSR Contributing companies: Listed vs. Unlisted**

	2014-15		2015-16		2016-17	
	No. of companies	Percent	No. of companies	Percent	No. of companies	Percent
Listed	2,278	13.57	2,555	11.88	2,347	11.77
Unlisted	14,507	86.43	18,943	88.12	17,586	88.23
Total	16,785	100.00	21,498	100.00	19,933	100.00

Source: <https://csr.gov.in/CSR/>



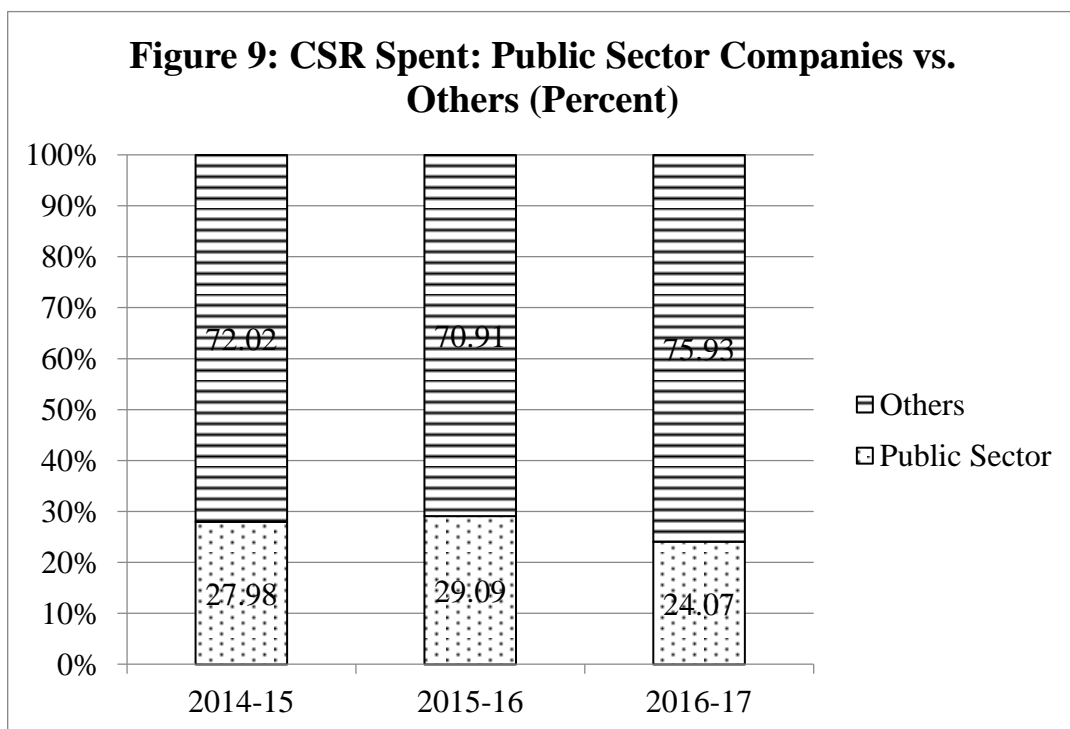
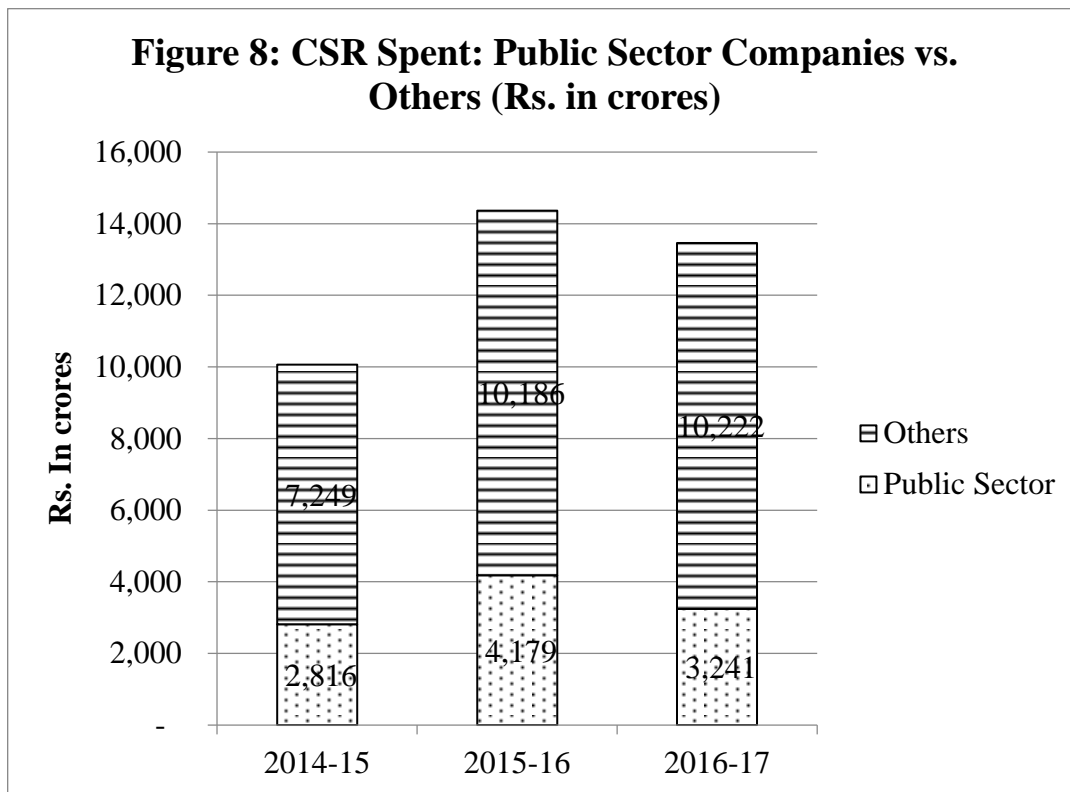
**3.5 Public Sector Companies Contribution to CSR:**

An attempt is made to analyse about the public sector companies’ contribution to CSR activities and is shown in *Table 6 and Figure 8 and Figure 9*. The analysis shows that there was increase in contribution from Rs. 2,816 crores in 2014-15 to Rs. 4,179 crores in 2015-16 but declined to Rs. 3,241 crores in 2016-17. In terms of percentage also the contribution increased from 28% in 2014-15 to 29% in 2015-16 but declined to 24% in the year 2016-17.

**Table 6: CSR Spent: Public Sector Companies vs. Others (Rs. In crores)**

	2014-15		2015-16		2016-17		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
Public Sector	2,816	27.98	4,179	29.09	3,241	24.07	10,236	27
Others	7,249	72.02	10,186	70.91	10,222	75.93	27,657	73
Total	10,065	100.00	14,365	100.00	13,463	100.00	37,893	100

Source: <https://csr.gov.in/CSR/>



**3.6 An overview of CSR expenditure**

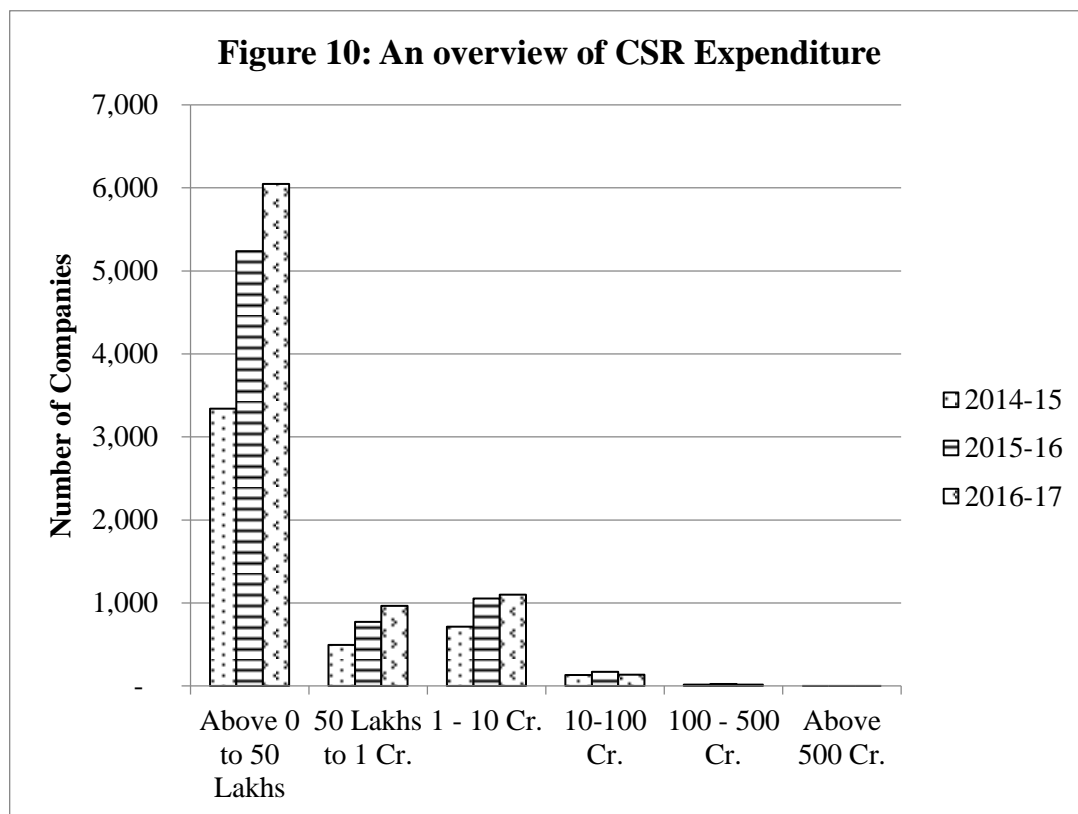
The analysis about CSR expenditure of the companies (Table 7 and Figure 10) revealed that about 72% of the companies have spent less than Rs. 50 lakhs on their CSR activities. About 15% of the companies have spent between Rs. 1 to 10 crores and hardly about 0.3% of the companies spent more than Rs. 100 crores.



**Table 7: An overview of CSR Expenditure**

	2014-15		2015-16		2016-17	
	No. of companies	%	No. of companies	%	No. of companies	%
Above 0 to 50 Lakhs	3,342	71	5,239	72	6,049	73
50 Lakhs to 1 Cr.	494	11	773	11	965	12
1 - 10 Cr.	715	15	1,055	15	1,100	13
10-100 Cr.	131	3	170	2	136	2
100 - 500 Cr.	16	0	24	0	15	0
Above 500 Cr.	1	0	1	0	2	0
Total	4,699	100	7,262	100	8,267	100

Source: <https://csr.gov.in/CSR/>



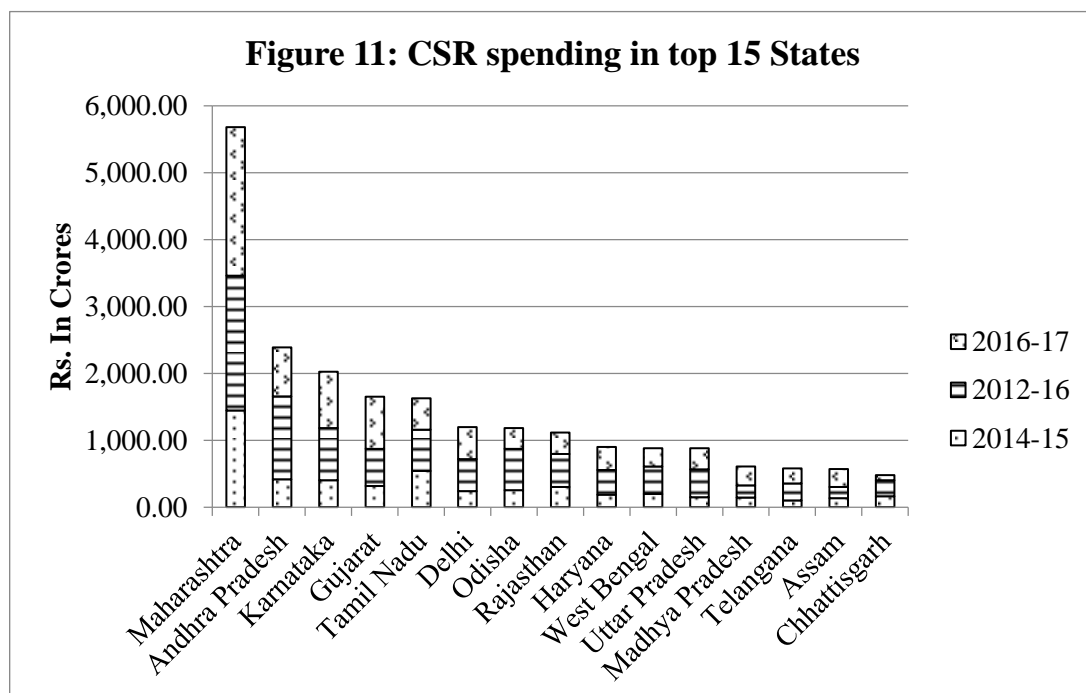
**3.7 State wise expenditure of companies in CSR activities**

The data on state wise expenditure of companies on CSR activities were analysed and top 15 states were sorted. The analysis showed that the companies have spent the most in Maharashtra (Rs. 5,681 crores) followed by Andhra Pradesh (Rs. 1,386 crores), and Rs. 2,026 crores in Karnataka (Table 8 and Figure 11). Companies have spent more than Rs. 1,000 crores in 8 states over the three financial years.

**Table 8: CSR spending in top 15 states**

#	State	2014-15	2012-16	2016-17	Total (Rs. In Cr)
1	Maharashtra	1,445.91	2,013.01	2,222.25	5,681.17
2	Andhra Pradesh	414.27	1,241.97	729.97	2,386.21
3	Karnataka	403.46	778.88	843.49	2,025.83
4	Gujarat	313.44	559.14	779.88	1,652.46
5	Tamil Nadu	539.63	615.7	470.54	1,625.87
6	Delhi	237.43	479.13	478.63	1,195.19
7	Odisha	252.18	618.9	311.96	1,183.04
8	Rajasthan	299.75	493.95	318.88	1,112.58
9	Haryana	187.4	367.33	346.56	901.29
10	West Bengal	194.85	411.7	274.7	881.25
11	Uttar Pradesh	148.9	417.12	312.74	878.76
12	Madhya Pradesh	141.88	183.26	282.03	607.17
13	Telangana	101.96	254.01	221.26	577.23
14	Assam	134.78	167.47	268.87	571.12
15	Chhattisgarh	161.3	237.94	80.36	479.60

Source: <https://csr.gov.in/CSR/>



### 3.8 Sector wise expenditure of companies in CSR activities

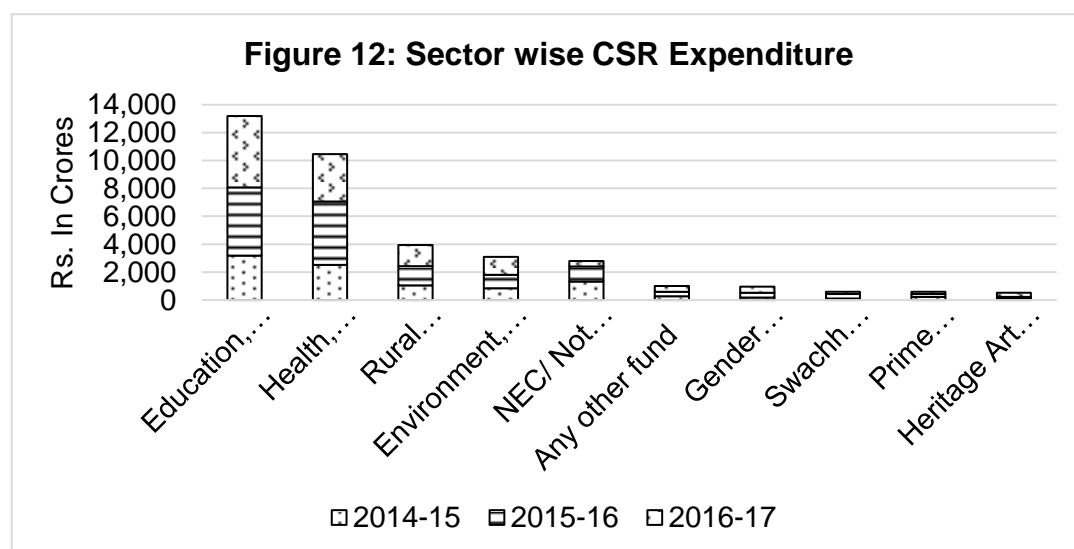
Sector-wise expenditure of companies in CSR activities was done. It was found that the companies have spent on 14 sectors. For the analysis, only top 10 sectors were taken into consideration. This was about 98% of the total expenditure of the companies in the three financial years 2014-15 to 2016-17. Companies have spent about 35% of the total amount in

education, differently abled and livelihood sector followed by health, eradicating hunger, poverty & malnutrition, safe drinking water and sanitation sector (28%). The third largest sector was rural development and the spending was about 10%.

The top three sectors amounted to 73% of the total amount spent. About 10% of the money was spent on other sectors or there was no mention about any of the sector. The data analysis is shown in Table 9 and Figure 12.

**Table 9: Development Sector wise CSR expenditure (Rs. in crores)**

#	Development Sector	2014-15	2015-16	2016-17	Total	%
1	Education, Differently abled and Livelihood	3,188.09	4,881.26	5,123.83	13,193	35
2	Health, Eradicating Hunger, Poverty & Malnutrition, Safe Drinking Water and Sanitation	2,525.92	4,545.00	3,397.00	10,468	28
3	Rural Development	1,059.34	1,369.52	1,507.45	3,936	10
4	Environment, Animal Welfare and Conservation of Resources	853.99	963.22	1,282.34	3,100	8
5	NEC/ Not Mentioned	1,338.39	1,065.22	388.86	2,792	7
6	Any other fund	277.09	326.88	412.38	1,016	3
7	Gender Equality, Women Empowerment, Old Age Homes and Reducing Inequalities	189.92	337.44	434.75	962	3
8	Swachh Bharat Kosh	113.86	324.72	165.09	604	2
9	Prime Minister's National Relief Fund	228.18	213.7	150.7	593	2
10	Heritage Art and Culture	117.37	117.58	296.85	532	1
	<b>Grand Total (in Cr.)</b>	<b>10,065.93</b>	<b>14,366.29</b>	<b>13,464.60</b>	<b>37,897</b>	



#### 4. FINDINGS

1. CSR spending by the companies over the three financial years was more or less stagnant and the average was about Rs. 13,900 crores and CAGR of the amount spent has grown at 16%. At the same time, the CAGR of the number of projects has grown at 50%. This shows that the amount spent by the companies have not grown substantially over the years.
2. Only two companies namely Reliance Industries limited and Oil and Natural Gas Corporation Limited have spent more than Rs 1,000 crores in the three financial years. The total amount spent on CSR by the top 15 companies was Rs. 11, 781 crores amounting to 31% of total amount spent by all the companies in India.
3. About 50% of the companies have not spent any amount on CSR as per the statutory requirement and about 30% of the companies have spent less than the requirement over the three financial years.
4. Among the companies contributing to CSR, about 13% were listed and remaining 87% were not listed.
5. The amount spent by the public sector undertaking companies for the three years was Rs. 10,236 crores (27%) and other companies was Rs. 27,657 crores (73%).
6. There were only one or two companies who have spent more than Rs. 500 crores every year. More than 70% of the companies have spent less than Rs. 50 lakhs every year.
7. Companies have spent maximum in Maharashtra, Rs. 5,681 crores followed by Andhra Pradesh, Rs. 2,386 and Karnataka, Rs. 2,026 crores in the three financial years.
8. About 35% of the total amount was spent on *education, differently abled and livelihood sector*. The next sector has attracted more funding was *health, eradicating hunger, poverty & malnutrition, safe drinking water and sanitation sector* (28%) and third sector was *rural development* and it was about 10%. About 73% of total amount was spent on these three sectors over the three financial years.

#### 5.SUGGESTIONS AND CONCLUSION

The study shows that the companies are not much motivated in spending on CSR activities. In fact, many of the companies were not spending any amount which is obligatory on them. Further, the companies are spending more in large and more developed states such as Maharashtra. So, even the amount spent on CSR is not equitably distributed and is lopsided. Moreover, sectors like environment & conservation of resources, Gender equality and women empowerment did not get much attention from the companies.

Even though spending on CSR is mandatory, the analysis shows that the companies are not going to contribute to the CSR activities unless or otherwise the spending benefits them in some way or other. Hence, Government of India and the State Governments have to devise mechanisms or incentivise the companies that encourage them. Otherwise, the CSR activities may not attract more attention from the companies and it will be a pipedream. Further, the companies have to realise that spending on CSR creates positive image and goodwill among the society and benefits them in their sustainable growth.

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