

CORPORATE SOCIAL RESPONSIBILITY IN INDIA: AN OVERVIEW

Deepthy L*

ABSTRACT

Corporate Social Responsibility is gaining much importance in the modern era of technologies. Business Enterprises are recognizing the fact that being responsible to the society it locates is very essential to its existence. Moreover Companies Act 2013 makes CSR mandatory for companies with a net profit of Rs 5 Crore or more, or a net worth of Rs 500 Crores or more or a turnover of Rs 1000 Crores or more. In this paper an attempt is made to examine the CSR expenditure by PSUs and Non PSUs in various states of India.

Keywords: CSR, PSUs, Business Enterprises, Economic Development, Sustainable Development.

Introduction

Corporate social responsibility practices witnessed a tremendous increase in awareness and control in the recent years. CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of workforce and their families as well as of the local community and society at large. It refers to strategies that firms employ to conduct their business in a way that is ethical, society friendly and beneficial to community in terms of development. It is a concept where business organisations apart from their profitability and growth show interest in societal and environmental welfare by taking the responsibility of impact of their activities on stakeholders, employees, shareholders, customers, suppliers and civil society. Business houses now realises the fact that the performance of CSR practices are essential for enhancing company's reputation and sustainable development.

Corporate social responsibility can be confined to the greatest good to all. Business corporations run within the society. Business gets input from the society and the society gets goods and services from the business. Both are interdependent. CSR is a company's commitment to operate in an economically, socially and environmentally sustainable manner while balancing the interest of diverse stakeholders. Today the concept of CSR has undergone radical change. Companies take keen interest in informing about their CSR activities to their stakeholders. Across the globe business enterprise have undertaken CSR activities in the areas of water conservation, health care, rural welfare, environment protection, poverty alleviation, education culture and heritage, gender equality etc

The importance of CSR emerged in India over last decades. Companies become more transparent in Accounting and display public reporting. CSR is a crucial bridge between organisation and society

* Research scholar, KG College, Pampady & Assistant Professor, NSS College, Rajakumari, Idukki, Kerala, India.

Significance of the Study

For a sound business it is essential to carry on its CSR activities. It helps the firm to gain goodwill and society's acceptance. Moreover with the introduction of Companies Act 2013 adopting CSR is legally mandatory for companies with a turnover of 1000 crores or more, net worth of 500 crores or more or net profit of 5 crores or more. The study aims at examining the CSR spending of PSU's and Non PSU's in India

Objectives

- To examine the corporate social responsibility spending in PSU's and Non PSU's in India
- To examine the CSR spending in various states and Union Territories in India

Research Methodology

The study is descriptive in nature. The study is based on secondary data which is collected from the published report of National CSR Portal, Ministry of Corporate Affairs, and Government of India. The data for last 7 years were collected from the published report.

Data Analysis

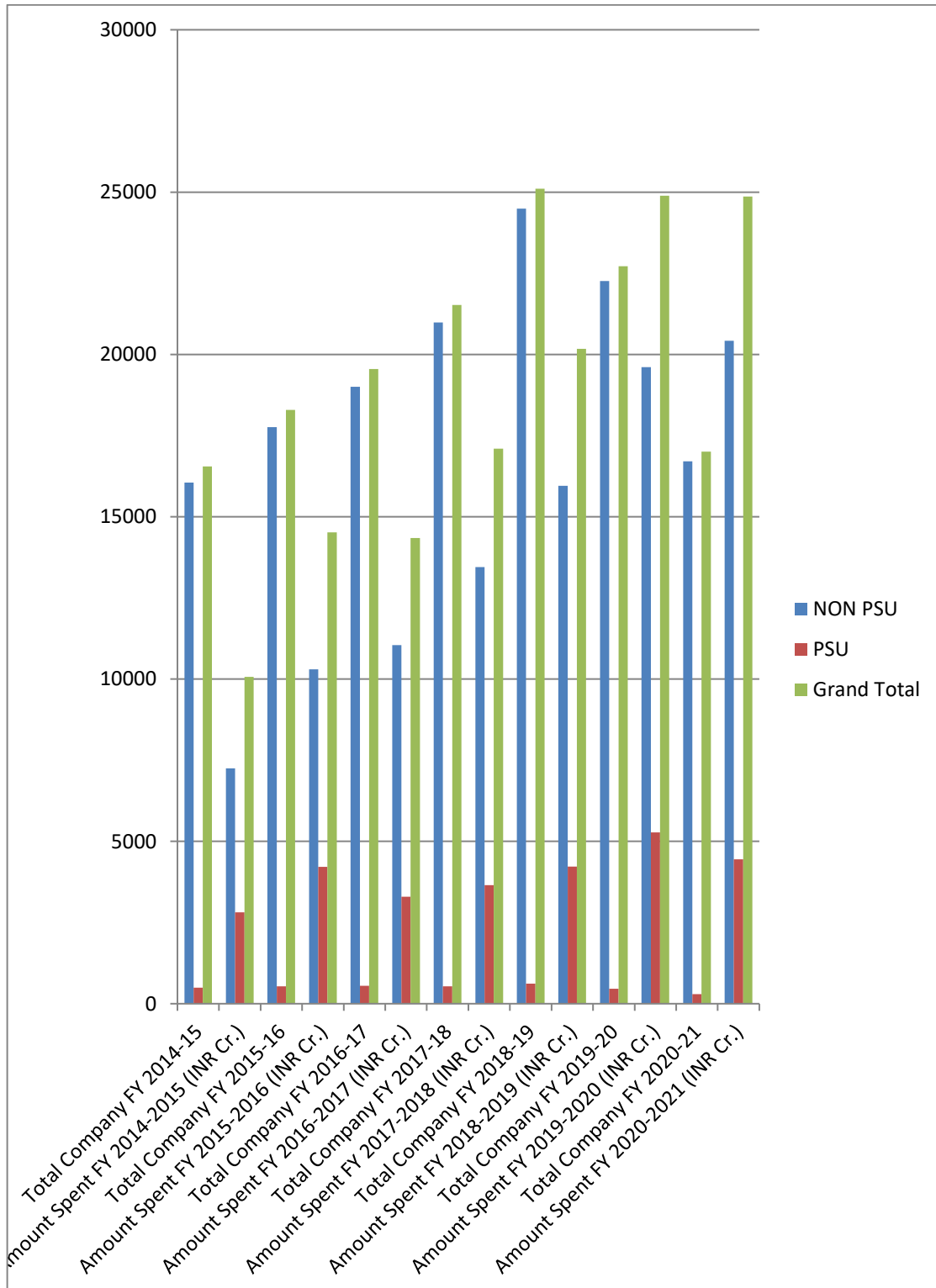
On the basis of data collected from the report published by Ministry of Corporate affairs, Government of India the following analysis is carried upon:

CSR Expenditure by Companies Reporting CSR

The CSR expenditure of PSU's and Non PSU's in India for the last 7 years were as follows:

	2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21	
	No of Companies	Total CSR spent in companies (in Crores)	No of Companies	Total CSR spent in companies (in Crores)	No of Companies	Total CSR spent in companies (in Crores)	No of Companies	Total CSR spent in companies (in Crores)	No of Companies	Total CSR spent in companies (in Crores)	No of Companies	Total CSR spent in companies (in Crores)	No of Companies	Total CSR spent in companies (in Crores)
Non PSU's	16,055	7,249.11	17,759	10,302.52	19002	11048.37	20981	13447.18	24487	15948.91	22258	19611.8	16710	20416.62
Average spend by Non PPSU,s PSU's	0.452		0.580		0.581		0.641		0.651		0.881		1.22	
PSU's	493	2,816.82	533	4,214.69	551	3296.51	539	3651	616	4223.15	460	5279.83	297	4448.84
Average spend by PSU's	5.71		7.91		5.98		6.77		6.86		11.48		14.98	
Grand Total	16,548	10,065.93	18292	14,517.21	19553	14344.88	21520	17098.18	25103	20172.06	22718	24891.63	17007	24865.46

Source: Report published by MCA, Govt of India



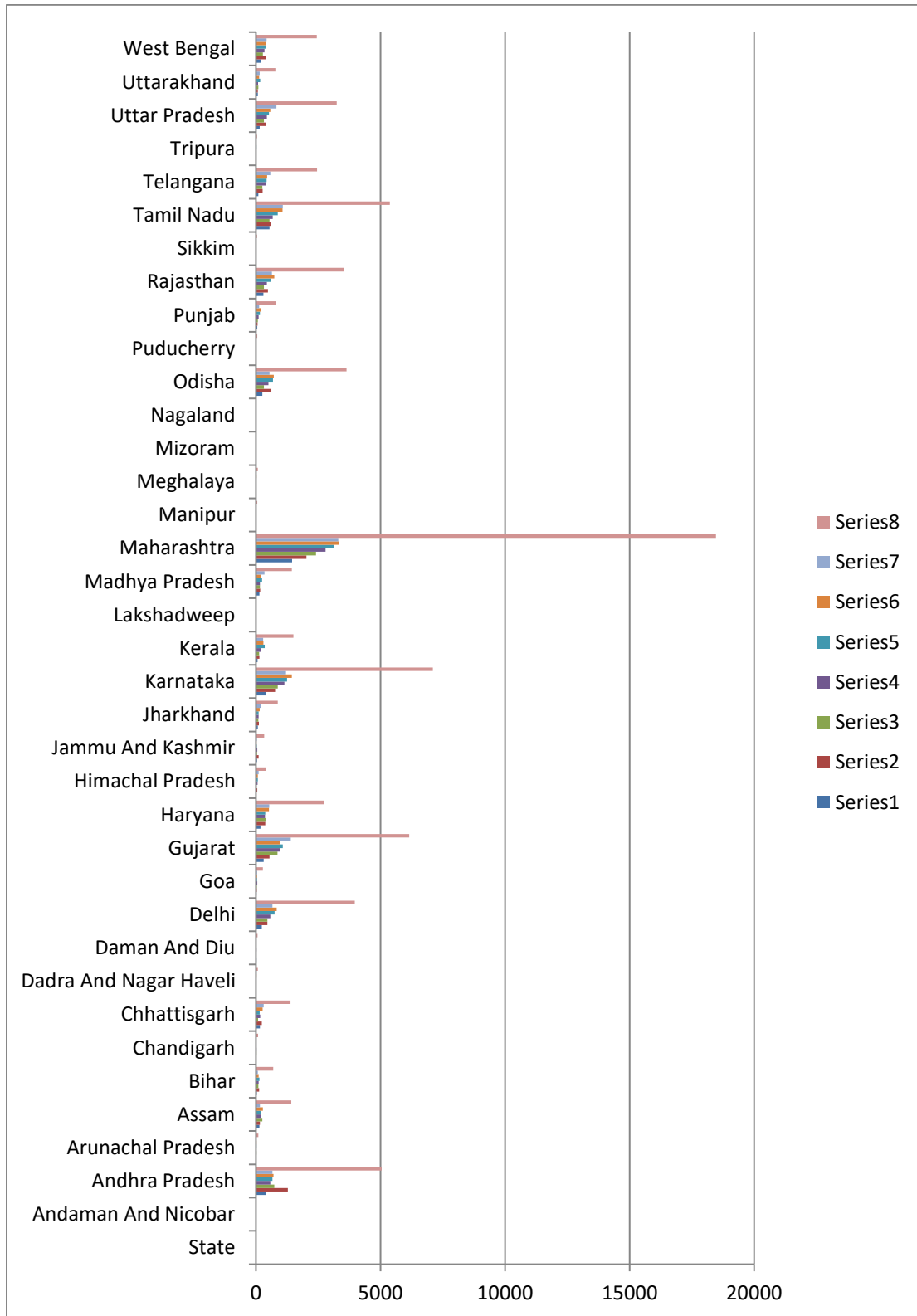
From the above table it is evident that the average CSR spend of PSU's is more than Non PSU's in India.

CSR Expenditure -State Wise

The following table shows CSR expenditure in various states and Union territories in India for the last 7 years:

No	States and UTs	Amount spent in INR Cr						
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	Andaman & Nicobar	0.29	0.55	0.63	0.73	0.82	1.29	2.19
2	Andhra Pradesh	414.27	1276.73	741.52	575.07	664.87	710	662.39
3	Arunachal Pradesh	11.05	1.48	24.05	11.91	24.56	18.02	10.58
4	Assam	134.78	158.97	256.92	211.33	210	282.14	163.21
5	Bihar	36.69	123.8	100.62	106.17	137.57	110.15	78.02
6	Chandigarh	1.77	5.34	21.96	20.51	11.46	15.58	13.12
7	Chhattisgarh	161.30	239.72	84.66	176.7	149.35	268.18	305.73
8	Dadra & Nagar Haveli	4.41	12.02	7.57	6.93	13.47	4.19	18.08
9	Daman Diu	20.05	2.42	2.63	20.09	6.22	7.67	5.25
10	Delhi	237.48	493.33	521.15	558.32	662.27	412.42	657.73
11	Goa	27.11	30.15	37.88	53.33	46.73	30.28	40.95
12	Gujarat	313.44	551.42	870.84	775.14	1059.41	655.95	1397.26
13	Haryana	187.40	375.61	389.65	265.58	334.73	367.04	536.86
14	Himachal Pradesh	10.94	52.28	24.03	60.60	79.97	67.02	104.6
15	Jammu Kashmir	43.70	107.80	42.84	46.43	35.25	17.84	35.1
16	Jharkhand	79.56	117.03	95.69	45.91	70.26	123.15	208.34
17	Karnataka	403.46	784.65	887.68	1034.03	1222.44	1137.75	1205.23
18	Kerala	68.23	148.13	135.47	167.23	386.03	216.61	283.78
19	Lakshadweep	0.00	0.30	0.00	2.07	0.39	0.00	0.01
20	Madhya Pradesh	141.88	185.50	290.59	147.24	245.68	121.51	344.13
21	Maharashtra	1445.91	2052.23	2492.10	2549.25	2846.73	2108.32	3306.72
22	Manipur	2.44	6.27	12.34	4.03	7.64	9.96	9.66
23	Meghalaya	3.53	5.58	10.96	5.48	16.67	16.02	12.46
24	Mizoram	1.03	1.07	0.08	0.22	0.10	0.00	0.81
25	Nagaland	1.11	0.95	0.92	0.36	2.11	0.04	3.57
26	Odisha	252.18	624.04	316.72	472.57	682.60	635.47	547.57
27	Puducherry	2.02	6.46	7.42	6.52	8.27	7.83	11.79
28	Punjab	55.60	69.92	75.82	89.32	164.54	91.39	126.01
29	Rajasthan	299.75	501.45	325.15	263.83	546.29	554.46	643.07
30	Sikkim	1.19	1.98	6.82	6.84	4.58	2.79	15.15
31	Tamil Nadu	539.63	633.23	550.93	627.75	823.38	696.57	1082.33
32	Telangana	101.96	265.40	259.87	293.53	422.03	265.25	579.75
33	Tripura	1.33	1.47	1.25	1.83	23.06	4.28	9.29
34	Uttar Pradesh	148.90	423.79	328.31	302.91	476.95	361.78	826.67
35	Uttarakhand	74.79	73.16	102.52	86.64	173.32	83.74	151.3
36	West Bengal	194.85	415.41	290.34	299.76	366.59	283.17	427.44

Source: Report published by National CSR portal, Ministry of corporate affairs, Govt of India



From the above table it is evident that the state in India which spends more amount in CSR is Maharashtra, followed by Karnataka and Gujarat.

Top 10 States and Top 10 Companies in India in CSR Spent



From the graph published in National CSR Portal Government of India, it is evident that the state which spent most in CSR is Maharashtra and the company which spent more in CSR is Reliance Industries Ltd.

CSR- Sector wise Expenditure

The development sector wise CSR Expenditure in India during the last 6 years were as follows:

No	Area of CSR Expenditure	Amount spent in INR Cr					
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	Clean Ganga Fund	5.47	32.82	24.37	4.54	5.41	1.06
2	Education, Differently Abled, Livelihood	3,188.09	4,921.06	5,559.13	5,960.17	7,499.81	7,222.41
3	Encouraging Sports	57.61	140.11	180.32	227.75	295.10	237.03
4	Environment, Animal Welfare, Conservation Of Resources	853.99	971.06	1,317.70	1,368.56	1,516.63	1,336.03
5	Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities	189.92	342.67	468.74	501.23	517.88	458.84
6	Health, Eradicating Hunger, Poverty And Malnutrition, Safe Drinking Water , Sanitation	2,525.92	4,633.46	3,667.14	3,339.07	4,959.23	4,865.05
7	Heritage Art And Culture	117.37	119.16	305.57	284.05	189.89	491.87
8	Other Sectors (Technology Incubator And Benefits To Armed Forces And Admin Overheads)	9.50	37.48	60.95	43.33	119.71	73.20
9	Prime Minister's National Relief Fund	228.18	218.04	158.80	175.84	300.12	537.15
10	Rural Development	1,059.34	1,376.16	1,554.77	1,479.80	2,308.83	1,885.28
11	Slum Area Development	101.14	14.09	51.49	35.10	50.23	10.64
12	Swachh Bharat Kosh	113.86	325.52	184.06	213.67	93.80	38.78
13	Any Other Fund	277.09	334.34	419.98	255.62	710.59	702.36
14	NEC/ Not Mentioned	1,338.39	1,051.15	388.95	1.04	87.54	24.99
	Total in Cr	10,065.93	14,517.21	14,342.04	13,889.86	18,654.82	17,884.75

Source: Report published by National CSR portal, MCA, Govt of India

From the above table it is clear that the enterprises in India spend more amount of CSR Expenditure in the area of Education, Differently abled and Livelihood followed by Health, Eradicating Hunger, Poverty and Malnutrition, Safe Drinking Water, Sanitation for the last 6 years.

Findings

On the basis of analysis of data collected from the published reports in National CSR portal, Ministry of corporate Affairs, Government of India the following findings are arrived upon:

The average CSR expenditure is greater in Public sector Undertakings as compared to Non Public Sector Undertakings.

The state in India which spend more amount in CSR is Maharashtra

The enterprises in India spend more amounts in the area of Education, Differently abled and Livelihood.

References

1. <https://www.csr.gov.in>
2. <https://www.mca.gov.in>.

