

Analyzing Trends in Corporate Social Responsibility Expenditure Among Indian Companies: A Comprehensive Study

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Abstract

Corporate Social Responsibility (CSR) has been increasingly important in recent years, and it is now being adopted as a corporate strategy. The charitable approach that used to be prevalent in corporate behaviour is long gone. Every CSR programme has a corporate initiative behind it, rather than simply writing checks to a favourite charity institution or NGO. Because CSR involves a significant portion of a stakeholder's profit, it is not spent haphazardly. CSR spending has expanded dramatically, nearly encompassing all of the categories listed in Section 135 of the Companies Act of 2013. The paper analyses five year's expenditure from 2017-23, to find out year wise and company wise CSR expenditure of 20 companies across different activities as prescribed in Schedule VII of Indian Companies Act , 2013. An examination of the distribution of CSR activities by firms under study for the years 2017-23 reveals that mostly corporations engage in three types of activities, with the majority of them focused on education, health, and sanitation, as well as rural development projects.

Keywords: Corporate Social Responsibility, Healthcare, Education, Rural Development, Companies Act Of 2013, Prescribed CSR Spending.

Introduction

The phrase "corporate social responsibility" is now often used worldwide in the twenty-first century. "There is one and only one social responsibility of business in a free society, and that is to use its resources and engage in activities intended to increase its profits, provided that it plays by the rules, that is, participates in honest and open competition free from dishonesty or fraud" (Friedman, 1970). The businessman's choices and actions must be commensurate with the company's social influence and must be motivated at least partly by factors other than the firm's immediate economic or technical interest (Davis, 1960). The expectations that society has of businesses at any given moment, whether they be financial, legal, moral, or discretionary, are all included in the concept of business's social responsibility (Carroll, 1979).

"Corporate social responsibility is the business's commitment to promoting sustainable economic development by enhancing the quality of life for its workers, their families, the local community, and society at large." WBCSD (2000).

Making more money and surviving in the global market are no longer the only concerns; nowadays, companies must also consider how to compete and grow sustainably via CSR initiatives. Businesses no longer function in a vacuum, buying, selling, and giving services without considering the environment in which they operate.

A new corporate decision-making ethic stems from the idea that while a company operation benefits in different ways from society, it should be expected to give back to it as well. Corporate Social Responsibility (CSR) is a concept that holds that all businesses, whether they are public, private, or governmental, have societal responsibilities. The idea of corporate social responsibility (CSR) lowers costs and risks while simultaneously boosting a company's effectiveness and efficiency, reputation,

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and brand value. As stated by Bowen. CSR is the phrase used to describe businessmen's duty to pursue policies, choices, and relationships that are deemed acceptable in light of societal concerns and values.

Like their counterparts in other countries, Indian corporations have a long tradition of taking part in social activities that go beyond meeting their bottom line. Conversely, since the late 1990s, CSR activities have come under more and more scrutiny from the public and private sectors. Policymakers and business stakeholders have gotten increasingly active as governance concerns have grown in frequency. With the release of the Corporate social Responsibility optional recommendations by the Ministry of Corporate Affairs (MCA, 2009), which led to the enactment of Section 135 of the Companies Act, the official emphasis on CSR in India started in 2009.

In accordance with Companies Act of 2013 Section 135

1. A Corporate Social Responsibility Committee of the Board, comprising three or more directors, at least one of whom must be an independent, must be established by any company with a net worth of rupees five hundred crore or more, a turnover of rupees one thousand crore or more, or a net profit of rupees five crore or more during any given financial year.
2. The Corporate Social Responsibility Committee's membership must be disclosed in the Board's report according to section 134, subsection (3).
3. The Committee on Corporate Social Responsibility will –
 - a. Create a Corporate Social Responsibility Policy and suggest it to the Board, outlining the actions the firm will take in accordance with Schedule VII.
 - b. Suggest the amount of money to be spent on the activities mentioned in clause and periodically check the company's corporate social responsibility policy.
4. The Board of each company mentioned in sub-section (1) shall a. approve the company's corporate social responsibility policy after considering the recommendations of the corporate social responsibility committee; b. disclose the policy's contents in its report and, if applicable, post it on the company's website in accordance with any prescribed procedure; and b. Ascertain that the corporation carries out the initiatives listed in its corporate social responsibility policy.
5. The Board of each company mentioned in sub-section (1) is responsible for ensuring that the company follows its Corporate Social Responsibility Policy by allocating at least two percent of its average net profits from the three previous fiscal years to CSR activities. The company must prioritise CSR efforts in the local community and surrounding areas where it operates.
6. In light of the aforementioned clauses, it is also stipulated that the Board must produce a report under clause (o) of sub-section (3) of section 134, explaining the reasons behind the company's failure to spend the specified sum.

This has led to generally divided views on Section 135 among Indian politicians, businesses, trade groups, social sector organisations, and academics. On the one hand, decision-makers have welcomed the introduction of mandatory corporate social responsibility (CSR), which some have dubbed a "historical chance" and a "game changer" for India. They would work in tandem with the government and the community to accomplish "national Regeneration," which is attained via sustained, long-term development.

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Surprisingly, some have suggested that compulsory CSR may be a tool for developing nations like India to find a "middle path" between a liberal and a regulatory state, therefore balancing development and social stability. Opponents of mandated corporate social responsibility (CSR), particularly business associations and corporations, contend that this amounts to a practice of outsourcing government social duty to the private sector and making it the private sector's fault for the former's failures. Furthermore, obligatory CSR provides perverse incentives for firms to conceal their acts in order to achieve legal responsibilities or find methods to circumvent the law if such activities are not clearly defined.

India has gone through three phases of corporate social responsibility (CSR): voluntary action with optional reporting in the years 2008, voluntary activity with obligatory reporting in the years 2012, and mandatory activity with mandatory reporting in the year 2013. Firm-level CSR choices were formerly driven by market forces from stakeholders, investors, consumers, and civil society organisations; the government served as a facilitator by promoting public awareness, enacting legislation, fostering communication, and establishing public-private partnerships. Under Section 135 of the Act, the government has been more aggressive and direct in recent years, requiring all corporations to report on and spend money on corporate social responsibility (CSR). In emerging economies such as China, governments are increasingly active in directing corporate social responsibility (CSR); this is reflected in the latter function of the government (Ho, 2013).

Objectives

1. To examine the main focusses of CSR initiatives in the top 20 Indian businesses.
2. To evaluate the top 20 Indian firms' CSR spending.
3. To examine how much real CSR spend differs from that which is recommended.
4. To examine how CSR expenditure is allocated among various initiatives, as required by Indian Companies Schedule VII Act of 2013.

Literature review

Laura (202) looked at the CSR practices of two Maharatna companies, Steel Authority of India Limited (SAIL) and National Thermal Power Corporation (NTPC), as well as a smaller Maharatna firm. The Airport Authority of India, a Miniratna firm (AAI), has been found to be useful in its CSR activities for rural regions and in the socioeconomic development of rural people. According to Kumar and Reddy (2014), who investigated CSR practices in SAIL, SAIL did not have a CSR policy in place to carry out CSR activities appropriately, and unspent CSR cash was transferred to other plants and units of SAIL rather than being carried over to the next year.

Omweno Nyameyio Enock and Kundan Basavaraji (2022) examine the CSR operations of Tata and ITC companies in many categories such as environmental friendliness, social responsibility, employee safety, human rights promotion, and healthcare. The research also looks at the reporting procedures utilised by these firms. According to the findings of this research, the country's two largest private enterprises are actively involved in social responsibility in a variety of fields, ranging from agricultural and educational innovation to environmental conservation. It is found that both corporations engage in CSR efforts related to the environment, education, community participation, and health care.

Singh analysed 200 Indian enterprises in 2005 to determine the amount of voluntary environmental

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disclosure. The majority of submitted information was on waste management, environmental research and development, clean technology, emissions to air, water, and land, and compliance with environmental laws. Environmental contingency liabilities were the least reported disclosure information. It determined that disclosure was better in high polluting businesses than in low polluting ones.

Suman Kalyan Chaudhury, Sanjay Kanti Das, and Prasanta Kumar Sahoo (2020) said in their research that there is a growing global awareness of Corporate Social Responsibility (CSR), Sustainable Development (SD), and Non-Financial Reporting (NFR). Financial institutions, notably banks, play a critical role in supporting the world's economic and developmental activities, making their contribution to sustainable development important.

Praveen Maan This article aims to examine the present condition of Corporate Social Responsibility (CSR) in India, as well as give insight into the degree to which corporations may comply with CSR. We would try to shed light on Indian companies' Corporate Social Responsibility (CSR), which would benefit both commercial and social objectives.

Prabhavathi The research chose 41 publicly traded banks and focusses on the major requirements of the Companies Act of 2013, as well as the banking sector's actual CSR expenditure for the fiscal years 2018-19 and 2019-2020. The research indicated that the banking industry expanded following the Companies Act of 2013. This article attempts to examine how Indian firms have contributed to CSR efforts and categorise them based on CSR activities as defined by the firms Act of 2013.

Madhu Bala (2019) The study's goal was to identify CSR practices and compare the differences/similarities in CSR practice components across 50 private Indian enterprises, 51 multinational corporations, and 29 public sector organisations. According to the research, the CSR practices of private Indian companies, multinational corporations, and public sector companies do not significantly vary from one another. The only distinction is in the priority/preference to follow CSR practices. **Kavitha S. 2019** evaluated how the Axis Bank Foundation conducts CSR initiatives, as well as its accountability and reporting of CSR and money utilisation for societal advancement. The research found that Axis Bank allocates cash, identifies CSR initiatives, and reports on those actions via a CSR audited report created by the CSR committee.

Research Methodology

The study employs a descriptive research approach and consists of a review of literature gathered from secondary sources, including relevant annual reports, websites, newsletters, and data from different publications. For this research, the top 20 corporations as listed in the CSR magazine 2023 were chosen, and data was gathered from their annual reports. While compiling, data from 2018-2023 is used to provide a clear picture of current developments in the area of CSR. Data is evaluated using basic statistical methods and displayed in the form of graphs and tables.

Discussion

Every individual on the globe is responsible for contributing to environmental and social problems in order to provide a safer, richer, and more pleasant environment for future generations. Governments, companies, and civil society organisations must all collaborate to attain these goals. CSR is a reaction by companies and corporate organisations to contribute to social and environmental issues before the necessary regulations were implemented in India. CSR is not a new idea in the business, with several instances of organisations making CSR contributions throughout the years. According to data

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from the Corporate Affairs Ministry's National CSR Portal, CSR investment in India ranged from Rs. 10,066 crores contributed by 16,548 companies in 2018-19 to Rs. 20,099 crores contributed by 25,093 companies in 2022-23.

TABLE 1: Year wise CSR expenditure of 20 companies in different sector

| Sectors | 2017-18 (crore) | 2017-18 (%) | 2018-19 (crore) | 2018-19 (%) | 2019-20 (crore) | 2019-20 (%) | 2020-21 (crore) | 2020-21 (%) | 2021-22 (crore) | 2021-22 (%) | 2022-23 (crore) | 2022-23 (%) | Total CSR expenditure (2017-23) | % |
|---|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|------------------------------------|-------|
| Preventive Health care, sanitation, poverty alleviation | 1615.72 | 28.82 | 1935.61 | 28.54 | 1925.56 | 49.05 | 1122.46 | 27.04 | 1321.93 | 28.82 | 1935.61 | 28.54 | 9856.89 | 31.17 |
| Promoting education | 1693.67 | 30.21 | 1621.89 | 23.92 | 866.67 | 22.07 | 1246.3 | 30.03 | 1570.35 | 30.21 | 1621.89 | 23.92 | 8620.77 | 27.54 |
| Promoting gender equality, empowering women | 48.58 | 0.86 | 56.8 | 0.83 | 26.17 | 0.66 | 26.36 | 0.63 | 75 | 0.86 | 56.8 | 0.83 | 289.71 | 0.91 |
| Environment sustainability | 501.05 | 8.94 | 483.11 | 7.12 | 260.54 | 6.63 | 562.62 | 13.5 | 587.81 | 8.94 | 483.11 | 7.12 | 2878.24 | 9.42 |
| Protection of national heritage art & culture | 63.97 | 1.14 | 387.15 | 5.71 | 25.38 | 0.64 | 162.69 | 3.92 | 235.39 | 1.14 | 63.97 | 1.14 | 938.55 | 3.44 |
| Measures for benefit of armed forces | 10.1 | 0.18 | 6 | 0.09 | 3 | 0.08 | 29.46 | 0.71 | 0.75 | 0.18 | 10.1 | 0.18 | 59.41 | 0.91 |
| Promote rural sports | 102.19 | 1.82 | 114.44 | 1.69 | 35.56 | 0.91 | 12.44 | 0.3 | 74.09 | 1.82 | 114.44 | 1.69 | 453.16 | 1.33 |
| Contributions to PM's national relief fund | 33.77 | 0.6 | 150.32 | 2.22 | 10.46 | 0.27 | 0 | 0 | 0 | 0.6 | 150.32 | 2.22 | 344.87 | 0.76 |
| Contributions to R&D projects, public funded universities | 0 | 0 | 0 | 0 | 3 | 0.08 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0.11 |
| Rural development projects | 864.16 | 15.42 | 1277.59 | 18.84 | 538.78 | 13.72 | 602.43 | 14.52 | 701.94 | 15.42 | 1277.59 | 18.84 | 5262.49 | 15.68 |
| Slum area development | 0.05 | 0 | 0 | 0 | 3 | 0.08 | 0 | 0 | 0 | 0 | 0 | 0 | 3.05 | 0.01 |
| Disaster management | 0 | 0 | 0 | 0 | 3 | 0.08 | 1.09 | 0.03 | 0.83 | 0 | 0 | 0 | 4.92 | 0.01 |
| Others | 661.96 | 11.81 | 662.52 | 9.77 | 264.53 | 6.74 | 304.35 | 7.33 | 399.76 | 11.81 | 662.52 | 9.77 | 2955.64 | 9.02 |
| Total | 5604.62 | 100 | 6780.31 | 100 | 3925.63 | 100 | 4150.01 | 100 | 4951.94 | 100 | 6780.31 | 100 | 32292.82 | 100 |

Table 1 analyses CSR spending by corporations in various industries from 2017-18 to 2021-22. During the research period, CSR investment focused mostly on preventative health care, sanitation, poverty reduction, and education promotion. In 2018-19, preventative health care accounted for

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28.54 percent of spending, with education promotion accounting for 23.92 percent. In 2018-19, rural development projects accounted for 18.84 percent of total CSR spending. The investment on protecting national history, art, and culture has steadily climbed from 0.64 percent in 2017-18 to 5.71 percent in 2021-22. The table demonstrates that firms made little contributions to R&D, slum development, and catastrophe management.

TABLE 2: company wise CSR expenditure for five years (2017-23) in different sectors

| Sectors in which projects are covered | Mahanadi Coalfields | % of Total Spent | Powergrid | % of Total Spent | Housing Development Finance Corporation | % of Total Spent | Infosys | % of Total Spent | Reliance Industries Ltd | % of Total Spent |
|---|---------------------|------------------|--------------|------------------|---|------------------|---------------|------------------|-------------------------|------------------|
| Preventive Health care, sanitation, poverty alleviation | 373 | 33.34% | 270.2 | 28.06% | 482.63 | 56.49% | 302.85 | 21.15% | 956.5 | 25.02% |
| Promoting education | 554.9 | 49.61% | 120.6 | 12.52% | 201.9 | 23.63% | 324.54 | 22.67% | 1582 | 41.39% |
| Promoting gender equality, empowering women | 1.91 | 0.17% | 0 | 0.00% | 2.78 | 0.33% | 28.12 | 1.96% | 0 | 0.00% |
| Environment sustainability | 24.17 | 2.16% | 40.68 | 4.22% | 17.09 | 2.00% | 514.93 | 35.96% | 4.84 | 0.13% |
| Protection of national heritage art & culture | 10.32 | 0.92% | 363.7 | 37.78% | 5.95 | 0.69% | 84.7 | 5.92% | 30.68 | 0.80% |
| Measures for benefit of armed forces | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 44.66 | 3.12% | 0 | 0.00% |
| Promote rural sports | 36.33 | 3.24% | 5.8 | 0.60% | 1.22 | 0.14% | 0 | 0.00% | 142 | 3.71% |
| Contributions to PM's national relief fund | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Contributions to R&D projects, public funded universities | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Rural development projects | 117.2 | 10.48% | 85.39 | 8.86% | 20 | 2.34% | 167.2 | 11.68% | 1071 | 28.01% |
| Slum area development | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Disaster management | 0 | 0.00% | 1.29 | 0.13% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Others | 0.73 | 0.07% | 66.93 | 6.95% | 4.46 | 0.52% | 39.26 | 2.74% | 4.9 | 0.12% |
| TOTAL | 1119 | 100% | 962.7 | 100% | 854.35 | 100% | 1431.9 | 100% | 3822 | 100% |

As shown in table 2, Mahanadi Coalfields Ltd. spent a total of Rs. 1119 crore on CSR from 2014-15 to 2018-19, with approximately 50% of that spent on education promotion, 33.3 percent on preventive health care, poverty alleviation, and sanitation programs, and 10.48 percent on rural development

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projects. Mahanadi Coalfield's implementing partners include NBCC Services and the state government for education promotion, the Central Public Works Department and the state government for preventative health care, and the state government for rural development. Odisha serves as the project site for all of these important regions. Power Grid Ltd.'s major CSR expenditures are for the protection of national heritage, art, and culture (37.78 percent), preventative health care (28.06 percent), and educational advancement (12.52 percent). Various programs done to safeguard national heritage art and culture include the creation of a National Heritage Centre, the Taj Mahotsav, and Madhubani paintings. The Housing Development Finance Corporation spent 56.49 percent of their CSR budget on preventative health care and 24 percent on education. Major initiatives done within the Preventive Health Care and Sanitation sector include health care surgery for children, cancer diagnosis and prevention programs, and the development of sanitation infrastructure in schools and communities as part of the Swachh Bharat Abhiyan. Infosys Ltd.'s major areas of CSR spending are environmental sustainability, which accounts for around 36%, and preventive health care and education sector advancement, each accounting for approximately 20%. The firm invests in solar infrastructure support, such as inverters, trackers, and transformers, as well as water body rejuvenation via direct implementation in Karnataka, Telangana, Tamil Nadu, and Odisha.

Reliance Industries Ltd. allocates the majority of their CSR investment to education promotion (41.39%), followed by rural development initiatives (28%), and preventative health care (25%). It established the Jio Institute as part of the Eminence Institutions, which is responsible for academic program design, curriculum research, the Research Centre, and campus development. The implementing partners for the rural development sector include the Reliance Foundation and the Gramme Panchayat, with projects in Andhra Pradesh, Gujarat, Haryana, Madhya Pradesh, and Maharashtra.

Table 3 reveals that TCS has contributed 44% of total CSR spending in the others category. It has provided a significant sum of money to the TCS Foundation for social initiatives across India. The company has invested 36% in the preventative health care area. It maintains an integrated hospital management system, which includes the Cancer Institute in Chennai and the Tata Medical Centre in Kolkata. ONGC has spent 42 percent of their CSR budget on preventative, healthcare, and poverty reduction efforts. The corporation contributed a significant amount of CSR funds towards the establishment of a multi-specialty hospital in Assam to care for the people of the Northeast. It invested around 22% of its budget in various sectors, including shore projects, exploration group projects, plants, and administrative offices. The majority of Wipro's CSR spending, 70 percent, is used to promote education. The organisation, via its implementing partners Wipro Software Technology Academy and Vellore Institute of Technology, conducts several programs to help scientific students pursue postgraduate degrees in engineering and technology. The corporation has also made significant contributions to environmental sustainability, accounting for 28 percent. The firm helped to energy conservation in Karnataka, Maharashtra, and Telangana. It also administers ecological programs such as the Butterfly Park and the Wetland ecological Zone.

Indian Oil Corporation has spent 31 percent of its budget on education promotion, including the building of a skill development institution in 2016 with the goal of providing chances to Odisha's jobless and impoverished young. The corporation also helped to assist Kendriya Vidyalayas. The firm provided money to Swarna Jayanti Samudayik Hospital in Mathura and AOD Hospital in Digboi as part of the preventive health care sector, where total CSR spending is 25%.

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TABLE 3: company wise CSR expenditure for five years (2017-23) in different sectors

| Sectors in which projects are covered | Total Spent | % of Total Spent | Total Spent | % of Total Spent | Total Spent | % of Total Spent | Total Spent | % of Total Spent | Total Spent | % of Total Spent |
|---|-------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|
| Preventive Health care, sanitation, poverty alleviation | 760.3 | 36.27% | 1075 | 41.92% | 4.72 | 0.53% | 420.06 | 25.23% | 266.2 | 14.89% |
| Promoting education | 395.2 | 18.85% | 306.1 | 11.93% | 629.86 | 70.31% | 521.17 | 31.30% | 210.5 | 11.78% |
| Promoting gender equality, empowering women | 1.09 | 0.05% | 73.14 | 2.85% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Environment sustainability | 11.06 | 0.53% | 244.7 | 9.54% | 251.79 | 28.11% | 331.08 | 19.88% | 3.42 | 0.19% |
| Protection of national heritage art & culture | 0.3 | 0.01% | 58.59 | 2.28% | 0 | 0.00% | 134.86 | 8.09% | 0 | 0.00% |
| Measures for benefit of armed forces | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Promote rural sports | 0 | 0.00% | 25.61 | 0.99% | 0 | 0.00% | 9.93 | 0.59% | 0 | 0.00% |
| Cont. to PM's national relief fund | 4.44 | 0.21% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Contributions to R&D projects, public funded universities | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Rural development projects | 0 | 0.00% | 223.7 | 8.71% | 2.38 | 0.27% | 104.11 | 6.25% | 1336 | 74.80% |
| Slum area development | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Disaster management | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Others | 923.9 | 44.07% | 555.7 | 21.66% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| TOTAL | 2096 | 100% | 2565 | 100% | 895.83 | 100% | 1665.3 | 100% | 1786 | 100% |

HDFC Bank invested 75% of its CSR on rural development via its flagship initiative, the Holistic Development initiative, which aims to empower and support rural people. This initiative affects about

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3.6 lakh individuals across 17 Indian states and around 1100 villages. The bank made a 15% contribution to preventative healthcare, sanitation, and poverty reduction by eradicating poverty and building 22490 sanitation units via over 1500 sanitation initiatives.

TABLE 4: Company wise CSR expenditure for five years (2017-23) in different sectors

| Sectors In Which Projects Are Covered | Rec | % of Total Spent | Hindustan Petro Corp | % of Total Spent | Tata Steel | % of Total Spent | Hindustan Zinc | % of Total Spent | Bharat Petro | % of Total Spent |
|---|--------------|------------------|----------------------|------------------|---------------|------------------|----------------|------------------|--------------|------------------|
| Preventive Health care, sanitation, poverty alleviation | 270.1 | 44.33% | 257.1 | 37.88% | 561.13 | 54.29% | 152.26 | 25.55% | 319 | 36.69% |
| Promoting education | 71.65 | 11.76% | 169.2 | 24.93% | 256.73 | 24.84% | 282.42 | 47.39% | 150.2 | 17.28% |
| Promoting gender equality, empowering women | 4.96 | 0.81% | 0.75 | 0.11% | 0.38 | 0.04% | 15.47 | 2.59% | 17.16 | 1.97% |
| Environment sustainability | 86.06 | 14.13% | 143.9 | 21.19% | 29.45 | 2.84% | 9.68 | 1.62% | 45.29 | 5.20% |
| Protection of national heritage art & culture | 12.8 | 2.10% | 25 | 3.68% | 53.62 | 5.18% | 20.74 | 3.48% | 35 | 4.03% |
| Measures for benefit of armed forces | 0 | 0.00% | 1.65 | 0.24% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Promote rural sports | 0 | 0.00% | 4.39 | 0.64% | 32.79 | 3.17% | 34.37 | 5.77% | 0 | 0.00% |
| Cont. to PM's national relief fund | 100 | 16.41% | 68.19 | 10.04% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Contributions to R&D projects, public funded universities | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Rural development projects | 59.33 | 9.73% | 0 | 0.00% | 67.2 | 6.50% | 46.46 | 7.79% | 65.42 | 7.53% |
| Slum area development | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0.05 | 0.01% |
| Disaster management | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Others | 6.27 | 1.03% | 108.8 | 16.02% | 32.25 | 3.12% | 40.69 | 6.83% | 195.4 | 22.48% |
| TOTAL | 609.2 | 100% | 678.7 | 100% | 1033.5 | 100% | 595.95 | 100% | 869.3 | 100% |

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TABLE 5: company wise CSR expenditure for five years (20117-23) in different sectors

| Sectors In Which Projects Are Covered | Itc | % of Total Spent | Ntpc | % of Total Spent | L&T | % of Total Spent | Hcl | % of Total Spent | Maruti | % of Total Spent |
|---|-------|------------------|-------|------------------|--------|------------------|--------|------------------|--------|------------------|
| Preventive Health care, sanitation, poverty alleviation | 508.4 | 34.73% | 703.9 | 43.95% | 159.37 | 27.08% | 49.52 | 11.02% | 162.8 | 26.40% |
| Promoting education | 230.7 | 15.76% | 394.3 | 24.62% | 256.14 | 43.52% | 196.87 | 43.79% | 235.8 | 38.24% |
| Promoting gender equality, empowering women | 79 | 5.39% | 3.08 | 0.19% | 0 | 0.00% | 2.07 | 0.46% | 0 | 0.00% |
| Environment sustainability | 346 | 23.64% | 241.1 | 15.05% | 19.86 | 3.37% | 18.06 | 4.02% | 40.17 | 6.51% |
| Protection of national heritage art & culture | 12.65 | 0.86% | 21.77 | 1.35% | 0 | 0.00% | 1.42 | 0.32% | 0 | 0.00% |
| Measures for benefit of armed forces | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Promote rural sports | 33.14 | 2.26% | 11.48 | 0.71% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Cont. to PM's national relief fund | 0 | 0.00% | 12.9 | 0.80% | 0 | 0.00% | 0 | 0.00% | 6.02 | 0.97% |
| Contributions to R&D projects, public funded universities | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Rural development projects | 239.4 | 16.35% | 202.5 | 12.64% | 8.03 | 1.36% | 169.27 | 37.65% | 31.95 | 5.18% |
| Slum area development | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Disaster management | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0.63 | 0.14% | 0 | 0.00% |
| Others | 14.43 | 0.99% | 0 | 0.00% | 145.16 | 24.66% | 11.69 | 2.60% | 139.7 | 22.66% |
| TOTAL | 1464 | 100% | 1602 | 100% | 588.56 | 100% | 449.56 | 100% | 616.5 | 100% |

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Table 5 demonstrates that ITC spent 34.7 percent of their CSR in the preventive health care sector. The firm aims to improve public health and hygiene by building individual family toilets and 26 RO water purification facilities in 2021-23. They also promote good hygiene practices among youngsters in 12 states via the Swasth India Mission. During 2017-23, the corporation spent 16.3 percent of its CSR funding on rural development programs such as sustainable agricultural knowledge empowerment and farm productivity improvement.

NTPC allocated 44% of their CSR funds to establish burns units at AIIMS Patna, Bhubaneswar, and King George Medical University Lucknow, as well as an eye hospital in Dadri, mobile clinics, medical camps, and dispensaries. The corporation used 24.6 percent of its CSR funding to promote education by building a medical college in Odisha, an engineering college in MP, and a school and dormitory for tribal children in Uttar Pradesh.

L&T invested 43.5 percent of its CSR funds in education promotion, including the establishment of 9 skill training institutes that offer free construction skill training to unorganised workers, infrastructure support for education through water and sanitation facilities, and donations of computers and solar lamps. The corporation donated 27 percent to the preventive health care centre. It established multi-specialty health centres, health camps, blood donation drives, and so forth.

HCL invested 43.7 percent of their CSR funding to promote education by building an atmosphere conducive to providing excellent education to students in Uttar Pradesh, Delhi, Tamil Nadu, West Bengal, and Karnataka.

Maruti Ltd. spent 38% of its CSR funding on education promotion, including the upgradation and administration of ITIs, skill improvement in the car sector, and the International car Centre of Excellence. The firm contributed 26% to the preventive health care and sanitation sector, where it installed automated water dispensing systems, implemented solid and liquid waste management efforts, sewage lines, bore wells, water tanks, portable drinking water ATMs, and so on.

Conclusion

While acknowledging the potential advantages of Section 135 in improving the connection between business and society in India, several issues and hurdles would need to be addressed via the formation of suitable procedures throughout the implementation of the new CSR rules. First, one should be wary about whether the new CSR Rules would generate too much money, making it harder for enterprises to choose profitable long-term initiatives. It is important to note that enterprises must contribute 2% of their yearly net profits. This might place additional pressure on the company's management to identify, select, and execute new projects, as well as oversee its current CSR activities, all of which will increase in size and scope over time. Second, there is the matter of how to consider CSR-related costs that firms may already be spending. Is reclassifying them as CSR costs sufficient to fulfil the legal requirements? Can companies that maintain educational institutions or major healthcare facilities for their workers beyond what the law requires, for example, claim the extra facilities as CSR expenditure under Section 135? Will this be permissible if similar facilities are offered to non-employees? Certain forms of expenditures that businesses have made have previously been questioned as to whether they would count as items towards achieving the set CSR goal. In response, the Ministry of Corporate Affairs issued a circular dated June 18, 2014 (MCA, 2014b) stating that "the activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Act, and the activities mentioned in Schedule VII must be interpreted liberally, capturing the essence of the subjects enumerated therein."

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Third, there is the challenge of coordinating CSR initiatives across businesses in a specific area to minimise duplication and overinvestment in comparable CSR projects. This is particularly relevant considering the Rules' call for corporations to prioritise local communities in their CSR investments. An assessment of the distribution of CSR activities by the enterprises under research from 2017 to 2023 finds that most organisations participate in no more than three categories of activities, with the majority of them focussing on education, health, and sanitation, as well as rural development initiatives. Smaller businesses may benefit from combining their CSR resources in circumstances where large expenditures are necessary, such as hospitals and schools, since this allows them to pursue such programs together. Formal partnerships or consortiums may be created to increase cooperation among businesses in a certain area. Finally, an unanticipated effect of mandated yearly CSR investment might be the buildup of social welfare programs in and around geographic regions where bigger and better performing firms are located.

High levels of CSR investment by such businesses might disproportionately benefit certain regions/states, while those with less corporate sector activity may lag behind. To prevent such unforeseen macro-level results, a coordinating organisation at the federal or state level would be necessary to guarantee that corporate social responsibility spending is coordinated for everyone's benefit. To summarise, India's CSR policies do not absolve the government's responsibility to the private sector. When compared to the government's overall social sector investment, the estimated annual amount of CSR spending by companies is just approximately 2% of what listed enterprises would have paid if the Section 135 requirements were followed. Rather, the new CSR legislation should be understood as a government initiative to engage the business sector in promoting the greater societal aim of equitable development. The freedom afforded to firms in selecting and monitoring projects under the new CSR criteria is anticipated to promote efficiency and effectiveness in project execution while avoiding significant conflict with the main aim of maximising shareholder profit. The CSR regulations seem to be well balanced in terms of social and economic incentives, and one can only hope that the private sector would gladly support the government in promoting inclusive development.

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