

CSR Reality Check

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The Development story in India

- **India Scenario in 1947**

- Population was 340 million and literacy level was 12% or about 41 million people
- Accounted for only 3% of the world's GDP or about Rs 2.7 lakh-crore.
- Produced about 50 million tonnes of food grains
- Incidence of poverty was about 80% or about 250 million
- Agriculture accounted for 54% of India's GDP. 60% of India depended on agriculture for a living

- **India Scenario in 2017**

- Population scaled 1.34 billion and literacy level reached 74% or about one billion
- Accounts for 8.5% of world's GDP or about Rs 135 lakh-crore (source IMF).
- Produces food grains five times that more than it produced in 1947
- The number of people below that same poverty line of 2,200 calories a day is about 269 million, though the incidence has fallen to about 21.92%.
- Contribution of agriculture to GDP now it is at about 13% and 52 % are dependent on it.
- By 2050, India will have a population over about 1.7 billion and a good part of that population will have to be gainfully employed outside of agriculture and the rural sector

India is home to world's fourth highest number of billionaires. Indian industry captains are among the 100 super rich Indians, according to a new list released by Forbes magazine.

Government Expenditure on Social Sector

Item	In crore					
	2011-12	2012-13	2013-14	2014-15	2015-16 (RE)	2016-17 (BE)
Total Expenditure	24,21,768	26,94,934	30,00,299	32,85,210	39,74,103	44,48,860
Expenditure on Social Services of which	5,80,868	6,58,320	7,46,391	7,67,622	10,02,591	11,18,094
i. Education	2,77,053	3,12,932	3,48,267	3,53,589	4,23,171	4,74,672
ii. Health	1,10,228	1,25,524	1,39,280	1,48,791	1,91,141	2,21,466
iii. Others	1,93,587	2,19,865	2,58,844	2,65,242	3,88,279	4,21,955
As percentage to GDP						
Total Expenditure	27.7	27.1	26.7	26.4	29.1	29.5
Expenditure on Social Services of which	6.6	6.6	6.6	6.2	7.3	7.4
i. Education	3.2	3.1	3.1	2.8	3.1	3.2
ii. Health	1.3	1.3	1.2	1.2	1.4	1.5
iii. Others	2.2	2.2	2.3	2.1	2.8	2.8
As percentage to Social Services						
i. Education	47.7	47.5	46.7	46.1	42.2	42.5
ii. Health	19.0	19.1	18.7	19.4	19.1	19.8
iii. Others	33.3	33.4	34.7	34.6	38.7	37.7

Source: Economic Survey 2016-17

CSR sector projects and budgets

CSR Expenditure during 2014-15 and 2015-16

Sl. No.	Company Type	Financial Year 2014-15		Financial Year 2015-16	
		No. of companies for which data has been compiled	Actual CSR expenditure (in `Crore)	No. of companies for which data has been compiled	Actual CSR expenditure (in `Crore)
1.	PSUs	226	2497	172	3360
2.	Private Sector Companies	7108	6306	4925	6462
	Total	7334	8803	5097	9822

DEVELOPMENT SECTOR WISE CSR EXPENDITURE FOR FY 2014-15 AND FY 2015-16

CSR Expenditure (in `Crores)		
Sectors	2014-15	2015-16
Health/ Eradicating Hunger/ Poverty and malnutrition/ Safe drinking water / Sanitation	2246	3117
Education/ Differently Abled/ Livelihood	2728	3073
Rural development	1017	1051
Environment/ Animal Welfare/ Conservation of resources	1213	923
Swachh Bharat Kosh	121	355
Any other Fund	36	262
Gender equality / Women empowerment / Old age homes / Reducing inequalities	326	213
Prime Minister's National Relief Fund	192	136
Encouraging Sports	160	95
Heritage Art and Culture	157	90
Slum area development	123	9
Clean Ganga Fund	19	3
Other Sectors (Technology Incubator and benefits to armed forces, admin overheads and others*)	465	497
Total Amount	8803	9822
Number of Companies for which data compiled	7334	5097

* not specified

BSE-listed big 300 companies spent collectively Rs. 6871 Cr. on CSR in FY 2016-17 while the same was Rs 6342 Cr. in FY 2015-16

Prescribed CSR budget of Indian corporate has increased by 28% in FY 2016-17 since FY 2014-15 while the actual CSR spend has gone up by 47% during the same time

Substantial increase in CSR funding in the last financial year has given a lot of push to quality education initiatives along with intensifying Skilling India Mission and Swachh Bharat Mission of Government of India.

Education projects received 32% of the CSR fund while Swachh Bharat related projects received 7.3% of Indian companies' CSR fund

1/3rd of the companies could not meet the mandatory CSR while 1/3rd of the companies spend more than the prescribed CSR

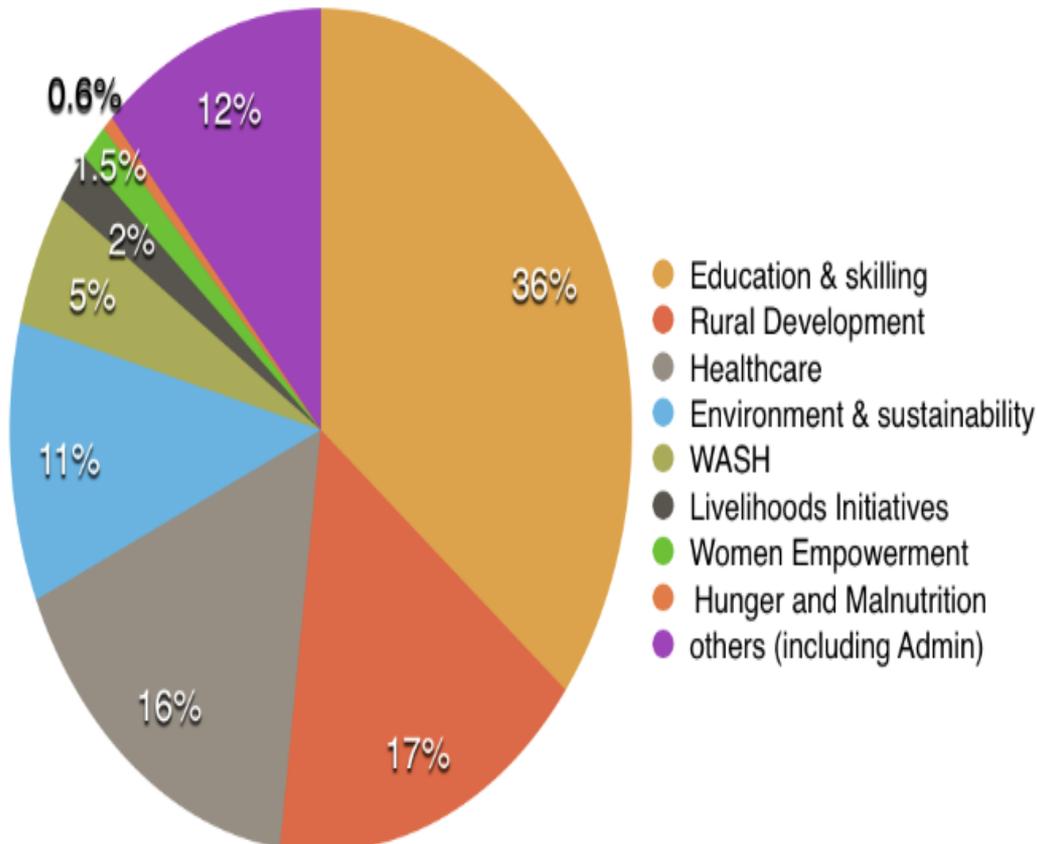
A few companies have taken CSR to the next level by spending almost twice or more of the prescribed CSR, according to a press statement

CSR sector projects and budgets

- Maharashtra received the maximum at 16.5 per cent, followed by Gujarat with 6.9 per cent.
- Odisha has seen a sharp jump on CSR funds beneficiary matrix. However, seven north-east states together received just 2 per cent.
- Urban slum development and welfare for Army veterans got scant attention from businesses, with just Rs 34 crore spent in both these areas.
- Technology incubation for start-ups is gradually gaining traction with Rs 20 crore CSR expenditure.
- Healthcare projects received 17 per cent of CSR funds.
- In 2015-16 Companies were found to spend only 0.24 per cent of CSR
- The social spend of public sector undertakings fell 10% in 2016-17
- The total social spend of 49 PSUs went down to Rs 2,630 crore from Rs 2,935 crore spent by 46 PSUs in 2015-16

CSR sector projects

Thematic Distribution of CSR fund
(FY 2017)



CSR: Issues

