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## Analysis Of Corporate Social Responsibility (CSR) Expenditure In Punjab

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### Abstract

India became the first country to legally mandate the CSR (Corporate Social Responsibility) on April 1, 2014. In the recent years the CSR expenditure has increased more than double. The CSR results in greater value creation for the communities. The companies also get numerous benefits of CSR expenditure on their business. CSR helps companies in becoming socially accountable to the society and public at large. It is a very broad concept addresses many issues relating to human rights, corporate governance, health and safety, environment etc. The present paper studied the CSR expenditure in India as well as in the Punjab State. It shows that the CSR expenditure has increased from the year 2014-15 to 2020-21 both in India as well as in the Punjab State. The study also discussed the various CSR activities undertaken by the corporate in the state.

**Keywords:** Corporate Social Responsibility, Punjab, Expenditure

### Introduction

Corporate Social Responsibility (CSR) can be defined as Corporate Responsibility, Corporate Citizenship, and Social Enterprise etc. India became the first country to legally mandate the CSR on April 1, 2014. In the recent years the CSR expenditure has increased more than double. The CSR results in greater value creation for the communities. The companies also get numerous benefits of CSR expenditure on their business. CSR helps companies in becoming socially accountable to the society and public at large. It is a very broad concept addresses many issues relating to human rights, corporate governance, health and safety, environment etc.

Ministry of Corporate Affairs launched National Voluntary Guidelines on CSR, 2009 for the firms to partner with local authorities and Non-Government Organisations (NGOs). These guidelines were meant to provide guidance to the companies to invest in a proper way and in specific sectors that require proper attention. The policy covers the core elements such as care for stakeholders, ethical functioning, respect for Workers' Rights and Welfare, respect for Human Rights, respect for environment, and activities for social and inclusive development. In addition to this, National voluntary Guidelines on Social, Environmental and Economic responsibilities of Business, 2011 was launched on the principles of Ethics, transparency, accountability, safe and sustainable goods and services, well-being of employees, promoting human rights, protecting the environment, responsible policy advocacy, supporting inclusive development etc.

Section 135 of Companies Act, 2013 made it mandatory for the companies to spent 2% of their three year average annual profit after tax in CSR activities. The companies that come under this ambit should have atleast Rs.5 crore net profit or Rs.1000 crore turnover or Rs.500 crore net worth. This legislation came into effect since april, 2014 and India became the first country in the world to have mandatory legislation regarding CSR.

The CSR spending in the Punjab state has increased in the recent years particularly towards education, healthcare and environment sustainability. Over Rs. 631 crores of CSR funds cumulatively have been invested for social development projects in Punjab from the year 2015 to 2021. Out of total 26% of the funds have been spent towards education, 21% towards healthcare and 15% towards environment and sustainability. This is in line with the broader national trend of these three sectors being the top areas of investment by corporates, cumulatively accounting for 55% nationally, against 63% in Punjab. Punjab has received over Rs. 341 crores of CSR funding in 2019 and 2020 which is 54% of the total CSR funds received over the six years. The top four expenditure companies – HPCL Mittal Limited, Trident Limited, International Tractors Limited and Bharti Infratel Limited – have contributed 25% of the total CSR spend that the state has received over the years. Oil, gas, coal and petroleum and Telecom are the highest contributing sectors, providing 22% and 8% funds respectively. 69% of the total funding is going to the Malwa region, which is also the hub for the state's Aspirational districts, however only 1.15% of the funds are going to these Aspirational districts, Moga and Firozpur. This is also aligned with the national observation of the aspirational districts receiving 1.4% of total CSR spends, and some of the more industrialised districts and cities such as Pune, Mumbai, Hyderabad, Kolkata, and so on attracting most funds from corporates in their respective states.

## Literature Review

Verma and Kumar (2014) analyzed the expenditure pattern of corporate towards CSR activities in the period of voluntary spending. The study found that CSR spending has been very low with respect to revenue and profits during voluntary spending phase. Mishra (2020) evaluated the CSR spending of top 100 listed companies as per market capitalization on National Stock Exchange. The Paper analyzed areas of CSR spending, availability of CSR information and corporate compliance as per Companies Act, 2013. Nayak and Khatei (2021) examined the extent of CSR expenditure by Public Sector Undertakings as well as Non-Public Sector Undertakings and analysis state wise allocation of CSR expenditure in India. The study found that CSR spending in India is not evenly distributed among different activities or sectors. Mondal and Dhar (2021) analyzed the extent of compliance as per provisions of Companies Act, 2013. The study found that most of the big companies have spent more than 2% of average three years profits but few companies do not comply with mandatory requirements.

## Objectives

- To analyze the CSR expenditure in India from the year 2014-15 to 2020-21.
- To analyze the CSR expenditure in Punjab from the year 2014-15 to 2020-21.
- To study the various CSR initiatives undertaken in the Punjab State.

## Research Methodology

The study is based on secondary data collected from various sources. The collected data has been analyzed with the help of line charts. Statistical tool Compounded Annual Growth Rate (CAGR) has been used to evaluate the growth of CSR spending. The time period of study is seven years ranges from 2014-15 to 2020-21.

## Analysis and Discussion

The study has analyzed the CSR expenditure in India as well as in the State of Punjab. For analysis of collected data tables and charts has been made and results are interpreted as follows:

### CSR expenditure in India

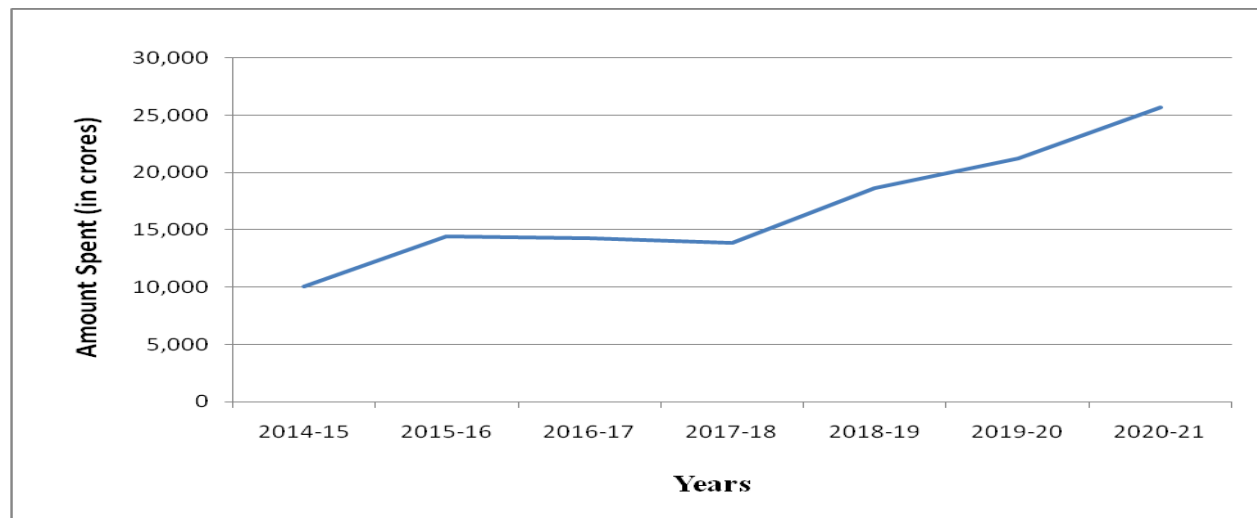
The CSR expenditure in India has increased in the recent years which are shown as below.

**Table:1 CSR Expenditure in India**

Year	Amount Spent (in crores)
2014-15	10,066
2015-16	14,485
2016-17	14,307
2017-18	13,889
2018-19	18,631
2019-20	21,227
2020-21	25,715
CAGR	14.34%

**Source: National CSR Portal**

Table 1 show the amount spent in India on CSR from the year 2014-15 to 2020-21. It shows that the CSR expenditure has increased from Rs. 10,066 crore in the year 2014-15 to Rs. 25,715 crore in the year 2020-21. It clearly shows that the amount spent on CSR has increased by Rs. 15649 crore. Further, CAGR (Compounded Annual Growth Rate) of CSR expenditure has been increasing at 14.34 percent during the period of study.



**Figure: 1 CSR Expenditure in India from 2014-15 to 2020-21**

**Source: National CSR Portal**

Figure 1 clearly shows that the CSR expenditure has increased in India during the period of study.

### Corporate Social Responsibility Expenditure in Punjab

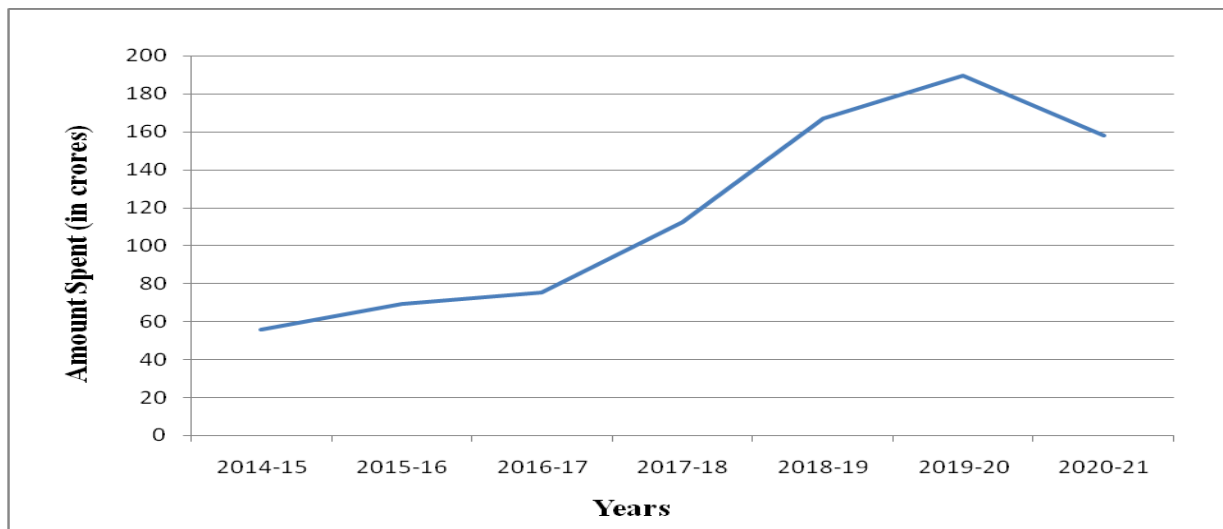
The CSR expenditure in Punjab during the period of study is shown as below.

**Table: 2 CSR Expenditure in Punjab**

Year	Amount Spent (in crores)
2014-15	56
2015-16	69
2016-17	75
2017-18	112
2018-19	167
2019-20	189
2020-21	158
CAGR	15.97%

Source: National CSR Portal

Table 2 shows the amount spent in Punjab state on CSR from the year 2014-15 to 2020-21. It shows that the CSR expenditure has increased from Rs. 56 crore in the year 2014-15 to Rs. 189 crore in the year 2019-20. However, there is a fall in the expenditure to 158 crores in the year 2020-21. The CAGR (Compounded Annual Growth rate) of such spending is 15.97% during the period of study.



**Figure: 2 CSR Expenditure in Punjab from 2014-15 to 2020-21**

Source: National CSR Portal

Figure 2 clearly shows that the CSR expenditure has increased in Punjab during the period of study. However, there is a fall in CSR expenditure during the year 2020-21.

## Corporate Social Responsibility (CSR) Initiatives in the Punjab State

Many companies are contributing in the Corporate Social Responsibility activities in the state. These are as follows:

### Navi Disha by TSPL, a Vedanta Subsidiary Company

Punjab is an agrarian economy, with a major share of agriculture and allied activities in the country. Over the years this agrarian economy has evolved from subsistence farming to commercial farming. Talwandi Sabo Power Limited (TSPL), a wholly-owned subsidiary of Vedanta Limited and the largest thermal power plant in Punjab, has been implementing its CSR initiative Navi Disha which is benefitting over 1100 farmers from 26 villages in the company's periphery. Under the project, the company has been helping the farmers in reducing input costs, adopt advanced agricultural practices and improve production from their agricultural lands.

Under Navi Disha project, TSPL has attempted to address agriculture-related issues by CSR in Punjab and organized several trainings and workshops on modern agricultural practices, integrated pest management and optimized use of chemical fertilizers for the farmers of Mansa & Bathinda District. This has resulted in increased saving on inputs costs of Rabi crops by 12% and on Kharif crops by 52%. In 2020, the company was awarded the Greentech CSR award for outstanding achievement in the promotion of sustainable agriculture for this program.

### PNB MetLife's Project 'Damini'

PNB MetLife, one of the top 10 private life insurance companies in India, is another company to introduce CSR in Punjab. It has launched its CSR initiative *Damini* recently focusing on supporting and empowering underprivileged girls and women in Semi-Urban and Rural India. Under the initiative "Damini" PNB MetLife India Insurance Co. Ltd. support initiatives across various life stages from girl child to women. The CSR initiative in Punjab is launched in collaboration with project Nanhi Kali which is expected to support 1000 underprivileged girls in the Moga district.

The Damini initiative includes engaging with girls through concept-based learning, cooperative learning and bi-annual assessment and evaluation. They also provide with a school supplies kit that includes a school bag, uniform, stationery and hygiene products. In order to tackle drop-outs, Nanhi Kali, the project partner records and monitors their progress to keep a tab on absenteeism. These regular checks helps in timely interventions in case there are issues faced by the girls. Volunteers also engage with parents of these beneficiaries and important stakeholders in the community to build awareness and sensitise these influencers to change negative mindsets and attitudes towards the girl child.

### Ambuja Cement Foundation and Pernod Ricard Foundation's Initiative for the betterment of Truck drivers

Contributing to the development of the state through CSR in Punjab are Ambuja Cement and Pernod Ricard, which have come together to chalk out a long term corporate social responsibility plan to help tackle substance abuse and health issues among truck drivers. The CSR program in Punjab also aims at preventing the truckers from falling prey to road accidents. The CSR project is a three-year-long intervention that Pernod Ricard Foundation and Ambuja Cement Foundation (ACF) conduct in three phases. They have chosen a group of 3,500 rural truck drivers in Derabassi (Punjab). This project focused on the behaviour change with respect to responsible consumption and nutrition. Under this project a committee that comprises union members, local government and local organizations is formed. The foundations will set up a vision care centre for eye care of the beneficiaries, alcohol and substance abuse counseling, road safety sessions by the RTO, and support groups for the migrants so that they are able to take ownership long after the intervention is completed.



While Pernod Ricard has made a commitment of Leaving No Trucker Behind when it comes to preventive healthcare and road safety, Ambuja Cement Foundation has organised health camps on HIV and STI for over 71,000 truck drivers. It has been working with government agencies like National AIDS Control Society, Punjab State AIDS Control Society, Chandigarh State AIDS Control Society and private players like the CSR arm of Apollo Tyres for the good health of truckers.

### Project Moo by Hindustan Unilever

Another CSR Project being implemented in Punjab is 'Project Moo' which is a part of 'Prabhat' which is a community development initiative of Hindustan Unilever Limited (HUL), launched in partnership with UDAY – a skill development organization partnered with the National Skills Development Corporation (NSDC). The project is first of its kind holistic AgTech solution that aims to tackle milk deficit, traceability, and personal extension issues through dairy management and knowledge and Communication Technologies (ICT) training. The project was launched at Mohi Khurd Village in Rajpura, Punjab, India. It aimed toward creating sustainable livelihoods for farmers by imparting dairy skills to rural farmers, including women dairy farmers. This included fixing of awareness camps on dairy as a sustainable business, providing digital & financial literacy, visiting farmers at their doorsteps with a team of dairy experts. The application harnesses the facility of massive data to supply demand-led extension training to farmers. The analytics-based learning approach follows the 'just-in-time learning' model offering skills and techniques that transform the dairy management practices. It helps the farmers in calculating their costs and profits. The app maps the life cycle of every cattle owned by farmers, sends need-based alerts, offers learning video and tools, connects to local experts, and provides benchmarking stats among other features. In order to make sure last-mile connectivity, each farmer was given Information and Communication Technologies (ICT) training also by the Village Level Entrepreneurs at the farmer's doorstep.

### Conclusion

Corporate Social Responsibility (CSR) is a very broad concept addresses many issues relating to human rights, corporate governance, health and safety, environment etc. The present paper studied the CSR expenditure in India as well as in the Punjab State. It shows that the CSR expenditure has increased from the year 2014-15 to 2020-21 both in India as well as in the Punjab State. The study also discussed the various CSR activities undertaken by the corporate in the state.

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