



India CSR

Regional Distribution Analysis

India is one of the few countries in the world mandating its corporate citizens to set aside a part of their profits to spend on social impact projects. Sattva Consulting has been working with leading corporations in various industries helping them make their CSR programmes effective and efficient. Our goal in each engagement is to help the funder achieve their intended impact and maximise their Social Return on Investment because each rupee spent well contributes to better impact. To ensure research-backed, data-driven, objective decision-making, we continuously track relevant data that can guide funders in making the right decision.

One such exercise we undertook was to understand generation, spending and inter-region flow of CSR funds – an increasingly important source of funding for social organisations. This paper provides a quick and mostly visual overview of the same.

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Where is India Inc.'s CSR fund coming from?

We have been tracking the CSR spend of 24,000+ companies, amounting to INR 27,949 Crore+. Here we plotted the average annual CSR spend for all companies spending more than a crore annually on CSR in India.

We found that out of 24,000 companies in our data-set, only 1,258 (About 5%) companies are above 1-crore annual CSR spend threshold. Together, these 5% companies generate a total of INR 24,697 crore (88.4%) out of the entire INR 27,949 crore CSR corpus in India.

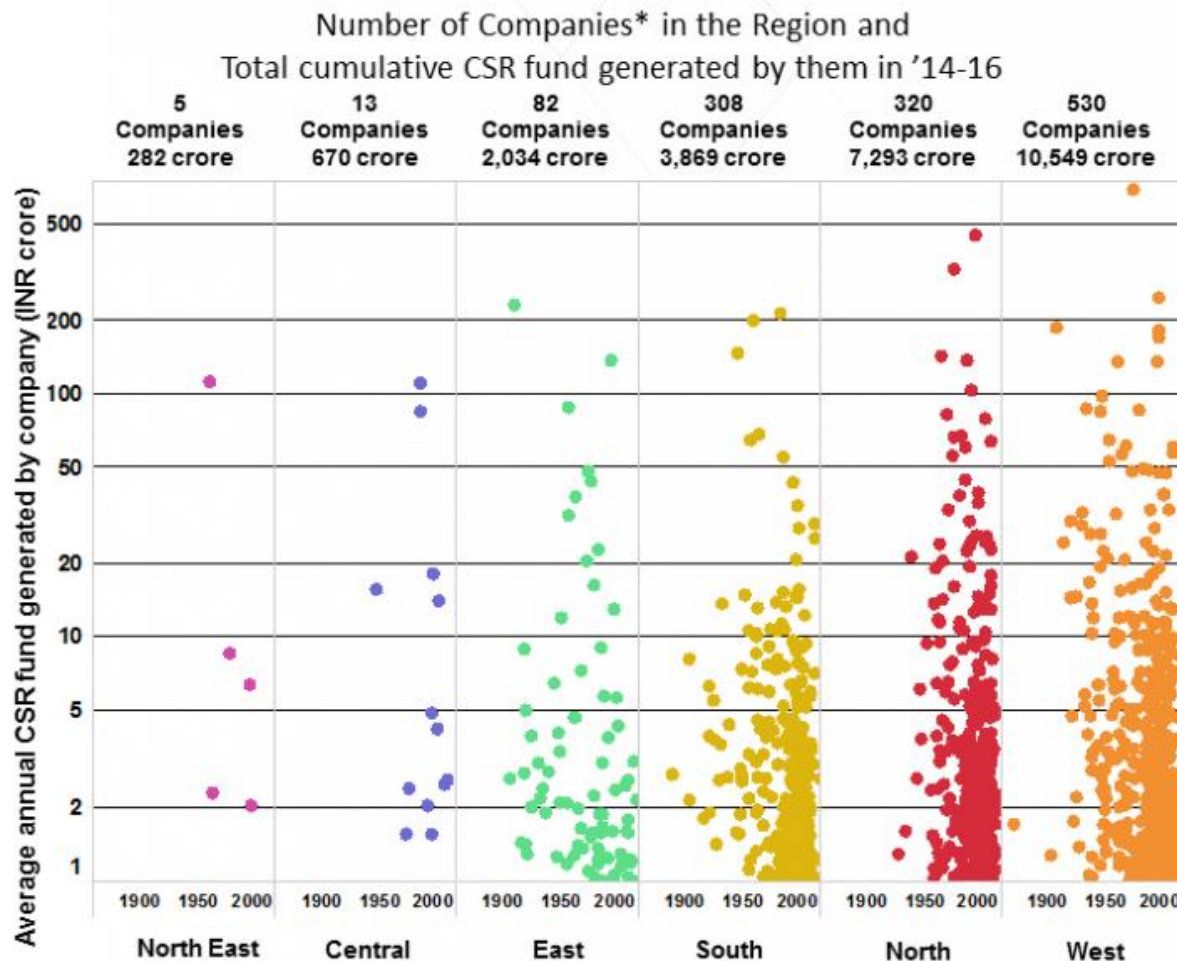
At a regional level, the highest concentration of these companies is in the West, North and South region (1158 out of 1258 or 92.1%).

In these three regions, average annual CSR fund per company is the highest for North region (INR 7.6 crore) followed the West region (INR 6.6 crore).

Companies in North East and Central region generate a much higher CSR fund on a per-company annual average basis. While the All India average for this parameter is INR 6.5 crore per company per year, the same for North East and Central region is INR 18.8 crore and INR 17.2 crore respectively.

The visualisation on the next page provides insight on the regional distribution of companies generating CSR funds in excess of INR 1 crore annually. Each dot on the graph represents a company. Companies are sorted region-wise and appear in the order of their year on incorporation (on X axis).

Regional Distribution of Companies Generating CSR Funds



Source- Ministry of Corporate Affairs (MCA),
2014-16

NOTE- Data for financial year 2016-17 is still getting
updated on MCA's website and this analysis is based
on the available data.

*Companies with average annual CSR spend of less
than 1 crore have been omitted from the analysis

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Inter-region circulation of CSR funds in India

Next is a quick snapshot of which region (companies headquartered in the region) generates how much in CSR funds and which region (social impact projects in the region) receives how much of that CSR fund.

While doing this analysis, we found the following points noteworthy:

1. Out of the total INR 27,949 crores spent on CSR activities, INR 11,729 crores (42.0%) of CSR fund is generated from companies headquartered in the Western region. The next big contribution comes from the North region with a total CSR budget of INR 8,190 crores (29.3%).
2. The Central, East and North-East regions together generate INR 3284 crores (11.7%) of the total CSR budget. These three regions have a total population of about 400 million+ and constitute 299 out of 712 districts in India. We also see that only INR 3593 crores (12.9%) of total CSR expenditure is spent in these regions.
3. Among the regions where CSR funds are spent, projects reported as pan-India receive the highest CSR money with a total expenditure of INR 10,968 crores (39.2%). The West and South regions in India also see significant CSR expenditure with INR 5756 crores and INR 4988 crores invested in these regions respectively.

CSR Funds Generated



CSR Funds Received



Source- Ministry of Corporate Affairs (MCA), 2014-16



Region	CSR Funds Generated (INR Cr.)	CSR Funds Spent (INR Cr.)
All India	NA	10,970
Central	710	935
East	2,274	2,072
North	8,190	2,785
North East	300	390
South	4,746	5,001
West	11,729	5,796
Total	27,949	27,949

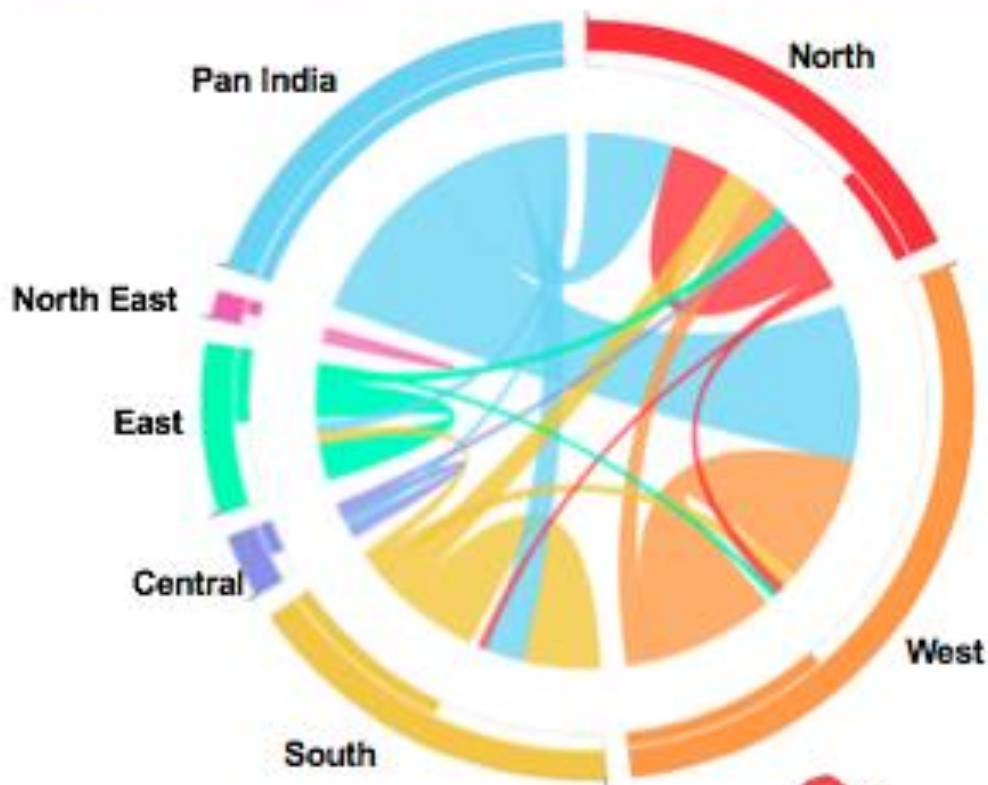
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How CSR funds flow within India

How companies headquartered in a region support development projects in other regions of India through their CSR funds



Tracking a total fund flow of
**INR 27,500 crores+ spent by
20,000+ companies**
between 2014 to 2016.



Source- Ministry of Corporate Affairs (MCA) CSR spending data that tracks CSR fund flow for financial years 2014, 2015 and 2016.

Note- Data for financial year 2016-17 is still getting updated on MCA's website and this analysis is based on the available data.



In the preceding graphic, each section represents a region in India. The only exception is the 'pan- India' section that represents projects undertaken at an all-India level. Each section comprises of two layers - the outer layer represents the total CSR activity in the region (CSR fund generated plus spent), the inner layer represents the total CSR budget spent in the region.

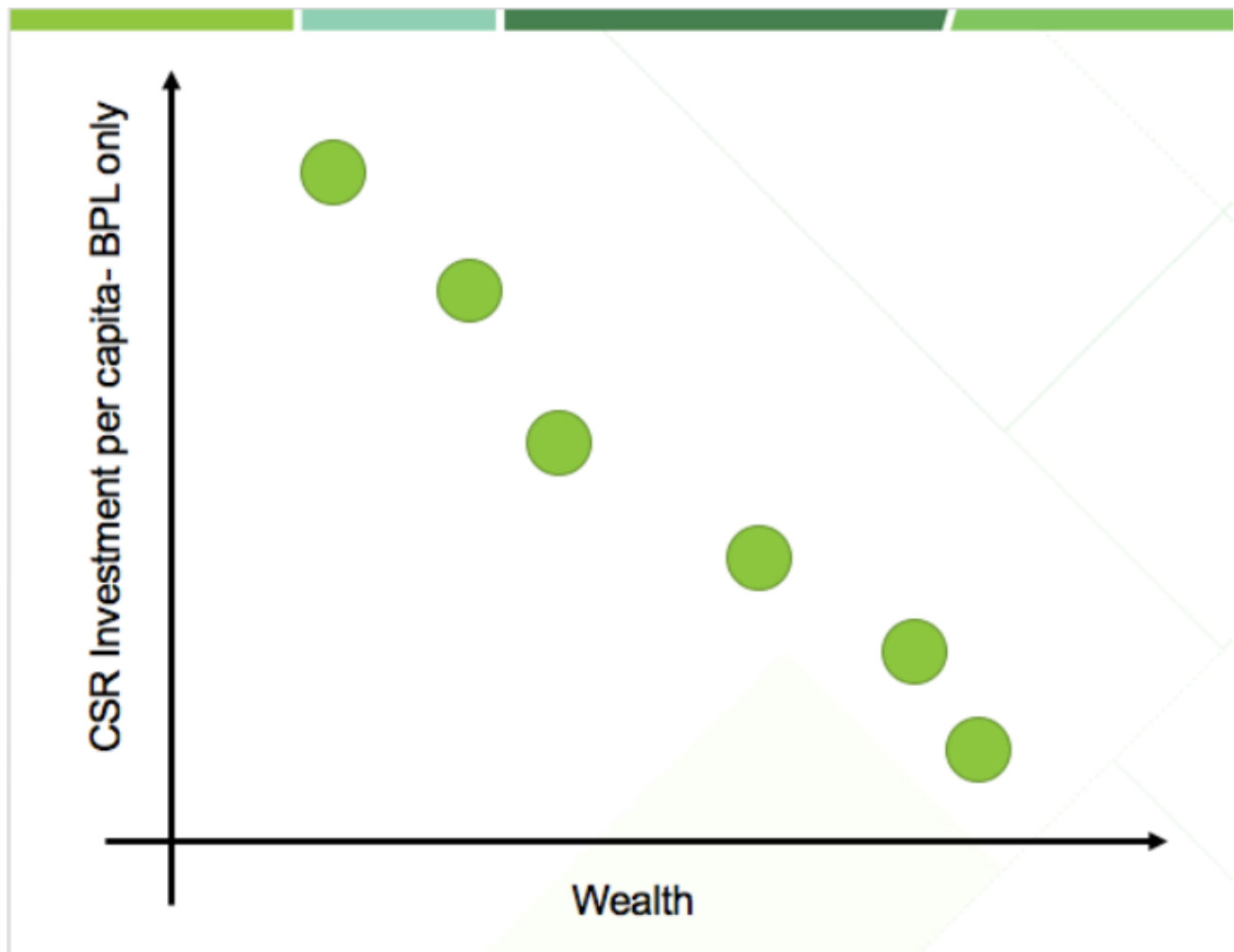
Regions in the visual are connected to each other through lines that have two key attributes- the width representing the total flow of capital and the colour representing the region receiving that capital. Please note that for pan-India section, all lines are light blue.

The visual can be used to interpret the following:

- The total CSR activity within the region
- The proportion of CSR amount generated and spent in the region itself
- Which regions fund/receive CSR money from which other regions

Where is India Inc.'s CSR fund going?

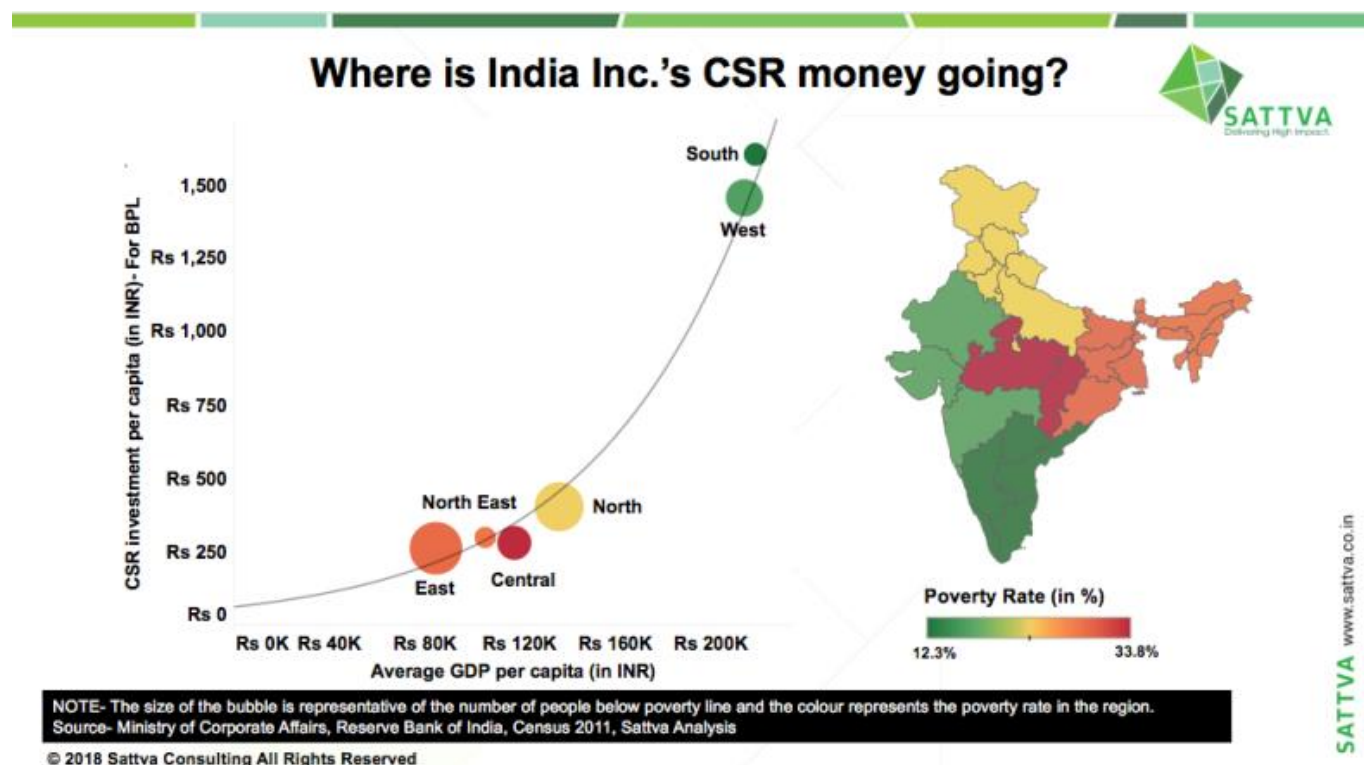
If we were to plot various regions of India putting their respective wealth on the x-axis and per capita CSR expenditure on people living below poverty line on the y-axis, we would hope to see the plot to look like the one shown below:



The underlying rationale for a downward sloping line is that needier regions of India should ideally receive a higher share of funds meant for development, including CSR investment.

Communities at disadvantage for various reasons – whether they live in regions with better wealth or not – undoubtedly benefit from every support they get. However, certain regions in India have a larger concentration of these communities and deployment of social investment in these regions could be of great benefit. How do these regional imbalances play out in CSR fund deployment in reality though?

A surprisingly inverse graph:



Region	Population (in million)	People living under poverty (in million)	Poverty Rate (%)	GDP per capita (INR)	CSR Investment per capital- For BPL (INR)
Central	98.2	33.2	34	117,243	282
East	270.3	79.2	29	84,672	262
North	300.2	68.8	23	136,267	405
North East	45.7	13.0	28	105,237	298
South	253.0	15.3	12	218,411	1,603
West	243.4	39.9	16	213,877	1,454

Southern and Western regions receive high CSR investment per capita (for population below poverty line).

While the GDP per capita of the Southern region is 2.5 times the GDP per capita of the Eastern region, the former receives about 6 times the CSR investment on a per capita basis than the latter.

How do we all become more conscious and influence the CSR funding to be directed towards the regions that need it the most? Join us on this mission as we provide more data-based insights to help you make the right funding decisions.

Write to us at

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Data Sources:

Ministry of Corporate Affairs: CSR expenditure data 2014-2016. Data for financial year 2016-17 is still getting updated on MCA's website and this analysis is based on the available data

Reserve Bank of India: GDP per capita (2014-15); Poverty Rates (2013)

Census 2011- Population 2011

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