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A DETAILED ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

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ABSTRACT

The concept of corporate social responsibility, which is still relatively new in India, has been gaining popularity over the past several years. CSR has received a significant amount of attention from the upper management of big firms all over the world, and it has developed into a standard operating procedure for companies. It makes it much simpler for business procedures to mirror the ideals of society. CSR is considered as the time at when several initiatives aimed to assure the continued socioeconomic progress of the community come together. This is the point at which CSR takes place. Taking into account the possibility that incorporating corporate social responsibility into businesses might play an essential part in the process of creating social value, which is especially important in a growing country like India. The particular objective of this dissertation is to explain the concept of CSR and examine its progress from the perspective of India as well as the rest of the world. In essence, it focuses on the CSR initiatives that have been carried out by Indian businesses and emphasizes the rules that govern CSR in India. The concept of CSR in India faces a variety of challenges and this study provides suggestions for addressing these problems and accelerating India's CSR operations.

I. INTRODUCTION

India has a long history of business involvement in social causes, as evidenced by the philanthropic activities of the Tata, Birla, Ambani, and Goenka families, who began their enterprises as family-owned proprietorship businesses and watched them grow into the massive corporations they are today, along with the ongoing social transformation. A

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collection of people working together to achieve a common goal creates an organization, and in a similar way, CSR is ingrained in the daily operating philosophies of organizations.

Rajas and Maharajas made charitable contributions and donations to underprivileged groups of society in the distant past. Gandhian Trusteeship Theory might be seen as a powerful ally in the fight for CSR. Gandhiji believed that the wealthy should donate some of their assets to help the less fortunate. The right to lead a moral life that is on par with that of millions of other people, is what belongs to me, not a decent amount of riches acquired via inheritance or commerce and industry, according to Gandhiji. The community owns the remaining wealth, which must be used for the good of the community.[2]

An evolutionary sketch of CSR in India may be defined in four methods or models in chronological sequence, according to Altered Images: the 2001 State of Corporate Responsibility in India Poll, a survey carried out by TERI.

Model Based on Ethics (1930s-1950s): According to the this model, commercial must manage money in the society's interest in addition to its own, acting as the trustee of the community. This strategy was successful in inspiring and motivating numerous family-run enterprises to make contributions and donations in support of socioeconomic development.

State Ownership Model (1950s-1970s): This is based on Nehru's Mixed Economy and Socialism Theory. The first PM of independent India, Pt. Jawaharlal Nehru, formerly held the opinion that the State should bear a significant portion of the responsibility for wealth creation in order to eliminate inequality in the distribution of national revenue. In other words, Pandit Nehru once said that although private company ownership is encouraged, the State must also assume its responsibilities in a similar way in order to significantly reduce the gap between the wealthy and the poor. State ownership of the firms so played a significant role in carrying out CSR.

Milton Friedman Model(1970s-1990s): According to Milton Friedman, businesses should operate legally in order to maximize their profits, which would then be distributed to society in the form of taxes paid to the government's coffers.

Stakeholders Model (1990s- Present Era): The result of globalization and the liberalization of national economies in the post-globalization period, which is also known as the

[2]C. V. Baxi and A. Prasad, CSR -Concepts & Cases (Excel Books, New Delhi, 2005).

stakeholders age, was the need for stakeholders' interests to be considered in relation to the essential profit that businesses needed to achieve. The Stakeholders Model was widely acknowledged to have gained societal and commercial acceptance by the late 1990s. Business organizations may be said to have been persuaded that protecting the interests of stakeholders, including consumers, creditors, governments, workers, etc., was essential to their continued existence. In their annual reports, more than 90% of Fortune 500 businesses used to discuss their CSR practices and policies. Most businesses who are part of the Fortune 500 league have recognised the importance of CSR to organizational objectives and publicly pushed CSR initiatives that were highlighted in their annual reports. India joined the CSR movement along with the rest of the globe after realizing how challenging it is to compete in the market without supporting socio-economic reasons.

II. CSR: INDIAN LEGAL FRAMEWORK:

India was the first country in the world to impose a CSR mandate when, in April of 2014, an amendment was introduced to the CA, 2013, making it mandatory for companies to engage in CSR. Businesses are permitted to donate a percentage of their earnings to charitable causes such as education, equality between the sexes, poverty, and the fight against hunger as part of their CSR compliance obligations.

The MCA has informed companies that any expenditures paid in the battle against the COVID-19 (coronavirus) pandemic would be included as CSR initiatives. There is a possibility that financing may be made available for a variety of projects that are connected to COVID-19. Some of these projects include disaster management, sanitation, and healthcare promotion, most notably preventative healthcare.

Businesses having a net worth of INR 5 billion ($70 million), yearly sales of INR 10 billion ($140 million), or net profit of INR 50 million ($699,125) or more are required to invest 2% of their average net earnings over the preceding three years in CSR.

The requirement to report to shareholders the amount of money spent on CSR was once voluntary, but it is now mandatory for corporations to do so. The following are included in CSR, while the concept is not limited to these:

- Initiatives related to the objectives outlined in the CA;

- Decisions taken by the company board in line with recommendations by the CSR Committee, provided that such choices include topics covered by the CA; projects related with those decisions.[3]

Businesses must be aware that CSR expenses cannot be deducted from taxable revenue. The government is thinking about reevaluating the new CSR regulations.[4]

Prior to this point, a firm was able to carry over any CSR money from one fiscal year to the next and use those funds in addition to the funds that were allocated for the current year. In order to comply with the CSR adjustments that were introduced by the Act, "companies are now required to transfer any unused CSR contributions into a fund that is specified in Schedule VII of the Act before the end of the fiscal year". If the money is not used within three years after the transfer date, it has to be put into one of the authorised funds or it has to be returned to the original source.

The industry, on the other hand, is opposed to the rigorous rules, which include the prospect of doing jail time for CSR breaches. As a result, the government is presently studying these laws before they can go into force.

Under the provisions of Section 135,[5] some companies are obligated to commit to investing at least 2% of the average net income they have produced over the last three fiscal years in CSR initiatives. "This provision applies to businesses that meet one of the following criteria: a net worth of at least Rs. 500 crore, revenues of at least Rs. 1000 crore, or a net profit of at least Rs. 5 crore". These businesses are obliged to form a CSR Committee of the Board with a minimum of three directors, one of whom must be an independent director. Notwithstanding this, the Act's section 149(4), which specifies that a corporation is free from the obligation to designate an independent director, requires the CSR committee to consist of at least two directors.[6]

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[3]CSR in India, *available at:* https://www.india-briefing.com/news/corporate-social-responsibility-india-5511.html/ (Last Visited on March 15, 2023).

[4]The Companies (Amendment) Act, 2019.

[5]The CA, 2013, s. 135.

[6]The CA Act, 2013, s. 149(4).

The CSR Committee shall develop and submit to the Board of Directors a CSR policy setting forth the actions the Company will undertake in the areas and on the topics set forth in Schedule VII. The CSR Committee is also in charge of directing the application of the CSR policy. A yearly report on the company's CSR initiatives must be written by the committee and included in the board's report to shareholders. The details of the CSR initiatives or activities that the company carried out over the course of the year, the funding allotted to each one, and the effects of the actions on society should all be included in the report.

According to the Act, CSR initiatives must focus on issues including advancing education, combating hunger and poverty, advancing gender equality, preserving the environment, and other topics listed in Schedule VII. In addition to the CA, a large number of other rules and regulations in India encourage CSR. Companies that are listed on stock exchanges, for instance, are required to publish the BRSR, which is governed by the SEBI and lists the CSR initiatives in which the firms have taken part. In addition to this, the MCA has issued a large number of directives and circulars concerning CSR.[7]

Applicability:[8]

Every business that has a "branch office or project office in India" and met the requirements in the most recent financial year, including its holdings, subsidiaries, and foreign companies defined in clause (42) of section 2 of the Act, is required to abide by section 135 and its rules and establish a CSR Committee:

- Net worth of at least 500 billion rupees;
- Sales of at least one billion rupees;
- Net profit of at least Rs. 5 crores.

Composition of the CSR Committee:

Section 135(1) says that the "CSR Committee must have at least three directors, and at least one of those directors must be independent". Rule 5 of CSR Rules, 2014 says:

- The CSR Committee will not include a director who is not required to be an ID;

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[7]Clear Tax, 'CSR Under Section 135 of CA 2013, *available at:* https://cleartax.in/s/corporate-social-responsibility (Last Visited on March 15, 2023).

[8]The CA Act, 2013, s. 135(1).

- The CSR Committee of a private firm with only two directors will consist of two of the two directors;
- The CSR Committee of a foreign company must consist of at least two members. The foreign firm must select one of these individuals, and the other must be one of the individuals mentioned in "clause (d) of sub-section (1) of section 380 of the Act".

Committee Functions:[9]

- To Come up with a policy for CSR and propose it to the Board;
- To say how much money should be spent on the activities;
- To check in from time to time on the company's CSR Policy.

CSR Expenditure:[10]

Every company's board must make sure that the company spends at least 2% of the average net profits it made in the three financial years before.

- When investing the funds designated for CSR initiatives, the company will give priority to the area where it is based and the areas around it;
- "CSR spending includes any money spent on projects or programmes related to CSR activities and approved by the Board based on the advice of its CSR Committee. This includes money put into the corpus";[11]
- CSR spending can't be used to pay for something that doesn't fit with the activities listed in Schedule VII of the Act or isn't related to them.[12]

CSR Activities:

- According to the company's CSR policy, the CSR activities will be done as projects, programmes, or activities (either new or ongoing);
- CSR Activity does not include things that a company does as part of its normal business operations;

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[9]The CA Act, 2013, s. 135(3).
[10]*Id.*, s. 135(5).
[11]The Companies (CSR Policy) Rules of 2014, Rule 7.
[12]*Id.*

- A company's Board of Directors can decide to do CSR activities that have been approved by the CSR Committee by:
  - "A business formed in accordance with Section 8 of the Act, or a registered trust or society formed by the business either alone or in partnership with another business;
  - A business created in accordance with Section 8 of the Act, a registered trust or society created by the federal or state governments, or any other organisation created in accordance with a law passed by the national or state legislatures".
- A business can also work with other businesses on projects, programmes, or CSR activities;
- CSR Expenditure will only include CSR projects, programmes, or activities that take place in India;
- CSR activities don't include projects, programmes, or activities that only help the company's employees and their families;
- According to section 182 of the Act, giving money "directly or indirectly to a political party is not a CSR activity".[13]

CSR Policies:

The company's CSR policy will include, among other things, the following:

- A company's list of CSR projects or programmes they plan to do;
- The way these projects or programmes are watched over.[14]

The company's CSR policy should say that any extra money made from CSR projects, programmes, or activities shouldn't be added to the business's profit.[15]

Disclosures:[16]

[13]*Supra* note 27, Rule 4.
[14]*Id.*, Rule 6.
[15]*Id.*
[16]The CA Act, 2013, s. 135(2).

The CSR Committee's members will be listed in the Board's report[17] and CSR activities shall be displayed on its website. The company's BOD will approve the CSR Policy and provide a report on its contents after taking the CSR Committee's recommendations into consideration. If the firm has a website, the policy will also be made available there in line with the information in the Annexure.[18]

III. NON-COMPLIANCE OF CSR POLICY PROVISIONS AND PENALTY:

Under Section 135 of the Act, there is no specific punishment for not following the rules. There are risks, though, because of two different rules. Penalties would be given if the Boards' report didn't include details about the CSR policy and how it was put into place.[19]

- To share all the important information about its CSR policy and how it is being carried out every year;
- These are the penalties for not doing the above-mentioned duty:
    - ➢ A fine of not less than 50,000 rupees or more than 25 lakh rupees;
    - ➢ Every corporate official who violates the terms of their employment is subject to imprisonment for a time that may not exceed three years, a fine that must not be less than 50k which may extend to 5 Lakh, or both.[20]

General punishments for breaking the rules and doing it more than once:

- Fines can go up to Rs. 10,000, and if the violation goes on for more than one day, they can go up to Rs. 1,000 for each day after the first that the violation goes on;[21]
- A person who breaks the law can be fined or put in jail. If the same offence is committed again or more than once within 3 years, the company and every officer who broke the law will be fined twice the amount of the fine for that offence, in addition to any jail time that is provided for that offence.

[17]The CA Act, 2013s. 134(3).
[18]*Supra* note 27, Rule 9.
[19]CSR Penalties under Companies Act, 2013, *available at:* https://taxguru.in/company-law/csr-penalty-companies-act-2013.html (Last Visited on October 03, 2022).
[20]*Id.,* s. 138.
[21]*Id.,* s. 450.

IV. CSR RULES:

The MCA changed the "Companies (CSR Policy) Rules, 2014, in 2021". "Companies (CSR Policy) Amendment Rules 2021" is the new name for these rules. The "Companies (CSR Policy) Rules of 2014" changed these rules to make them easier to follow and more open. CSR are as follows:

Administrative costs: Following the adjustment, "administrative overheads" now exclusively refer to the expenses incurred by the company for "general management and administration" of its CSR initiatives. It eliminates any additional expenses that are directly incurred for organizing, directing, carrying out, and assessing a particular CSR activity from the definition of administrative overheads. Simply put, it indicates that no direct expenditures associated with a particular project or effort related to CSR will be covered by the administration costs. The board must also ensure that administrative expenses do not account for more than 5% of all CSR expenditures made by the business throughout the fiscal year;

Completed project: It refers to a project that a company devotes more than a year to as part of its commitment to CSR. The duration of the programme is limited to three years, not including the year it started. It also contains fresh ideas that weren't planned as multi-year initiatives but had their periods extended by the Board by more than a year for justification;

Modifications to the definition and guidelines for the policy on CSR: A company's strategy and goals, which are established by the "BOD after taking into account the recommendations of the CSR committee, are included in the new definition of CSR policy". The definition provides guidelines for selecting, performing, and evaluating activities as well as instructions for creating an annual implementation plan;

Amendment to Rule 5: Businesses must form a committee for social responsibility, according to Rule 5. The CSR committees are required under the organization's CSR policy to develop an annual action plan and recommend it to the board of directors. The following should be included in the yearly implementation plan, which is subject to modification "at any moment during the fiscal year, as recommended by the organization's CSR committee":

- The date of implementation and the manner of funding allocation;
- The manner in which the program's operations are carried out;

- A list of projects for CSR that have been approved;
- A technique to monitor and assess the project's development;
- The precise requirements for each programme as well as an unbiased appraisal of the programme that the organisation is implementing.

Rule 4 has been changed to read "CSR implementation" rather than "CSR activities" in the CSR Rules, 2021. This is so that it is clearer to talk about "CSR implementation" than "CSR activities." The new regulations mandate that businesses engage in CSR activities either directly or through other authorities and organisations, such as:

- "A public trust that is registered;
- A group that is recognised by the law;
- Business owners themselves;
- By the federal government or one of the states;
- A business can also ask for help from any group set up by an Act of Parliament, a state legislature, or a local government;
- A Section 8 corporation, which is a registered public trust;
- A registered society that has been running for at least three years and has a track record of implementing CSR.
- Rule 4(5) of the revised rules says that it is the board's job to make sure that the funds are only used for the approved purposes and that, if there are ongoing projects, they are done according to the agreed-upon schedule. Under the new rules, the board has the power to make changes to make sure that CSR initiatives are carried out well."[22]

Change in Rule 7:

- **Management of the excess CSR amount:** Within six months of the fiscal year's end, the board shall ensure that any funds remaining from CSR operations are either

[22]*Supra* note 21.

returned to the same programme, "transferred to the unallocated CSR fund, and then used in accordance with the CSR policy" and the company's annual plan of action;

- **What to do if you have more money than you need:** The Committee must ensure that the additional funds are used only for CSR initiatives. If there is a surplus from CSR initiatives, it cannot be utilized to offset the extra funds; rather, it must be repaid within the next three fiscal years. To do the same, the company's board of directors must adopt a resolution;

- **Modifications to the regulations governing the acquisition of capital assets:** If a corporation acquired a capital asset prior to the effective date of the Corporate (CSR Policy) Amendment Rules, 2021, it has 180 days from that date to comply with the rules. But the 180-day limit may be extended by 90 days if there is a valid justification and the board concurs.

Rule 8: Modifications to how businesses report on their social responsibility: All organisations with an average commitment to CSR of ten crore rupees or more over the previous three fiscal years are expected to assess the success of their CSR initiatives. The annual report on CSR must include an attachment with the effect assessment reports. The board of directors of the corporation must also receive these reports. Additionally, a business doing an impact assessment may include CSR costs as long as they don't exceed Rs. 50 lakhs or 5% of all expenses, whichever is less;

Information updated under Rule 9: According to mandatory disclosure guidelines, the board-approved CSR programmes and policies, as well as the members of the committee, must all be made available on the business website.[23]

V. METHODOLOGY OF CSR IN INDIA:

Identifying an organization's social responsibility and impact on society is done through CSR. The following elements of each business are initially assessed:

- Customers;

- Vendors;

[23]CSR, *available at:* https://blog.ipleaders.in/corporate-social-responsibility-4/#Examples_of_Corporate_Social_Responsibility_in_India (Last Visited on October 08, 2022).

- Environment;
- Communities;
- Workers.

The most effective CSR strategies need businesses to show respect for underserved populations, as well as for the natural environment. Also, CSR should be sustainable, meaning that it should include programmes that a firm can run without putting their commercial objectives in jeopardy. Several Indian businesses have embraced CSR programmes and done a good job of incorporating them into their business operations. It has slowly gained greater notoriety in the Indian corporate sector as a result of businesses realising how essential it is to cultivate relationships with society at large in addition to growing their companies.

These days, companies have dedicated departments and teams working specifically on their CSR programmes. These departments and teams generate unique objectives, plans, and budgets. Often, these programmes are founded on distinct social ideals or are meticulously adapted to the industry in which the organisations are active.

VI. RECENT TRENDS UNDER CSR IN INDIA:

There has been a significant change in CSR in India over the past few years as a result of the fact that businesses have increased the scope of their CSR programmes and the government has enacted new regulations to support CSR. Notable advancements in India's CSR include the following:

Digitalization of CSR: The government has built an online portal with the intention of assisting businesses in registering and reporting their CSR activity. Because of the platform, it is now much easier for companies to keep track of and manage the money they spend on CSR initiatives, as well as to communicate with stakeholders about their work.

The inclusion of COVID-19 relief measures under CSR: The MCA issued a circular in 2020 indicating that corporations might carry out COVID-19 alleviation measures under CSR, such as establishing hospitals, providing healthcare facilities, or making payments to the PM CARES Fund. The circular was issued in response to a request from the MCA.

The NVG on Business's Economic, Social, and Environmental Responsibility were introduced: The NVGs, which offer corporations advice on incorporating CSR into their company operations, were introduced by the MCA in 2011. The NVGs underline the necessity for businesses to address CSR in a sustainable manner.

Education: Education has been a prominent focus of CSR activities in India, with firms financing initiatives like constructing school facilities, training teachers, and awarding scholarships to eligible children.

Collaboration with Non-Profits: Businesses are increasingly working with charitable organisations to carry out their CSR programmes. This has made it simpler for businesses to benefit from NGOs' expertise and experience in certain social development domains.

Social Entrepreneurship: The MCA created the CSR Guidelines, which permit businesses to give to incubators and research institutions that assist social entrepreneurship, in 2013. This is done to promote social entrepreneurship. This clause attempts to encourage entrepreneurship and innovation in the social sector.

Impact evaluation is the main subject: In recent years, increasing consideration has been given to the importance of CSR evaluations for corporations and organisations. Under the CSR Rules, companies were originally permitted to spend up to 5% of their CSR budget or Rs. 50 lakhs on impact evaluations. According to the Companies (CSR Policy) Amendment Rules 2022, the cost of social impact evaluations, which are included in the category of CSR spending, is restricted to 2% of all CSR spending or Rs. 50 lakhs, whichever is greater. This limitation is in place because social impact evaluations fall under the category of CSR spending. The adjustment makes it possible for substantial CSR activities to have bigger impact assessment expenses.

Accountability and Transparency: As a result of the modification rules that were issued in 2022, the format of the annual report that details CSR actions has been updated. It is required that the annual report have all of the following sections: an executive overview, impact evaluations of CSR efforts, the CSR policy, and information on the members of the CSR committee. Businesses are required to declare money that have been put aside for existing and new projects, excess funds that are available for set-off, and unused CSR funds for the preceding three fiscal years. The annual report shall also provide an explanation for any failure to spend 2% of the company's average net sales during the preceding three fiscal years, as well as data on any capital assets that were developed or purchased through CSR expenditures. These alterations are a reflection of an increased emphasis in India's CSR reporting on accountability and openness.

VII. ISSUES IN CSR IN INDIA:

Running a business while considering your social responsibilities is a difficult challenge. Today's businesses need to think about more than simply earnings if they want to satisfy their stakeholders. They are still learning how to preserve harmony between the company's strategic goals and social and environmental considerations. Challenges in CSR implementation are discussed below:

Refusal To Take Into Account CSR's Holistic View: Companies continue to see CSR in a limited way. They are unable to grasp "the holistic perspective of CSR, which holds that CSR affects nearly all of the company's stakeholders as well as society and the environment as a whole". Realizing new opportunities and using them to address societal issues is crucial for businesses. They need to combine corporate goals with ecological and social goals in an effort to produce shared value. The company should integrate CSR into all aspects of its operations and should be very clear on where it should focus its investments.

Not Enough Transparency: Window-dressing is a technique used in organizations to disguise information from stakeholders. Today's society requires CSR; thus, they also require CSR transparency. The current state of corporate openness is utterly inadequate. Businesses don't put enough effort into disclosing pertinent information. This comes between the development of community and business trust. Lack of transparency is the largest problem CSR is now facing since it is essential to the success of any CSR program.

Greenwashing: In India, there is a lot of inequality. The CSR law lacks a forceful enforcement mechanism and does not go far enough in addressing inequality. Because CSR is not sufficiently clear, it creates the appearance of advancement. This results in widespread greenwashing. One of the main obstacles to CSR effectiveness and compliance is this.

Lack of adequate financial resources, regional capacity, and infrastructure: CSR may need significant financial outlays. As a result, businesses need to carefully plan and prioritize their investments. Prior to implementing initiatives, careful planning of the resources to be used and the problems to be solved is required. Local capackies and appropriate infrastructure are also lacking. Since there are no reliable governmental or non-governmental institutions that can support CSR, it is imperative to develop local capabilities and infrastructure facilities for CSR implementation that is successful.

Abnormal Consensus: Due to a lack of coordination among various corporate organizations and municipal governments, businesses' CSR programs are often duplicated. This encourages unneeded competition among businesses, which works against the primary goal of creating value for society.

Communities' Absence of Participation: Less interest is being shown in the programs and initiatives planned by corporations by the communities for whom CSR is to be done. Additionally, inadequate attempts are made to promote CSR initiatives within communities, which results in a lack of confidence among the populace.

Strategic Planning Deficiency: Due to a lack of adequate experimentation, engagement, and strategic planning, businesses are unable to significantly impact their CSR operations. They cannot deliver outcomes with a significant effect since they are unable to recognize optimal investment proposals. Corporate entities must be aware of the difficulties that its population confront in order to make wise investments.

Faulty Implementation And Execution: Long-term commitment is required from businesses, as is an effort to involve the workers and personal dedication and strategic planning from executives. Instead, than merely talking about it, take action and make it happen. Executing CSR actions strategically is crucial for enhanced effectiveness and efficiency.[24]

VIII. HOW CSR FAILED IN INDIA:

Despite the fact that CSR has shown to be successful, we are unable to claim that it has completely accomplished all of its objectives. One of the primary reasons for this is that these limitations are not being enforced in an effective manner. The mere act of ordering people to comply won't do anything. The identification of genuine initiatives that big corporations may sponsor within the limitations of their CSR standards is one of the primary challenges that

[24]CSR in India, *available at:* https://www.lawaudience.com/corporate-social-responsibility-in-india-issues-and-challenges/ (Last Visited on March 15, 2023).

must be overcome. "According to the KPMG analysis, geographical bias is another important cause for CSR's failure. This disparity exists for the simple reason that most businesses prefer to allocate funding to initiatives that are close to their headquarters. This eventually leads to the industrialization of both developed and developing areas. All resources are redirected from the nation's underdeveloped and poorer sectors, which are in desperate need of them, to the already developed sectors. According to the same survey, more than 52 of the top 100 corporations in the country did not spend the requisite 2% on CSR efforts."[25]

ONGC, IT behemoths TCS and Infosys, lenders ICIC Bank, Axis Bank, HDFC Bank, and telecom behemoth Bharti Airtel are among the top corporate tycoons who have broken the CSR LAW's 2 percent guideline.[26] "According to Media DNA money, firms like Bharti Airtel (22%), Idea (33%), Hindustan Zinc (37%), BHEL (41.8%), and Cairn India (48%) spent less than half of what they were required to spend on CSR in the financial year 2015-16. According to the report, nearly 19,000 companies spent Rs 13,828 crore in FY16, but just Rs 4,719 crore was spent by 6,286 enterprises the next year. During FY16, over 9,200 qualified enterprises did not spend a single dime on CSR, compared to 346 in FY17. According to the CRISIL and Prime Database studies, only a little more than half of the enterprises (57%) have met the 2% requirement. The government had issued warrants for prosecution against 284 corporations and issued 5832 notices for failing to meet the obligatory CSR expenditure regulations."[27]

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[25] CSR in India: Triumphs & Failures, *available at:* https://blog.ipleaders.in/csr-triumphs-failures/ (Last Visited on March 20, 2023).

[26] *"Large India Business Failing on Spending 2% Profit on CSR",available at:* https://indiacsr.in/large-indian-business-failing-on-spending-2-profit-on-csr/ (Last Visited on March 20, 2023).

[27] ET Bureau, "284 Companies may face prosecution for CSR Non – Compliance" *The Economic Times,* Dec 19, 2018.