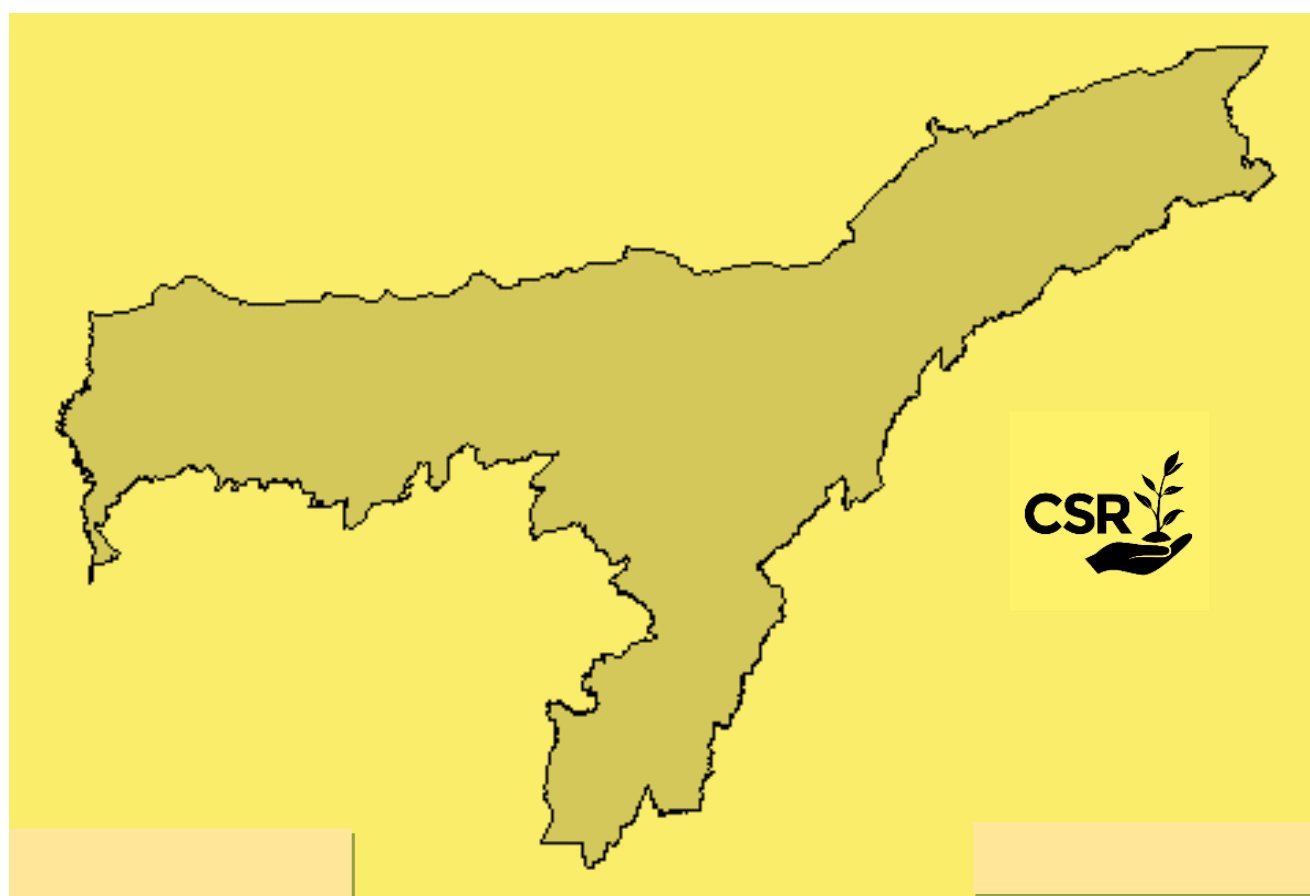


# Policy Brief Draft: Consolidating Corporate Social Responsibility in Assam: *Addressing Equitable, Sustainability and Investment Concerns [2011-2020]*

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January, 2022

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## Executive Summary

Assam has been the best performing state in terms of CSR investment in the North East region (NER). This policy brief a continuation of the attempt of Council for Social and Digital Development (CSDD) and the North East Development Foundation (NEDF) and to start discussions around CSR spending and its role in development in the NER. The previous policy brief ***“Bridging the CSR Divide in the North East India: A Decade of Corporate Social Responsibility and Beyond [2011-20]”*** looked at CSR in the North East. This policy brief attempted to understand CSR investment in Assam, the state with the highest CSR investment in the region, in the light of the Assam CSR Policy of 2019.

### The main points coming out from this policy brief are:

1. Assam received the highest percentage of CSR allocation in the NER, which is 68.3% (INR 233.98 crore) during the time period 2014-19.
2. In terms of SDGs, Assam is the front runner with only 2 goals and an aspirant in 4 of the goals. It is also a performer in 4 goals. These sectors indicate where Assam needs more investment for development. This makes Assam one of the poor-performing states in terms of SDGs.
3. Assam's total SDG score is 57, only slightly higher than Bihar and Jharkhand, and is one of the negative performing states of the country. The poor performance of the state in terms of SDG implies the scope of greater investment in Assam. This is where more CSR investment can benefit.
4. CSR expenditure in Assam has increased between 2014-15 and 2016-17. It has, however, seen a decline from 2016-17 to 2018-19. There has been an increase in 2019-20 but this rise is not equal to the CSR investment in 2016-17.
5. Assam has received 2.34% of CSR investment as compared to the rest of the country in 2019-20. This is better than all NE states.
6. INR 508.48 crore originated in the state and 74.5% of them were retained in the state. The state received INR 274.37 crore from other states which makes it a net recipient, i.e., it receives more CSR than it gives to the other states.

7. Assam had only 59 companies undertaking CSR activities in the year 2014-15. The number more than doubled, with a total of 124 companies participating in CSR activities in the state in the financial year 2018-19, according to the Ministry of Corporate Affairs. The state gets almost 72% of the total funding pie coming to the North East Region (NER).
8. Districts like Kamrup, Golaghat, Bongaigaon, Tinsukia, Sivasagar, Jorhat and Lakhimpur are the biggest beneficiaries of CSR expenditure in Assam.
9. Education has the highest CSR allocation followed by Health in the sector. Sectors like Gender Equality and Environment need more attention in the districts of Assam.
10. Upper Assam gets the highest CSR investment in the state, followed by Lower Assam. This is even when Lower Assam includes Kamrup Metro, the most CSR attractive district of the state given its metropolitan and easily accessible features! North Assam and Barak Valley and NC Hills lag far behind in this aspect.
11. CSR investment in Assam needs urgent paradigm shift. All districts of Assam, especially the priority districts need more CSR investment. According to the Ministry of Health and Family Welfare (MHFW), there are districts in the state that require sharper improvement in health outcomes. This identification is done based on composite health index and the High Priority Districts (HPD) that are identified are the bottom 25% of the districts in terms of health outcomes.

## 1. Introduction

CSR expenditure in Assam has increased between 2014-15 and 2016-17 and is also the highest CSR allocated state in the NER. North-east India has been the most neglected region when it comes to the allocation of Corporate Social Responsibility (CSR). Only 3% of the total companies chose to spend their CSR allocation in the North-East during 2017-18, reflecting the neglect in terms of CSR spending in the region. The CSR contribution in North East India in the financial year 2017-18 is 3.6% (INR 342.58 crore) of the total all-India CSR fund of INR 9516.1 crore.

Irrespective of the amount spent, Assam received the highest percentage of this allocation, which is 68.3% (INR 233.98 crore) during the time period 2014-19. This is followed by Arunachal Pradesh which is 8.38% (INR 28.7 crore). Tripura got 6.1% (INR 20.89 crore), Sikkim 5% (INR 17.1 crore), and Manipur 4.11% (INR 14 crore). Meghalaya, Nagaland, and Mizoram received a meagre 3.68% (INR 12.60 crore), 2.77% (INR 9.48 crore), and 1.6% (INR 5.48 crore) respectively in 2019. Although states like Meghalaya, Sikkim, and Manipur have witnessed increasing growth in CSR allocation from 2014 to 2019, the percentage of allocation is meagre.

It is seen that the northeastern region has seen a rise in CSR expenditure over the past five years, with corporate houses and public sector enterprises giving more importance to north-eastern states in their CSR planning and budget. According to the Ministry of Corporate Affairs (MCA), four north-eastern states recorded a jump of 200% in CSR funding between 2014-15 and 2018-19. Assam is the biggest beneficiary in the region.

Before understanding the allocation of CSR investment in Assam, it is important to look at the other socio-economic and demographic factors of the state. As per the 2011 Census of India, Assam has population of 3.12 Crores, an increase from figure of 2.67 Crore in 2001 census. The total population growth in this decade was 17.07 percent while in previous decade it was 18.85 percent. The population of Assam forms 2.58 percent of India in 2011. In 2001, the figure was 2.59 percent.

The following table 1 gives information about other details of the state.

Sex Ratio	Child Sex Ratio	Population Density per km <sup>2</sup>	Total Literacy Rate	Male Literacy Rate	Female Literacy Rate	Rural Literacy Rate	Urban Literacy Rate
<b>958</b>	962	398	72.19%	77.85%	66.27%	69.34%	88.47%

**Table 1: Social Details of Assam (as per the 2011 Census of India)**

It is important to have this background in mind before understanding the state of CSR in India. For instance, the female literacy rate of Assam is lower as compared to the male literacy rate. Similarly, the rural literacy rate is lower as compared to urban literacy rate. This gives an idea of what and where CSR expenditure in Assam can prioritize.

**There is also a need to understand how the state is doing in terms of SDG indicators.**

SDG Goal	Status	Score	India Score	Target
<b>1 No Poverty</b>	Performer	51	60	100
<b>2 Zero Hunger</b>	Aspirant	41	47	100
<b>3 Good Health and Well Being</b>	Performer	59	74	100
<b>4 Quality Education</b>	Aspirant	43	57	100
<b>5 Gender Equality</b>	Aspirant	25	48	100
<b>6 Clean Water and Sanitation</b>	Performer	64	83	100
<b>7 Affordable and Clean Energy</b>	Front Runner	98	92	100
<b>8 Decent Work and Economic Growth</b>	Performer	50	61	100

<b>9 Industry, Innovation, and Infrastructure</b>	Aspirant	39	55	100
<b>10 Reduced Inequalities</b>	Front Runner	65	67	100

Table 2: SDGs and Assam

The above table makes it clear that Assam is front runner only 2 goals and an aspirant in 4 of the goals. It is also a performer in 4 goals. These sectors indicate where Assam needs more investment for development. This makes Assam one of the worst performing states in terms of SDGs as indicated by the table 3 below.

<b>Best Performing States Of India</b>	<b>75</b>	<b>Kerala</b>
	74	Himachal Pradesh, Tamil Nadu
	72	Andhra Pradesh, Goa, Karnataka, Uttarakhand
	71	Sikkim
	70	Maharashtra
<b>Worst Performing States of India</b>	61	Chattisgarh, Nagaland, Orissa
	60	Arunachal Pradesh, Meghalaya, Rajasthan, Uttar Pradesh
	57	Assam
	56	Jharkhand
	52	Bihar

Table 3: Best and Worst Performing States in SDGs



Assam's total SDG score is 57, only slightly higher than Bihar and Jharkhand, and is one of the worst performing states of the country. The poor performance of the state in terms of SDG implies the scope of greater investment in Assam. This is where more CSR investment can benefit.

### **Assam's Social, Economic and Development Challenges and Critical Non-SDG Indicators**

Along with the SDG indicators, Assam's policies are also complicated with domestic and local politics like insurgency. 36.11% of Assam is covered by forests and this implies that the state might lose out in terms of growth and development. Besides, Assam also lags behind in terms of internet connectivity, unemployment, and stagnating manufacturing sector. Assam needs attention and investment to accelerate the development process.

## **2. CSR Investment and Development in Assam – A General Overview**

The scope of CSR is huge in the North East, especially in Assam. And this is not only limited to the times of natural disasters. CSR can also contribute to growth and development of a region. It is also worth pointing out that as the Covid-19 pandemic broke out; the CSR community in India was quick to respond with most committees and boards working overtime to speed up the internal process.<sup>1</sup>

Given the role of CSR in development, India became the first country to legally mandate CSR in 2014. According to new laws in Section 135 of India's Companies Act, it is mandatory for companies of a certain turnover and profitability to spend 2% of their average net profit for the past 3 years on CSR. Every company registered under the Companies Act, 2013 or any other previous company law is eligible for the CSR mandate if they have a net worth of Rs 500 crore or more. Companies with a turnaround of Rs 1000 crore or more or with net profit of Rs 5 crore or more during a financial year are also eligible for this mandate. The activities eligible across sectors include hunger and poverty, education, health, gender equality, women empowerment, skills training, environment, social enterprise projects, and promotion of rural and national sports. The CSR activities are carried out through committees that are formed by the corporations and through a registered trust, society, or company. If the CSR activity only benefits the employees of the companies or their families, such expenditures will not be considered CSR as per the law. Further, any activity that is not in the form of a project is not considered CSR as per the law. Also, any CSR activity not approved by the board cannot be qualified as a CSR initiative of the company.

Since the law has been relatively new in India, the real impact of CSR cannot be completely measured or understood. According to the CSR journal, it is observed that the amount spent on CSR is concentrated in few states, leaving out states that require development. It is also feared that CSR expenditure can further accelerate the regional differences between states. States which are already developed tend to gain more benefits from CSR activities as compared to states with less number of companies,

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<sup>1</sup>Kumar, Anita. (2020, April 15). *Data and Insights on CSR's Covid-19 response. India Development Review*. <https://idronline.org/data-and-insights-on-csrs-covid-19-response/>

accelerating the already evident regional economic gap between the high-income states and low-income states. It is also seen that the sector-wise spending of CSR has also been non-uniform with certain sectors taking up more expenditure. This policy brief attempts to understand how far Assam has come in terms of CSR investment.

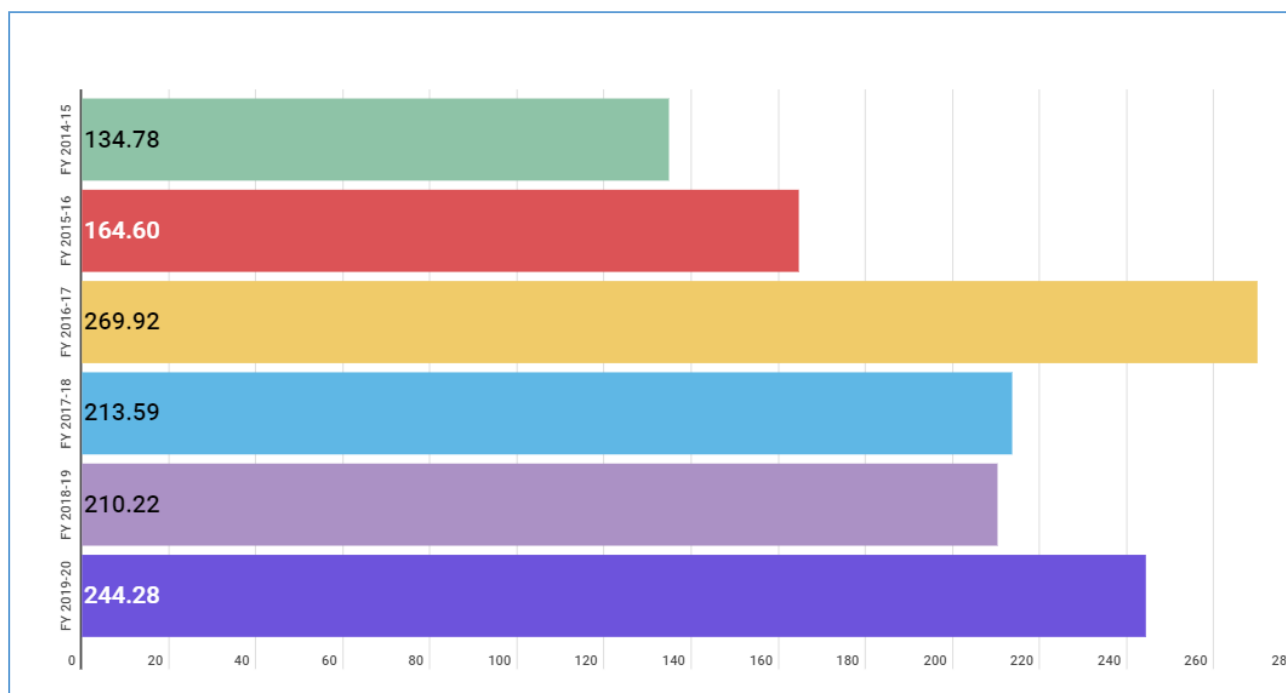
The role of CSR in Assam is immense. But to better understand the role, it is equally important to analyse where Assam stands in terms of CSR expenditure when compared to the rest of the country.

***The table 4 below looks at the CSR expenditure in the state from financial year 2014-15 to 2017-18.***

FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
134.78	164.60	269.92	213.59	210.22	244.28

***Table 4: CSR expenditure in Assam (in crore rupees) (Source: Ministry of Corporate Affairs)***

It is evident from the above table that CSR expenditure in Assam has increased between 2014-15 and 2016-17. It has, however, seen a decline from 2016-17 to 2018-19. There has been an increase in 2019-20 though. The graph below depicts the intensity of this trend.



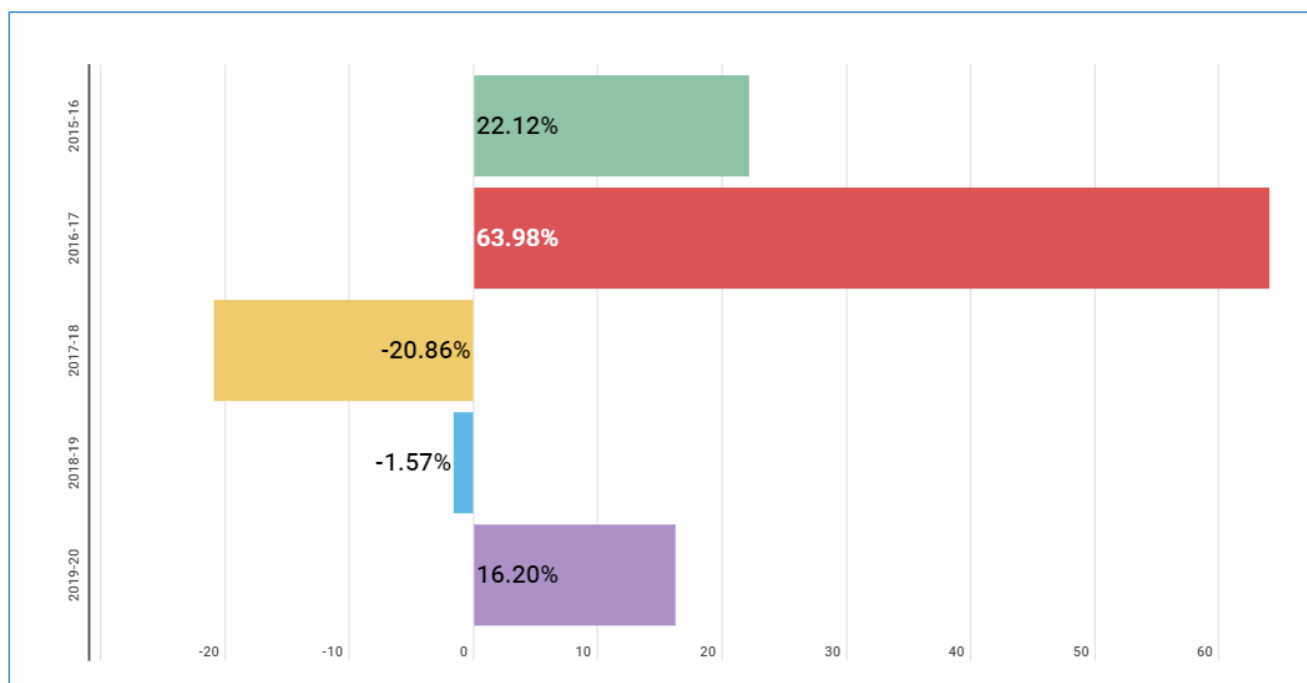
**Figure 1: CSR expenditure in Assam from 2014-15 to 2019-20**

It is clear that 2017-18 and 2018-19 saw a fall in CSR expenditure and a rise in 2019-20. This rise still has not matched the level of 2016-17. In fact, CSR expenditure in the state was rising from 2014 to 2017 as the table 5 below shows.

Financial Year	Percentage increase/decrease in CSR expenditure in Assam
2015-16	22.12%
2016-17	63.98%
2017-18	-20.86%
2018-19	-1.57%
2019-20	16.20%

**Table 5: Percentage change in CSR expenditure in Assam across years**

2017-18 saw a fall of 21% in CSR investment in Assam followed by 2018-19 which saw a fall of close to 1.5%. The graph below makes this clearer.



**Figure 2: Percentage change in CSR expenditure in Assam across years**

Although 2019-20 has seen a rise in CSR investment, the reason for a fall in CSR investment in recent years is a matter of concern. Assam is far from achieving its SDG goals. For instance, no district of the state has figured among top five districts in respect of 10 SDGs – Zero Hunger, Good Health and Well Being, Quality Education, Gender Equality, Clean Water and Sanitation, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, Sustainable Cities and Communities, and Peace, Justice, and Strong Institutions. Kamrup is the only district that has featured among the top five districts in respect of SDG 1 of No Poverty.

The district has also featured in SDG 7 of Affordable and Clean Energy. Two other districts – Udalguri and KarbiAnglong have featured in the top 5 districts in SDG 12 of Responsible Consumption and Production. Darrang and Sivsagar have featured in SDG 13 of Climate Action<sup>2</sup>. Hence, there is a long way for the state to go in terms of sustainable development and CSR investment can help boost such growth. The scope of CSR is very huge, and is not only to the times of natural disasters. CSR can contribute to growth and development of a region. It is also worth pointing out that as the Covid-19 pandemic broke

<sup>2</sup>Sentinel Desk. (October, 2021). “Sustainable Development Goals.” *The Sentinel*. <https://www.sentinelassam.com/editorial/sustainable-development-goals-557080>

out; the CSR community in India was quick to respond with most committees and boards working overtime to speed up the internal process.<sup>3</sup>

The idea that the role of industry should not be limited to profit maximization but should also contribute to the welfare of the society is not a new one. According to Trusteeship Theory of Business and Stakeholder Theory, businesses should benefit the trustees and the stakeholders of the society, instead of only the shareholders (Kapoor, 2017). With growing interest in this domain, recent research has found evidence of a positive relationship between CSR and firm performance, negating the idea that CSR is nothing but an additional cost to the company. CSR has a role in facilitating marketing, innovation, management, and ownership.

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<sup>3</sup>Kumar, Anita. (2020, April 15). *Data and Insights on CSR's Covid-19 response. India Development Review*. <https://idronline.org/data-and-insights-on-csrs-covid-19-response/>

### 3. State of CSR Investment in Assam during 2011-2020

According to a recent report by CII-ITC Centre of Excellence for Sustainable Development (CESD), companies choose to operate in areas where they operate<sup>4</sup>. It is important to understand that Assam is a mostly agrarian economy with 85.90% of its total population being rural according to the 2011 Census Survey of India. Given the large rural population of Assam, industrialization and the presence of the corporate sector in the state is very minimum. It is interesting to understand the distribution of CSR investment in the other states of India and compare it with Assam to analyse if the lack of industries and the corporate sector is indeed a reason behind low CSR expenditure.

The table 6 below provides CSR expenditure of every state of Assam in 2019-20 and its percentage in the total CSR expenditure in the country.

State/UT	CSR Expenditure in 2019-20	Percentage of Total CSR Expenditure in India
Andaman and Nicobar	1.28	0.01
Andhra Pradesh	713.79	6.83
Arunachal Pradesh	18.00	0.17
Assam	<b>244.28</b>	<b>2.34</b>
Bihar	143.37	1.37
Chandigarh	15.72	0.15
Chattisgarh	160.14	1.53
Dadra and Nagar Haveli	19.10	0.18
Daman and Diu	8.59	0.08
Delhi	869.65	8.33
Goa	47.73	0.46

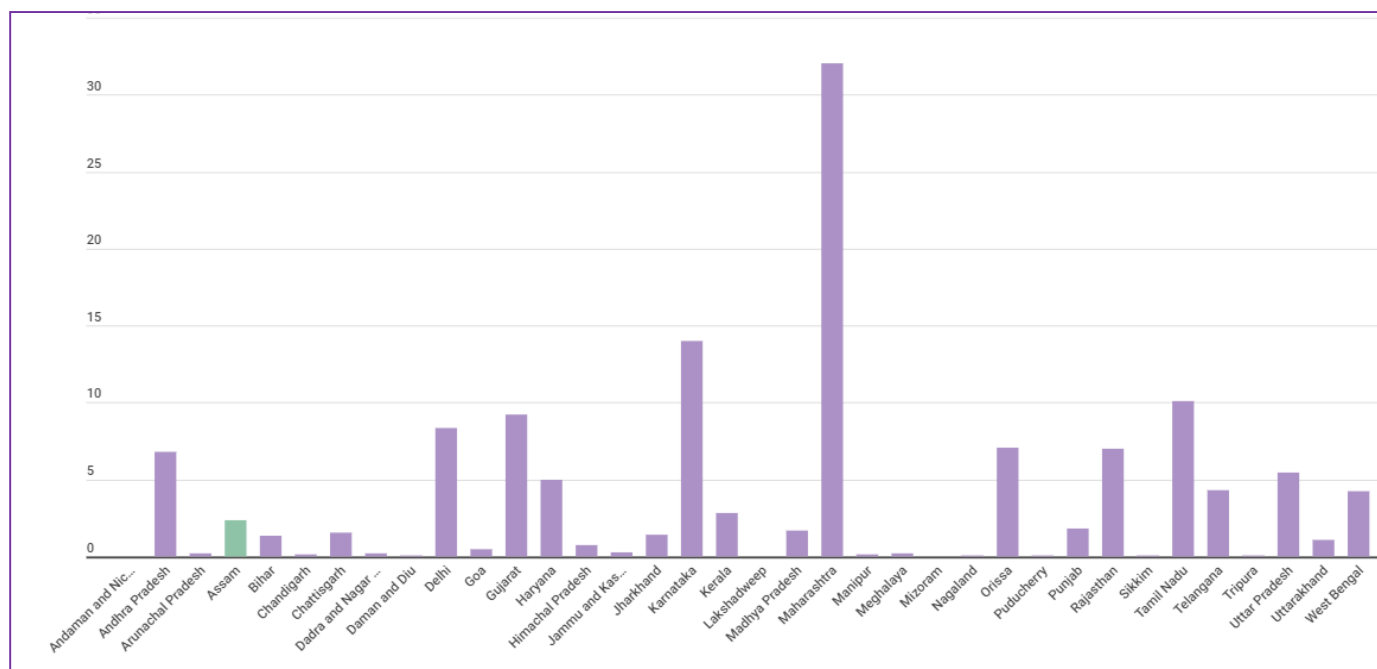
<sup>4</sup>CII-ITC Centre of Excellence for Sustainable Development (CESD). (2019). *Standing United for a Sustainable Future: Annual Report 2019*. <https://sustainabledevelopment.in/wp-content/uploads/2020/06/1591883400CESD-Annual-report2019standingunited.pdf>

<b>Gujarat</b>	959.89	9.19
<b>Haryana</b>	518.77	4.97
<b>Himachal Pradesh</b>	80.92	0.77
<b>Jammu and Kashmir</b>	24.95	0.24
<b>Jharkhand</b>	147.55	1.41
<b>Karnataka</b>	1463.28	14.01
<b>Kerala</b>	298.88	2.86
<b>Lakshadweep</b>	1.00	0.01
<b>Madhya Pradesh</b>	176.75	1.69
<b>Maharashtra</b>	3342.77	32.01
<b>Manipur</b>	11.74	0.11
<b>Meghalaya</b>	18.35	0.18
<b>Mizoram</b>	0.25	0.00
<b>Nagaland</b>	4.68	0.04
<b>Orissa</b>	735.32	7.04
<b>Puducherry</b>	10.03	0.10
<b>Punjab</b>	189.45	1.81
<b>Rajasthan</b>	731.56	7.00
<b>Sikkim</b>	5.59	0.05
<b>Tamil Nadu</b>	1057.34	10.12
<b>Telangana</b>	447.97	4.29
<b>Tripura</b>	9.34	0.09
<b>Uttar Pradesh</b>	570.99	5.47
<b>Uttarakhand</b>	113.74	1.09
<b>West Bengal</b>	442.68	4.24
<b>Others</b>	12.66	0.12
<b>Total</b>	10444.46	100

**Table 6: CSR expenditure in Indian states (in crore rupees) (Source: Ministry of Corporate Affairs)**



While the CSR expenditure in Assam is 0.63% of the total CSR expenditure in the country in 2019-20, it is difficult to compare this percentage alone. The figure below helps in analyzing where Assam stands in terms of the percentage of CSR expenditure all over the country.



**Figure 3: CSR expenditure in Indian states (in crore rupees)**

Assam is highlighted in green. Although it seems to be doing well as compared to other North Eastern states and smaller states and union territories, there seems to be a huge difference in CSR expenditure in India. Maharashtra comes across as the state with the highest CSR expenditure with other states like Karnataka, Gujarat, Delhi, and Tamil Nadu doing well as well. States like Orissa and Haryana have done better in terms of CSR expenditure than Assam. However, this is only for 2019-20. **The table 7 below provides the data for CSR expenditure across all states in India from 2014-15 to 2017-18.**

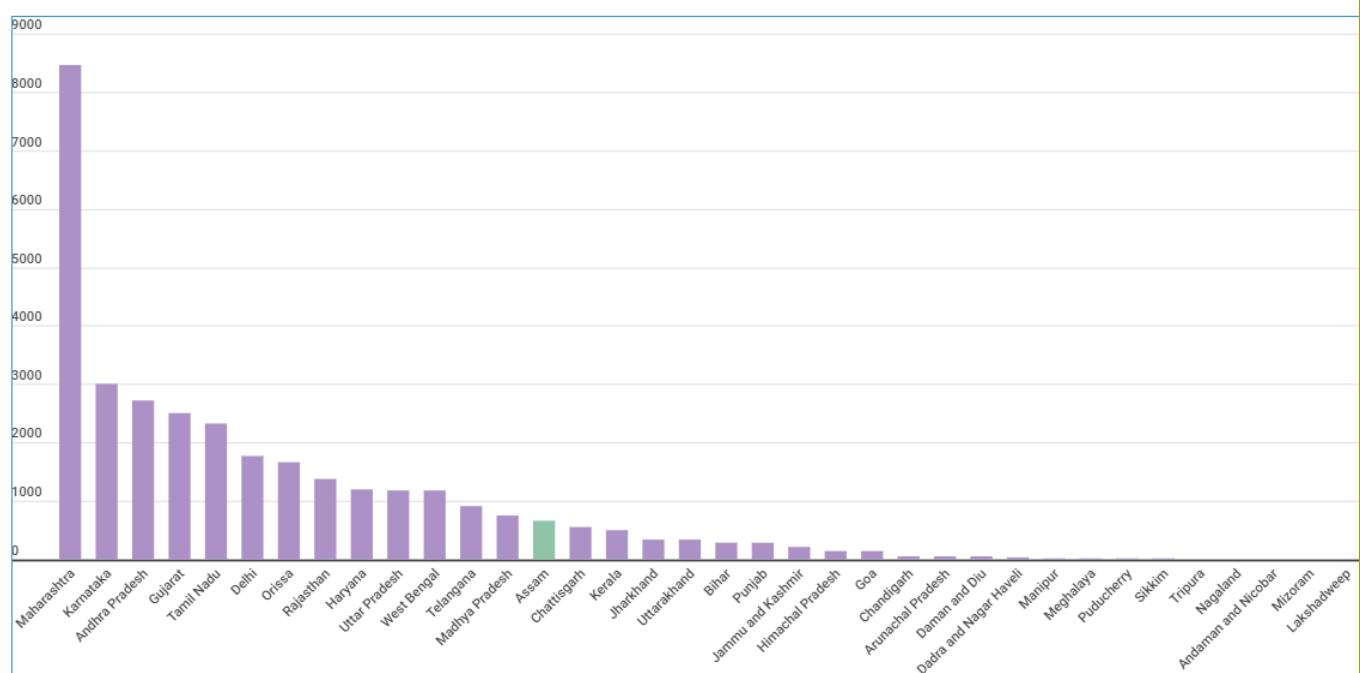
State/UT	CSR Expenditure from 2014-15 to 2017-18
Maharashtra	8468.28

<b>Karnataka</b>	3014.57
<b>Andhra Pradesh</b>	2727.79
<b>Gujarat</b>	2499.79
<b>Tamil Nadu</b>	2330.56
<b>Delhi</b>	1773.90
<b>Orissa</b>	1660.24
<b>Rajasthan</b>	1385.00
<b>Haryana</b>	1196.84
<b>Uttar Pradesh</b>	1184.55
<b>West Bengal</b>	1177.84
<b>Telangana</b>	913.88
<b>Madhya Pradesh</b>	758.58
<b>Assam</b>	653.19
<b>Chattisgarh</b>	552.90
<b>Kerala</b>	497.19
<b>Jharkhand</b>	338.15
<b>Uttarakhand</b>	331.28
<b>Bihar</b>	290.11
<b>Punjab</b>	287.76
<b>Jammu and Kashmir</b>	208.43
<b>Himachal Pradesh</b>	147.80
<b>Goa</b>	144.63
<b>Chandigarh</b>	49.40
<b>Arunachal Pradesh</b>	48.42
<b>Daman and Diu</b>	45.20
<b>Dadra and Nagar Haveli</b>	30.79
<b>Manipur</b>	24.78
<b>Meghalaya</b>	24.11
<b>Puducherry</b>	21.20
<b>Sikkim</b>	16.80

Tripura	5.88
Nagaland	3.35
Andaman and Nicobar	2.43
Mizoram	2.41
Lakshadweep	2.37

**Table 7: CSR Expenditure from 2014-15 to 2017-18 across all states (Source: Ministry of Corporate Affairs)**

*To make better sense of the table, the graph below is used.*



**Figure 4: CSR Expenditure from 2014-15 to 2017-18 across all states**

The above figure highlights CSR expenditure in all states of Assam from 2014-15 to 2017-18. Assam is marked in green to help understand where the state stands as compared to the rest of the country. It is better placed than states like Kerala, Bihar, Punjab, the rest of the North eastern states and some Union Territories. However, it does not do well as compared to the other states like Maharashtra, Karnataka, Andhra Pradesh, Gujarat, and Tamil Nadu.

To better understand whether Assam is a net donor or recipient, the following table 8 gives a better idea.

Amount Originating (A)	Amount Retained (B)	Amount Outgoing to the Other States (C=A- B)	Amount Received from other states (D)	Net Donor/Recipient (E=C-D)
508.48	378.82	129.65	274.37	144.71 (Net Recipient)

**Table 8: Net Donor/Recipient status of CSR in Assam**

INR 508.48 crore originated in the state and 74.5% of them were retained in the state. The state received INR 274.37 crore from other states which makes it a net recipient, i.e., it receives more CSR than it gives to the other states.

#### **4. Public and Private CSR Investments in Assam during 2011-2020**

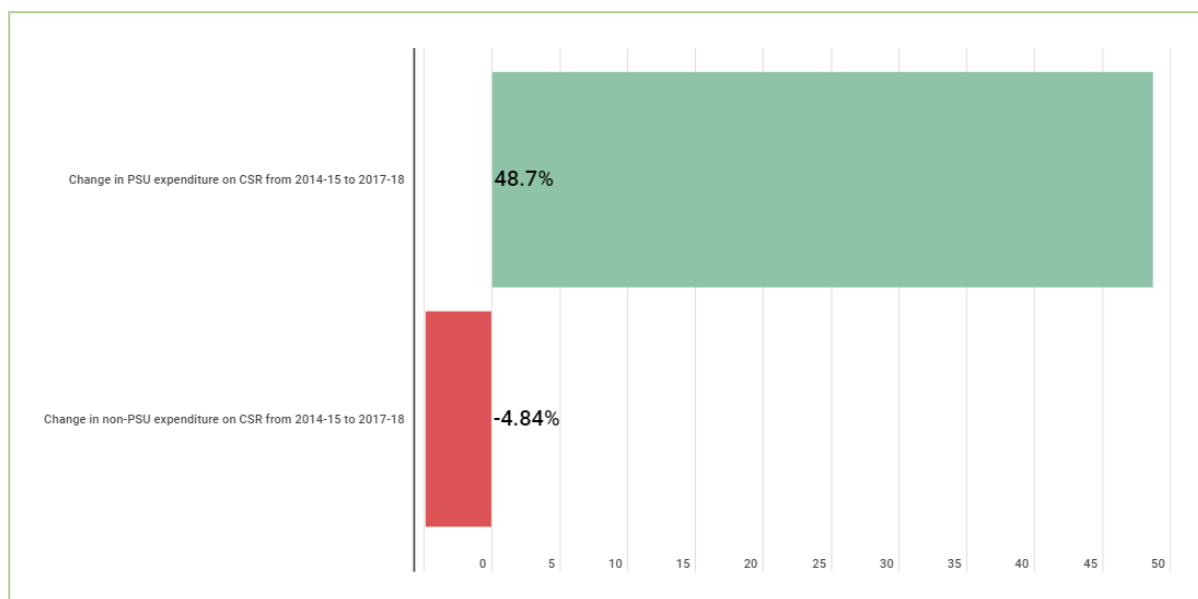
There exists a difference in the CSR expenditure of Public Sector Units (PSUs) and the Non-Public Sector Units (Non-PSUs) in Assam. The table 9 below makes this clear.

<b>PSU Expenditure on CSR in 2014-15 (Listed)</b>	<b>Non-PSU Expenditure on CSR in 2014-15 (Listed)</b>	<b>PSU Expenditure on CSR in 2018-19 (Listed)</b>	<b>Non-PSU Expenditure on CSR in 2018-19 (Listed)</b>
98.21	16.50	146.04	15.70

***Table 9: PSU and Non-PSU CSR Expenditure in Assam***

As seen from the above table, there is a huge difference in PSU and non-PSU expenditure in Assam. While PSU expenditure on CSR in the state is close to INR 98 crore, non-PSU expenditure on CSR was only 16.50 crore in 2014-15. Hence, the PSU expenditure on CSR in 2014-15 in Assam was 6 times as much as the non-PSU expenditure on CSR in the state in the same time period. Similarly, in 2018-19, the PSU expenditure on CSR in Assam was 9 times as much as the non-PSU expenditure on CSR!

While the increase in PSU expenditure on CSR from 2014-15 to 2018-19 was 48.7%, non-PSU expenditure in fact saw a decline of 4.84% in the same time period in the region. The graph below makes the difference in the two more apparent.



**Figure 5: Change in CSR Expenditure by PSU and Non-PSU**

It is clear that the state needs more CSR investment from non-PSUs as compared to PSUs. However, recent reports have found out that the big PSUs like ONGC, IOC, and Coal India, and private sector entities are not spending the mandatory 2% of their annual profits on CSR in Assam, despite having their production units in the state, reflecting the dismal status of CSR investment in the state<sup>5</sup>. The assembly panel in its report for the Industries Department for 2021-22 suggested that PSUs and private firms with production units outside the state should spend at least 5% of their total CSR funds in the state.

While the focus on PSUs and their investment on CSR in the state are rightly made, there needs to be more attention given to the CSR investment by non-PSUs. As the analysis in the policy brief shows, non-PSUs have played a very small role in CSR investment in the state. CSR investment by non-PSUs and private firms should go up which has in fact been going down.

<sup>5</sup>PTI. (August, 2021). "PSUs, private entities not spending 2% of profit in CSR activities in Assam: Assembly Panel". *The Hindu*. <https://www.thehindu.com/news/national/other-states/psus-private-entities-not-spending-2-of-profit-in-csr-activities-in-assam-assembly-panel/article36044529.ece>

## 5. Measuring CSR Impact in Assam

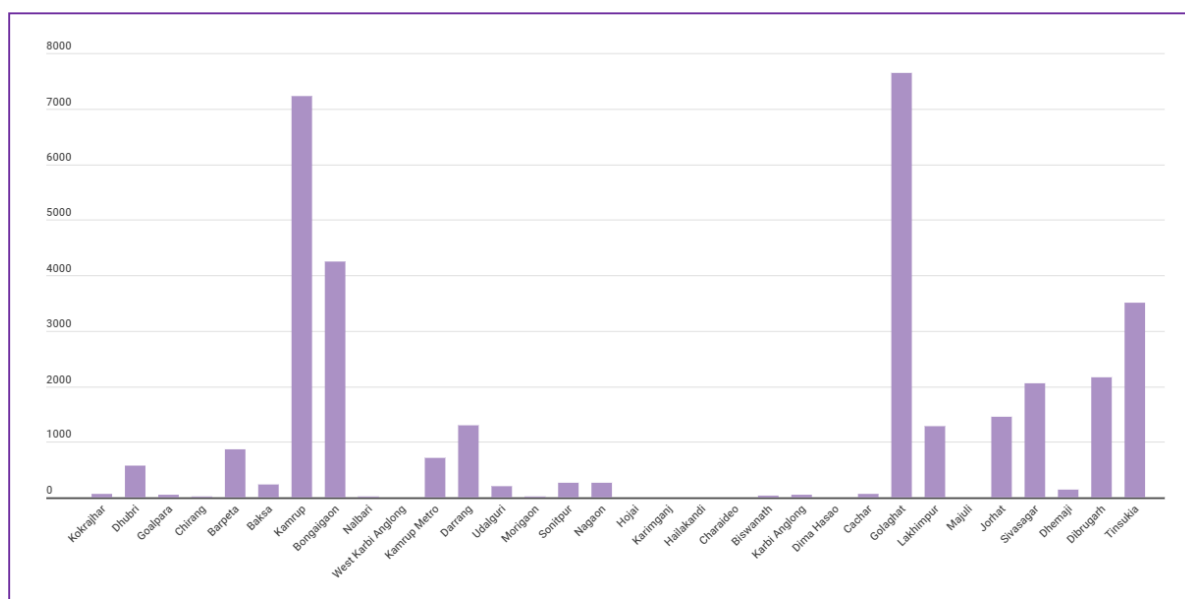
Assam had only 59 companies undertaking CSR activities in the year 2014-15. The number more than doubled, with a total of 124 companies participating in CSR activities in the state in the financial year 2018-19, according to the Ministry of Corporate Affairs. The state gets almost 72% of the total funding pie coming to the north-east region. The table 10 below looks at the district wise allocation of CSR investment in the state.

Name of the District	CSR spent (in lakh rupees) as of 2020
Kokrajhar	59.34
Dhubri	570.33
South Salmara-Mankachar	0
Goalpara	38.64
Chirang	14.54
Barpeta	861.55
Baksa	233.36
Kamrup	7223.45
Bongaigaon	4254.39
Nalbari	12
West KarbiAnglong	0
Kamrup Metro	706.31
Darrang	1,293.13
Udalguri	200
Morigaon	15
Sonitpur	262.93
Nagaon	255.50
Hojai	2.28
Karimganj	0
Hailakandi	0

<b>Charaideo</b>	0
<b>Biswanath</b>	27.00
<b>KarbiAnglong</b>	46.25
<b>DimaHasao</b>	1.00
<b>Cachar</b>	65.20
<b>Golaghat</b>	7,642.23
<b>Lakhimpur</b>	1,276.43
<b>Majuli</b>	5.80
<b>Jorhat</b>	1,458.28
<b>Sivasagar</b>	2,051.43
<b>Dhemaji</b>	141.56
<b>Dibrugarh</b>	2,158.12
<b>Tinsukia</b>	3,508.92

**Table 10: CSR expenditure in various districts of Assam as of 2020 (in lakh rupees)**  
**(Source: Ministry of Corporate Affairs website) (Accessed on 12<sup>th</sup> November, 2021)**

The graph below gives a better idea of the CSR distribution in Assam in its various districts.



**Figure 6: CSR expenditure in various districts of Assam as of 2020**

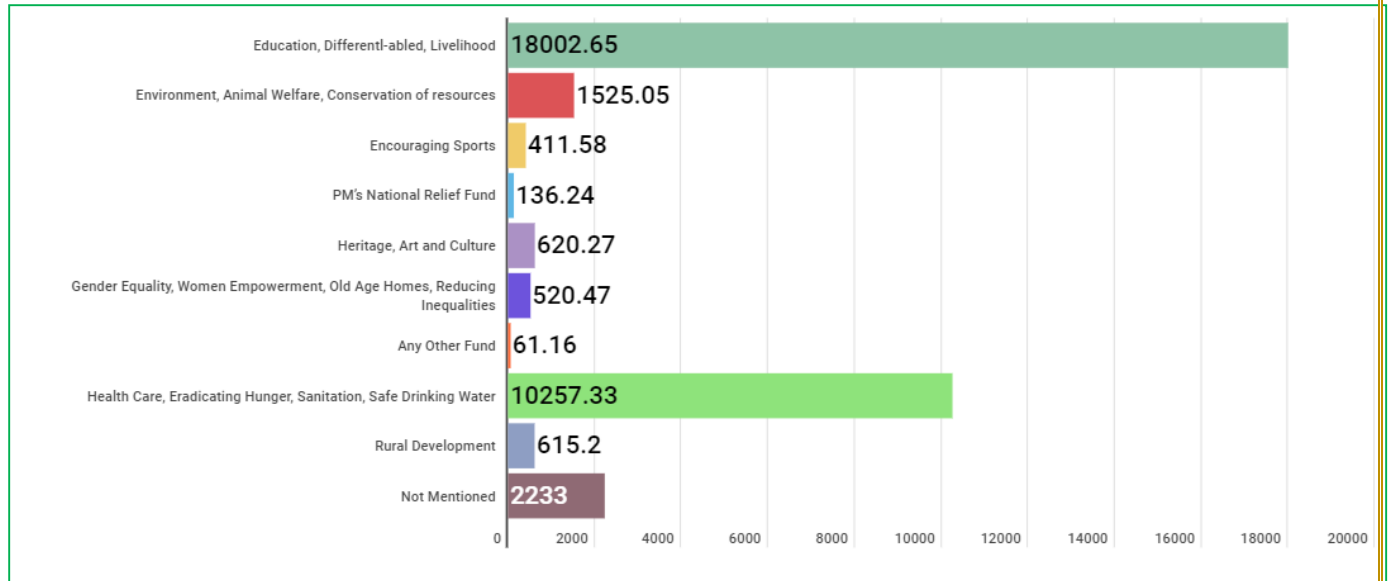


The figure makes it clear that districts like Kamrup, Golaghat, Bongaigaon, Tinsukia, Sivasagar, Jorhat and Lakhimpur are the biggest beneficiaries of CSR expenditure in Assam. The table 11 below looks at the various development areas that CSR is allocated in all the districts of Assam.

Development Sector	Education, Differently-abled, Livelihood	Environment, Animal Welfare, Conservation of resources	Encouraging Sports	PM's National Relief Fund	Heritage, Art, and Culture	Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities	Any Other Fund	Health Care, Eradicating Hunger, Sanitation, Safe Drinking Water	Rural Development	Not mentioned
Name of the district										
Tinsukia	1,435.73				13		28.10	2,028.09		4
Dibrugarh	1,541.65	227.57	2		8.50	12.80	4.93	348.67		12
Dhemaji	127.56							10		4
Jorhat	1,324.62	18.66				8	5.50	82.49		19
Sivasagar	0.93							2,050.50		
Majuli									5.80	
Lakhimpur	1.43							1,271.00		4
Golaghat	2,822.20	796.13	238.20	113.53	38.92	134.48	14.13	1,300.71	328.92	1,855.00
Cachar	29.58		6.13					22.49	8	-1
DimaHasao										1
KarbiAnglong	46.25									
Biswanath									27.00	
Hojai	2.28									
Nagaon	70.50		125					14		46
Sonitpur	32.46	75.68						57.43	24.36	73
Morigaon	4								11	
Udalguri	196	4								
Darrang	246.45		0.25					1,038.43		8
Kamrup Metro	556.32		2			20		126.19	1.80	
Nalbari	2									8
Bongaigaon	4060.10					10		174.29	10	
Korajhar	18.34	25								16
Dhubri	290.18	256.15				4				20
Goalpara	4.64							30		4
Chirang									10.54	4
Barpeta	3	10		0.19	500			228.36	120	
Baksa	191.36					42				
Kamrup	4995.07	111.86	38	22.52	59.85	289.19	8.50	1474.68	67.78	156.00

**Table 11: CSR spent in various development areas in all districts of Assam (in lakh rupees) (Source: Ministry of Corporate Affairs website) (Accessed on 12<sup>th</sup> November, 2021)**

Each district spends various amount of its CSR on different development sectors. The figure below shows the allocation of total CSR spending on various development sectors all across Assam.



**Figure 7: CSR spending in various development sectors in Assam**

It is evident from the above figure that Education has the highest CSR allocation followed by Health. Sectors like Gender Equality and Environment need more attention in the districts of Assam.

## 6. Limitations and Inadequacies of CSR Investments in Assam

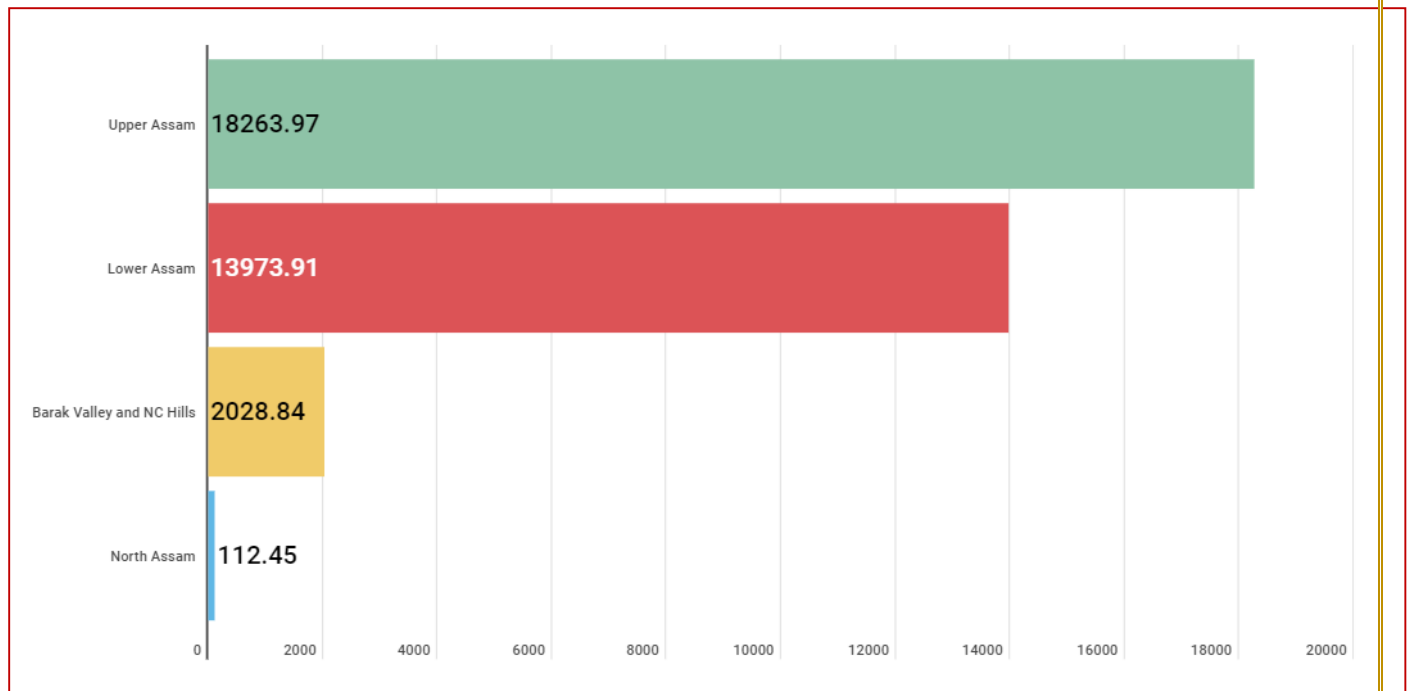
There are problems in CSR investment in Assam. As seen from the analysis of this policy brief, the CSR investment by non-PSUs is very less in the state. There are also issues at the district level and in terms of sectors where investment is done. Education and Health remain the largest benefactors while other sectors like Gender Equality and Rural Development have meager allocation. As seen from the Introduction chapter of the policy brief, Assam ranks the worst in the SDG goal of gender development. Similarly, it was noted that a large population of Assam is rural and rural literacy is far below the urban literacy rate. The female literacy rate is also lower than the male literacy rate. Hence, the state needs a more equitable distribution of CSR allocation.

To understand the district-wise allocation of CSR expenditure in the state as continued from the previous chapter, there is a need to look at the administrative divisions of the state. The table 13 below looks at the various administrative units of Assam and the CSR spending in each area.

Administrative Unit	CSR spending (in lakh rupees)
Upper Assam	18263.97
Lower Assam	13973.91
Barak Valley and NC Hills	2028.84
North Assam	112.45

**Table 12: CSR spending in various administrative units of Assam**

The table makes it clear that Upper Assam gets the highest CSR investment in the state, followed by Lower Assam. This is even when Lower Assam includes Kamrup Metro, the most CSR attractive district of the state given its metropolitan and easily accessible features! North Assam and Barak Valley and NC Hills lag far behind in this aspect. This is evident from the figure below.



**Figure 8: CSR spending in various administrative units of Assam**

It is evident that certain districts need more attention even when it is clear that regions like Karbi Anglong and NC Hills need more investment for development.

## **7. Analysing the Assam Corporate Social Responsibility Policy 2019**

The Assam Corporate Social Responsibility Policy 2019 was envisioned by the state of Assam to harness CSR funds optimally in the state. Under this policy, corporate means a company formed under the Companies Act, 1956 or 2013. The CSR Council of Assam (CSRCA) and the CSR Committee were formed for implementation of CSR allocation optimally.

The priority sectors under this policy are the following:

1. Education
2. Water Supply
3. Healthcare
4. Swachh Assam (Sanitation)
5. Sports and Youth Welfare
6. Skill, Livelihood, and Entrepreneurship Development
7. Environment and Forest
8. Preservation of Folk Arts, Crafts and Local Heritage
9. Focus Segments

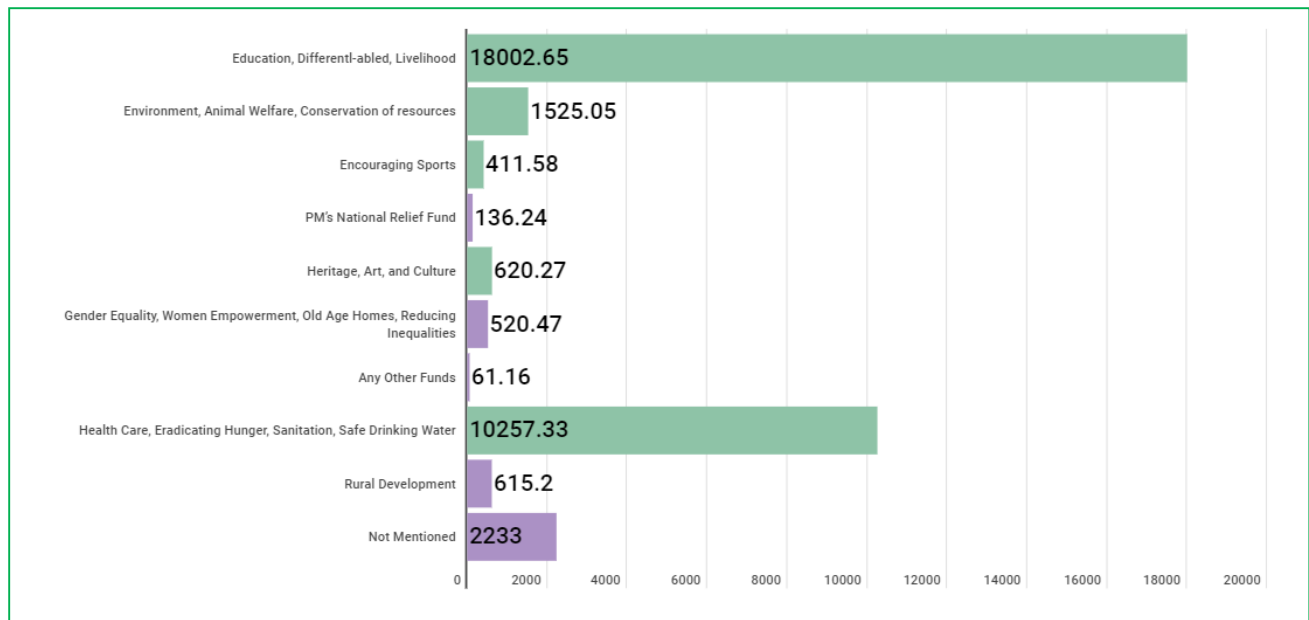
The priority sectors were listed based in the focus areas of the state and the provisions of the Companies Act, 2013. The CSR activities undertaken are also aligned and can contribute towards achievement of the SDGs of the state. The last sector mentioned – Focus Segments – imply CSR in aspirational districts. Besides projects catering to women, children, disabled and underprivileged section of society is especially encouraged.

There is a need to look at the allocation of CSR investment in various development sectors in Assam and compare it with the priority sectors as mentioned in the policy. The table 13 below gives an idea.

Development Sector	Whether Priority Sector or Not	CSR Investment (in lakh rupees)
<b>Education, Differently-abled, Livelihood</b>	Yes	18002.65
<b>Environment, Animal Welfare, Conservation of resources</b>	Yes	1525.05
<b>Encouraging Sports</b>	Yes	411.58
<b>PM's National Relief Fund</b>	Not mentioned	136.24
<b>Heritage, Art, and Culture</b>	Yes	620.27
<b>Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities</b>	No	520.47
<b>Any Other Funds</b>	No	61.16
<b>Health Care, Eradicating Hunger, Sanitation, Safe Drinking Water</b>	Yes	10257.33
<b>Rural Development</b>	No	615.2
<b>Not Mentioned</b>	Not mentioned	2233

**Table 13: Priority Sector and CSR Investment in Assam**

The graph below gives a better analysis of the above table.



**Figure 9: Priority Sector and CSR Investment in Assam**

The figure above makes it clear that priority sectors are getting more CSR investment. However, one thing that needs to be pointed out is that Assam has done worse in terms of Gender Equality as per SDGs. It is surprising that the sector is not considered a priority sector in the CSR Policy of the state. Moreover, sports and heritage receive far less spending despite being priority sectors. Hence, there needs to be a revision of the list of priority sectors and each priority sector should be given a weightage in terms of expected CSR spending. It can be true that all priority sectors may not be of equal importance and hence, a desired limit in each sector can set true expectations for each of the sectors.

## 8. Addressing Equitable, Sustainability and Investment Concerns of CSR Presence in Assam

CSR investment in Assam needs urgent paradigm shift. All districts of Assam, especially the priority districts need more CSR investment. According to the Ministry of Health and Family Welfare (MHFW), there are districts in the state that require sharper improvement in health outcomes. This identification is done based on composite health index and the High Priority Districts (HPD) that are identified are the bottom 25% of the districts in terms of health outcomes. The list of HPD in the NER is as follows: Golaghat, Nagaon, Kokrajhar, Hailakandi, Dhubri, Karimganj. However, our analysis from the previous chapters have made it clear that Karimganj, Hailakandi, and Kokrajhar are some of the worst performing districts in terms of CSR investment. Only Golaghat fares well in terms of CSR investment amongst the HPDs. The sharp differences in CSR allocation in districts need a change and a more equitable distribution of CSR allocation in the state is the need of the hour.

In terms of SDG goals, the previous chapters reflect that Assam has not done very well, performing the worst in gender development. The policy brief has also pointed out that this needs to be a priority area in terms of CSR investment in the state. However, there is also a need to identify more priority districts for CSR allocation in accordance to the development sector. For SDG 1 of No Poverty, the best performing district of Assam is Kamrup Metropolitan with a score of 74/100 and ranks 4<sup>th</sup> amongst all NER districts. It needs to be pointed out that the other high performing districts of Assam in this SDG are Lakhimpur, Nalbari, Golaghat, Jorhat, Kamrup, and Sonitpur. The worst performing districts here **are KarbiAnglong, DimaHasao, Hailakandi, Darrang, Tinsukia, Dhubri, and Kokrajhar**. CSR allocation for poverty reduction (livelihood generation) in these districts are shown as follows:



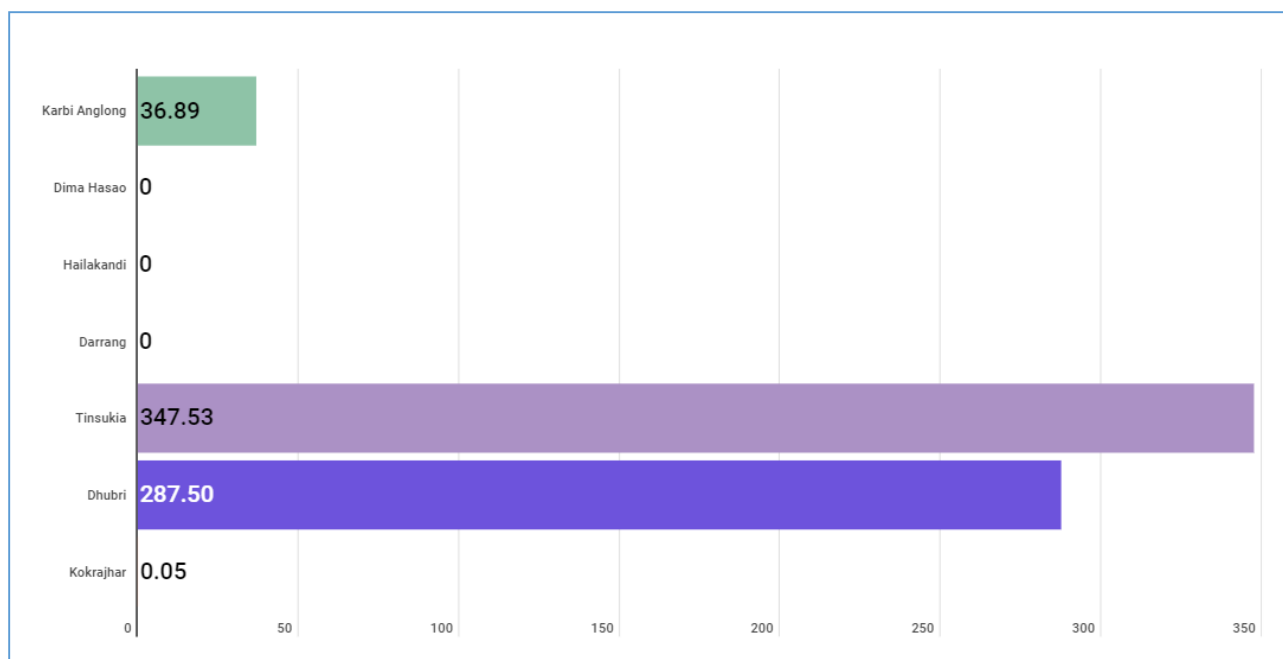


Figure 10: CSR allocation on Livelihood or Vocational Skills in the worst performing districts of Assam as of 2020

It is evident from the figure above that most of these districts have not spent enough on livelihood generation or vocational skills which help in eradicating poverty. In fact, Hailakandi, Darrang, DimaHasao, and even Kokrajhar have hardly had any CSR investment in this sector.

In terms of SDG 2 of Zero Hunger, the best performing district of Assam is Barpeta (rank 69 amongst all NER districts). Assam fares very bad in this SDG and even its best performing district is a performing districts rather than a front runner or achiever. The worst performing districts are **Baksa (ranks last amongst all NER districts), Chirang, Kokrajhar, Udalguri, Lakhimpur, and Dhemaji.**

In terms of SDG 3 of Good Health and Well Being, Darrang (ranks 15 amongst all NER districts) is the best performing district of Assam. It is a performer district with a score of 67. The worst performing districts are **Karimganj, Kokrajhar, Kamrup (M), Jorhat, Dhubri, Udalguri, and Chirang.** CSR allocation for health in these districts is shown as follows:

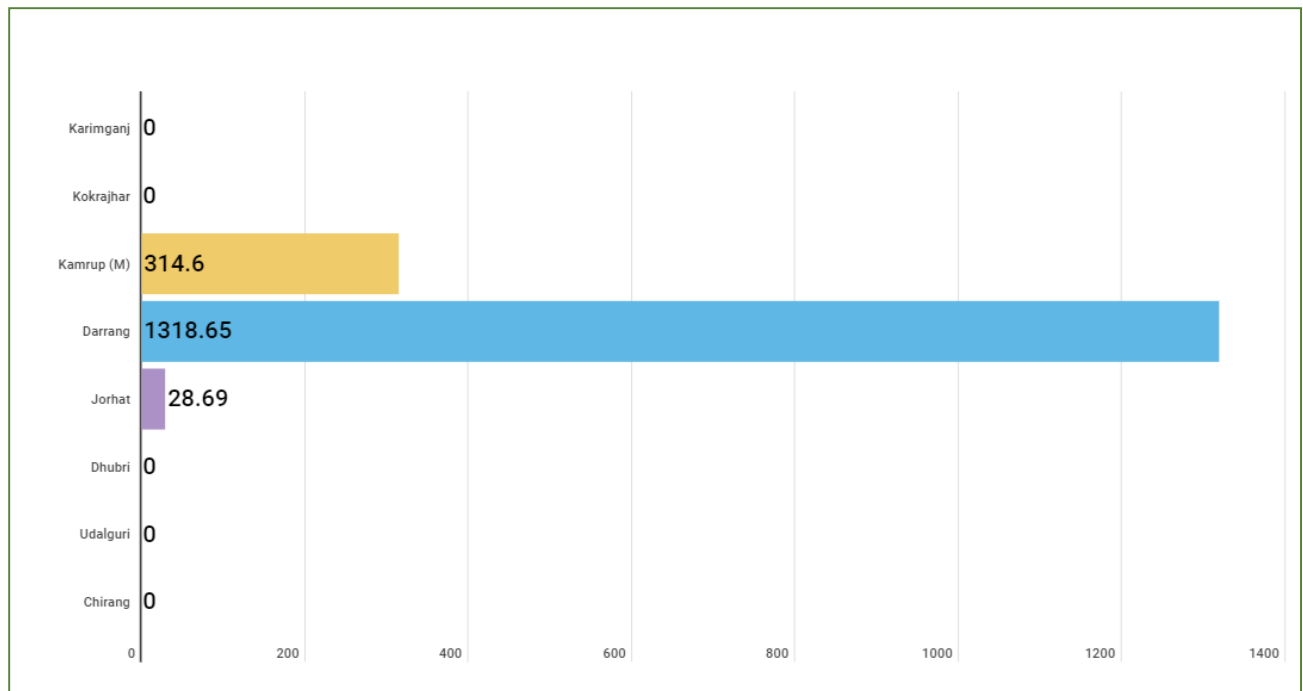
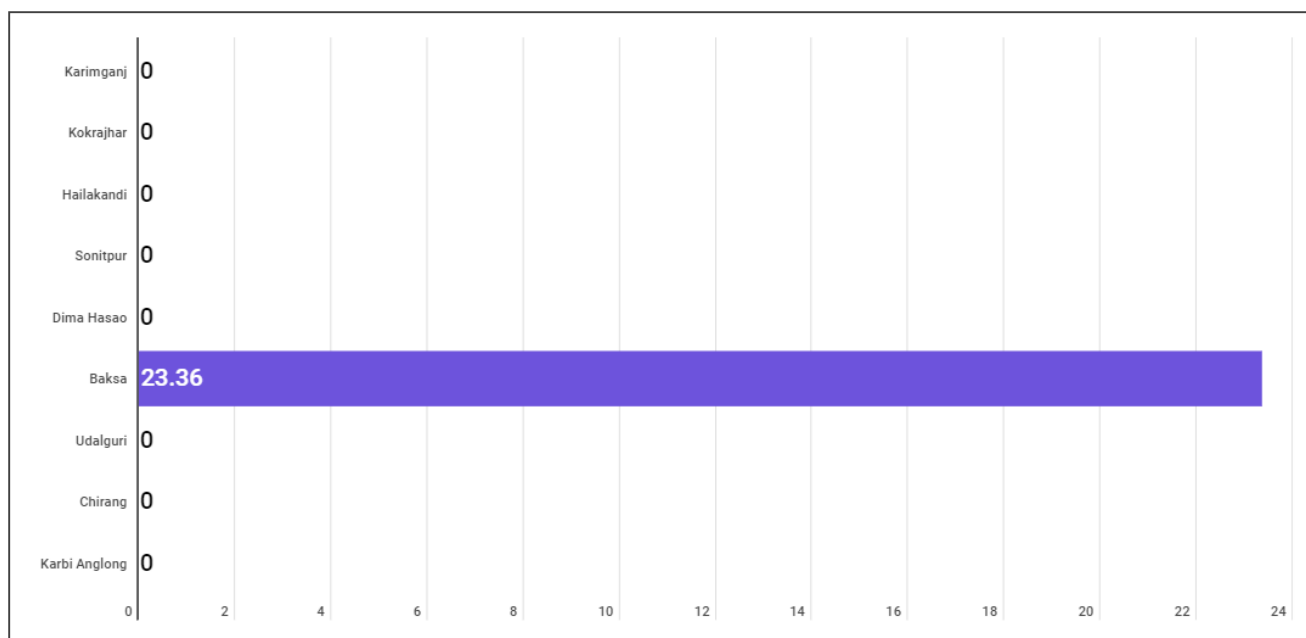


Figure 11: CSR allocation on Health in the worst performing districts of Assam as of 2020

As many as 5 of these worst performing districts have no CSR investment in health as of 2020 as evident from the figure above. This needs to be changed.

In terms of SDG 4 of Quality Education, Kamrup (M) does the best (ranks 40 amongst all NER districts with a score of 63). The worst performing districts are **Chirang (ranks last amongst all NER districts), Udalguri, Kokrajhar, Karimganj, Hailakandi, Sonitpur, DimaHasao, Baksa, and KarbiAnglong**. CSR allocation for education in these districts is shown as follows:



**Figure 12: CSR allocation on Education in the worst performing districts of Assam as of 2020**

The figure makes it clear that except Baksa, none of the worst performing districts have any CSR investment on education.

In terms of SDG 5 of Gender Equality, KarbiAnglong (ranks 16 amongst all NER districts) does the best. The worst performing districts are **Dhubri, Darrang, and Hailakandi**.

In terms of SGD 6 of Clean Water and Sanitation, the best performing district of Assam is Jorhat (ranks 41 amongst all NER districts). The worst performing districts are **Darrang, Morigaon, Nagaon, Dhubri, Barpeta, Udalguri, Nalbari, Tinsukia, and Sivasagar**.

The above analysis makes it clear that CSR investment in the state has a long way to go in terms of equitable allocation.

## 9. Recommendations

CSR allocation in the state needs to be more equitable in terms of districts, sectors of development, along with equitable investment from both private and public sector enterprises. The Assembly Panel suggested the formation of district-level committees, comprising of Deputy Commissioners, MLAs and MPs, for selection and proper monitoring of the schemes under the CSR. This will ensure equitable CSR investment from both the public as well the private sector enterprises. The other recommendations based on the analysis of this policy brief can be made as follows:

1. Revise the Assam Corporate Social Responsibility Policy 2019: Priority sectors mentioned in the policy need focus but there are other priority sectors for the state as well. The repeated dismal performance of the state in terms of gender equality needs revision of the policy.
2. Identify Priority Districts: The Policy also needs to identify priority districts in terms of the priority sectors and ensure that those districts get CSR investment in the priority sector of that particular district. For instance, KarbiAnglong has been a low performing district in many of the aspects but it has a CSR investment only in livelihood sector. It needs to be ensured that the interested district has CSR allocation in other sectors but also in the sector where it has not been performing well.
3. Encourage Private Enterprises of the state to Invest: The state should make its private enterprises mandatory to invest in Assam. This mandatory norms could be equal district distribution based, aspirational districts based, SDG indicators based and other such priority needs of Assam.
4. Encourage Private Enterprises all over the country to Invest: The state should seek help from the Centre in encouraging and mandating private enterprises all across the country to invest in the state even if they do not have outreach branches here. The people of the state consume all such goods and services and need such CSR investment.
5. There needs to be established state level agency or body to govern CSR activities in the state.
6. More research needs to be carried out on CSR in Assam, currently there is a dearth of literature on impact of CSR in development, especially in Assam and the NER.

## 10. Conclusion

The CSR expenditure in Assam is ridden with ambiguity of highs and lows. While the state does the best in terms of all other NER states, there is a gap in CSR allocation in Assam as compared to the other mainland states. CSR expenditure has increased in the recent few years in the state, and the growth has been fairly good. However, there is disparity in allocation of CSR within the state as some districts perform better as compared to some other districts. For instance, districts of Upper Assam have a large CSR investment as compared to other districts. Bodoland districts of Hailakandi, Kokrajhar, Baksa, and Chirang, and other minority or hill districts like KarbiAnglong and DimaHasao are some of the worst performing states in terms of CSR allocation. It goes without saying that these are also the districts which have performed the worst in terms of most of the SDG indicators. This needs a paradigm shift. There needs to be an equitable distribution of CSR allocation in the state.

There is also an intriguing difference in the way public and private businesses invest in CSR activities in the state. This calls for greater and in-depth study. The Assam CSR Policy 2019 was a good initiative to booster CSR investment in the state. It is unfair to call the policy a failure since the state has performed reasonably well in terms of overall CSR investment when compared to the rest of the country. But the policy needs a revision. The priority sectors need to be re-identified as iterated in this policy brief. There is also a need to identify priority districts for overall CSR investment and a sub-level identification of district-wise priority sectors.

This policy brief is a continuation of the attempt of North East Development Foundation and Council for Social and Digital Development to start discussions around CSR spending and its role in development in the NER. The previous policy brief “Bridging the CSR Divide in the North East India: A Decade of Corporate Social Responsibility and Beyond [2011-20]” looked at CSR in the North East. This policy brief attempted to understand CSR investment in Assam, the state with the highest CSR investment in the region, in the light of the Assam CSR Policy of 2019.

This policy brief, along with its recommendations, has made a further attempt to understand the various issues and challenges regarding CSR in the region and the road ahead. The suggestions have been put forward by taking an understanding of the geographical, regional, and economic environment of the state.

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