

# An Analysis on CSR Reporting Practices of Asian Paints Limited

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**Abstract.** *This paper studies the CSR reporting practices of Asian Paints Limited for the period of five years from 2017-18 to 2021-22. The objective of this paper is to study CSR fund allocation and CSR amount spent on various CSR activities of Asian Paints Limited. Descriptive research design and content analysis method is used by the researcher for the study. The result shows that Asian Paints Limited is not able to spent full amount of CSR in the financial year 2017-18, 2020-21 and 2021-22 whereas able to spent full amount of CSR in the financial year 2018-19 and 2019-20. Further the result also shows that Asian Paints Limited is spending most of the amount of CSR in Vocational Skills and spending very less amount in CSR activities like Education, HealthCare, Disaster Management, Safe Drinking Water and Prime Minister National Relief Fund.*

**Keywords:** *CSR activities, Vocational Skills, Education, HealthCare, Safe Drinking Water*

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## INTRODUCTION

In recent year corporate social reporting is a new concept in accounting field. Nowadays companies are more aware about their responsibilities towards the society. Corporate social reporting is the process of informing stakeholders about the social and environmental effects of an organization's economic decisions (Cooper & Owen, 2007; Epstein, 2018). In other words nowadays companies achieve their social goals which they report to society with help of corporate social reporting. By disclosing this information the company communicate to the public that they are engaged in social responsibility. Thus, CSR is crucial for meeting stakeholder's expectations, demands and interests (Dusuki & Abdullah, 2007).

### Corporate Social Responsibility in India

After the implementation of Companies Act 2013, Corporate Social Responsibility has become mandatory in India from 1st April, 2014. As per Section 135 of Companies Act 2013 all companies whose Net worth is Rs. 500 crore or turnover is Rs. 1000 crore or net profit is Rs. 5 crore have to spend at least 2% of average net profit of the last three financial years on Corporate Social Responsibility activities.

### Company Profile

Asian Paints Limited was established in the year 1942 with 4 partners as a partnership firm. Asian Paints Limited is an Indian multinational company having a head quarter in Mumbai, Maharashtra. The company is ranked second in Asia and 7th overall among the world leading coatings companies. Asian Paints Limited has 27 paint manufacturing plants worldwide and operates in 15 of them, serving customers in more than 60 different nations. The group also runs

Asian Paints Berger, Apco Coatings, SCIB Paints, Taubmans, Asian Paints Causeway and Kadisco Asian Paints as subsidiaries which together make up the Asian Paints brand.

## Literature Review

Chavda & Ransariya (2021) try to examine CSR Reporting Practices of Ultratech Cement Limited for a period of five years that is from 2015-16 to 2019-20. Researcher has used content analysis method to study the areas in which CSR amount is spent. The company is spending their profit on CSR activities like Education, Rural Development, Health Care and Art, Culture and Heritage (Mishra, 2021). Thus result reveals that the company is spending more amount of CSR on CSR activities like Education and Rural Development whereas company is spending less amount of CSR on CSR activities like Healthcare and Art, Culture and Heritage.

Someshwari & Laxmana (2019) has study Corporate Social Responsibility of Infosys Limited for a period of five years from 2014-15 to 2018-19. The objective is to know the concept of CSR and amount spends by the company in different CSR activities. The company is spending amount in CSR activities like education, healthcare, infrastructure, art and culture, removal of malnutrition, environment sustainability and ecological balance. The result shows that the company is spending most of the amount of CSR in environment sustainability and ecological balance compare to rest of the corporate social responsibility activities of the company.

Singh et al. (2018) has analyzed CSR of Tata Motors for a period of six years from 2009-10 to 2014-15. The main objective of the study is to know the company spending money in different CSR activities. The company is spending money in CSR activities like Education, Women Empowerment, Child Mortality, Health, Vocational Skills and Environmental Sustainability (Poddar et al., 2019). Thus result reveals that company is spending more amount of CSR in Education and Healthcare compare to the rest of corporate social responsibility activities of the company.

## Scope of the Study

This study is undertaken to know CSR reporting practices of Asian Paints Limited particularly in CSR activities.

## METHODS

Objectives for the study are as follows; (1) To study the CSR fund allocation and CSR amount spent of Asian Paints Limited; (2) To study the CSR amount spent in various CSR activities of Asian Paints Limited. Research Design shows the way in which research is to be conducted. For this study researcher has used Descriptive Research Design. Sample is selected as per convenience sampling method. Asian Paints Limited is the company which is selected from BSE for the study as it stood first among the paint industry in India on the basis of profitability in the financial year 2021-22. Secondary data are collected from the annual report and official website of the company for the study. To study the CSR activities of the Asian Paints Limited Content analysis method is used. Limitations of the study are as follows; (1) This study is purely based on a secondary source of data; (2) Only 5 years from 2017-18 to 2021 - 22 is considered for the study; (3) This study focus only on disclosure and CSR amount spent on various CSR activities.

## Results and Discussion

Table 1. CSR Fund Allocation and CSR Amount Spent of Asian Paints Limited

Sr. No.	Years	CSR Fund Allocation (in Crores)	CSR Amount Spent (in Crores)	%
1	2017-18	51.15	46.51	90.93
2	2018-19	52.7	52.7	100
3	2019-20	74.64	74.64	100
4	2020-21	59.83	45.04	75.28
5	2021-22	70.77	67.32	95.13

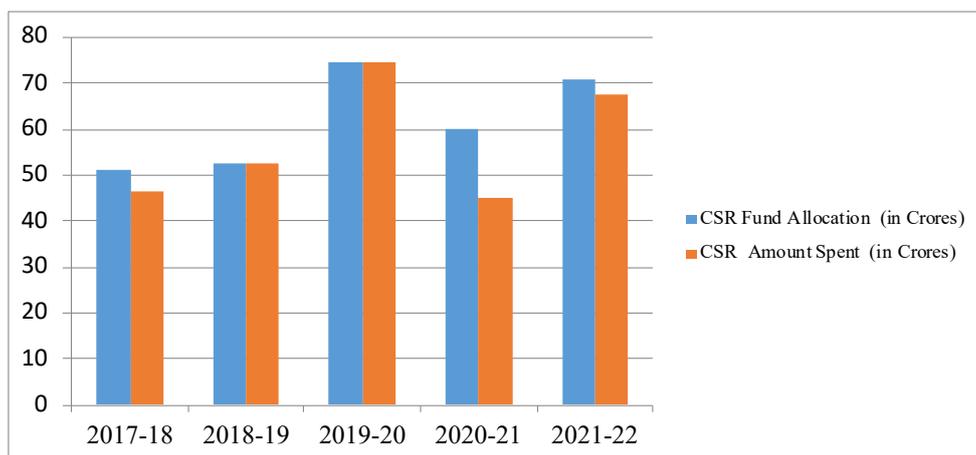


Figure 1. showing CSR Fund Allocation and CSR Amount Spent of Asian Paints Limited

Table 1 and graph 1 shows CSR fund allocation and CSR amount spent of Asian Paints Limited. It is observed that the company is not able to spend full amount of CSR in the financial year 2017 - 18, 2020 - 21 and 2021-22 respectively. Only in the financial year 2018 - 19 and 2019-20 Asian Paints Limited is able to spend a full amount of CSR.

Table 2. Showing CSR Amount Spent in different CSR activities of Asian Paints Limited for Financial Year 2017-18

No	CSR Activities	CSR Amount Spent (in Crores)	%
1	Education	12.8	27.52
2	Health Care	4.85	10.43
3	Safe Drinking Water	6.53	14.04
4	Vocational Skills	22.33	48.01
	<b>Total</b>	<b>46.51</b>	<b>100</b>

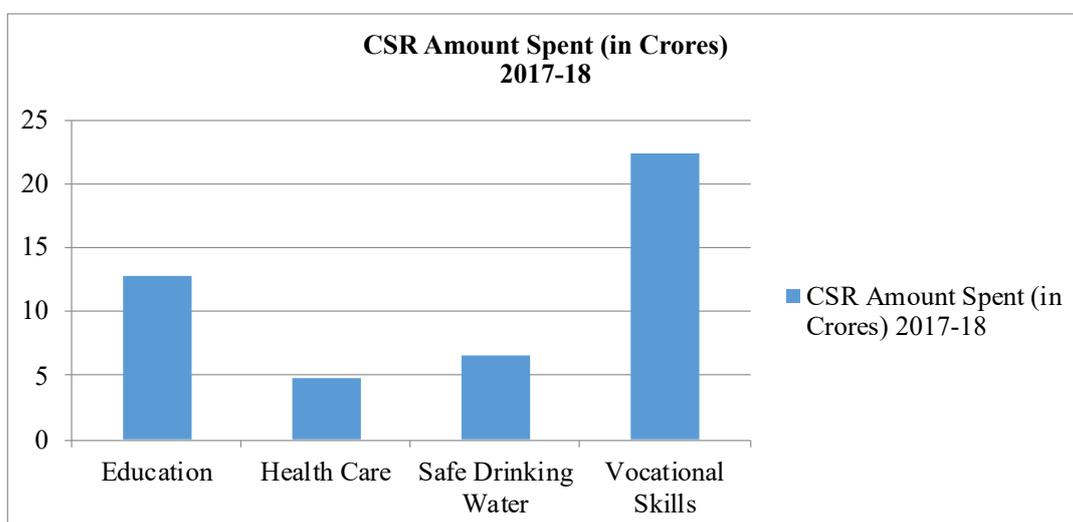


Figure 2. Showing CSR Amount Spent in different CSR activities of Asian Paints Limited for Financial Year 2017-18

Table 2 and graph 2 shows the different CSR activities carried out by Asian Paints Limited in the financial year 2017 - 18. They have spent a total of 46.51 crores in CSR activities in the year 2017 - 18. The company has spent the highest amount of contribution 22.33 crores in vocational skills or 48.01 % whereas 12.8 crores in education, 6.53 crores in safe drinking water and 4.85 crores in Healthcare in the financial year 2017 - 18.

Table 3. Showing CSR Amount Spent in different CSR activities of Asian Paints Limited for Financial Year 2018-19

Sr. No.	CSR Activities	CSR Amount Spent (in Crores)	%
1	Education	9.35	17.74
2	Health Care	9.93	18.84
3	Safe Drinking Water	8.33	15.81
4	Vocational Skills	25.09	47.61
	<b>Total</b>	<b>52.7</b>	<b>100</b>

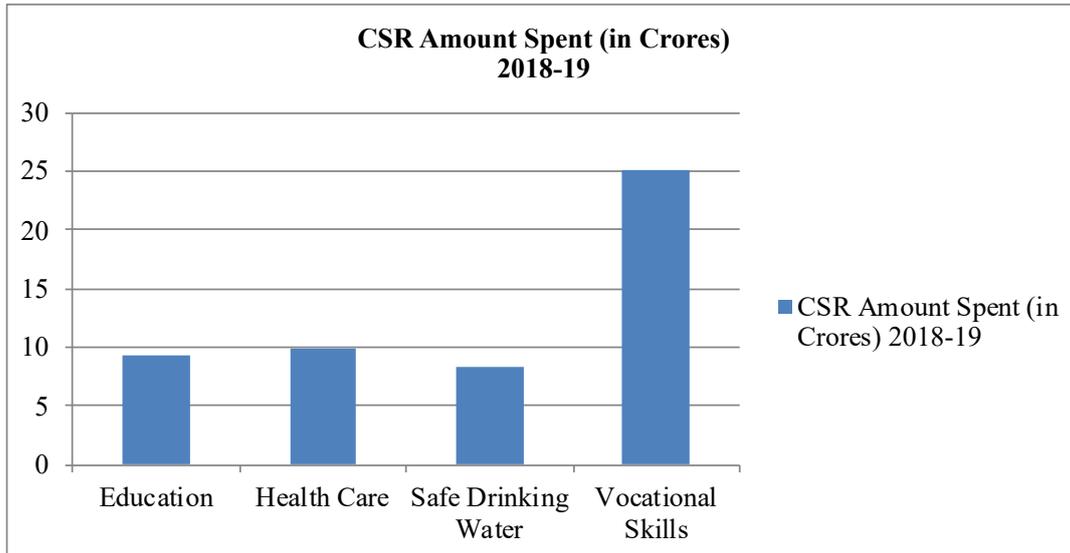


Figure 3. Showing CSR Amount Spent in different CSR activities of Asian Paints Limited for Financial Year 2018-19

Table 3 and graph 3 shows the different CSR activities carried out by Asian Paints Limited in the financial year 2018 – 19. They have spent a total of 52.7 crores in CSR activities in the year 2018 – 19. The company has spent the highest amount of contribution of 25.09 crores in vocational skills whereas 9.93 crores in Healthcare, 9.35 crores in education and 8.33 crores in safe drinking water in the financial year 2018 – 19.

Table 4. Showing CSR Amount Spent in different CSR activities of Asian Paints Limited for Financial Year 2019-20

Sr. No.	CSR Activities	CSR Amount Spent (in Crores)	%
1	Education	10.41	13.95
2	Health Care	8.22	11.02
3	Safe Drinking Water	10.25	13.73
4	Vocational Skills	29.8	39.92
5	Prime Minister National Relief Fund	15.96	21.38
	<b>Total</b>	<b>74.64</b>	<b>100</b>

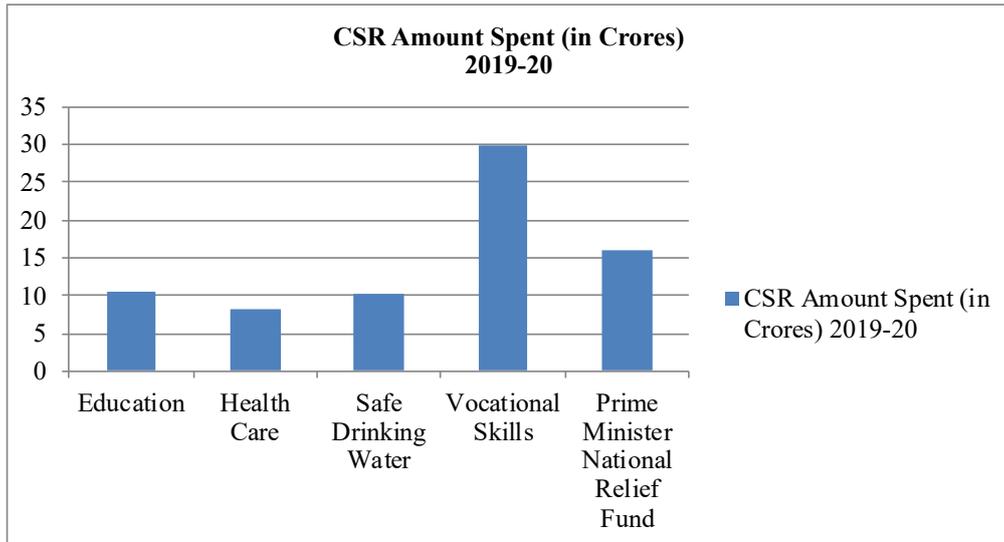


Figure 4. Showing CSR Amount Spent in different CSR activities of Asian Paints Limited for Financial Year 2019-20

Table 4 and graph 4 shows the different CSR activities carried out by Asian Paints Limited in the financial year 2019-20. They have spent a total of 74.64 crores in CSR activities in the year 2019 – 20. The company has spent the highest amount of contribution of 29.8 crores in vocational skills whereas 15.96 crores in Prime Minister national relief fund, 10.41 crores in education, 10.25 crores in safe drinking water and 8.22 crores in Healthcare in the financial year 2019-20.

Table 5. Showing CSR Amount Spent in different CSR activities of Asian Paints Limited for Financial Year 2020-21

Sr. No.	CSR Activities	CSR Amount Spent (in Crores)	%
1	Education	1.02	2.26
2	Health Care	14.86	32.99
3	Safe Drinking Water	3.76	8.35
4	Vocational Skills	25.4	56.4
	<b>Total</b>	<b>45.04</b>	<b>100</b>

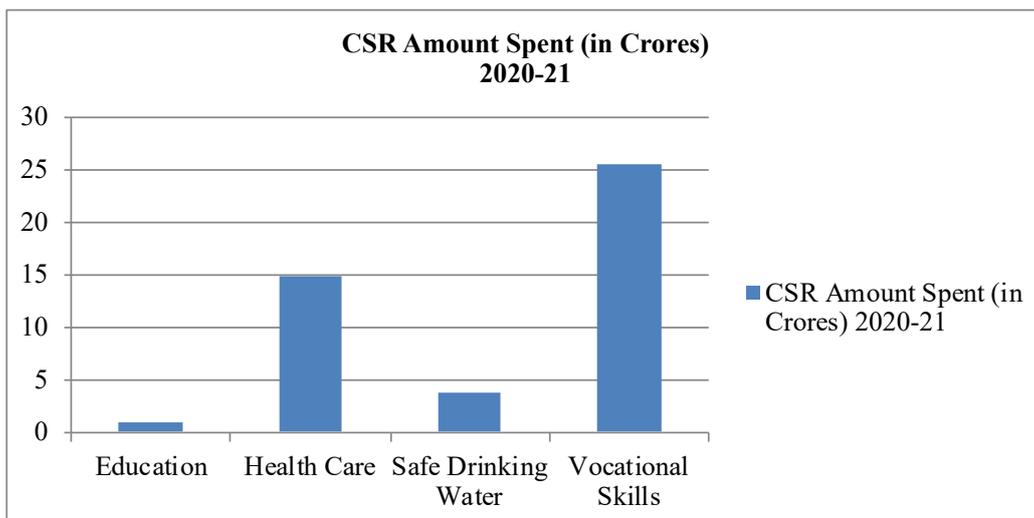


Figure 5. Showing CSR Amount Spent in different CSR activities of Asian Paints Limited for Financial Year 2020-21

Table 5 and graph 5 show the different CSR activities carried out by Asian Paints Limited in the financial year 2020 - 21. They have spent a total of 45.04 crores in CSR activities in the year

2020 – 21. The company has spent the highest amount of contribution 25.4 crores in vocational skills whereas 14.86 crores in Healthcare, 3.76 crores in safe drinking water and 1.02 crores in education in the financial year 2020 – 21.

Table 6. Showing CSR Amount Spent in different CSR activities of Asian Paints Limited for Financial Year 2021-22

Sr. No.	CSR Activities	CSR Amount Spent (in Crores)	%
1	Disaster Management	2.47	3.67
2	Health Care	9.78	14.53
3	Safe Drinking Water	16.18	24.04
4	Vocational Skills	38.89	57.76
	<b>Total</b>	<b>67.32</b>	<b>100</b>

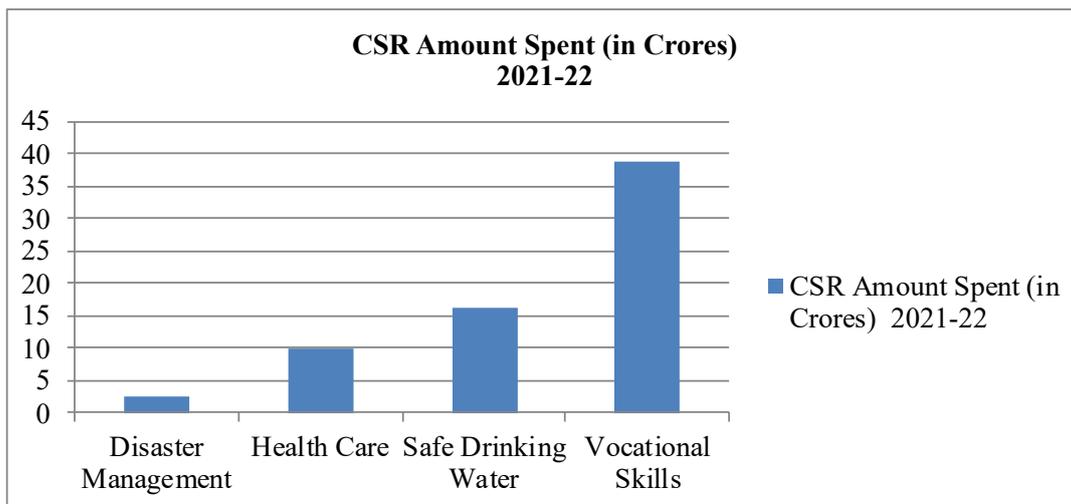


Figure 6. Showing CSR Amount Spent in different CSR activities of Asian Paints Limited for Financial Year 2021-22

Table 6 and graph 6 show the different CSR activities carried out by Asian Paints Limited in the financial year 2021 - 22. They have spent a total of 67.32 crores in CSR activities in the year 2021 – 22. The company has spent the highest amount of contribution 38.89 crores in vocational skills whereas 16.18 crores in safe drinking water, 9.78 crores in health care and 2.47 crores in disaster management in the financial year 2021 – 22.

### Recommendations

It is observed that Asian Paints Limited is spending most of the amount of CSR in vocational skills. It is seen that Asian Paints Limited is spending less amount on CSR activities like Education, Healthcare, Safe Drinking Water and Disaster Management. So it is recommended to spend more on these CSR activities. It also recommended that Asian Paints Limited should also spend amount of CSR on other CSR activities like Community Welfare, Rural Development, Women Empowerment, Environmental Sustainability and Art, culture and Heritage.

### CONCLUSION

The data analysis leads to the conclusion that Asian Paints Limited is not able to spend a full amount of CSR in the financial year 2017-18, 2020 – 21 and 2021-22 and spending full amount of CSR in financial year 2018 – 19 and 2019-20. In the financial year 2017-18 Asian Paints Limited has spent a total of 46.51 crores in CSR activities out of which the highest amount of 22.33 crores are spent on vocational skills and remaining on other CSR activities. In the financial year 2018-19 Asian Paints Limited has spent a total of 52.7 crores in CSR activities out of which the highest amount of 25.09 crores are spent on vocational skills and remaining on other CSR activities. In the financial year 2019-20 Asian Paints Limited has spent a total of 74.64 crores in CSR activities

out of which the highest amount of 29.8 crores are spent on vocational skills and remaining on other CSR activities. In the financial year 2020-21 Asian Paints Limited has spent a total of 45.04 crores in CSR activities out of which the highest amount of 25.4 crores are spent on vocational skills and remaining on other CSR activities. In the financial year 2021-22 Asian Paints Limited has spent a total of 67.32 crores in CSR activities out of which the highest amount of 38.89 crores are spent on vocational skills and remaining on other CSR activities.

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