



Centre for
Social Impact
and Philanthropy

*Estimating
Philanthropic
Capital in India*

.....

2021

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Abbreviations & Acronyms



CSR - Corporate Social Responsibility

CSIP - Centre for Social Impact and Philanthropy, Ashoka University

FCRA - Foreign Contribution (Regulation) Act of 2010 as amended in 2020

FY - Financial Year

GDP - Gross Domestic Product

U/HNWI - Ultra/ High Net worth Individuals

INR - Indian Rupees

MCA - Ministry of Corporate Affairs (Government of India)

MHA - Ministry of Home Affairs (Government of India)

NITI Aayog - National Institution for Transforming India

NGO - Non-Governmental Organisation

PMNRF - Prime Minister's National Relief Fund

Rs - Rupees

Foreword

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Recent crises have thrown into sharp relief the value of reliable data on philanthropy in India and spotlighted the many gaps in our information on the field.

Each wave of the COVID-19 pandemic has seen government, business, philanthropy and civil society scramble to identify what resources are available to be deployed in response to the surging needs for medical and humanitarian assistance. At a time of dire distress, lack of data made it impossible to ensure efficient allocation of scarce resources. Inevitably, there was duplication of effort and costly delays.

At the height of the crisis, when new regulatory constraints were imposed on international funding, advocacy against these measures was limited and delayed by the lack of easily accessible data on the scale and severity of the consequences. This, in turn, blocked or hindered aid from reaching those most in need with potentially fatal consequences.

These were but extreme instances of chronic problems with data pertaining to philanthropy in India. Despite the myriad reporting requirements with which India's nonprofits must comply, the wealth of data generated is, in the main, inaccessible and incoherent. The remedies for this are not complex – requiring some revisions to reporting formats and database design in the case of the datasets featured in this report, some disaggregation of data in the case of the national accounts, and some thought to striking a balance between transparency and privacy in the case of income tax data, for instance. For private philanthropy, on the other hand, the lack of either voluntary norms or statutory requirements, hinders meaningful analysis and rational decision-making while fostering inefficiency and waste.

Together, these combine to prevent any reliable estimation of the scale of Indian philanthropy, its composition, collective impact, contribution to the economy or meaningful comparisons with other countries or over time.

This report, the second of its kind from CSIP, lays out what is known based on the available data. It offers suggestions on improving the availability and quality of data. For philanthropists, nonprofits, policy makers, researchers, journalists and students, it and the accompanying datasets provide a wealth of information. We are grateful to our data partners, How India Lives; to Amita Puri who wrote the report; and to our researchers at CSIP, Lina Sonne and Divya Chopra, for steering this project through extremely testing times. Gratitude too to our funders whose patience, flexibility and encouragement have been invaluable.

As India confronts enormous reversals in development progress, exacerbated by the pandemic, the need to incentivise more Indians, and those who wish to see India overcome its challenges, to give more generously and to ensure those resources are efficiently utilised has become infinitely more critical. Both, the government bodies charged with the collection and organisation of data on civil society and philanthropy, and philanthropists, would do well to urgently initiate the necessary changes.



Ingrid Srinath,

Director, Centre for Social Impact and Philanthropy,
Ashoka University

Executive Summary



To offer a comprehensive view of the philanthropy in India, the Centre for Social Impact and Philanthropy (CSIP) at Ashoka University undertook a research using public data sources. The report 'Estimating Philanthropic Capital in India: Approaches and Challenges, 2019' presented the key findings from the research. The present report is the second edition of 'Estimating Philanthropic Capital' report and provides an updated estimate of the scale and scope of the philanthropic capital in India, incorporating datasets for financial years (FY) 2017-18 and 2018-19 to the analysis. Data for FY 2019-20 are not yet available due to the extension of deadlines for filing reports to accommodate the disruption of COVID-19. The report enables an understanding of the scale, size, composition, trends and available sources of data on the sector. It also acknowledges that it is an incomplete picture, and emphasises the need for improving the availability and quality of data for an improved understanding.

Methodology

The study used a quantitative approach and analysed publicly available data on financial flows into the Indian social sector. How India Lives (HIL), a data analytics consulting firm specialising in identifying, extracting, and analysing publicly available data, was commissioned by CSIP to undertake data scraping for this research. The study on Indian grant-making philanthropic foundations was carried out in house by CSIP by analysing data available online.

Limitations of the Study

A number of factors like scarcity of data; work in progress datasets; self-reported, incomplete and unvalidated entries in datasets; inconsistent and broad terminologies used; absence of a unique identifier for non-profits or companies; and overlap in values across datasets limit the scope of complete data analysis and interpretation. The study also does not cover non-financial flows and new models/forms of social impact capital such as impact investing.

Summary of Findings

● **Estimated Value of Philanthropic Capital:**

The estimated value of philanthropic flows across all sources was INR 46,731 and INR 51,184 crores for FY 2016-17 and FY 2018-19 respectively; showing a growth of 9.5 per cent over the period of two years. Notwithstanding this growth, the total philanthropic capital for 2018-19 accounts for a tiny percentage of the GDP for the same year and shows that organised philanthropy still has some way to go.

● **Philanthropic Growth Across Sources:**

The growth across sources of philanthropic flows (corporate, government, overseas and individuals) is found to be inconsistent. Contributions from overseas (under FCRA), (10 per cent by volume and 7 per cent by value) and from the State (65 per cent by

volume and 43 per cent by value) appear to have declined over the last four years. There has been a significant increase in giving by corporates under CSR (29 per cent by volume and 33 per cent by value) and an apparently sizeable increase in giving by individuals, although the real extent can't be ascertained in case of the latter because of the limitations mentioned earlier.

- **Geographical Distribution of Philanthropic Flows:**

Overall, the states in the South and West dominate the list of recipient regions. Flows from both CSR and FCRA continue to show a preference for South and West regions, as was the case in 2015-16. Although in 2018-19, the states of Odisha (CSR) and Delhi (FCRA) also feature among the top five recipient regions. Flows from the government were more dispersed in 2017-18 and included Bihar, UP, West Bengal and Telangana amongst the top five.

- **Sectoral Giving:**

The CSR dataset reflects a preference for Education and Healthcare over other sectoral areas. The proportion of the spend on these two areas have remained almost the same in 2018-19, constituting nearly 47 per cent of the total CSR spend as compared to 46 per cent in 2015-16. Across the FCRA dataset, Education stands second with 30 per cent, while social issues (58 per cent) received maximum spending. Hurun's UHNWI philanthropy report for 2018-19 lists Education, Healthcare and Art, Heritage and Culture as the top three preferred sectors for philanthropists.

- **Grant-making by Indian Foundations:**

Information on grant-making by Indian foundations is extremely limited and the in-house exercise by CSIP could identify only fifteen grant-making foundations with an online presence. Overall, it was felt that

there is a need for better disclosures across grant-making and operating practices. One third of the foundations studied do not share information on grants made by them including number of partners and value of grants. There were no details shared on the evaluation process and timeframes, with regard to grant-making.

Conclusion

There continues to be a dearth of data on philanthropy flows and most data platforms continue to be works in progress. There are still no commonly accepted definitions, reporting frameworks or unique identifiers across platforms allowing for linkages and cross verification of data. Overall, there are no marked improvements in the availability and quality of data over the last two years, making it difficult to put an exact value to the philanthropic capital in the country. To address these limitations, the report concludes with a number of implementable recommendations.

1. *Introduction*



Context

Over the last decade, the growth in organised philanthropy in India has seen an accompanying interest in understanding its nuances, leading to different studies on various aspects of Indian philanthropy. However, in the absence of comprehensive and quality data, the studies have used differing methodologies and definitions, and focussed on particular forms of philanthropy.

To offer a comprehensive view of philanthropy in India, the Centre for Social Impact and Philanthropy (CSIP) at Ashoka University undertook a research using public data sources. The report ‘Estimating Philanthropic Capital in India: Approaches and Challenges, 2019’ⁱ presented the key findings from the research, along with highlighting the data gaps and the challenges in undertaking such an exercise.¹

This second edition of ‘Estimating Philanthropic Capital’ report provides an updated estimate of the scale and scope of philanthropic capital in India, incorporating datasets for financial years 2017-18 and 2018-19 into the analysis.



What does the report offer?

Apart from including giving by individuals, corporates (mandated under CSR), individuals and institutions from overseas, and direct contributions of the Government to the social sector, this report also touches upon grant-making flows from Indian philanthropic foundations for the first time, thus offering a more complete picture of the size and trends of total philanthropic capital flows in India.

It enables an understanding of the available sources of data on the sector, examining and highlighting gaps in data quality and accessibility; and compares it with the data experience of the first report. It also shares data in a form that makes the public data that are difficult to extract and analyse more visible and accessible, enabling better planning and decision making that is more rooted in evidence by policy makers and practitioners.

The report shares findings on the scale, composition and trends in Indian philanthropy, and emphasises the need for more and better quality data to improve its understanding.



ⁱ Available at: <https://csip.ashoka.edu.in/research-and-knowledge/>

Methodology

How India Lives (HIL), a data analytics consulting firm specialising in identifying, extracting, and analysing publicly available data, was commissioned by CSIP to undertake data scraping for this research. For the purpose of this study, Indian philanthropic capital was classified into categories of i) Corporate Philanthropy - contribution by Indian companies under the Corporate Social Responsibility requirements of the Companies Act 2013, ii) Foreign Philanthropy - contribution from foreign sources, both individual and institutional, iii) Individual Philanthropy - contribution by both high net-worth individuals and those of more modest means, and iv) Government Philanthropy - direct contribution by the Government to the social sector organisations registered on the NGO Darpan database.

The study used a quantitative approach and analysed publicly available data on financial flows into the Indian social sector. Ministry websites¹ were used to access the data for Foreign, Corporate and Government flows. A missing link was data on individual giving which is not captured or tracked consistently. The Income Tax department website² was used to understand the size of philanthropic capital from the demand end. The data for each category was extracted for individual financial years. The data was then cleaned, post which an analysis was carried out to understand the volume of philanthropic capital from each of these funding categories, its thematic allocation and geographical spread, along with trends over the years.

The study on Indian grant-making philanthropic foundations was carried out in house by CSIP, by referring to resources available online, and by analysing the grant-making information shared by the foundations on their official websites.

Limitations of the Report

Data Limitations:

The scarcity of data, especially on giving by individuals and by Indian philanthropic foundations, was a challenge in estimating the total size of the flows. The quality of data was inconsistent, with varying levels of rigour available across different datasets. In the absence of a unique identifier for non-profits or companies, cross referencing between public data sources was difficult. Self-reported data which were at times incomplete, and un-validated, made analysis and interpretation a challenge.

Data Overlaps:

The values across different datasets are not unique, there are overlaps between them. In addition, some of the datasets include data that may not be relevant to this study, e.g. the data quoted for Section 12 A institutions under the Income Tax dataset include religious entities, trade associations and service providers such as schools, colleges, hospitals etc. as well as those involved in social impact activities.

Data Coverage:

While the report covers various philanthropic flows arising from corporates, foreign sources, government and individuals, it does not cover flows arising from new models/forms of social impact capital such as impact investing. It also does not cover non-financial flows such as those arising from volunteering or giving in kind.



2. Summary Analysis

1. It is difficult to put an exact value to the philanthropic capital in the country on account of data gaps and other limitations.

Work in progress datasets, self-reported, incomplete, non-validated entries in datasets, inconsistent and broad terminologies used, all lead to their own limitations so far as data analysis and interpretation is concerned. Additionally, the continued scarcity of data on individual giving remains a large gap in estimating the total philanthropic capital in India. While the 'Statement of Revenue Foregone' of the national Budget captures the total revenue foregone by the Government as a result of providing tax incentives on account of donations to charitable trusts and institutions under section 80G of the Income Tax Act, it does not capture the information on total charitable contributions made by individuals, thereby making this dataset incomplete. Further, institutions covered by Section 80G include a wide variety of non-profit organisations ranging from schools, colleges, hospitals and trade associations among others. It also does not include giving by High-Net-Worth Individuals (HNIs), who

typically make philanthropic contributions either independently or through a family-run foundation, which may not be included/reported under tax exemption claims.

Some progress has been made in quantifying and understanding ways in which individuals give their money and time, and engage with social causes through the Everyday Giving in India Report (Sattva Consulting, 2019). However, the report also acknowledges the limitations of complexity, scale, and the urban bias in undertaking the study. Similarly Hurun India has been tracking philanthropy flows from ultra-high net worth individuals.ⁱⁱ This report, however, conflates corporate and individual giving. The data from the CSR, NGO Darpan and FCRA datasets analysed by HIL, gives an estimate of philanthropic flows from corporate, foreign individuals and institutions, and the government. The Sattva and Hurun sources added to the analysis carried out by HIL give an estimated value of philanthropic flows across all sources as Rs 46,731 crores for the year 2016-17.ⁱⁱⁱ (2016-17 has been selected since the Sattva estimate pertains to this period)

Table 1: India's philanthropy capital 2016-2017

Giving Source	CSR	Foreign	State	Individuals	High Net Worth Individuals	Total (In Rs Crores)
Value in Rs Crores	14330	14824	12585	2658	2334	46731

Note: 1.The Sattva estimate for donations made by individuals to non- profits based on the tax revenue foregone data by the Govt. under 80G exemptions, has been used.

A similar collation for 2018-19 leads to an estimate of Rs 51184 crores for the year.

Table 2: India's philanthropy capital 2018-2019

Giving Source	CSR	Foreign	State	Individuals	Ultra-High Net Worth Individuals	Total
Value in Rs Crores	18653	16343	5784	6013	4391	51184

Notes: 1.The estimate on individual giving for 2018-19 is based on the tax revenue foregone statement by the govt and internal analysis. The tax revenue foregone on account of individuals has grown from 461 cr to 1043 crores, hence individual giving has been shown to grow proportionately.

2. For the updated Hurun India Philanthropy List for 2019³, the cut off for ultra hi net worth philanthropy was Rs 5 crores.

ii Available at: <https://www.hurunindia.net/research-and-lists>

iii 1 crore= 10 million.

While the public datasets capture the philanthropic flows to institutions, an estimate can also be derived by referring to the amount applied by these institutions. Sections 11 and 12 of the Income Tax Act provide for exemption from tax, the income of any charitable trust or religious institution, if such income is applied for charitable and religious purposes, and such institution is registered under the specific section of the Act. The statement of revenue foregone of the Government Budget, showed that 1,98,806 organisations registered under section 12A had applied Rs 5,29,125 crores, for charitable and other purposes in 2018-19. This represents a growth of nearly 67% in the number of organisations and 124% in the amount applied over 2015-16. Organisations registered under 12A, however, include, apart from NGOs, other entities such as religious institutions, welfare societies, other non-profit organisations as well, and thus the income of NGOs will be a subset of this total number.

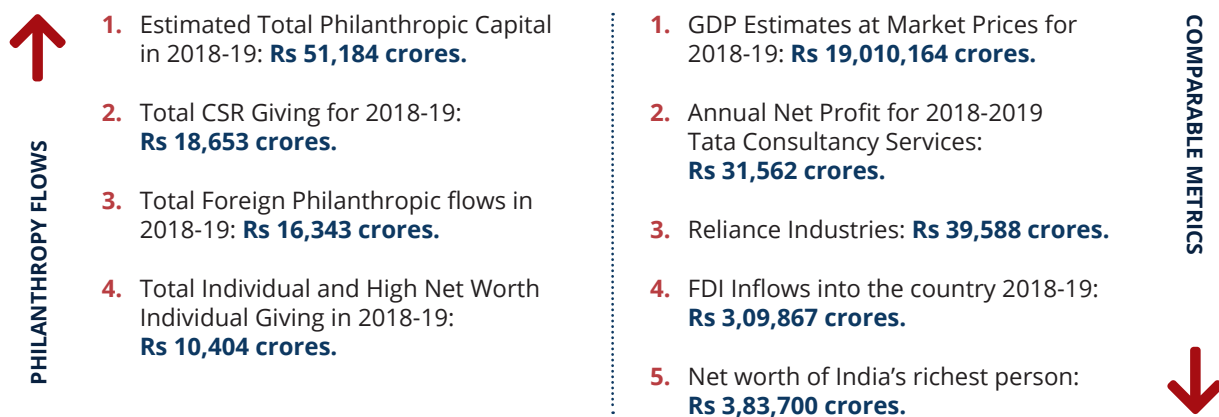
Table 3: Amount applied by organisations registered under 12A

Year	Number of Organisations	Amount Applied (In Rs Crores)
2015-16	1,19,317	2,36,326
2016-17	1,31,705	2,67,533
2017-18	1,37,869	3,33,972
2018-19	1,98,806	5,29,125

Source: Statement of Revenue Foregone from the Annual State Budget for individual years

A comparison between the philanthropic capital estimates for 2016-17 as shared in Table 1 and 2018-19 in Table 2 shows a growth of 9.5% over the period of two years. Notwithstanding this growth, the total philanthropic capital for 2018-19 accounts for a tiny percentage of the GDP for the same year. Other comparisons across different philanthropic sources reveal a similar trend showing that organised philanthropy still has some way to go.

Figure 1: Comparisons - Philanthropy Flows



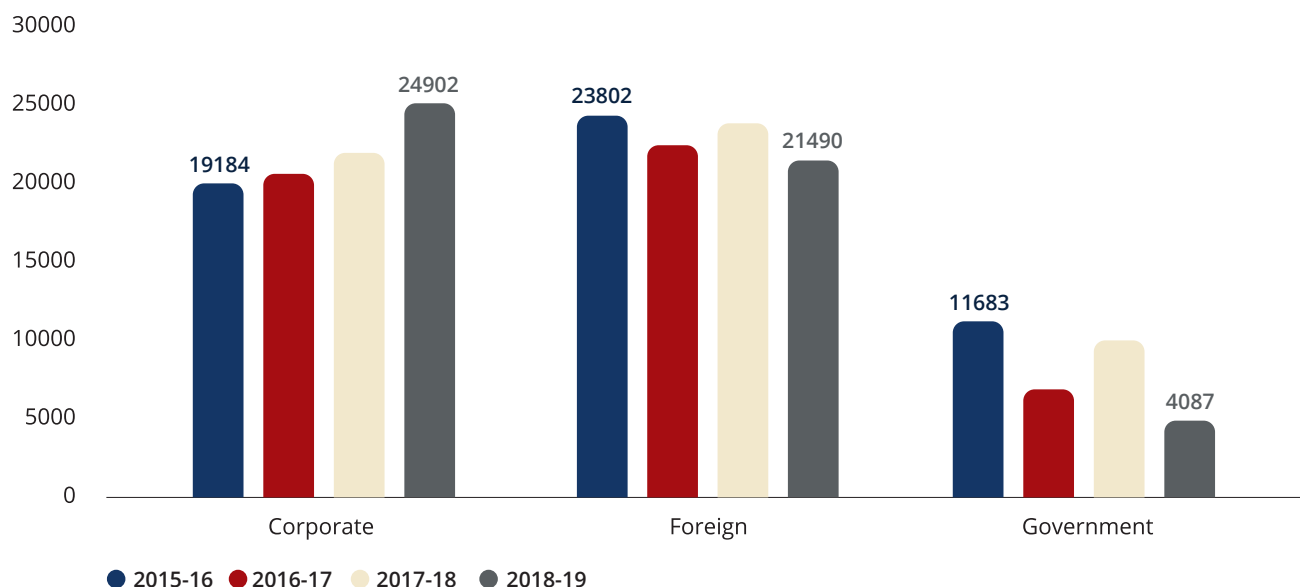
Note: Sources for the figures above are in the end notes.⁴

2. The growth in philanthropy is uneven

The growth across sources of philanthropy flows, including by corporates, government, flows from overseas and by individuals seems to be inconsistent. Figure 2 captures the volume and Figure 3 the estimated value of philanthropic capital in the country across all the sources. Contributions from overseas, (10% by volume and 7% by value) and from the State (65% by volume and 43% by value) appear to have declined over the last four years. There has been some increase in giving by Corporates under CSR (29% by volume and

33% by value) and apparently sizeable increase in giving by individuals, although the real extent can't be ascertained in case of the latter because of limitations mentioned earlier. The impact on tax revenue foregone as a result of deductions claimed under section 80G shows a substantial increase especially for year 2018-19, however, this could be a result of a growth in contributions to specific entities/ causes, e.g. for the same year the inflow into PMNRF was Rs 786 crore, up from Rs 486 crore a year earlier.⁵ The donations to PMNRF qualify for 100% tax exemption under 80G.

Figure 2: Volume of philanthropic flows across sources

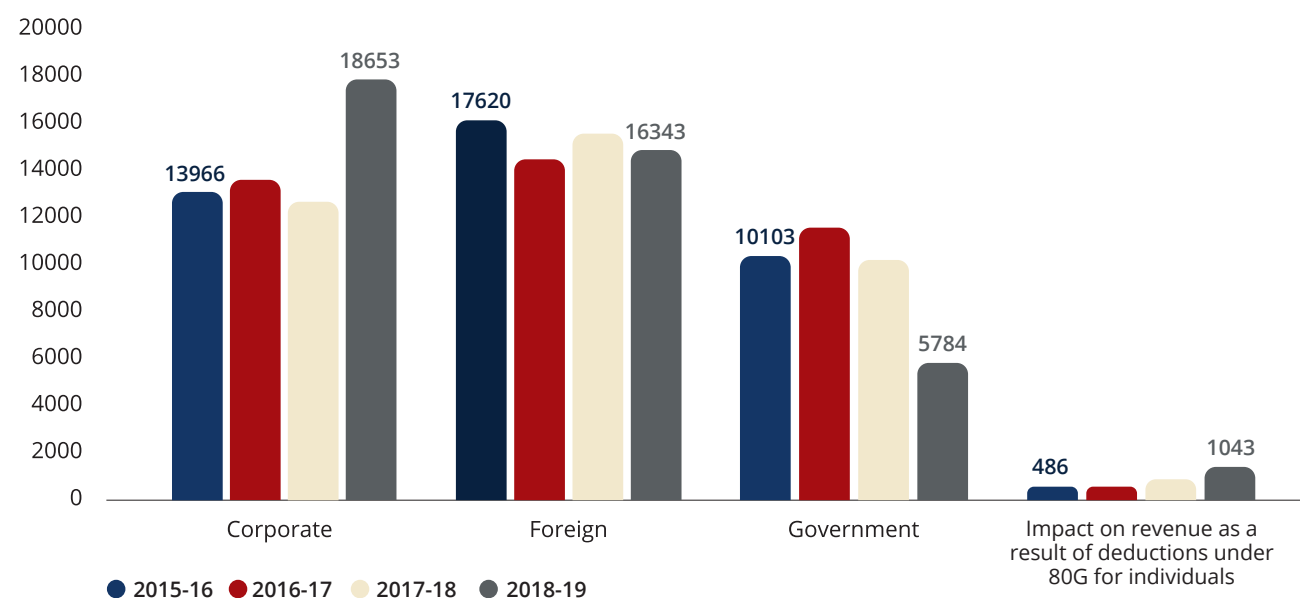


Note

1. The Statement of Revenue foregone which gives the value of impact on revenue as a result of deductions claimed under 80G by individuals, does not give a number for individuals donating/claiming the deduction. It shares the numbers of individuals filing income tax returns for the year. These numbers are 26.12 million, 31.44 million, 58.91 and 57.86 million respectively for the years 2015-16, to 2018-19.

2. Numbers quoted against corporates refer to the number of contributing entities, those against foreign sources refer to the number of eligible recipient organisations registered under FCRA for the particular year, while those quoted against the government sources give the number of NGOs that have reported having received funding from the government.

Figure 3: Value of philanthropic flows across sources in Rs Crores



Notes:

1. The figures mentioned against individuals are the figures quoted in the Statement of Revenue Foregone as impact on tax revenue as a result of deductions claimed under section 80G.

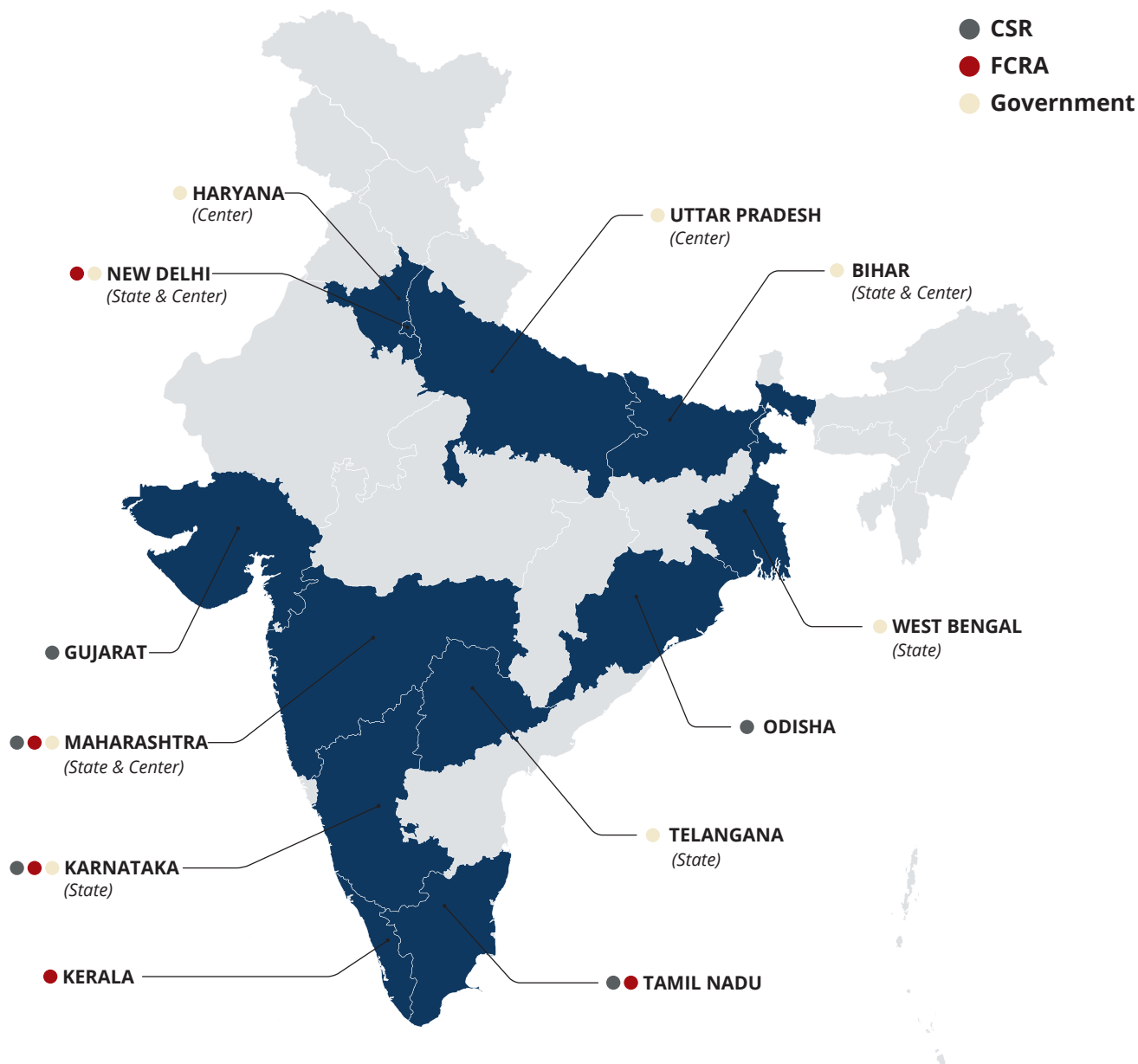
2. The data on NGO Darpan portal is self-reported. For 2018-2019, 34576 organisations have reported the data versus 58624 for 2017-18 which could have a bearing on the total value for the year.

3. States in the South and West continue to dominate the list of recipient regions

Flows from both CSR and under FCRA show a preference for South and West regions, which is similar to the pattern in 2015-16, although in 2018-19, the states of Odisha (CSR) and Delhi (FCRA) are amongst the list of top five recipient regions.

The real shift, however has been observed in flows from the Government, which in 2015-16 were also concentrated in south and west India, in the states of Maharashtra, Karnataka, Tamil Nadu and Gujarat, but in 2017-18 are more dispersed and include Bihar, UP, West Bengal and Telangana amongst the top five.

Figure 4: Top five recipient regions of philanthropic flows by value



Notes:

1. While the recipient States for CSR and FCRA flows are captured for the year 2018-19, the Government allocation is for the year 2017-18.

2. In 2018-19, one-third of CSR spend was listed as 'pan-India projects', which can't be traced to a specific beneficiary state. The recipient states in the figure are for the balance two thirds of the CSR Spend.

In case of tax exempt institutions, Maharashtra, Karnataka, Tamil Nadu, Gujarat and Delhi house the maximum number of tax exempt organisations registered under 12A. The same states along with Rajasthan and West Bengal also house a sizable number of organisations registered under Section 80G.

The UHNWI Philanthropy Report of Hurun reflects a similar trend where the cities of Bengaluru, Mumbai, New Delhi, Pune, and Ahmedabad feature prominently as recipients of High net worth philanthropy.⁶

4. Education leads, although data gaps make mapping sectoral giving challenging

The inconsistent terminologies used across datasets and incomplete information in case of self-reported data make meaningful analysis on sectoral giving difficult, especially with reference to the FCRA and NGO Darpan datasets. The CSR dataset, however, clearly states the purpose for each CSR project and reflects a preference for Education and Healthcare over other sectoral areas. The proportion of spends across these two areas have remained almost the same in 2018-19, constituting nearly 47% of the total CSR spend as compared to 46% in 2015-16. Across the FCRA dataset, Education stands second with 30% giving towards this purpose. Hurun's UHNWI philanthropy report for 2018-19 lists Education, Healthcare and Art, Heritage and Culture as the top three preferred sectors for philanthropists.

Table 4: Top three sectoral preferences across philanthropy flows (2018-19)

CSR		FCRA		UHNWI	
Sector	Percent Allocation	Sector	Percent Allocation	Sector	Percent Allocation
Education	30	Social	58	Education	35.6
Healthcare	17	Education	30	Healthcare	6.6
Rural Development	12	Religious	8	Arts, Culture and Heritage	6.3

5. Information on grant-making by Indian foundations is extremely limited

The in-house exercise by CSIP to understand the data available on Indian foundations, could identify only fifteen grant-making foundations with an online presence. Even for these fifteen foundations, there is a need for better disclosures across grant-making and operating practices.

One third of the foundations studied do not share information on grants made by them including number of partners and value of grants. The grant-making process itself in most cases appears to be opaque, with no details on the evaluation process and timeframes shared by the foundations. In terms of transparency regarding their own financials, a little less than half do not share these details.

6. There are no marked improvements in the availability and quality of data over the last two years

Despite growing interest, there is still a dearth of data on philanthropy flows. Some of the platforms such as the Income Tax database on tax exempt organisations and NGO DARPAN portal continue to be works in progress. There are still no commonly accepted definitions, reporting frameworks or unique identifiers across platforms allowing for linkages and cross verification of data. While the FCRA dataset classifies foreign funding into categories of Social, Educational, Religious, Economic and Cultural, certain activities can be included in multiple categories. Similarly the NGO Darpan portal allows for long text answers (instead of categorised information), making meaningful analysis difficult.

In many cases, fields across datasets are not populated. For instance, the net profit field was not populated for most companies in the CSR dataset, or was filled incorrectly. Likewise, on the NGO Darpan Portal, the amount sanctioned column showed some odd figures such as amounts below Rs 1000. There appeared to be no validation checks for the reported data.

3. *Sources Of Philanthropic Flows*

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1. CORPORATE FLOWS UNDER CSR



2. FOREIGN FLOWS UNDER FCRA



3. FLOWS FROM THE GOVERNMENT

Corporate Flows under CSR

In 2013, India became the first country to mandate specific spend on Corporate Social Responsibility (CSR) for all corporate entities above a certain net worth, revenue or level of profit, on activities as prescribed under schedule VII, of the Companies Act.^{iv} This was made applicable from the financial year 2014-2015.

This provision has had an impact on the growth, spend, and composition of CSR portfolios of various

companies. This section brings together analysis from the CSR reporting by Companies available on the CSR portal of the Ministry of Corporate Affairs. It shares the volume, value and trends across parameters such as CSR spend by Corporates, recipient sectors and geographies, and preferences in the mode of implementation of projects. This section also shares the shift observed between the period 2015-2016 when the previous analysis was carried out, and the latest year (2018-19) for which the dataset is available.



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The importance of inclusive growth is widely recognized as an essential part of India's quest for development. It reiterates our firm commitment to include those sections of the society in the growth process, which had hitherto remained excluded from the mainstream of development. In line with this national endeavour, Corporate Social Responsibility (CSR) was conceived as an instrument for integrating social, environmental, and human development concerns in the entire value chain of corporate business.

- From the MCA CSR Portal

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^{iv} The Companies Act 2013 requires that every company, which meets the eligible criteria, should undertake CSR activities. 2. Eligibility Criteria: • Net worth of rupees five hundred crore or more, or • Turnover of rupees one thousand crore or more, or • A net profit of rupees five crore or more during any financial year- The criteria for CSR spend and approved activities can be accessed here Ministry Of Corporate Affairs - Companies Act, 2013 (mca.gov.in).

The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 were notified on January 22nd, 2021 by the Ministry of Corporate Affairs (MCA) leading to significant changes with respect to

A revision in the definition of CSR

to include funding of COVID-19 related relief activities (till FY 23 in collaboration with listed organisations) and support for international training of sports people. The listed organisations eligible for support under COVID-19 related activities include government organisations and those from the scientific community. This may redirect some funding to entities stated above for COVID-19 related activities, impacting flows to ongoing programmes of NGOs

Consequences for non-compliance

now include a penal clause for defaulting Companies which may lead to better/more utilisation of allocated CSR funds.

A provision allowing for excess CSR spend

in any particular year to be set off against CSR expenditure over the immediate succeeding three financial years may impact flows to the NGOs.

A provision that makes it possible for International Organisations to be involved in the designing and monitoring and evaluation of CSR projects, will increase the contenders for a slice of the CSR pie in India.

The clarification with respect to administrative costs

which are now more clearly defined as including only the Company's general management and administration of CSR functions capped at 5%, but exclude those expenses that are directly incurred for designing, implementation, monitoring and evaluation of a particular CSR project which implies more flexibility for NGOs in the allocation of funds for these activities.



What does the CSR Dataset reflect?

1.

Total CSR spend has grown 33% between FY 2016 and FY 2019 from Rs 13,966 crores to Rs 18,653 crores at a compounded annual growth rate of 10%.

2.

The constitution of the CSR spend has changed to some degree. The share of Top Companies (Top 50, 100, and 200), and the share of Government Companies in overall CSR spend has declined over this period. Public Companies and Listed Companies continue to contribute substantially to the CSR spend versus Private and Unlisted Companies.

3.

The recipient geographies of CSR flows continue to include the three States of Maharashtra, Karnataka and Tamil Nadu amongst the top four recipients of CSR spend in 2018-19, as in 2015-16. The State of Gujarat has increased its share in the same period and replaced Andhra Pradesh in the latest dataset.

4.

Education and Healthcare hold on to the two top positions of priority sectors for CSR Spend, with their combined share remaining almost the same at 47% in 2018-19 as compared to 46% in 2015-16.

5.

Corporates are now implementing more projects directly. 45% of the value of projects are implemented by Companies directly or through non-profits set up by them in 2018-19, up from 36% in 2015-16. 50% of the projects by value are implemented by other implementing agencies.

6.

The data analysis could have been enhanced substantially if the quality of filing by Companies and validation were improved.

CSR Spend

Since the 1st year of implementation of the CSR mandate in 2014-15, the number of companies and their CSR spend have shown an upward trend with varying growth rates (apart from in 2017-18). 2018-2019 reflects a growth of nearly 30% in the number of companies and 33% in the value of CSR spend when compared to 2015-16. As compared to the immediately preceding year 2017-18 however, the total number of companies in this database increased by 16% while their total CSR spend increased 37% to Rs 18,653 crores.^v One of the reasons for this increase is that for several

companies, their numbers for 2017-18 in the database were reported as 0.

The total CSR spend of 2018-19 is more than the FCRA or Government flows for the year; however, the total amount contributed by 24,902 companies in 2018-2019 when compared with other flows is equal to 22 % of the State Education Budget of Rs 85010 crores and nearly 35 % of the Health outlay of Rs 52,800 crores for the year.⁷ For the same period, the net profit of India's two largest Companies, Tata Consultancy Services (TCS)⁸ and Reliance Industries⁹ was 31,562 crores and 39,588 crores respectively.

^v 1 crore= 10 million

Figure 5: Number of Companies Reporting

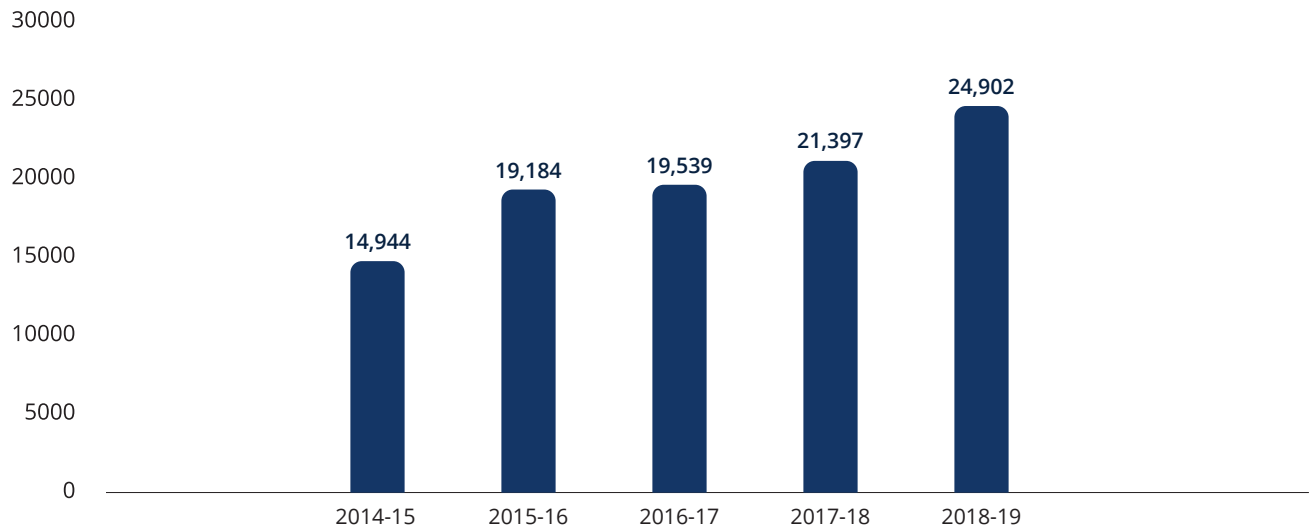
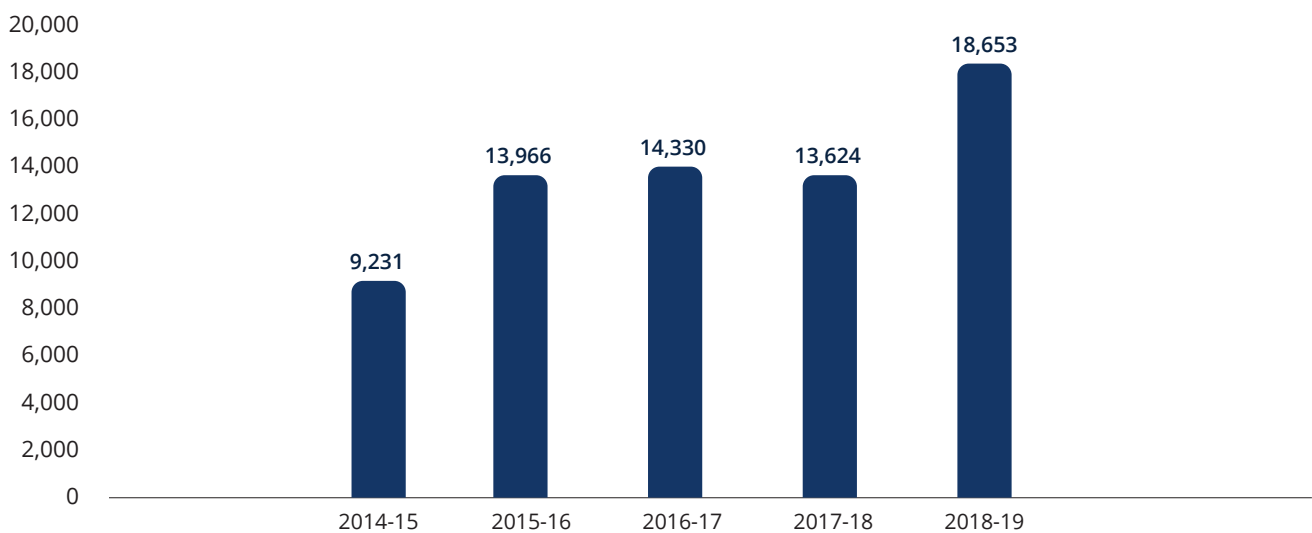


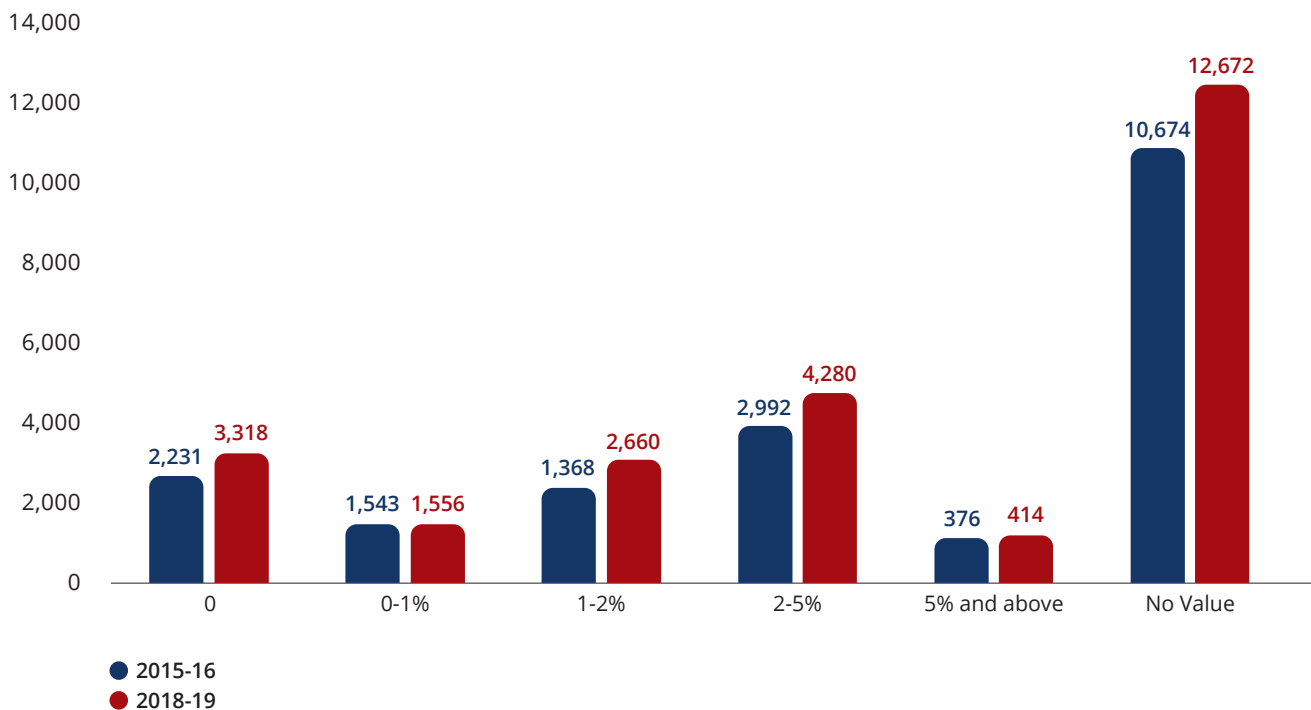
Figure 6: Value of CSR Spend (Rs Crores)



Adherence to the State Mandate

The law requires that at least 2% of the average net profits made during three immediately preceding financial years is spent on CSR by the Companies. Of the 24,902 companies in the database in 2018-19, for 12,672 (51%), either the net profit or CSR spend wasn't reported in the CSR database. Of the balance, 4,874 or almost 40% of the companies spent less than 1% on CSR activities; and 2,660, another 22% spent between 1-2%. In terms of a shift from 2015-2016, the highest increase was seen in companies who spent more than 2% of the mandated spend. Their numbers increased by 39%, from 3,368 in 2015-16 to 4,694 in 2018-19.

Figure 7: Adherence to the State Mandate



Contribution to the CSR Spend

Top Companies

Since the implementation of the Act, a large part of the CSR spend has come from a small number of top companies. This is now changing with more companies lower down the ranking contributing an increased percentage of the spend. While in absolute terms, the CSR spend of the top 50, 100 and 200 group of companies has increased over the last four years, in percentage terms, their contribution to the total has gone down. The top 50 Companies contributed 44% of the total CSR spend in 2018-2019 versus 50% in 2015-2016, the top 100 Companies 52% from the earlier 60%, while the top 200 companies' contribution fell from 69% to 61% over the same period.

Figure 8: Contribution by the Top companies to the CSR spend (Rs Crores)

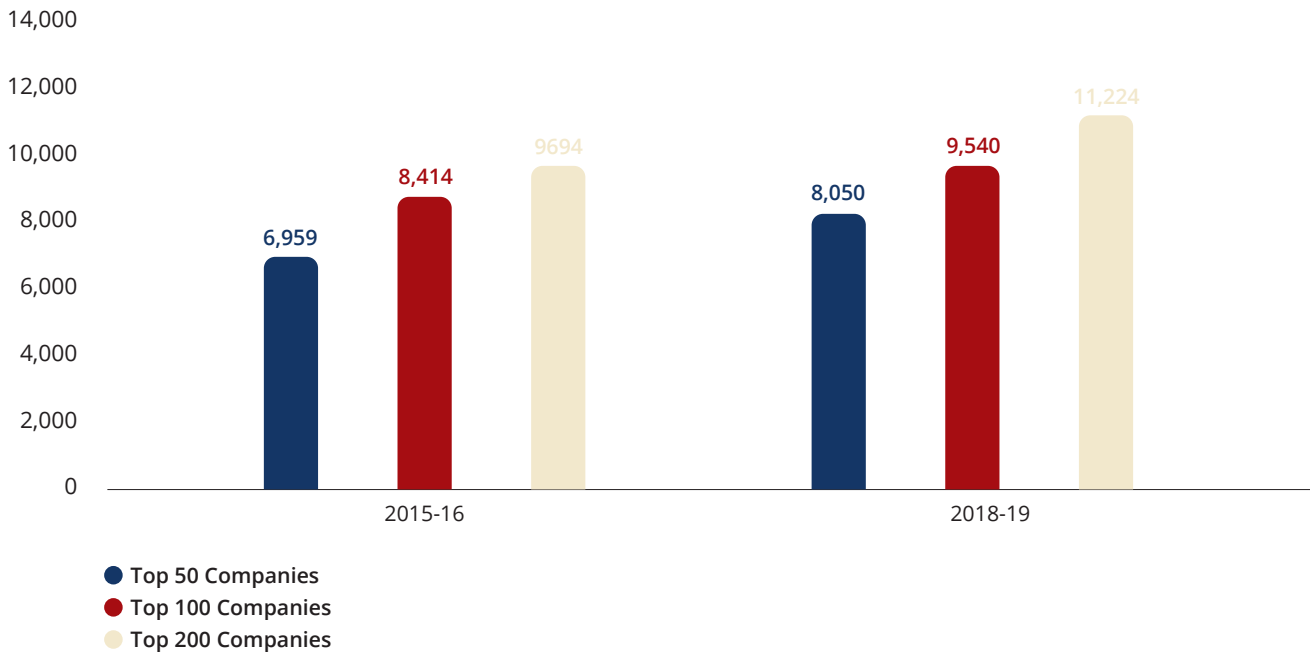
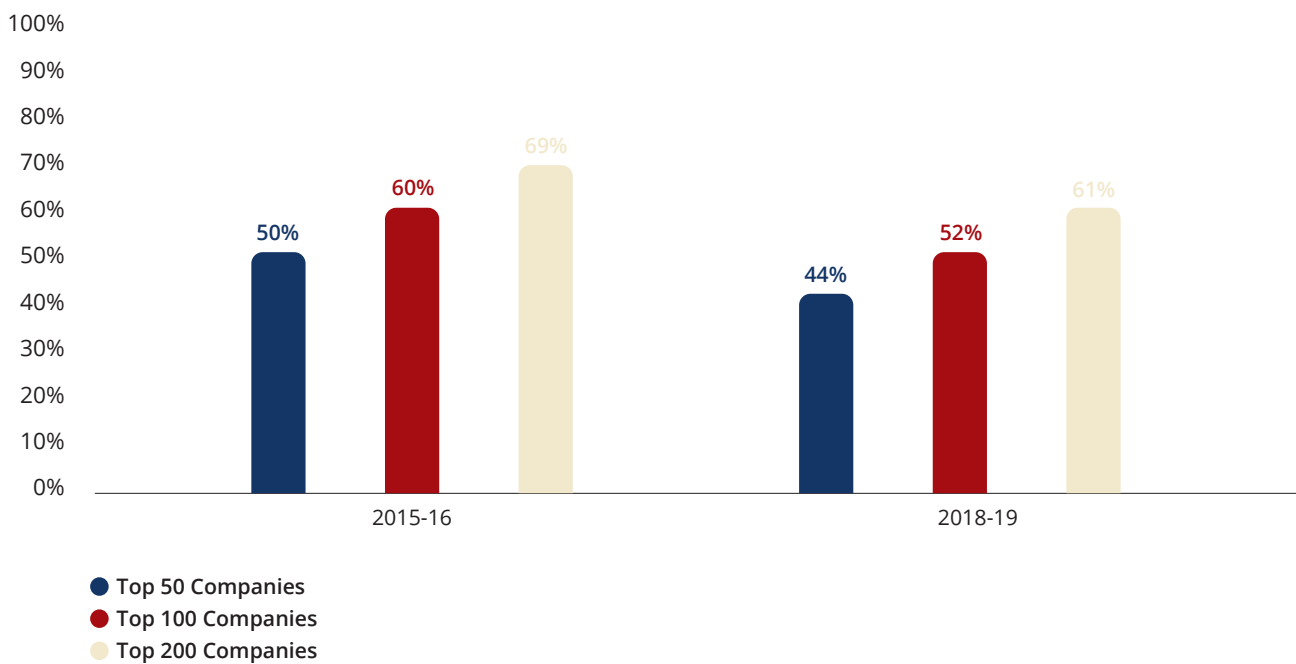


Figure 9: Contribution to the CSR spend by the Top companies in percentage terms



Government and Non-Government Companies

Similar to the Top Companies, the share of Government Companies in the overall CSR spend has declined over the three year period. In 2018-2019, Government Companies contributed 19% to the CSR spend although they formed only 3% of the dataset. However, this contribution is much less than the 30% that they contributed as 2% of the dataset in 2015-2016.

Figure 10: Composition of Government & Nongovernment Companies in the CSR Spend

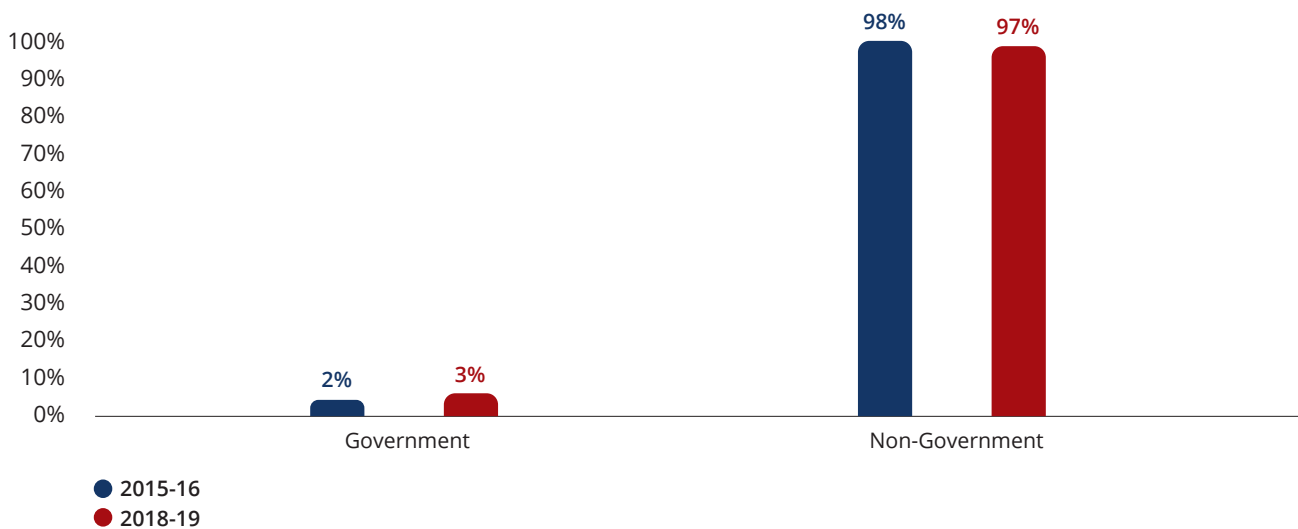
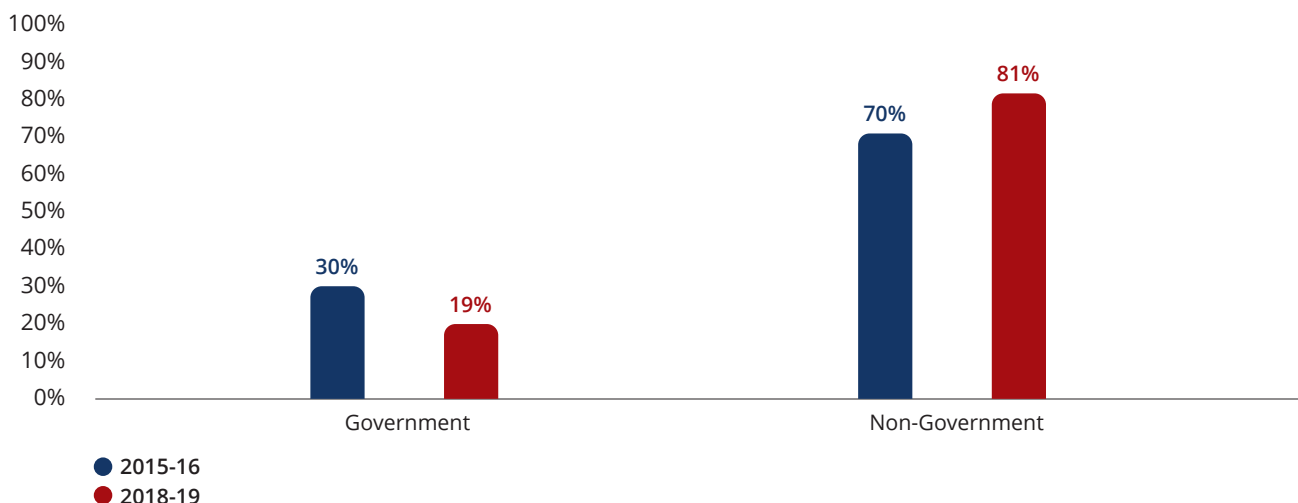


Figure 11: Contribution of Government & Nongovernment Companies - CSR Spend



Private and Public Limited Companies

While Public Limited Companies formed only 29% of the universe, they contributed 72% of the CSR spend in 2018-2019. This is a few points below their 76% spend when they constituted 36% of the database in 2015-2016.

Figure 12: Composition of Public and Private Limited companies in the CSR spend

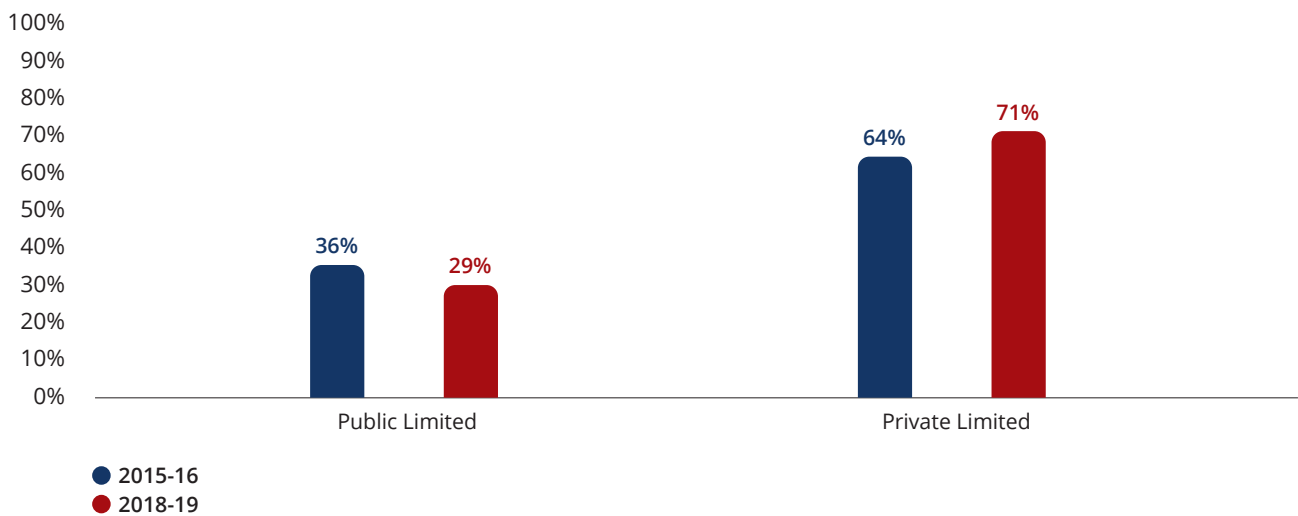
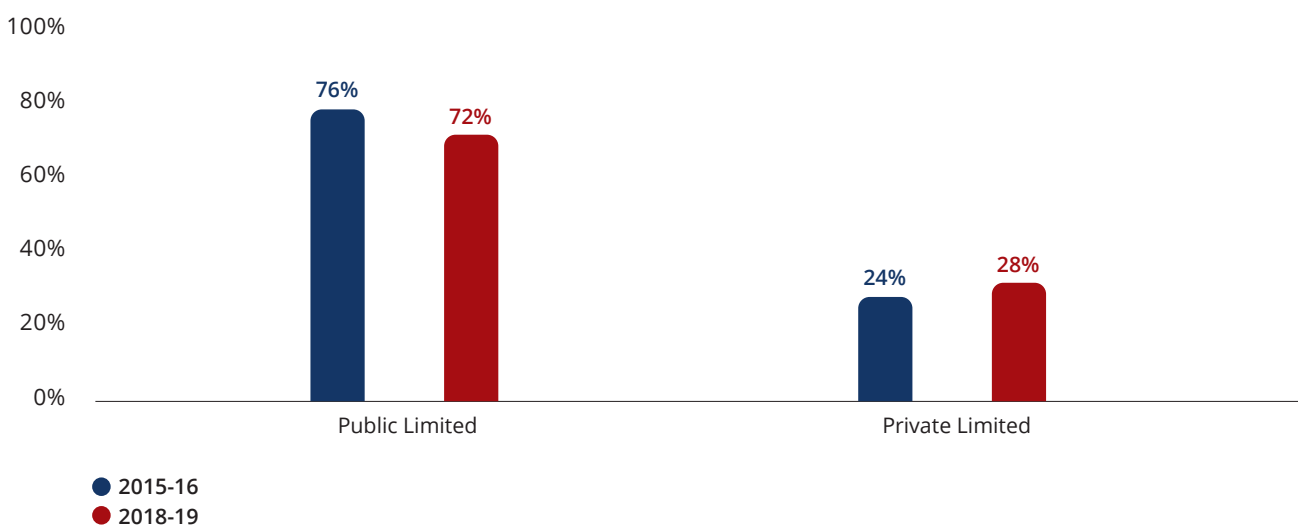


Figure 13: Contribution of Public and Private Companies to the CSR spend



Listed and Unlisted Companies

Listed Companies contributed 59% of the total CSR spend although they formed only 9% of the dataset in 2018-2019. This is not substantially different from their contribution at 60% in 2015-2016.

Figure 14: Composition of the Listed and Unlisted companies in the CSR spend

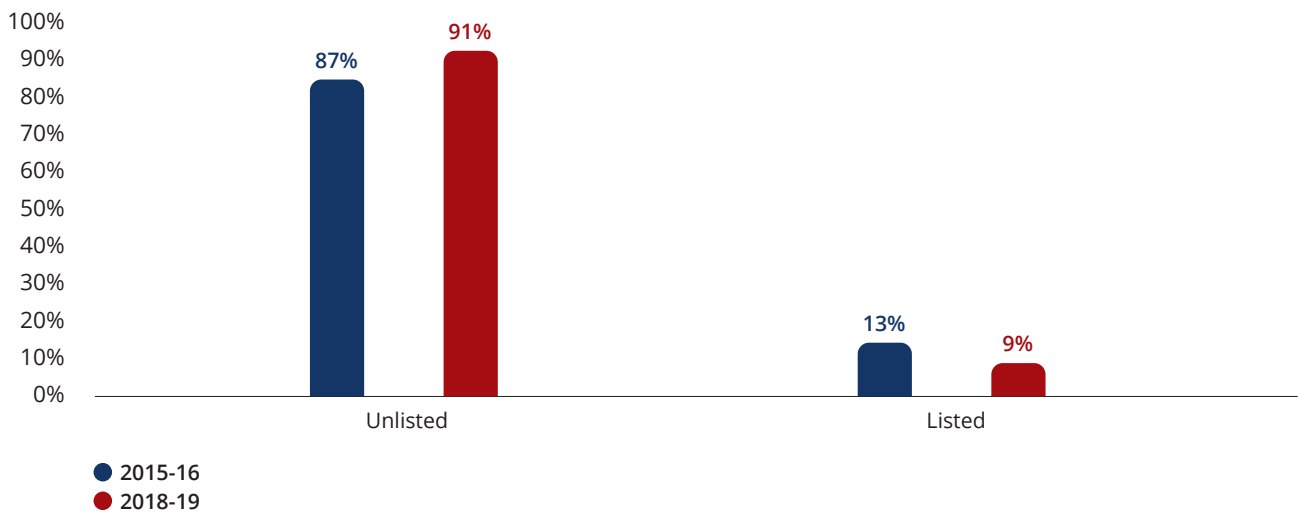
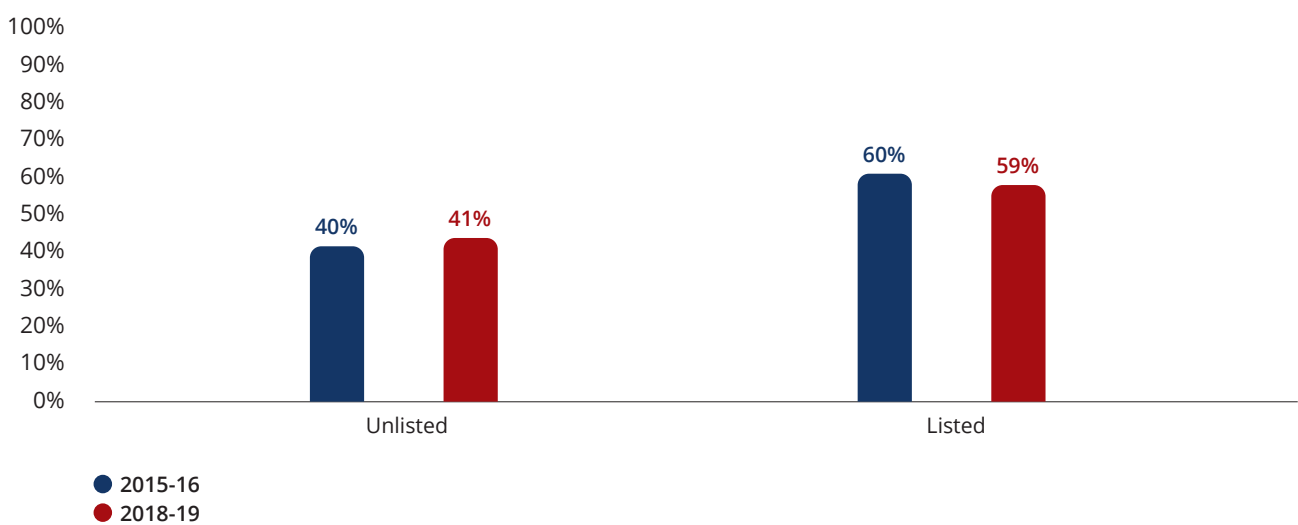


Figure 15: Contribution of the Listed and Unlisted Companies in the CSR Spend

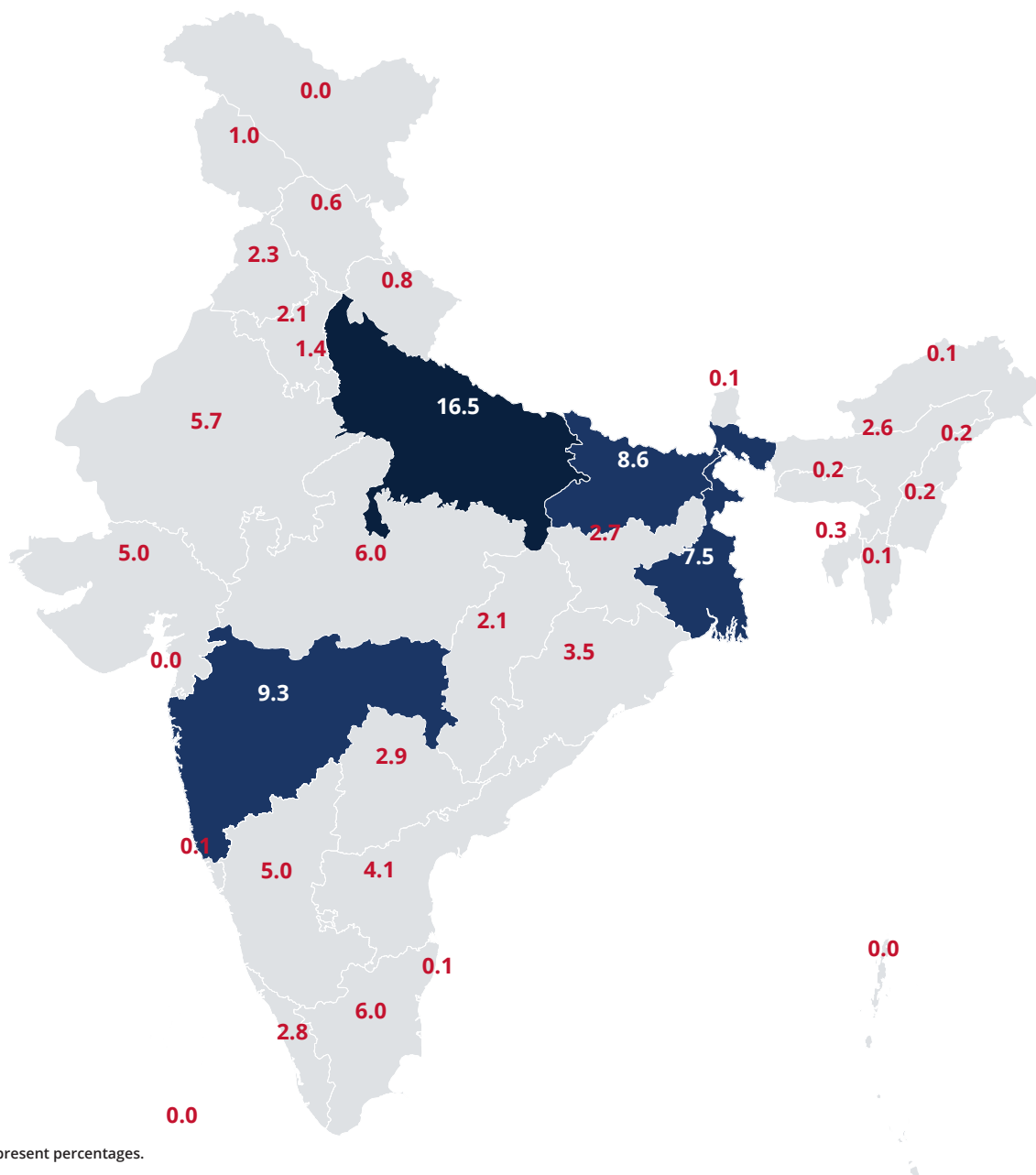


Geographical Spread

The number of registered companies and the share of CSR funds are concentrated in a few States, at variance with the proportion of people housed in these States or their development indicators. States with the largest populations receive a substantially lower proportion of CSR funds.

65% of the companies in the CSR set in 2018-19 are located in just four States: Maharashtra, Delhi, Tamil Nadu and Karnataka. On the other hand, three States of Uttar Pradesh, Bihar and Madhya Pradesh that together constitute a little over 31% of India's population, have less than 4% of the share of the Companies in these States. This skew shows up in the geographical distribution of CSR funds too.^{vi}

Figure 16: Share of Population (Census 2011)

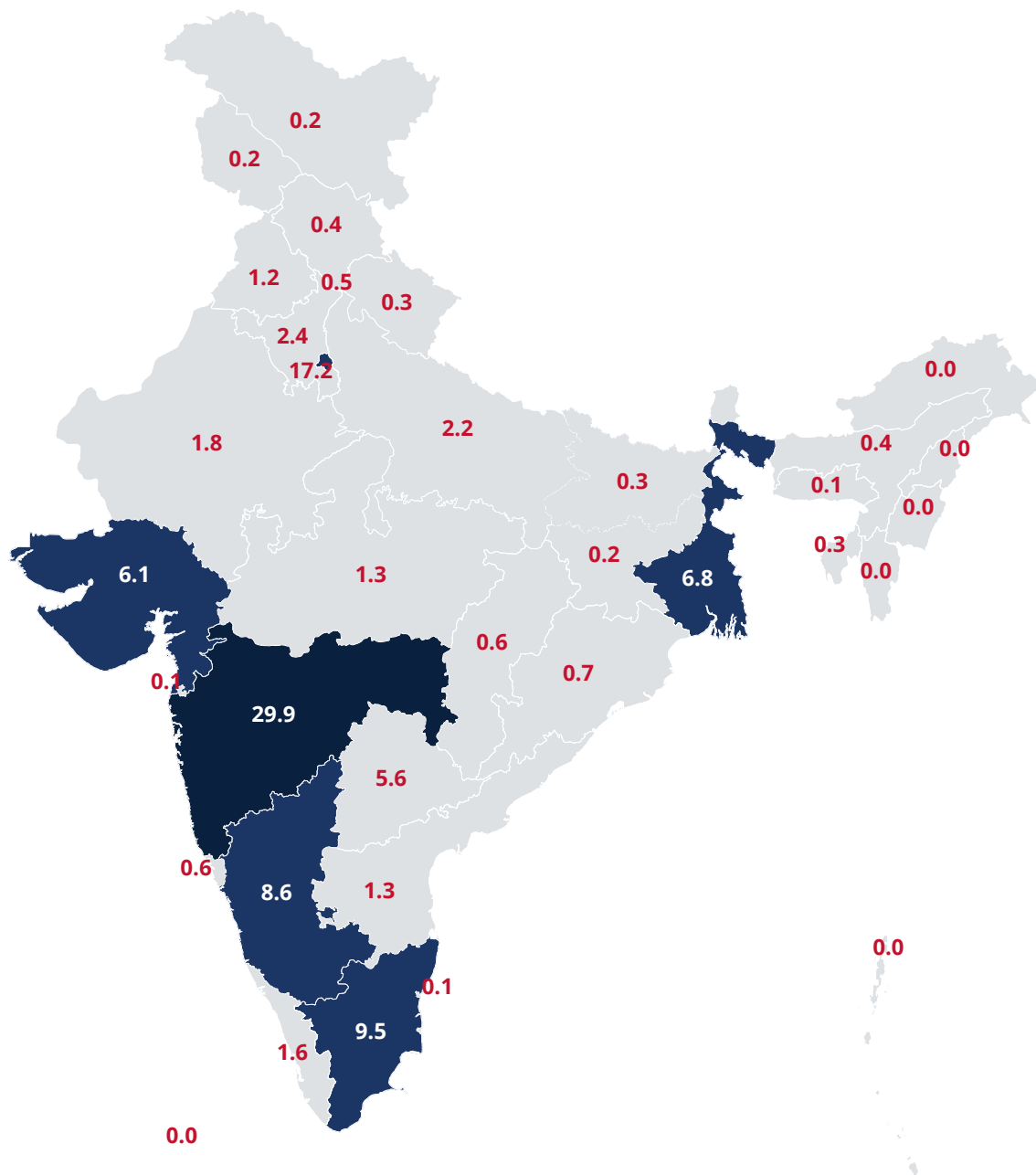


Numbers represent percentages.

Disclaimer | This map is a graphical representation designed for general reference purposes only.

vi The darker colour in all the maps in the report reflects a higher allocation for the State as compared to other States.

Figure 17: Share of Registered Companies (2018- 2019)



Numbers represent percentages.

Disclaimer | This map is a graphical representation designed for general reference purposes only.

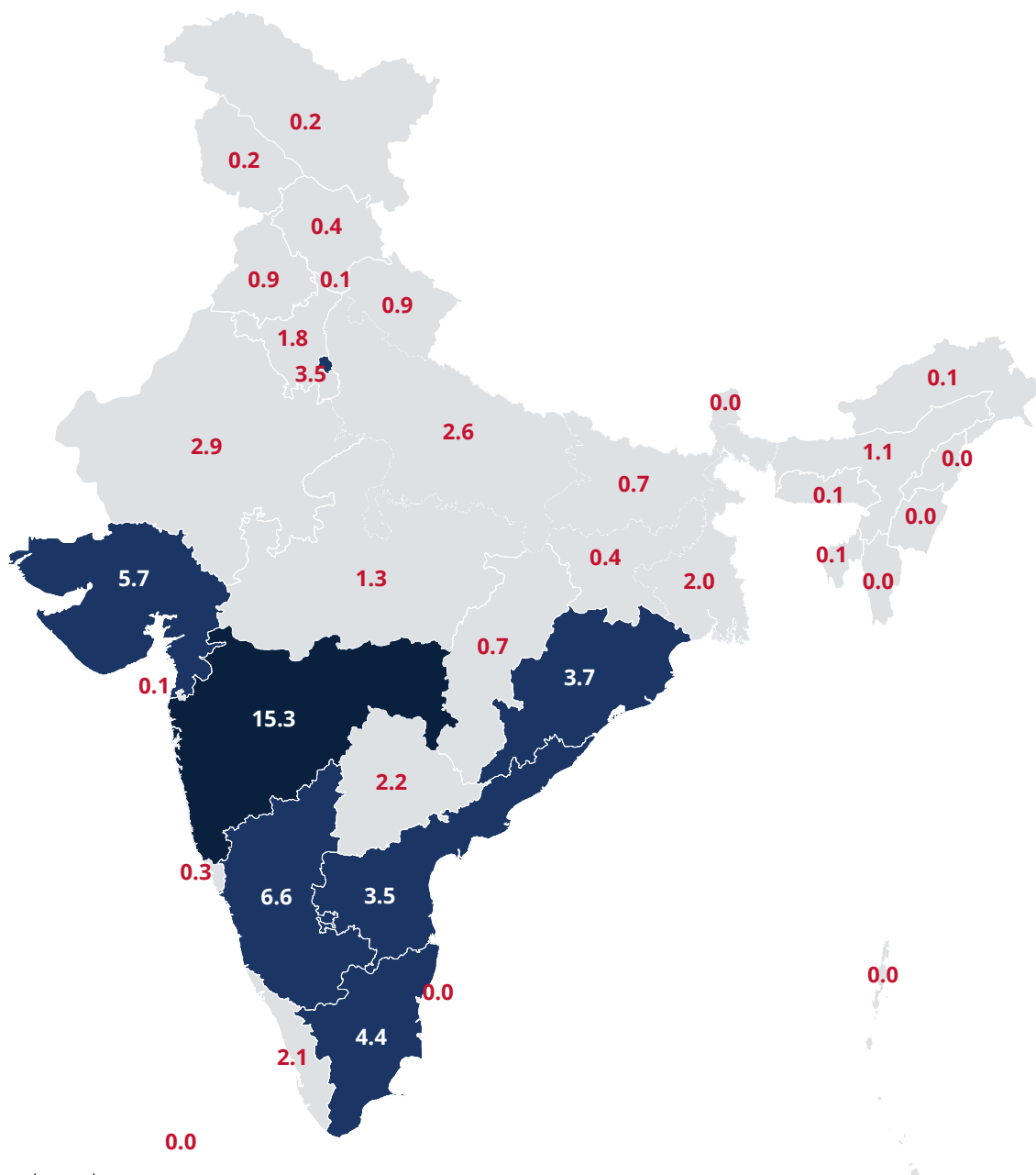
Share of CSR Projects by Value and Number

In 2018-19, one-third of the CSR spend was listed as 'pan-India projects', which can't be traced to a specific beneficiary state. Of the remaining two-thirds, Maharashtra received the largest share of overall CSR spend (15.3%) followed by Karnataka, (6.6%), Gujarat (5.7%) and Tamil Nadu (4.4%).

In contrast, Uttar Pradesh, Bihar, Madhya Pradesh and West Bengal together received only 6.6 % of the CSR spend although they're home to nearly 39% of the population.

In 2018-19, 7% of the CSR projects (by number) were listed as pan-India projects, and couldn't be traced to a specific beneficiary state. This is down from 15% in 2015-16. Of the balance, about 37% of the CSR projects are in four states of Maharashtra, Gujarat, Karnataka and Tamil Nadu that house one-fourth of India's population.

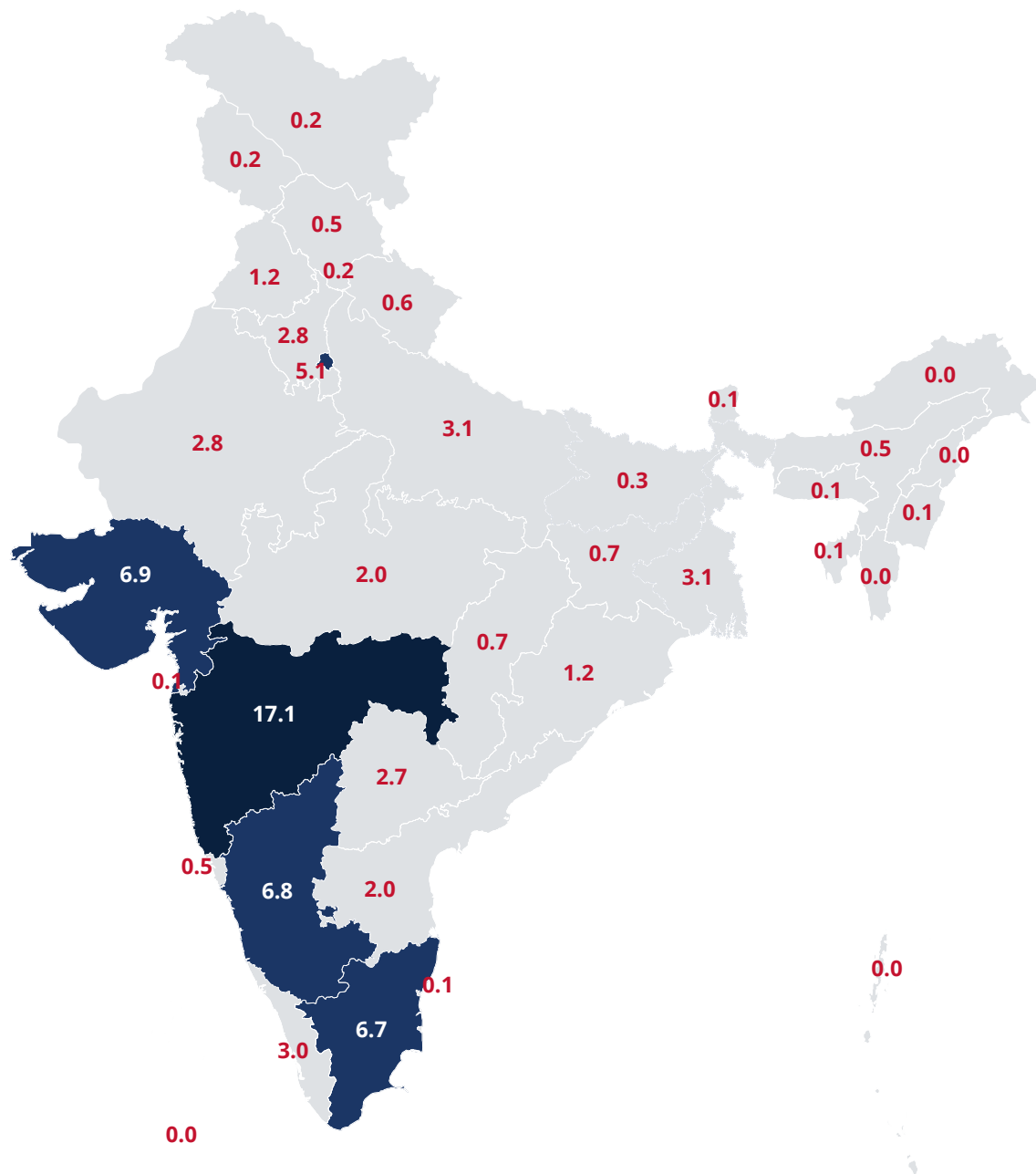
Figure 18: Share of CSR Projects by Value (2018-19)



Numbers represent percentages.

Disclaimer | This map is a graphical representation designed for general reference purposes only.

Figure 19: Share of CSR Projects by Number (2018-19)



Numbers represent percentages.

Disclaimer | This map is a graphical representation designed for general reference purposes only.

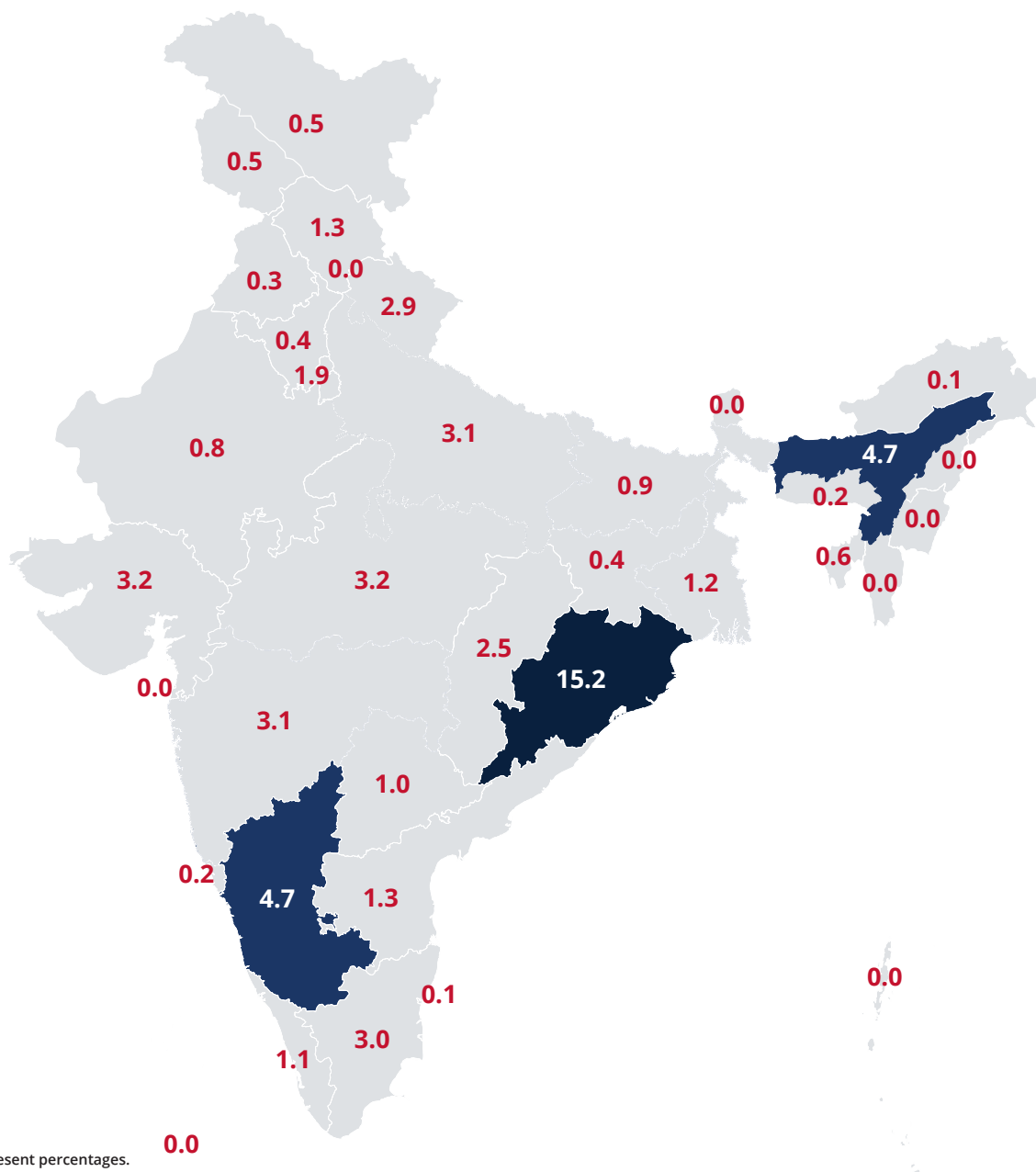
Geographical Spread of CSR Funds by Government and Non-Government Companies

In 2018-19, government companies spent 42% on pan-India projects, non-government ones 35%. For the remaining, Odisha, Karnataka and Assam were the three top recipients of CSR funds in case of Government Companies, while Maharashtra, Karnataka and Gujarat were the top three in case of non-government companies.

From 2015-16 to 2018-19, in the case of government companies, the States of Odisha, Karnataka, Maharashtra and Gujarat have seen an increase in share while Andhra Pradesh, Uttar Pradesh and Chhattisgarh have seen a decline.

Over the same period, Maharashtra, Karnataka, and Gujarat saw an increase in the share of CSR spending by non-government companies while Tamil Nadu and Rajasthan saw a decline.

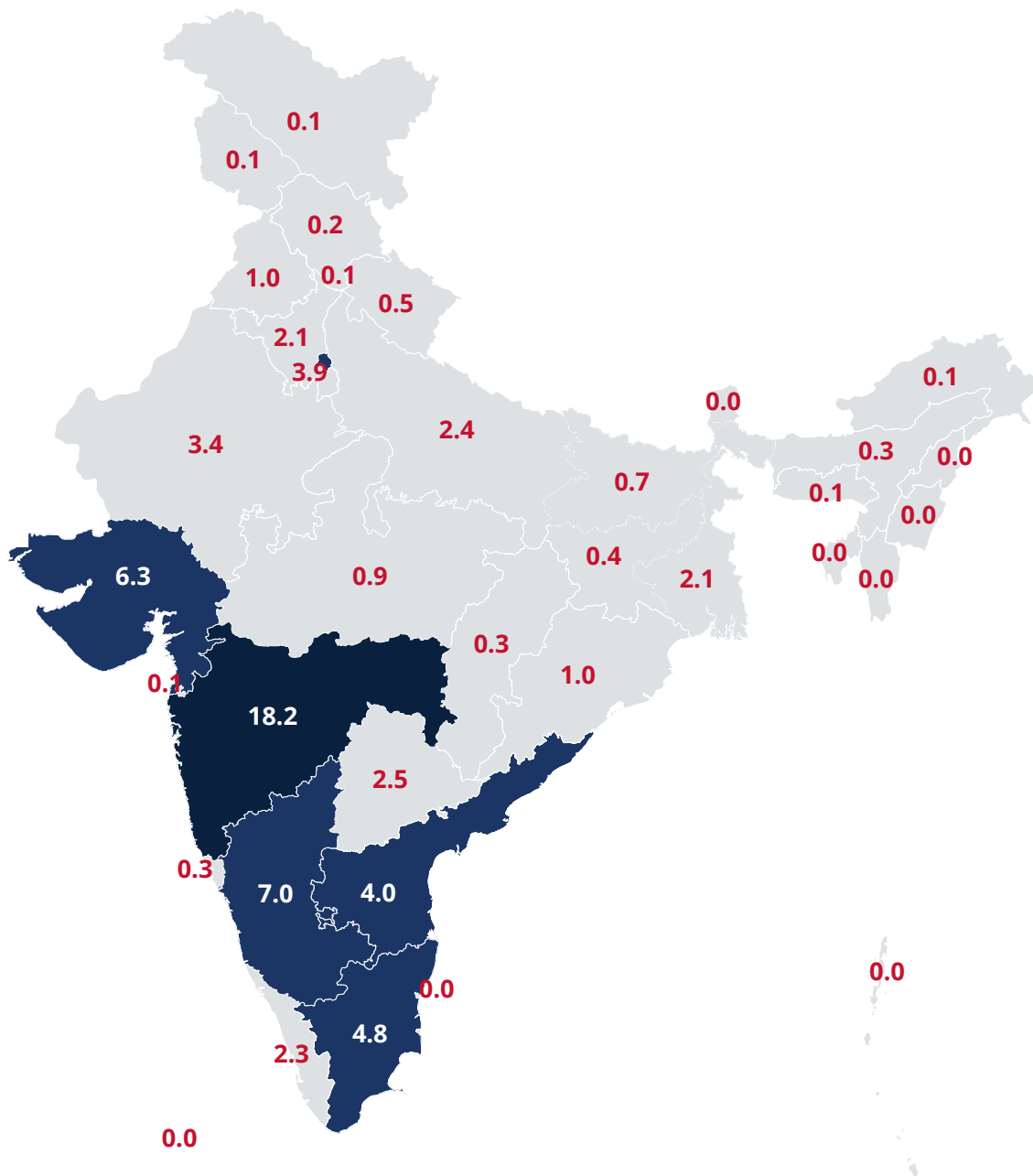
Figure 20: CSR Spend Government Companies (2018-19)



Numbers represent percentages.

Disclaimer | This map is a graphical representation designed for general reference purposes only.

Figure 21: CSR Spend Non-Government Companies (2018- 19)



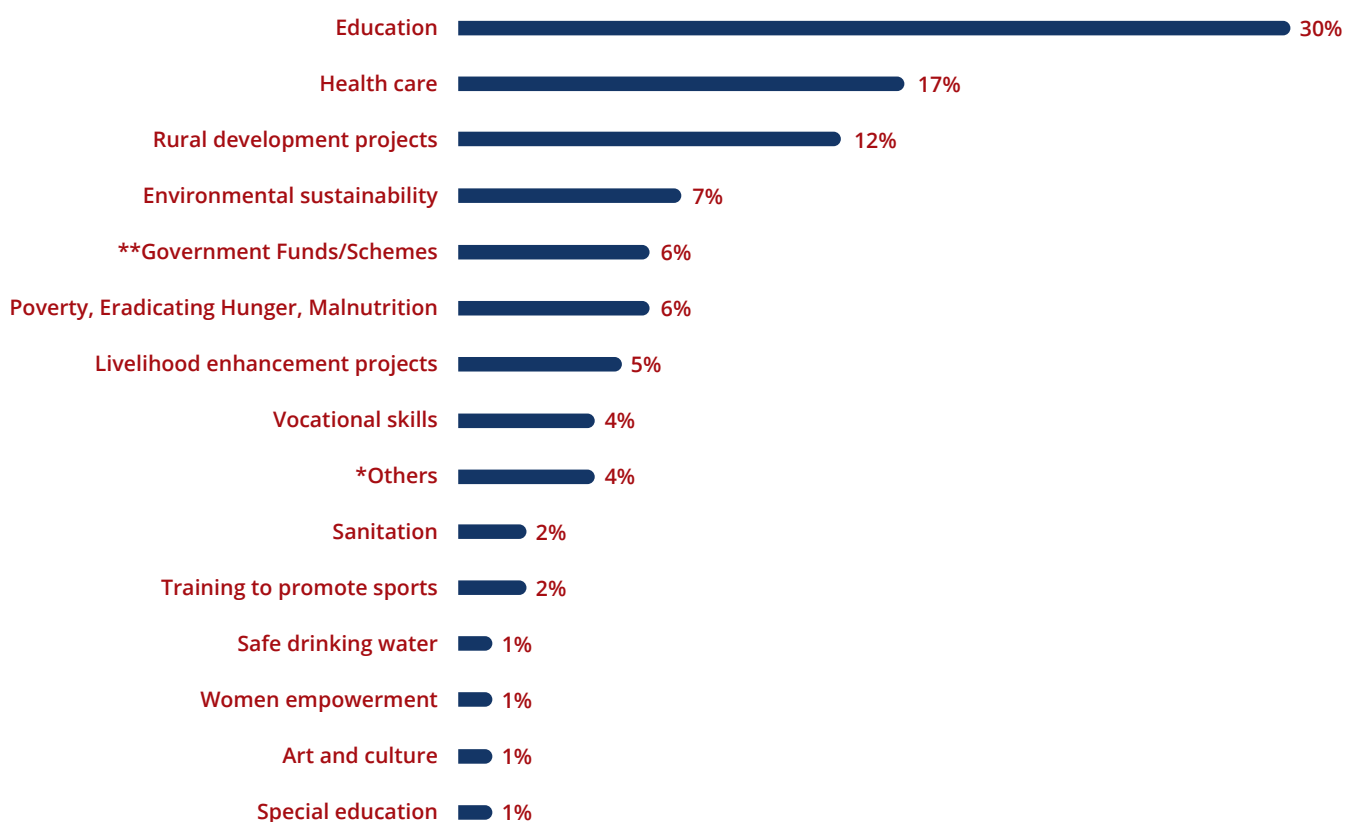
Numbers represent percentages.

Disclaimer | This map is a graphical representation designed for general reference purposes only.

Sectoral Areas of CSR Spend

The CSR dataset reflects a preference for Education and Healthcare over other sectoral areas. The proportion of the spend on these two areas has remained almost the same in 2018-19, constituting nearly 47 per cent of the total CSR spend as compared to 46 per cent in 2015-16. The third spot also remains unchanged in the case of rural development whose share in CSR spend has increased from 10% to 12%. Education, Healthcare and Rural Development received Rs 5659 crores, Rs 3205 crores and Rs 2307 crores respectively in 2018-19.

Figure 22: Sector Wise CSR Spend in 2018-19



Numbers represent percentages

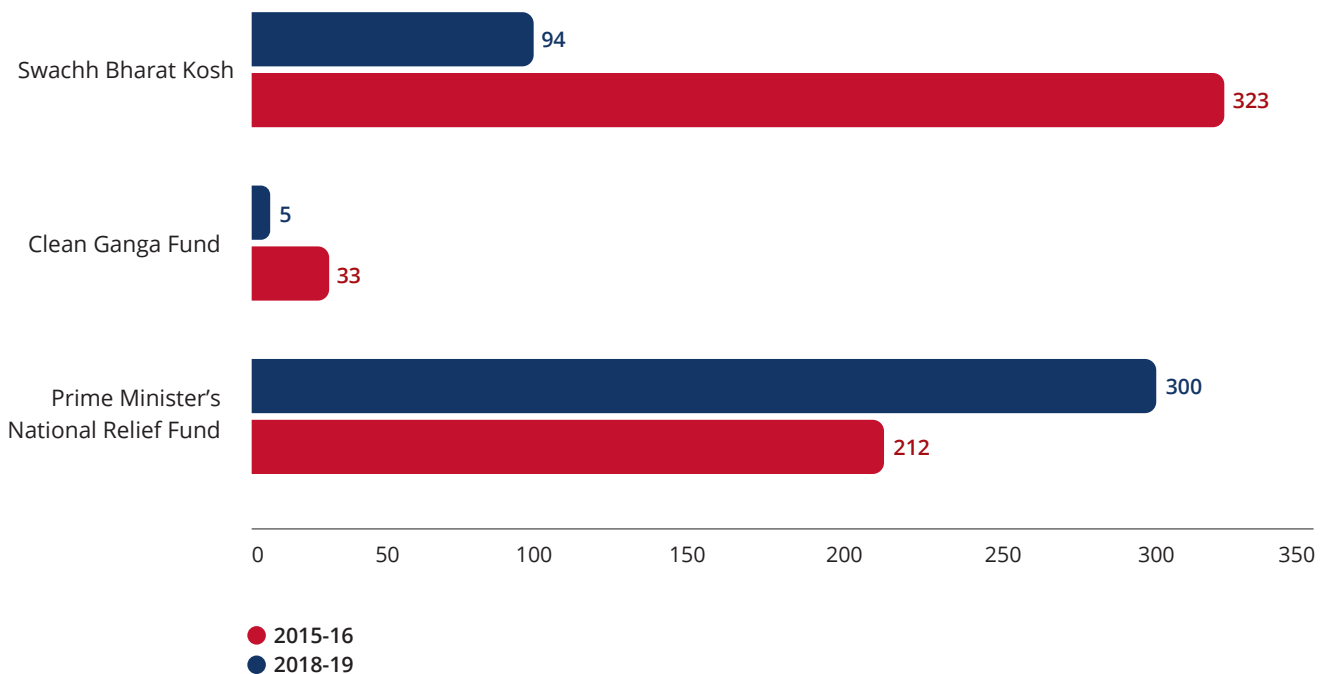
*Others include: Socio-economic inequalities, Animal welfare, Armed Forces, Veterans, War Widows/ Dependants, NEC/ Not mentioned, Agro forestry, Conservation of natural resources, Setting up homes and hostels for women, Slum area development, Gender equality, Senior Citizens Welfare, Technology incubators, Setting up orphanage.

** Government scheme/funds include Clean Ganga Fund, Prime Minister National Relief Fund, Swachh Bharat Kosh and other central government funds.

Share of CSR Funds Spent on Government Projects

There is a shift from the initial government stand that the 2% mandated CSR spend is not meant to be a resource for its own programmes. From the initial Prime Minister's National Relief Fund, the list of Government schemes eligible to receive CSR funds has expanded. Of the three government schemes/funds that are explicitly defined in the CSR database, the maximum amount of Rs 300 crores was contributed to the Prime Minister's National Relief Fund in 2018-2019, up from Rs 212 crores in 2015-2016. The other two schemes - Swachh Bharat Kosh and Clean Ganga Fund reported a decline in funding during this period.






Figure 23: Allocation of CSR Funds to Government Schemes (Rs Crores)



State Wise Allocation of Sectoral Spend

An analysis of the state-wise allocation of sectoral spends for the years 2015-16 and 2018-19 shows that Maharashtra, Gujarat, Andhra Pradesh and Tamil Nadu dominate in terms of frequency of occurrence. The following table maps the sectoral spends for the two years, the top five recipients across each category and their percentage share of the allocated CSR spend. Fifteen States occupy all the top five recipient slots across the sectors, and if readings that occur only once are excluded, the number of States decreases to seven implying that the CSR sectoral allocations are concentrated in a few States.

Table 5: State Wise Allocation of Thematic Spend for 2015-16 and 2018-19 –Top Five Recipients

Sector	2015-16		2018-19	
	State	Allocation	State	Allocation
Education 	Maharashtra	17.7	Maharashtra	21.3
	Karnataka	7.1	Karnataka	8.9
	Haryana	5.8	Gujarat	7.0
	Andhra Pradesh	5.8	Tamil Nadu	4.9
	Gujarat	5.5	Odisha	4.3
Health Care 	Maharashtra	25.8	Maharashtra	20.5
	Andhra Pradesh	7.4	Gujarat	7.5
	Delhi	6.9	Andhra Pradesh	6.5
	Karnataka	6.3	Tamil Nadu	5.3
	Gujarat	5.8	Karnataka	5.0
Rural Development 	Odisha	7.7	Maharashtra	8.7
	Andhra Pradesh	6.7	Gujarat	7.4
	Maharashtra	6.3	Tamil Nadu	6.0
	Rajasthan	5.9	Uttar Pradesh	5.6
	Gujarat	3.5	Andhra Pradesh	5.0
Poverty, Hunger and Malnutrition 	Andhra Pradesh	29	Odisha	11.4
	Odisha	14.5	Maharashtra	7.2
	Jharkhand	4.3	Kerala	5.6
	Maharashtra	3.4	Gujarat	4.3
	Tamil Nadu	2.6	West Bengal	2.6
Environmental Sustainability 	Karnataka	15.4	Karnataka	13.1
	Andhra Pradesh	14.9	Maharashtra	9.9
	Maharashtra	8.2	Andhra Pradesh	6.0
	Telangana	4.7	Punjab	3.8
	Tamil Nadu	3.7	Tamil Nadu	3.5

Notes: Numbers represent percentages. Only the percentage share of the top five recipients across each thematic allocation has been considered hence the total will not add up to 100 percent.

2018-19 - Education- 27%, Healthcare- 30%, Rural development- 39%, Poverty , Hunger and Malnutrition- 57%, Environment Sustainability- 43% were pan India Spends whose allocations cannot be attributed to one State.

2015-16 - Education- 27%, Healthcare- 25%, rural development- 51%, Poverty, Hunger and Malnutrition- 51%, Environment Sustainability- 30% were pan India Spends whose allocations cannot be attributed to one State.

Implementation of CSR Projects

The total value of the projects under direct Company Management has risen compared to four years ago although the number of projects managed by them have gone down. In 2018-19, 40% of the projects, in terms of numbers, were implemented by companies directly while 31% were implemented through 'other implementing agencies'. In terms of value of projects implemented however, 'other implementing agencies' lead at 50%, with those under direct company management (implemented directly by them or through non-profits set up by them) being a close second at 45%. This is higher than the 36% under direct company management in 2015-2016.

The percentage of value of projects implemented by the 'others' category has gone down, during this period only to be taken up as direct implementation by the company or other implementing agencies.

Figure 24: Mode of Implementation - Numbers of Projects

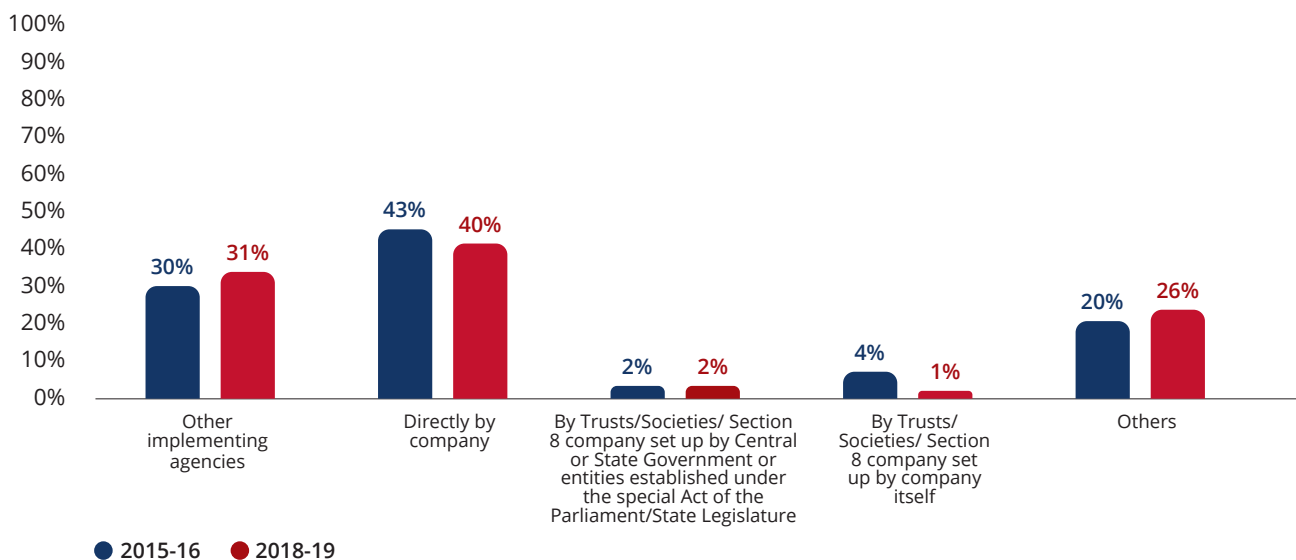
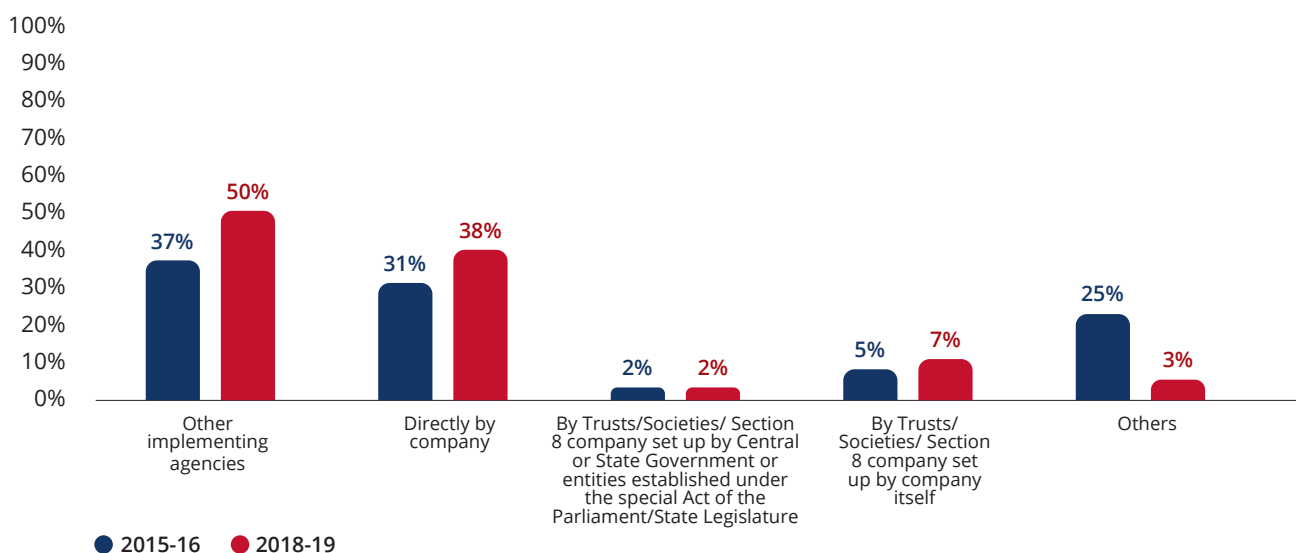


Figure 25: Mode of Implementation – Value of Projects



On the CSR Dataset

The CSR database, maintained by the Ministry of Corporate Affairs (MCA), is based on the Directors' Reports of the Companies, and the forms filed by the Companies on the MCA website, and is organised by year, starting from 2014-15. The data on the CSR portal are given under different columns and consists of details about the companies such as CIN number and classification such as public/private, government/non-government, listed/unlisted and details of their CSR spends including state, thematic area, amount of spend and mode of implementation. How India Lives (HIL), the data analytics firm commissioned by Centre for Social Impact and Philanthropy accessed the data on April 26, 2020 and for 2018-2019 on July 5, 2020 to understand volume and trends in Corporate Social Responsibility Spends. HIL followed the following process for data scraping and analysis:

This data from the CSR portal was scraped year wise, from 2014-15 until 2018-19. The data for the year 2015-16 was picked up from the previous analysis. The complete dataset was cleaned to weed out blank rows and cells, and all the text was converted in a proper case to maintain uniformity. An analysis was done on the cleaned data. Most of the comparison that has been done is between the period 2015-2016 when the previous analysis was carried out and the latest year (2018-19) for which the dataset is available.

Limitations

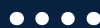
1.

There was no separate dataset available for the Union Territory of Ladakh, therefore the dataset for J&K was used for this Union Territory.



2.

Details on the revenue of the companies was not available on the portal and hence could not be added to the analysis. Complete information about the CSR spend on government schemes could also not be derived since all the details were not available.



3.

There were fields that were incomplete/left blank and had to be excluded from the analysis. The scale of the challenge can be gauged by the fact that of the 21,397 companies in 2017-18, 50% did not report an average net profit figure.



4.






There are other fields which do not facilitate ease of analysis such as the pan-India field for the recipient state of the CSR spend.



Suggestions

- The quality of filing needs to be improved significantly. Companies should have to mandatorily fill all fields in the filing to the MCA. There also need to be some checks and balances to ensure accuracy.
- The unique identifier column for implementing organisations in the CSR database being proposed, should also be mapped similarly with other databases like Darpan, and FCRA.

Table 6: Key CSR Donors across Sectors (2018-2019)

Sector	Name of the Corporate	Amount (Rs Crores)
Education 	Reliance Industries	527
	Mahanadi Coalfields Limited	139
	NTPC Limited	132
	Wipro Limited	124
	Indian Oil Corporation Limited	116
Health Care 	Tata Steel Limited	169
	ITC Limited	128
	Reliance Industries	113
	Housing Development Finance Corporation Limited	91
	Oil and Natural Gas Corporation Limited	77
Rural Development 	HDFC Bank Ltd	340
	Reliance Industries Ltd	159
	HCL Technologies Ltd	66
	Mahanadi Coalfields Ltd	55
	Oil and Natural Gas Corporation Limited	51
Poverty, Hunger and Malnutrition 	TCS	296
	Mahanadi Coalfields Limited	108
	NMDC Limited	84
	NTPC Limited	70
	Hindustan Unilever Limited	52
Environmental Sustainability 	Infosys	143
	Indian Oil Corporation Limited	86
	ITC Limited	63
	Hindustan Petroleum Corporation Limited	57
	Wipro Limited	55



Foreign Flows under FCRA^{vii}

Social sector organisations in India have in the past received significant support as donations and grants from the international community, i.e., foreign individuals^{viii} and institutions.

Any NGO in India that wishes to receive funding from foreign individuals and institutions is required to comply with the Foreign Contribution (Regulation) Act (FCRA), 2010, amended in 2020, and register with the Ministry of Home Affairs (MHA). As per the FCRA, NGOs are eligible for an FCRA registration only if they have been in existence for at least three years. Each registered NGO is assigned an 'FCRA registration number', a numeric ID that is the basis of the NGO's record in the FCRA database, which must be renewed every five years. FCRA registration requires NGOs to file and publicly disclose quarterly receipts of all foreign contributions received, details of the foreign funders, and details of the used and unused funds. For one-time foreign grants for specific projects and activities, NGOs lacking an FCRA registration can seek 'prior permission' from the central government to bypass the regular registration process. Additionally, the government maintains a 'prior approvals' list of foreign funders; these funders need to seek government approval for each donation they make to any Indian NGO.

Apart from the capacity of NGOs to tap into the overseas market for funding support and an enabling ecosystem that can facilitate transactions, the flows under this stream to a large degree depend on the prevailing Government rules under this Act.

The increased restrictions under the FCRA Act over the last few years have had an impact on the flows as well as on the functioning of NGOs.

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 The increased restrictions under the FCRA over the last few years have had an impact on the flows as well as on the functioning of NGOs.

vii A separate report sharing information contained in this section on foreign flows was released in October 2020 and can be accessed here [Centre for Social Impact and Philanthropy | Our Research \(ashoka.edu.in\)](#)

viii In this report, 'foreign individuals' includes non-Indian passport holders and OCIs (overseas citizens of india)

The amendments of September 2020 in the Foreign Contribution Regulation Act (FCRA), 2010 broadly relate to changes in acceptance, transfer, and utilisation of foreign contributions to charitable organisations and impact registered organisations in the following ways.

FCRA registered organisations are now barred from transferring foreign donations to other non-profits.

The ban on transfer of foreign contributions could impact collaborations in the development ecosystem, especially for smaller, grassroots organisations that may not meet the criteria or be able to submit detailed proposals to get access to grants from funders abroad.

Organisations are permitted to voluntarily surrender their FCRA certificates,

provided MHA is satisfied that no provisions of the FCRA have been contravened, however, a surrendering of FCRA registration may lead to assets created out of foreign contributions being vested with the competent government authority.

The limit on administrative expenses has been reduced to 20% of donations from the earlier 50%.

The lowering of the cap on administrative expenses may leave very little flexibility with non-profits to innovate or to make investments in their own capacities. It may also entirely prevent certain non-profit activities e.g. research, advocacy from receiving international support.

FCRA registrations can be suspended now after a summary enquiry and the period of suspension can extend up to a year from 180 days earlier,

a provision which will give the government more time for enquiry and halt the organisation's work for an extended period

There is a new requirement for all Board and Executive members to provide their Aadhaar numbers

which may invite extraneous scrutiny, and lead to a decline in interest by experts in joining non-profit boards which in the long term may affect their performance and sustainability.



What does the FCRA Dataset Show?

1.

The number of NGOs registered on the FCRA database has declined by nearly 10% and the value of flows to them by 7% between 2015-16 and 2018-19.

2.

The states housing the largest numbers of FCRA registered organisations and receiving the maximum FCRA funds remain unchanged. The six states of Delhi, Tamil Nadu, Maharashtra, Karnataka, Andhra Pradesh and Kerala accounted for more than 50% of the FCRA registered NGOs and over 70% of the FCRA funds in the year 2018-19.

3.

In the last 10 years, on average, about 45% of the organisations did not receive any foreign funding, 42% received up to INR 1 crore; and less than 13% received more than INR 1 crore in each 12-month period.

4.

19% of the NGOs received 11% of the funds as re-grants for the year 2018-19.

5.

Of the 19,195 organisations that provided administrative expense data, more than 90% reported percentage of administrative expense to foreign funds as less than 20%.

“

The period between 2015-16 and 2018-19 shows a decline both in number of FCRA registered organisations and the value of funds received by them.

Volume of Total Foreign Philanthropic Capital in India

In the financial year 2018-19, the FCRA database had 21,490 registered NGOs, representing a 9% decrease from 2017-18. The total reported foreign contribution stood at INR 16,343 crores; a 3% decrease over the course of that 12-month period.

Over a 10-year period, there has only been a marginal change in the number of organisations registered on the FCRA database. The total amount of foreign funding has grown by 60%, however, with most of the increase reported between 2011-12 and 2015-16. The period between 2015-16 and 2018-19 shows a decline both in number of FCRA registered organisations and the value of funds received by them.

Figure 26: Number of NGO registrations on FCRA database

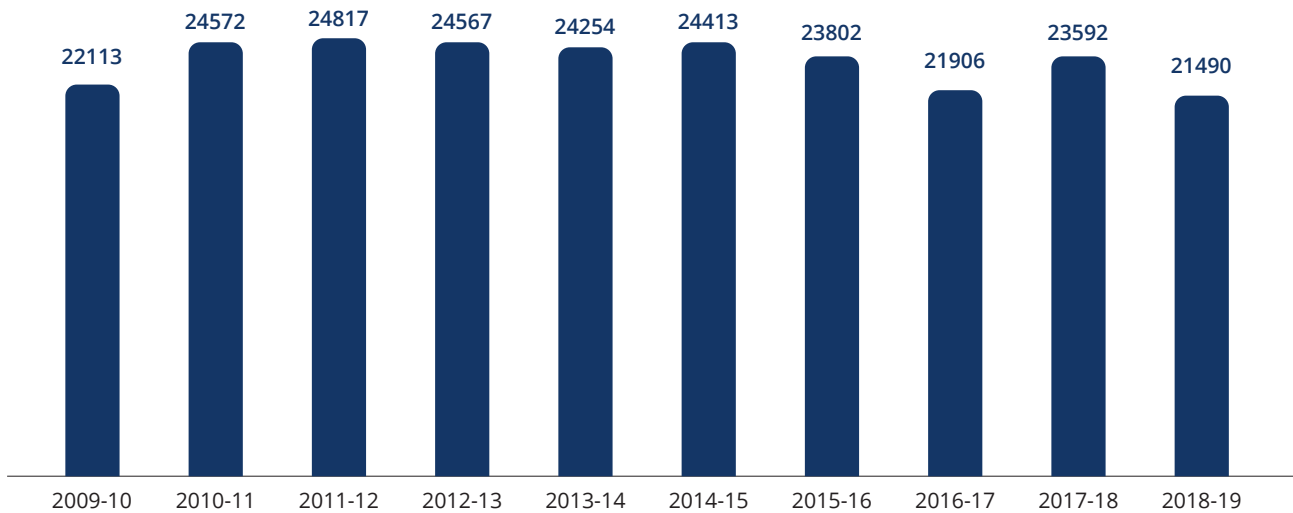
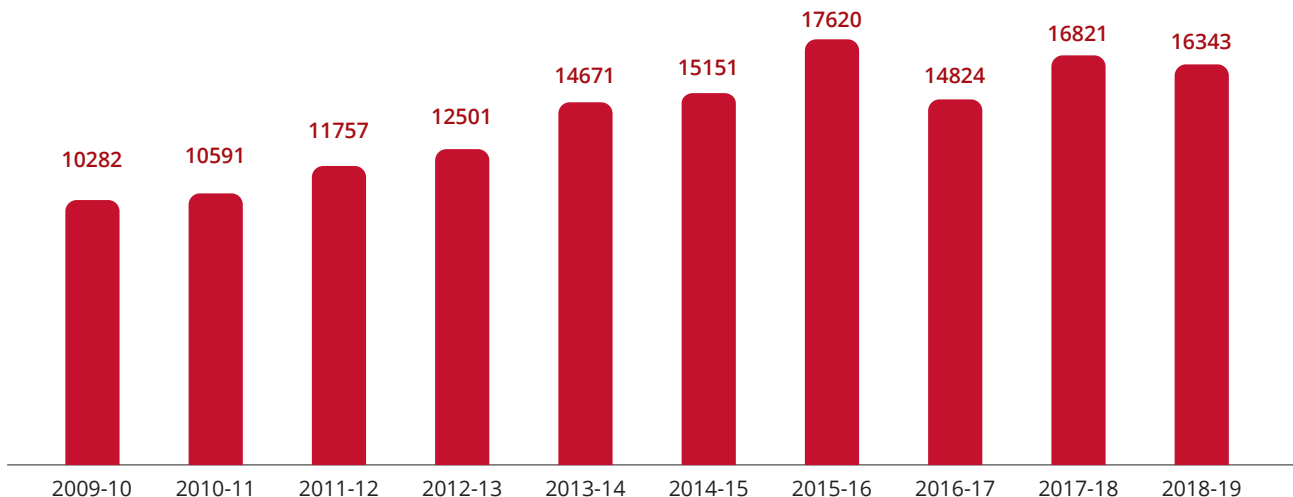
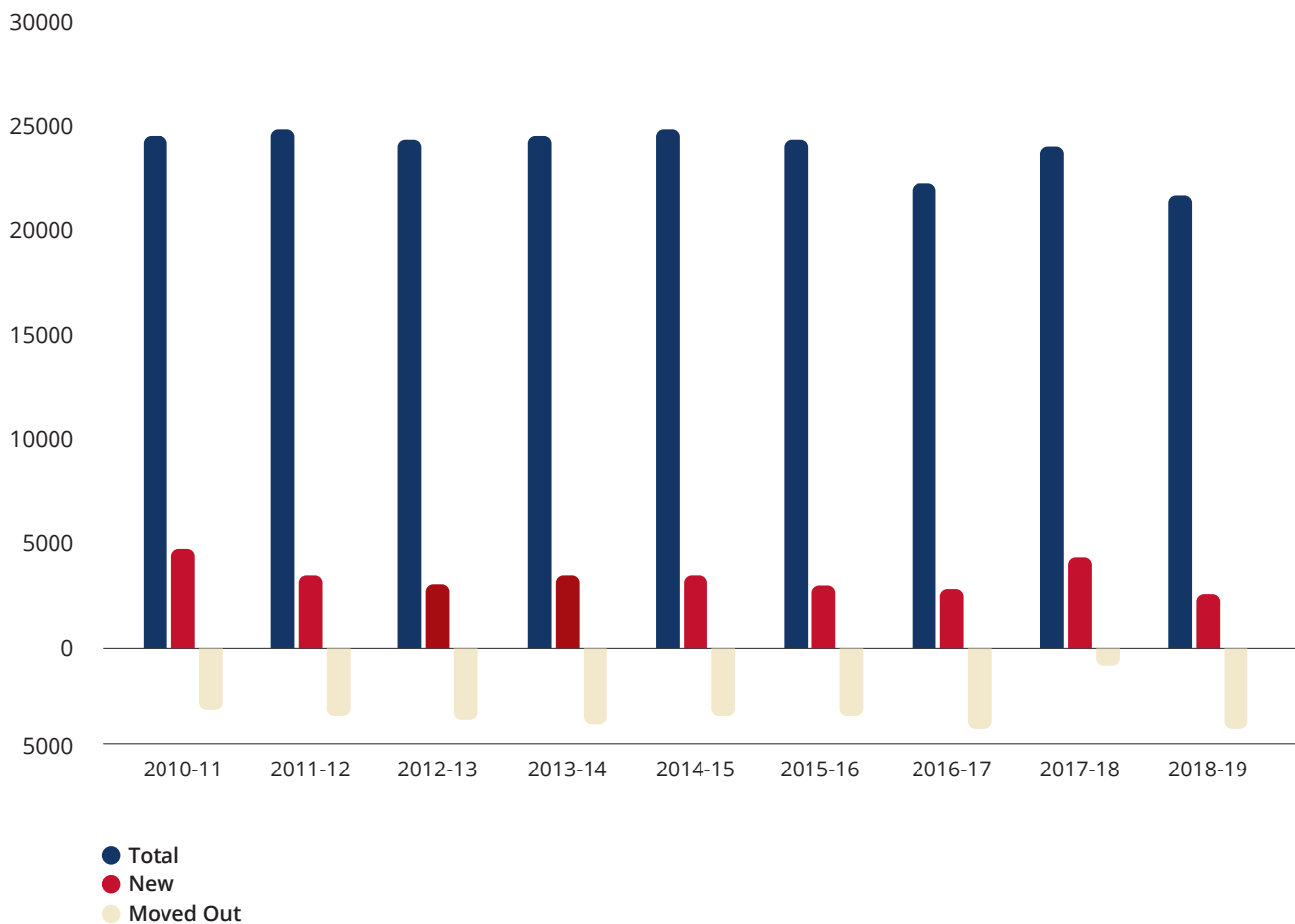


Figure 27: Foreign contributions received (Rs Crores)



The FCRA database indicates a fluctuating number of FCRA registrations from year to year. In the last nine financial years, the number of registrations that exited the FCRA database in a given year was the highest for 2018-19 (2,636), exceeding new registrations (534) in that same 12-month period. In contrast, in 2017-18, new FCRA registrations (2,847) had exceeded the number of removed registrations (1,172). The removal of 2,636 FCRA registrations from the database in 2018-19 did not significantly impact the total foreign funds received in the year, as these organisations had received only INR 271 crores out of a total of INR 16, 821 crores in the preceding year. Apart from 2017-18, over the last four years (in 2015-16, 2016-17 and 2018-19) the number of exits exceeded the number of new registrations in the given years.

Figure 28: Number of FCRA registrations over the years



Re-granting of Foreign Funds

In 2018-19, out of a total of 21,490 FCRA-registered NGOs, 4,107 organisations (19%) reported receiving FCRA funds via sub-granting or local transfers from other FCRA-registered NGOs. The total amount of FCRA funding in that financial year was INR 16,343 crore, of which INR 1,768 crore (11%) was received through sub-granting or local transfers.

Figure 29: Percentage of NGOs that received foreign funds directly versus through re-grants

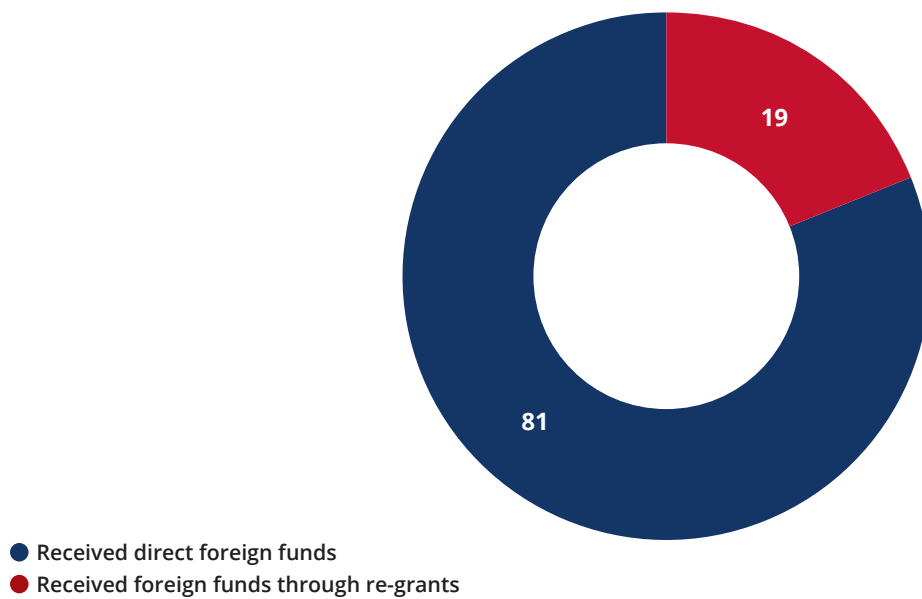
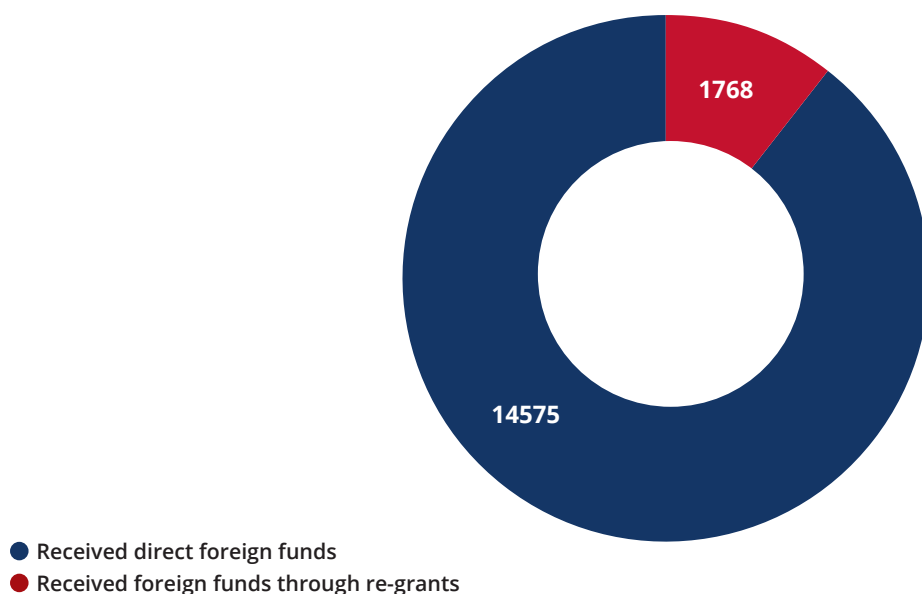


Figure 30: Value of foreign funds received directly versus through re-grants in Rs Crores



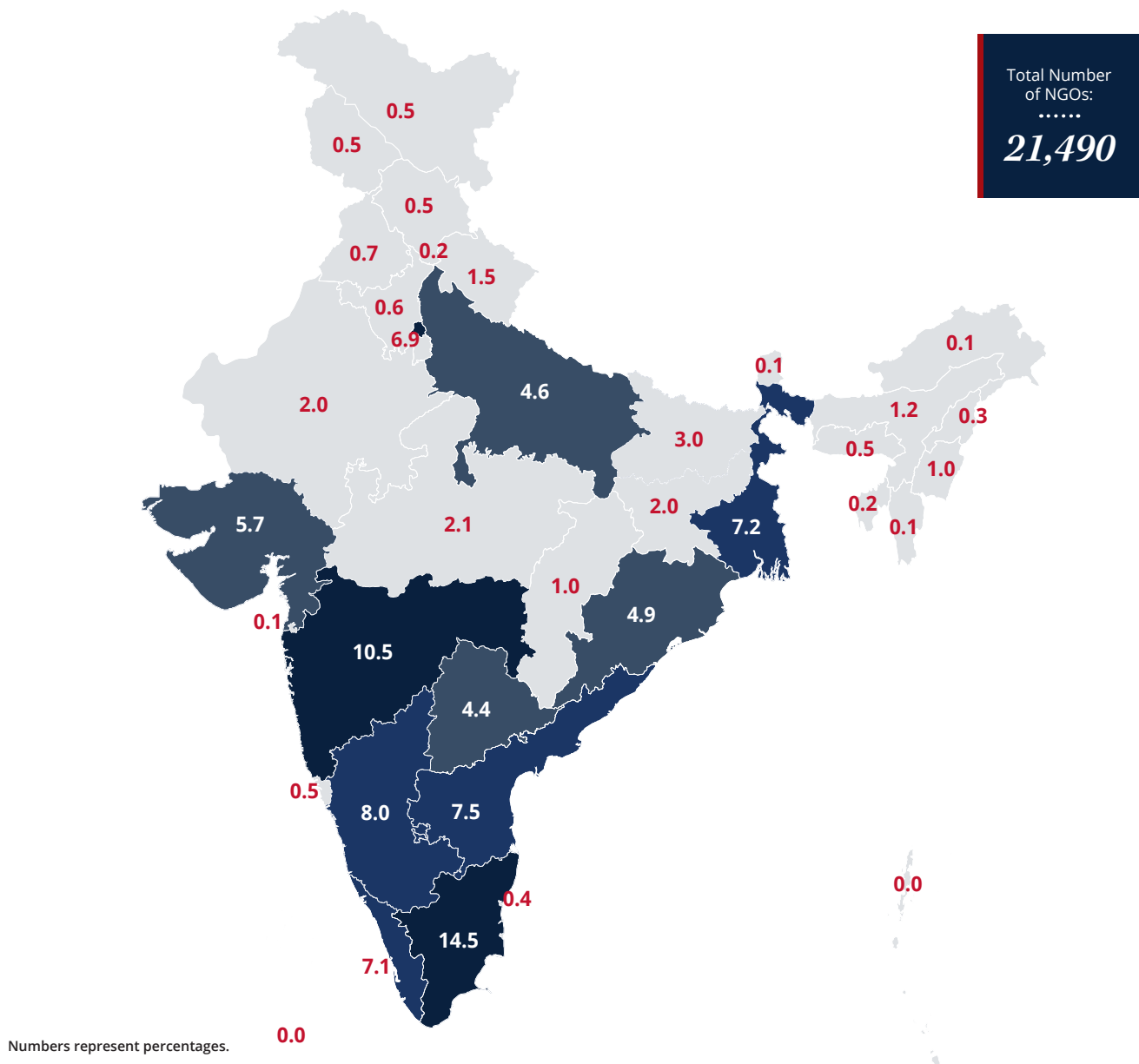
Mapping the distribution of foreign philanthropic capital across India

The geographical distribution of foreign philanthropic funding in India can be assessed based on the spread of FCRA-registered NGOs across the country and the distribution of foreign funds among the FCRA-registered NGOs.

Geographical distribution of FCRA-Registered NGOs

Based on the place of registration given by FCRA-registered NGOs^{ix} in 2018-19, most are based in western and southern India. Nearly half are located in just five states: Tamil Nadu (14%), Maharashtra (10%), Karnataka (8%), Andhra Pradesh (7%) and Kerala (7%). Delhi has 1,488 FCRA-registered NGOs, just under 7% of the total number for that financial year. Several populous low-income states, notably Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan, have relatively few FCRA-registered NGOs. Many organisations operate programmes in those regions, even though they are officially registered elsewhere.

Figure 31: Share of FCRA registered NGOs (2018-19)



ix Ladakh was assigned the same data as Jammu & Kashmir

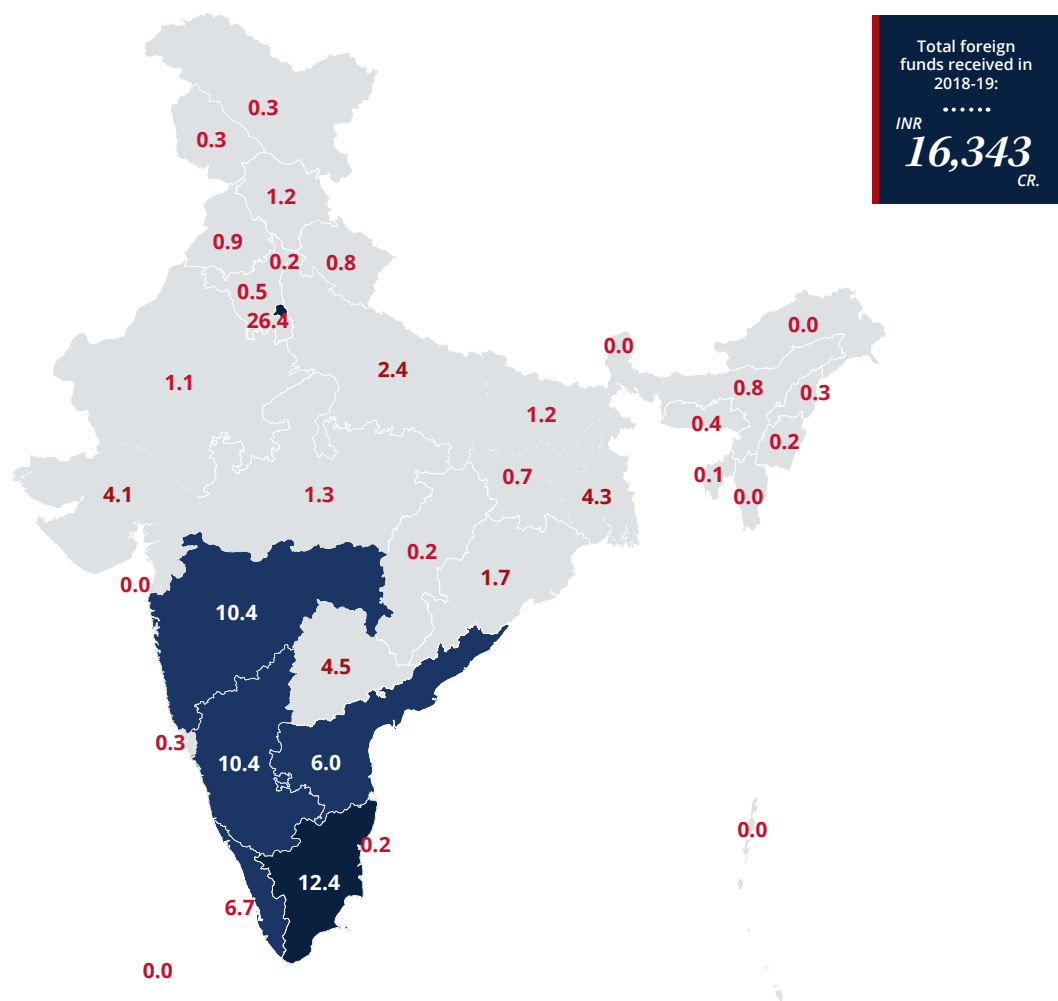
Disclaimer | This map is a graphical representation designed for general reference purposes only.

Geographical distribution of total foreign philanthropic capital

Of the INR 16,343 crores FCRA funds received in 2018-19, 60% were disbursed to NGOs^{viii} based in Delhi (26%), Tamil Nadu (12%), Karnataka (10%), and Maharashtra (10%). These four regions together house 40% of the FCRA-registered NGOs.

The largest recipient states and union territories have remained consistent over the last 10 years, with a larger share of FCRA funds going towards Delhi, Maharashtra and the southern States.

Figure 32: Geographical distribution of FCRA funds



Numbers represent percentages.

Disclaimer | This map is a graphical representation designed for general reference purposes only.

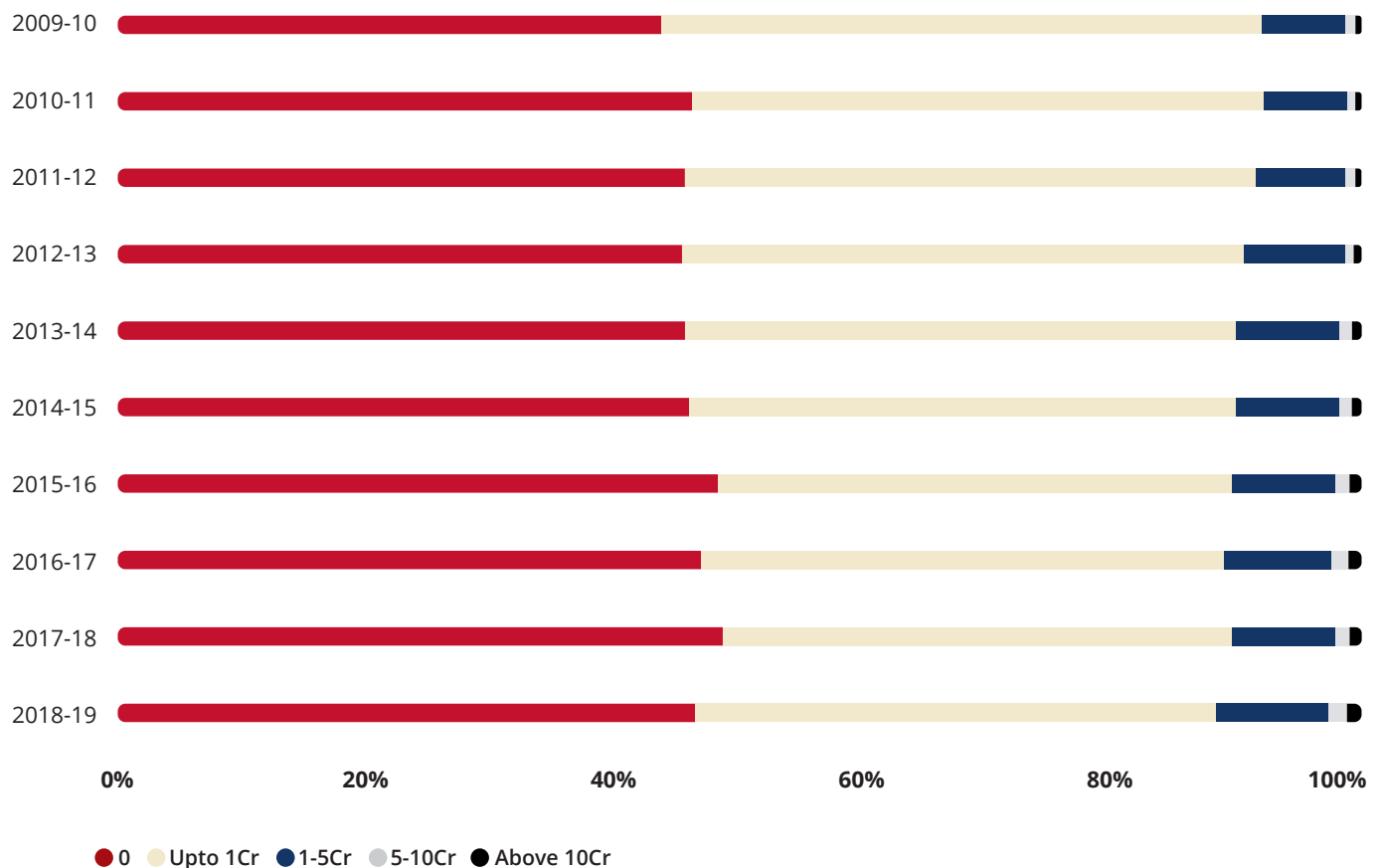
Between financial years 2016-17 and 2018-19, foreign grants to all Indian NGOs rose by about 10%. Nine states and two union territories, however, registered a decline. Among the states that experienced declines, the most significant decreases were reported in Chhattisgarh, (22%), Karnataka (4%) and Madhya Pradesh (4%). The geographies that registered increases in foreign funds during that same period were Delhi (22%), Kerala (36%), and Odisha (26%).

The cities that received the highest volume of FCRA funds in 2018-19 were Delhi (26%), Bangalore (8%), Mumbai (7%), Chennai (6%) and Kolkata (2%). FCRA-registered NGOs based in these five cities received nearly half of the total foreign contributions in 2018-19.

Size of the foreign funding received by NGOs

Year by year, there have been shifts in the sizes of foreign grants and donations received by FCRA-registered NGOs. In the last 10 years, on average, about 45% of the organisations did not receive any foreign funding, 42% received up to INR 1 crore, and less than 13% received more than INR 1 crore in each 12-month period.

Figure 33: Share of the NGOs in five funding bands



Use of FCRA funding for programmatic and administrative expenses

FCRA funds received by NGOs may be used for programmatic, administrative, and other expenses. Different organisations use funds for administrative expenses in different proportions. The average percentage of FCRA-registered NGOs' administration expenses to foreign contributions received in 2018-19 is 10%.

Out of the 21,490 FCRA-registered NGOs in 2018-19, administrative expense data were provided for 19,195 organisations. Of those, more than 90% reported percentage of administrative expense to foreign funds as less than 20%.

Rule 5 of FCRR, 2011 defines that administrative expenses constitute the following-

- Salaries, wages, travel expenses or any remuneration realised by the Members of the Executive Committee or Governing Council of the person;
- all expenses towards hiring of personnel for management of the activities of the person and salaries, wages or any kind of remuneration paid, including cost of travel, to such personnel;
- all expenses related to consumables like electricity and water charges, telephone charges, postal charges, repairs to premise(s) from where the organization or Association is functioning, stationery and printing charges, transport and travel charges by the Members of the Executive Committee or Governing Council and expenditure on office equipment;
- cost of accounting for and administering funds;
- expenses towards running and maintenance of vehicles;
- cost of writing and filing reports;
- legal and professional charges; and
- rent of premises, repairs to premises and expenses on other utilities.

Exclusions:

- Provided that the expenditure incurred on salaries or remuneration of personnel engaged in training or for collection or analysis of field data of an association primarily engaged in research or training shall not be counted towards administrative expenses.
- Provided further that the expenses incurred directly in furtherance of the stated objectives of the welfare oriented organization shall be excluded from the administrative expenses such as salaries to the doctors of hospital, salaries to the teachers of school etc.

Source: Administrative Expenditures (fcraforngos.org)



Table 7: Administrative Expense as percentage of the foreign funding received in 2018-19 (N=19,195)

% administrative expense to foreign funding received in 2018-19	Number of organisations
0 to 10	16,200
10 to 20	1,182
20 to 30	585
30 to 40	322
40 to 50	210
50 to 60	113
60 to 70	85
70 to 80	68
80 to 90	59
90 to 100	45
100+	326
Data not available	2,290

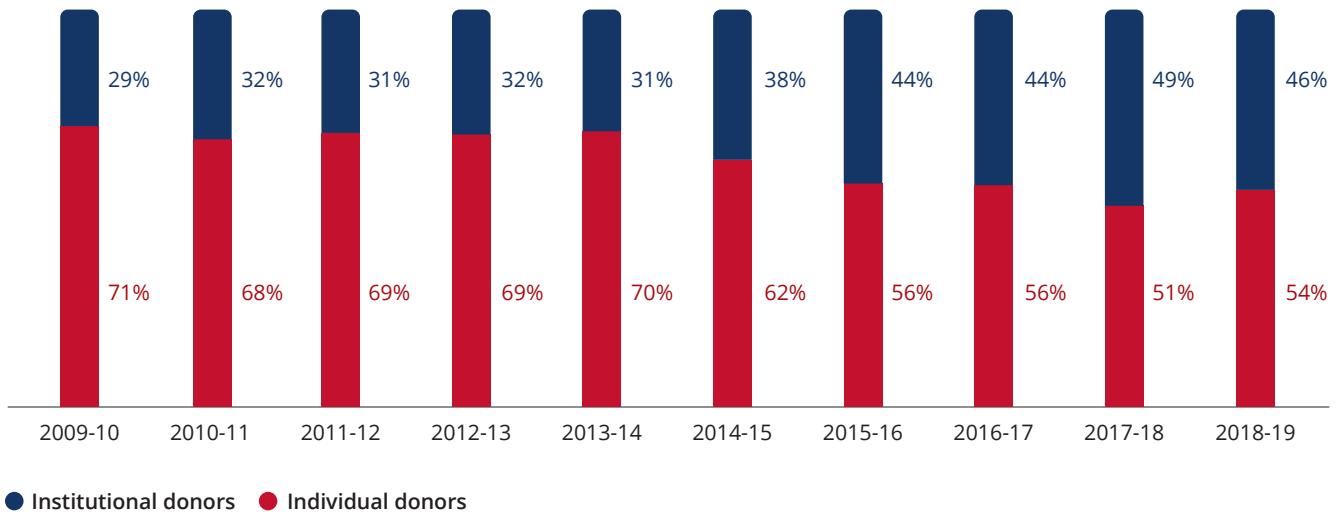
“

Flows from both CSR and under FCRA show a preference for South and West regions in India.

Profile of Foreign Funders

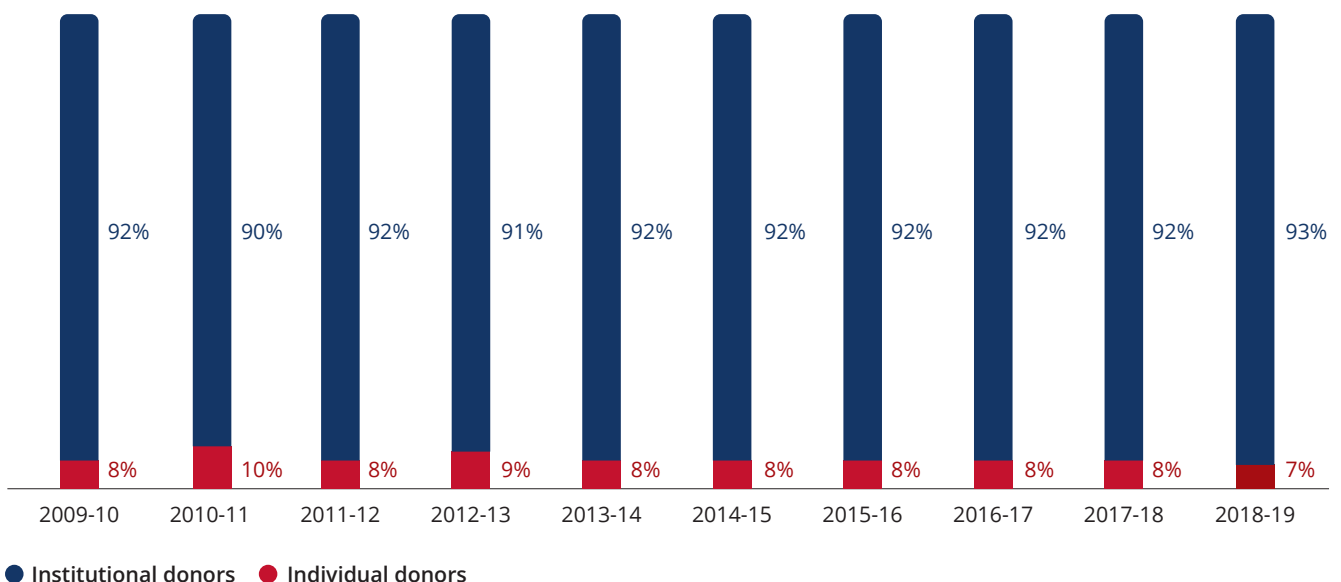
More than 117,000 FCRA donations were made in 2018-19, including giving by individual donors and grant-making by institutional donors.

Figure 34: Share of donors



In contrast to a significantly larger share of individual donors in the first half of the decade, the number of individual donors in 2018-19 was nearly the same as the number of institutional donors. By total value of donations, however, institutions have consistently contributed more than 90% of the total FCRA funds received in any financial year. This reflects that individuals are more likely to give relatively small amounts, compared to major grants by international institutions.

Figure 35: Share of donations



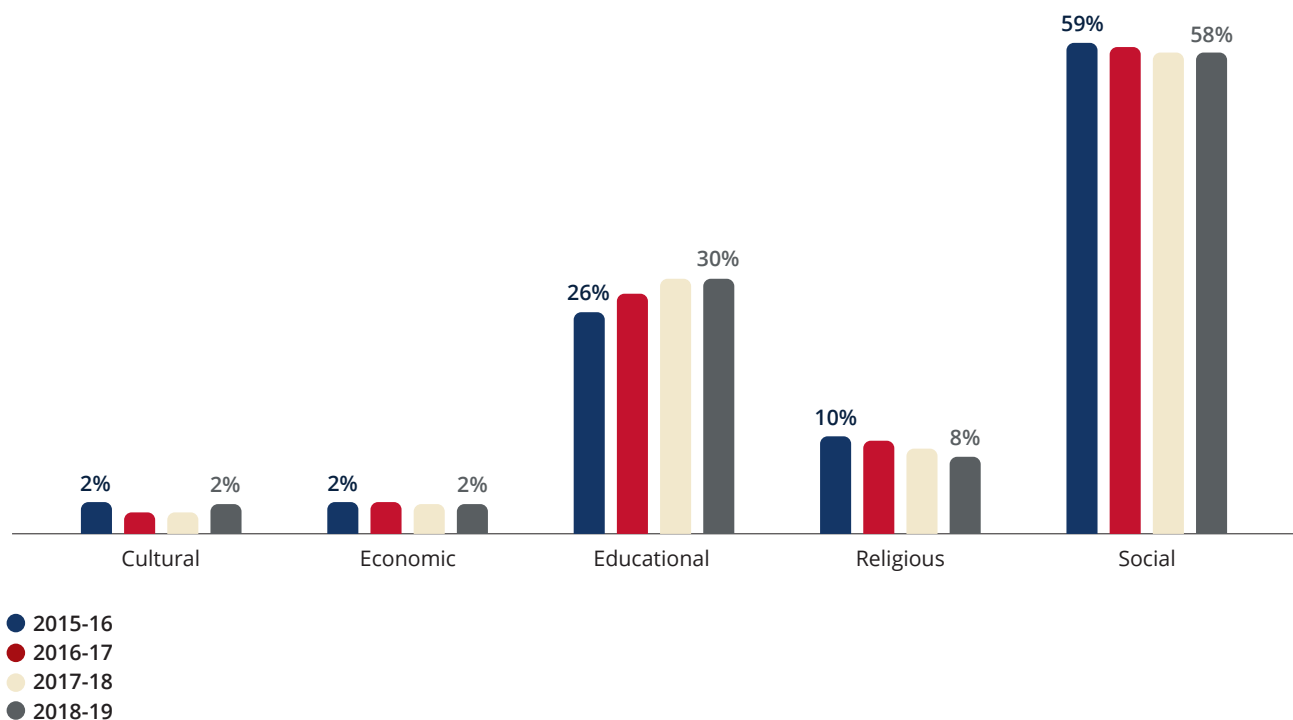


More than 80 per cent of the foreign donations to NGOs were made for Social and Educational causes.

Purpose of FCRA Grants

Under FCRA requirements, NGOs must classify funds received using five possible designations: Cultural, Economic, Educational, Religious, or Social purposes. Since financial year 2015-16 (the earliest period for which this 'purpose of grants' data is available), more than 80% of the foreign donations to NGOs were made for Social and Educational causes.

Figure 36: Share of donations – purpose of funds



According to the FCRA data, individual giving for religious purposes tends to be significantly higher than that by institutions; in 2018-19, 21% of individual donors gave to religious purposes, compared to just 7% of institutional donors. Overall, giving towards religious purposes has experienced a decline, however, while giving to educational purposes has increased.

Figure 37: Purpose of Funds –Individual Donors

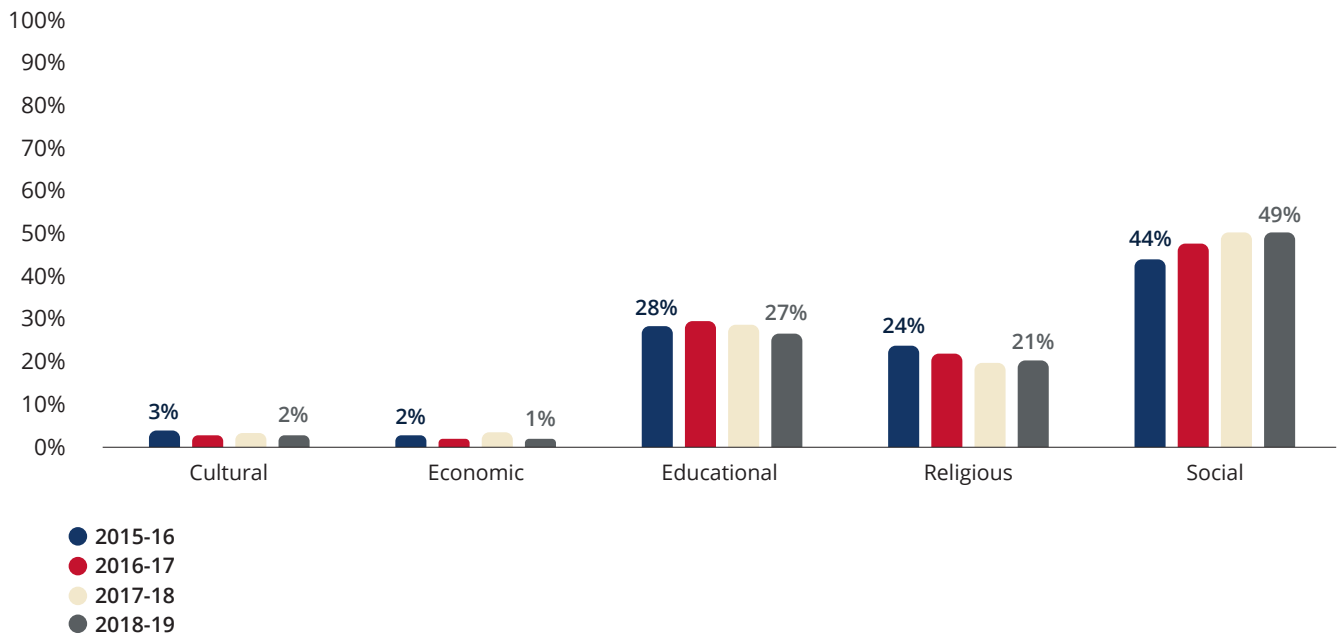
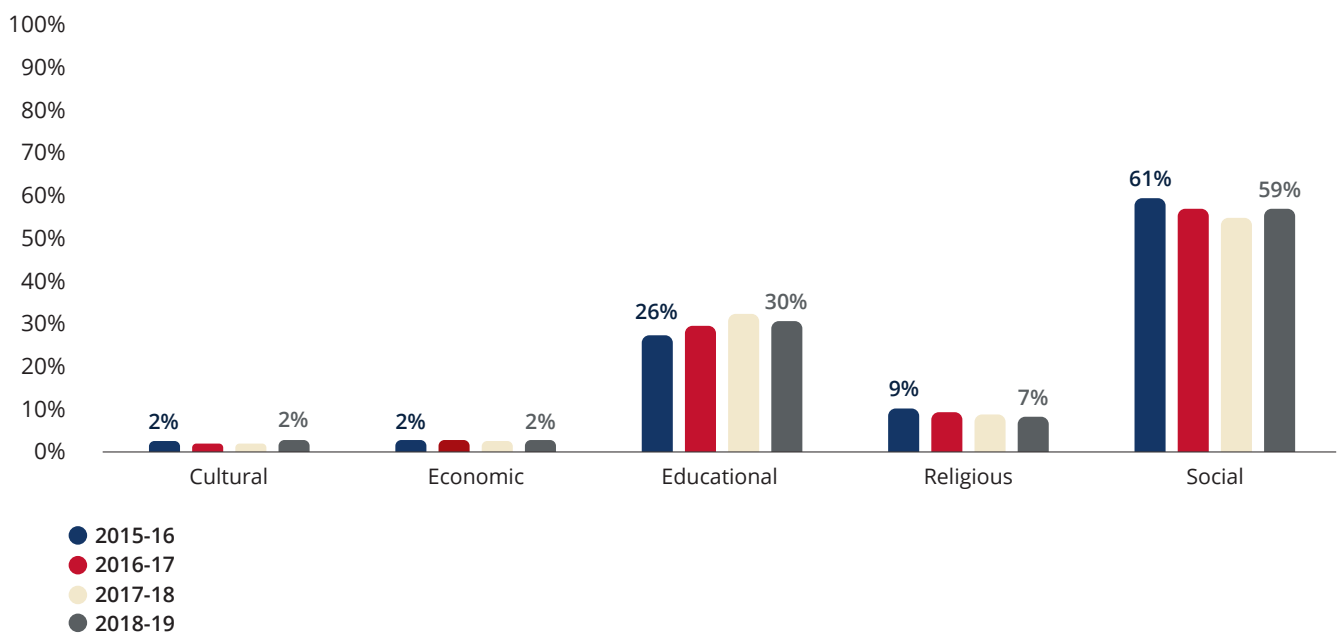


Figure 38: Purpose of Funds –Institutional Donors



On the FCRA Dataset

The FCRA database is maintained by the Ministry of Home Affairs and details foreign contributions received by NGOs registered under the Foreign Contribution (Regulation) Act, 2010 (amended in 2020), organised by financial years. HIL accessed the FCRA dataset on June 11, 2020 and analysed it to understand the volume and trends in foreign philanthropic funding.

HIL followed the following process for data scraping and analysis: For each NGO in a given financial year, an HTML page shows information under various fields; including registration number, address, amount of foreign fund received, and donor details. For ease of analysis, this information was scraped and organised on a spreadsheet. Data was cleaned to remove extra spaces, and names and addresses changed to proper and uniform case. In the 'Foreign Funding' column, analysts flagged entries that appeared uncertain or erroneous. After confirming that they were unfit for analysis, such rows were excluded from the final calculations, and the analysis was performed on a cleaned dataset.

Table 8: List of Top 10 Indian NGOs Receiving Foreign Funding — FY 2018-19

Name of Registered NGO	Foreign Funding Received (INR crore)
World Vision India	311
Rural Development Trust	231
Saifee Burhani Upliftment Trust	196
Kiran Nadar Museum of Art	191
Shiv Nadar Foundation	182
Care India Solutions for Sustainable Development	157
The Hans Foundation	148
Pratham Education Foundation	121
Shakti Sustainable Energy Foundation	120
Institute for Financial Management and Research	101

Table 9: List of Top 10 Funders Making Donations to Indian NGOs – FY 2018-19

Name of Foreign Funder	Foreign donations made (INR crore)
Red een Kind	757
Good Neighbors International	488
HCL Holdings Private Limited	372
Bill and Melinda Gates Foundation	283
World Vision International	252
Fundacion Vicente Ferrer	192
Rural India Supporting Trust	187
Care Inc	146
Pratham USA	111
Dawat E Hadiyah Texas A Corporation	110



Flows from the Government - NGO Darpan and Income Tax Department Datasets

This section is based on data from NITI Aayog's NGO-Darpan portal and Income Tax Department's online platform. These two datasets together shed light on philanthropy flows that impact the exchequer, either in the form of direct funding to social sector organisations or tax exemptions given to them.

About data from NGO-DARPAN Portal:

Social sector organisations interested in seeking funding from the Government need to register with the NGO-Darpan platform managed by NITI Aayog, the policy think tank of Government of India.

These organisations get a unique ID when they sign up on the portal which supports the creation of a repository of information about the NGOs and the amounts sanctioned to them by the Central and the State Governments. For some time, organisations registered or intending to register under FCRA also needed to obtain an ID on the platform, but it was made optional in early 2019.

About data from the Income Tax Portal:

Sections 11 and 12 of the Income Tax Act, 1961 enable non-profit entities to claim exemption from tax on their incomes; while section 80G, designed to encourage charitable giving, provides for income tax deduction for contributions made to charitable trusts or institutions. The Income Tax website, launched in 2014, has a section on tax exempt institutions from where this data has been taken.

Both these platforms are still works in progress. The NGO-Darpan platform has information on institutions that are interested in receiving funding from the government, and also has a part of the FCRA subset of institutions. The analysis shares the number of NGOs registered, amount sanctioned, and the geographical spread of these NGOs, but is unable to reflect the actual amount disbursed, or the thematic area of its usage.

Similarly, the Income Tax database has reported data of 1,82,065 unique tax exempt institutions as of May 2020, which is considered to be only a percentage of the universe of NGOs. For this reason, and other limitations described at the end of the section, the analysis shows only the number of organisations that have availed tax exemption under Sections 12A and 80G from the IT database, and their geographical spread, but is short of data to reflect the sources and amounts of their funding.

What do the NGO Darpan and IT datasets show?

→ NGO Darpan Dataset

1.

89,600 unique NGOs are registered on this portal as of May 2020.

2.

Maharashtra and Delhi house the highest number of NGOs registered on NGO Darpan.

3.

9210 organisations (nearly 16% of registered database) report 'funds sanctioned' from the Government for the year 2017-18.

4.

The total funding sanctioned by the Central and State government for the year 2017-18 was Rs 10,490 crores, of which the share of funding from State Governments (Rs 5947 crores) is higher than that from the Central Government (Rs 4543 cores).

5.

Organisations in Maharashtra, Delhi and UP received the highest share of central funding while those in West Bengal, Bihar, Karnataka and Telangana received high shares of State funding.

→ Income Tax Department Dataset

1.

There were 1, 82,065 tax exempt organisations in the IT database as of May 2020, of which 66% organisations are registered under 12 A, while 30% have approval under section 80G. 6% of the organisations have both 12 A and 80G exemptions.

2.

1,98,806 tax exempt institutions applied Rs 5,29,125.87 crores to their work in 2018-19, a 66% rise in the number of institutions (from 1, 19,317) and a 124% rise in the value of funds applied (from Rs 2, 36, 326 crores) that was reported in 2015-16.

3.

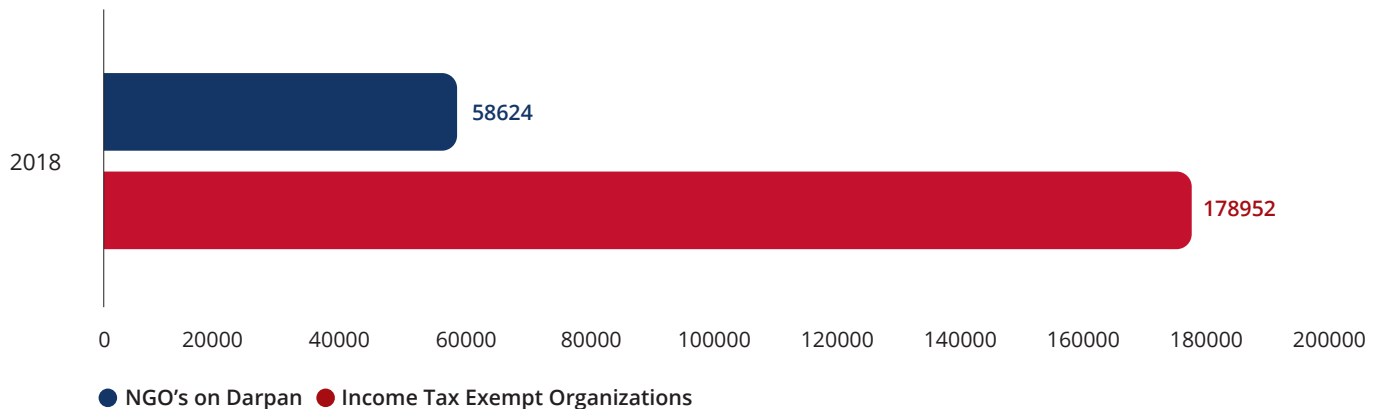
Lack of unique identifier, incomplete data and the absence of validation hamper meaningful analysis of the datasets.

Composition of entities on the platform

Number of registered entities/ organisations

In 2018, the total number of NGOs who have shared information on the NGO-Darpan portal was 58,624. This is one-third of the number of tax exempt organisations on the IT portal for 2018. However, the NGO-Darpan database comprises of only NGOs working in the development space, while database on tax exempt organisations includes religious as well as other institutions.

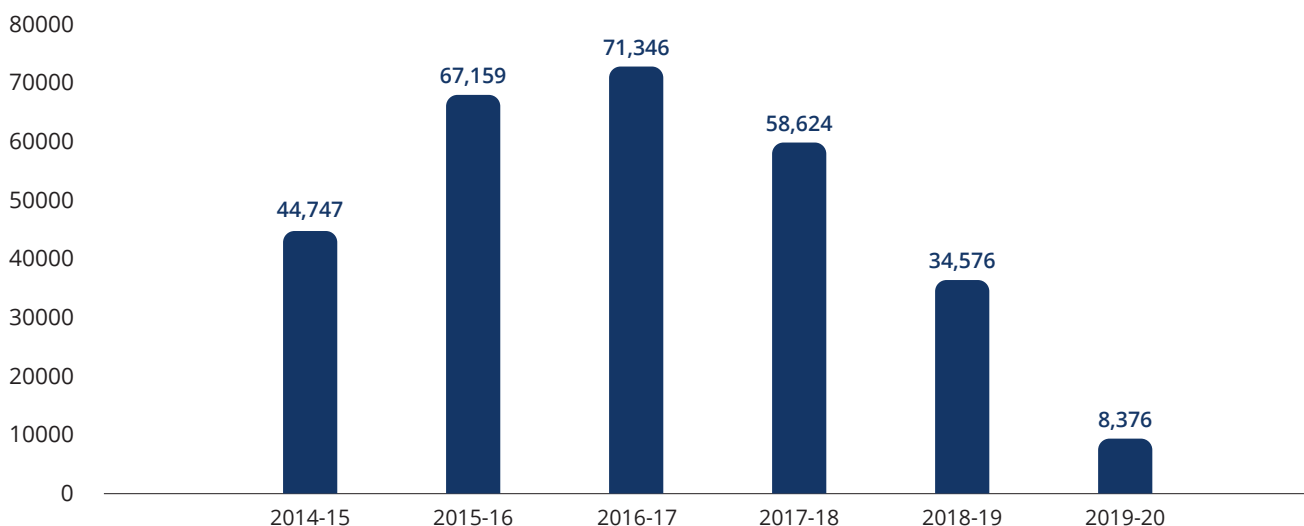
Figure 39: Number of organisations on Darpan and IT platforms



Growth over the Years - NGO-Darpan

There has been an increase in the number of organisations registered on the platform from 36,000 in February 2018 to 89,600 in May 2020. Darpan is a work-in-progress platform and NGOs are still registering on this database. The figure below captures the number of unique organisations that have shared information for that particular year.

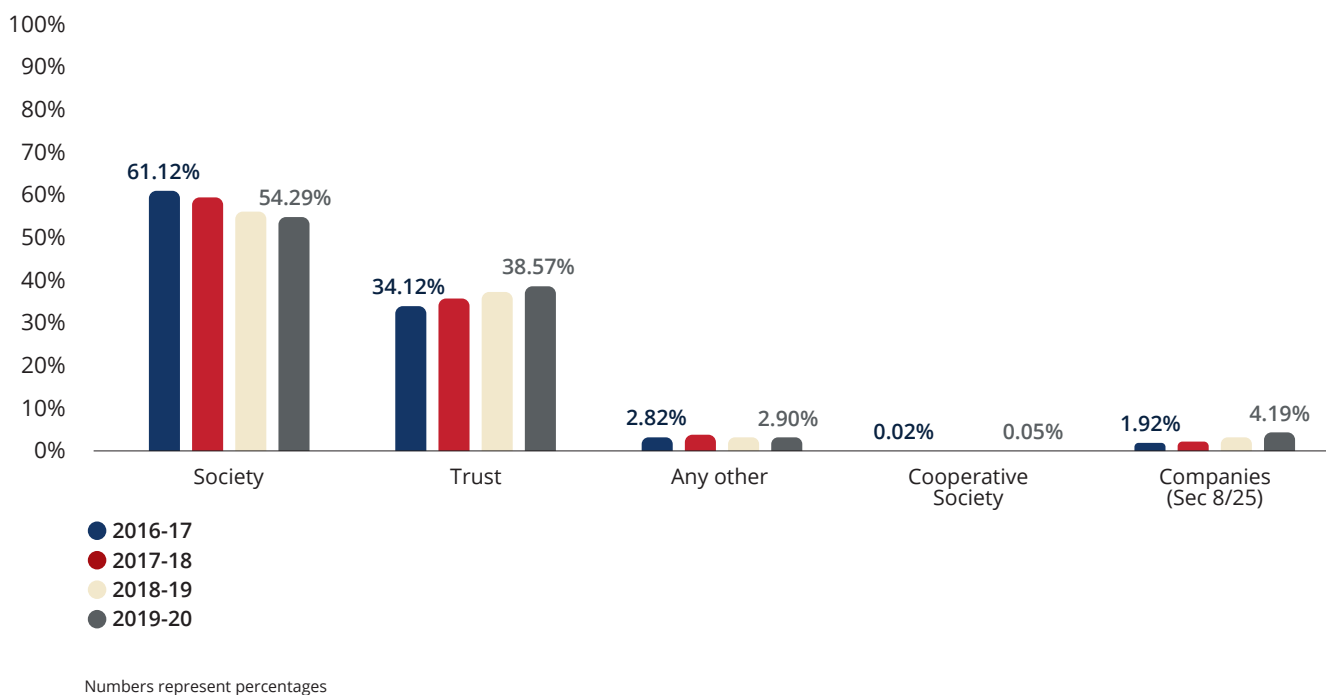
Figure 40: Number of NGO's that have shared information on NGO Darpan



Forms of Entities – NGO Darpan

The organisations on NGO Darpan are classified according to their legal form as Trusts, Societies, Non Profit Companies under Section 8 (or earlier Section 25), Cooperative Societies and others. Societies form about 54% of the share of organisations on Darpan. However, their share has dropped 7% over the four years, while both non- profit companies and trusts have gained over this period.

Figure 41: Forms of entities on NGO Darpan



State Wise Composition -Darpan (2017-2018)

One out of every five Darpan registered organisations is housed in either Delhi or Maharashtra. Delhi accounts for 7.3% share of the Darpan registered NGOs vs 1.4% of population; Maharashtra 14.4% NGOs vs 9.3% of population. For other large states, their share of Darpan registered NGOs is lower than their population share, apart from Karnataka, Manipur and Tamil Nadu where it is higher. Telangana, Gujarat, West Bengal, and Madhya Pradesh are other states with a share of Darpan registered NGOs that is in close approximation to their population share.

Table 10: State wise distribution of Darpan registered NGOs versus their share of population

State	Share of Population (Census 2011)	Share of Darpan Registered NGOs (2017-18)
Andaman and Nicobar	0.0	0.1
Andhra Pradesh	4.1	3.8
Arunachal Pradesh	0.1	0.3
Assam	2.6	1.7
Bihar	8.6	3.3
Chandigarh	-	0.2
Chhattisgarh	2.1	1.4
Dadra and Nagar Haveli	-	-
Daman and Diu	-	-
Delhi	1.4	7.3
Goa	0.1	0.2
Gujarat	5.0	4.8
Haryana	2.1	2.0
Himachal Pradesh	0.6	0.6
Jammu and Kashmir	1.0	1.1
Jharkhand	2.7	1.5
Karnataka	5.0	5.9
Kerala	2.8	3.0
Ladakh	0.0	0.2
Lakshadweep	-	-
Madhya Pradesh	6.0	5.1
Maharashtra	9.3	14.4
Manipur	0.2	1.9
Meghalaya	0.2	0.2
Mizoram	0.1	0.2
Nagaland	0.2	0.3
Odisha	3.5	2.8
Puducherry	0.1	0.3
Punjab	2.3	1.4
Rajasthan	5.7	3.7
Sikkim	0.1	0.1
Tamil Nadu	6.0	7.4
Telangana	2.9	2.4
Tripura	0.3	0.4
Uttar Pradesh	16.5	13.6
Uttarakhand	0.8	1.4
West Bengal	7.5	7.2

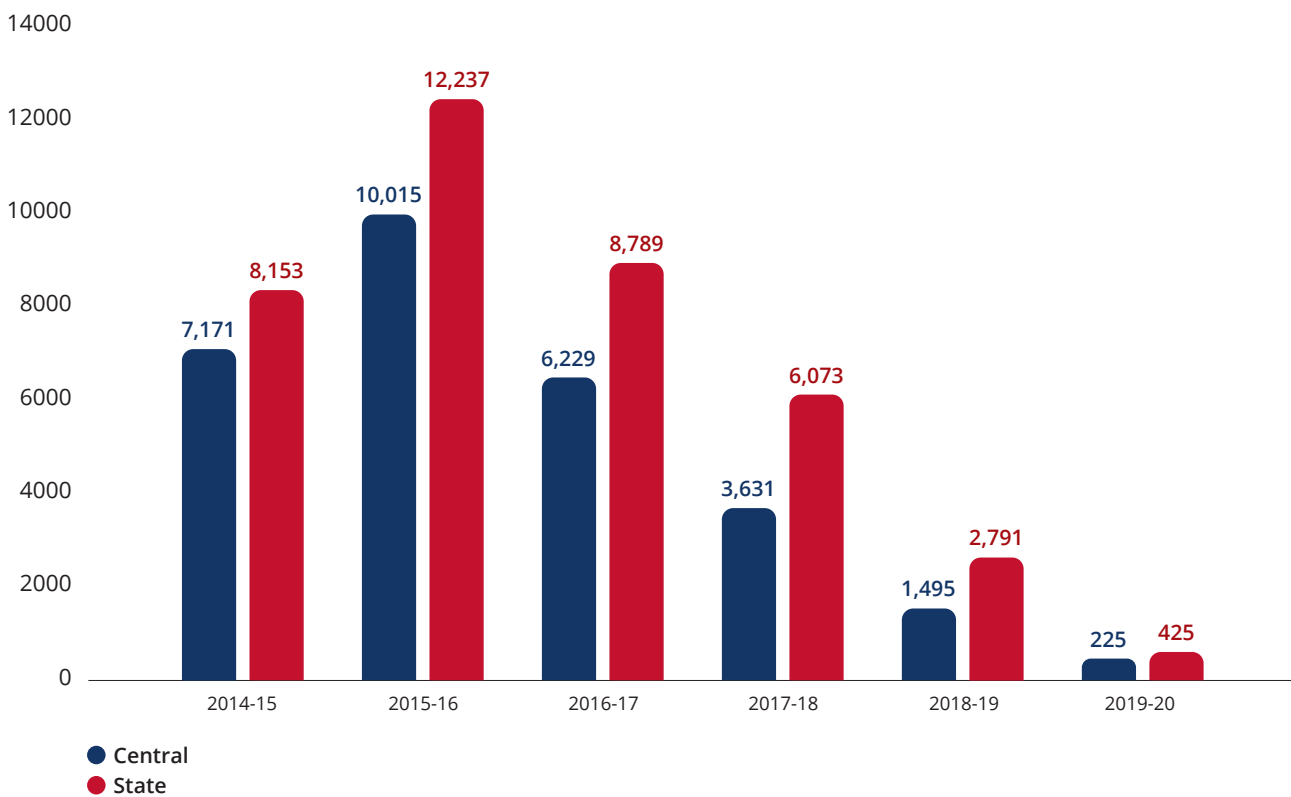
- States showing a lower percentage (minimum difference of 1%) of Darpan registered NGOs as compared to their population.
- States showing a higher percentage (minimum difference of 1%) of Darpan registered NGOs as compared to their population.

Philanthropy Flows

NGO Darpan –Number of NGOs and source of funding

The 'amount sanctioned' column on the platform lists funding from all sources, including non-government. Of the 58,624 NGOs in 2017-18, 3,613 NGOs (6%) reported to have funding sanctioned from the Central government, and 6,073 NGOs (10%) reportedly have sanctioned funding from the State governments. This is down from 2016-17 when the figures were 6229 (8.73%) and 8789 (12.31%) NGOs respectively.

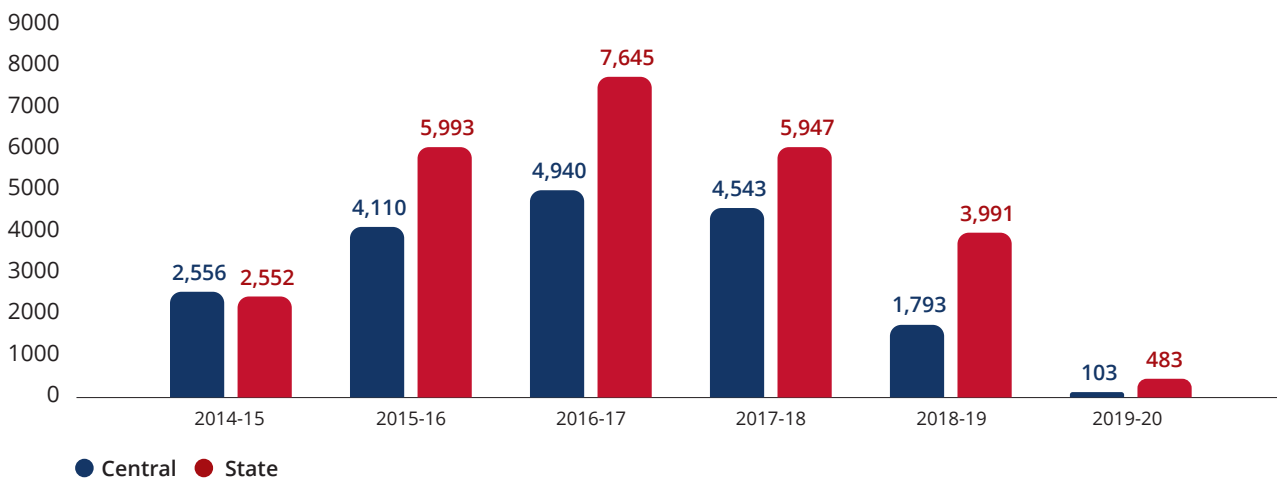
Figure 42: Number of NGOs showing amount sanctioned by Central and State Governments.



Darpan –Value of flows

Of the 58,624 NGOs registered on NGO-Darpan in 2017-18, 3,395 NGOs show an 'amount sanctioned' of Rs 4,543 crore from the Central government. For the same year, 5,885 NGOs show an 'amount sanctioned' of Rs 5,947 crore from state governments. This is a decline from 2016-17 when Rs 4940 crores was shown as the 'amount sanctioned' from Central Government and Rs 7645 crores from the State Government.

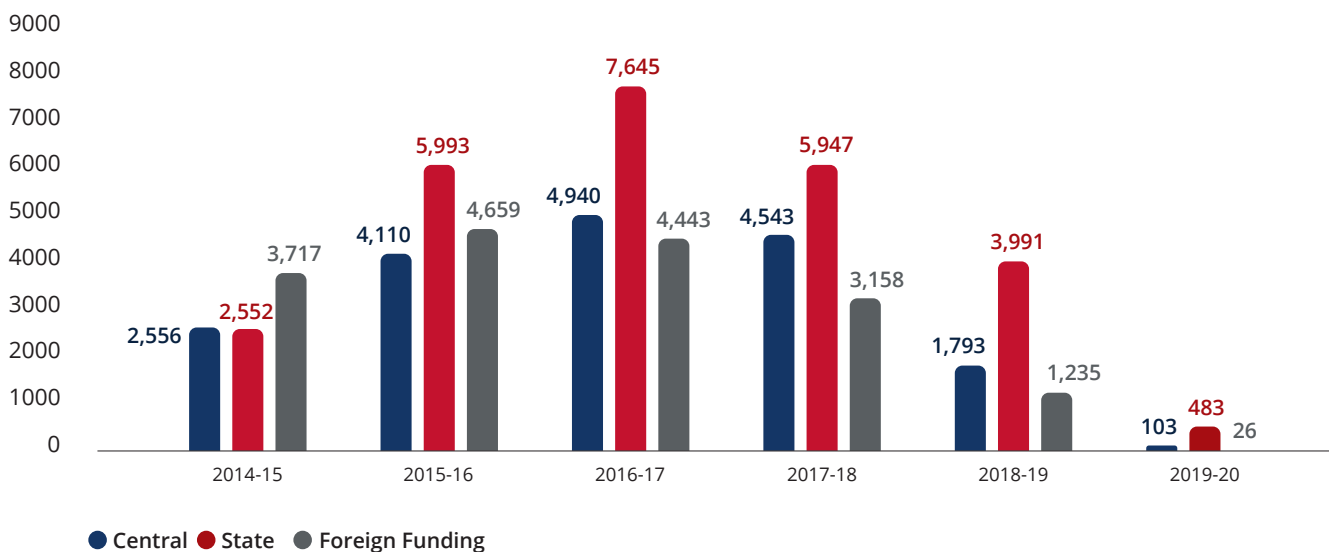
Figure 43: Value of flows from Central and State Governments in Rs Crores



Comparison of value of flows across all sources

In all five years starting 2015-16, the amount sanctioned by the state government has exceeded that done by the Central government and foreign sources. While the highest amount sanctioned by the Central and State Governments was in the year 2016-2017, the highest foreign funding was reported in 2015-16.

Figure 44: Comparison of flows across sources in Rs Crores

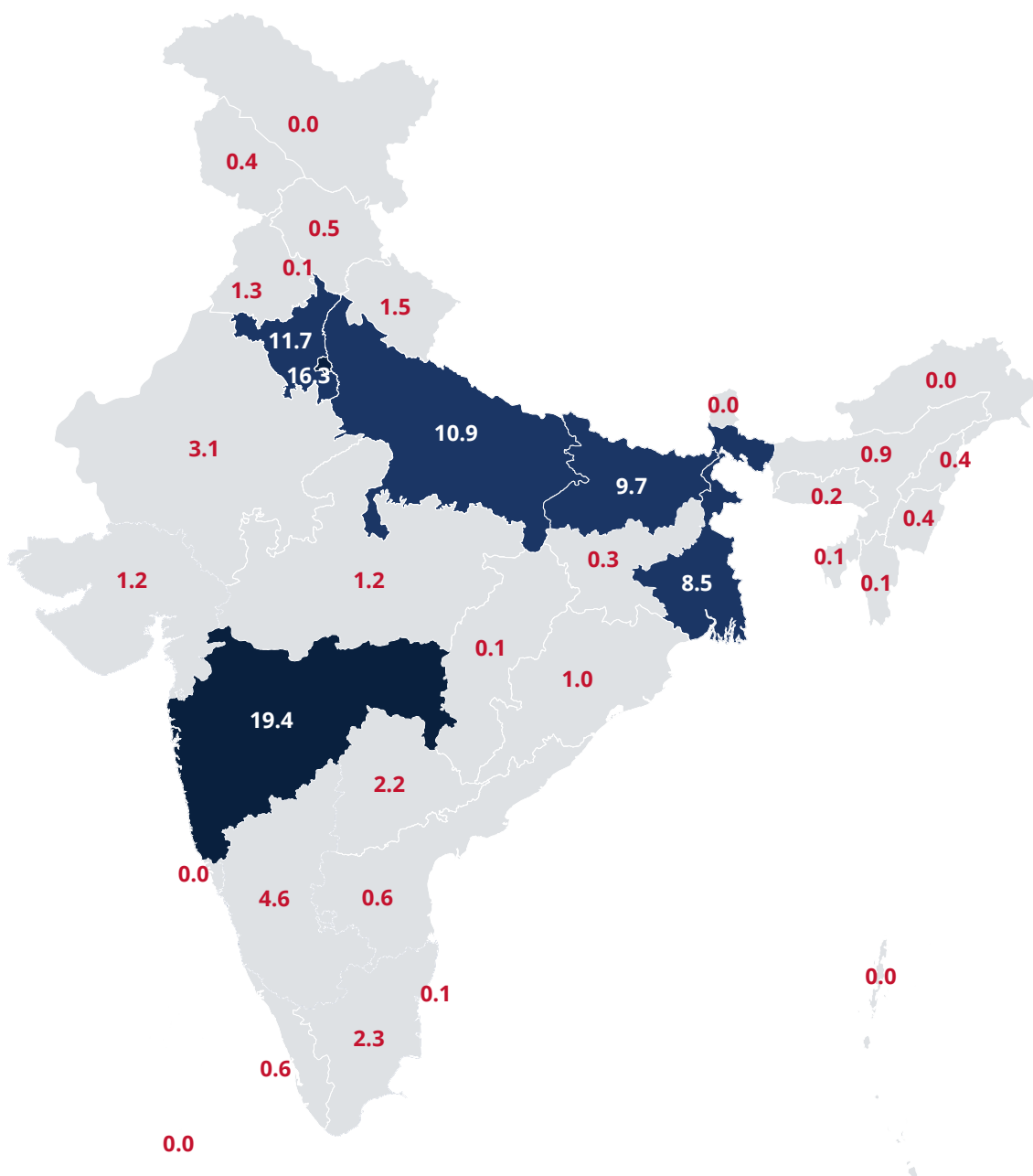


Recipients of the amount sanctioned

Central Government flows

In 2017-18, Central government sanctioned Rs 4,543 crore to 3,631 NGOs. About 60% of that amount was sanctioned to NGOs located in just five states: Maharashtra, Delhi, Uttar Pradesh, Bihar and West Bengal. Compared to 2015-16, Tamil Nadu registered a sharp decline, and Uttar Pradesh and Bihar a sharp increase.

Figure 45: State wise distribution of funds sanctioned by the Central Government (2017-18)



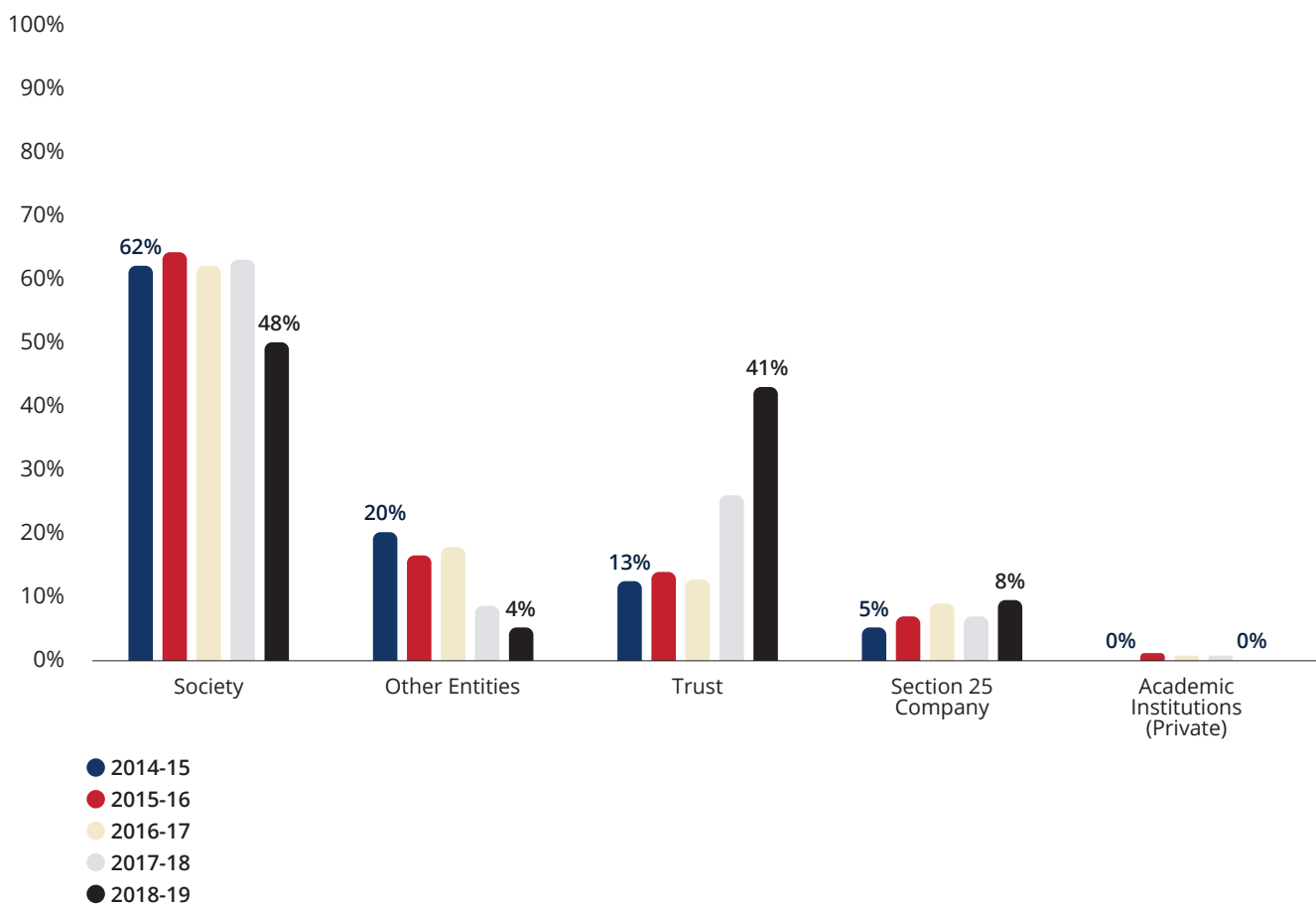
Numbers represent percentages.

Disclaimer | This map is a graphical representation designed for general reference purposes only.

Recipients – form of entities

An estimated 64% (Rs 2,893 cr) of the amount sanctioned by the Central government in 2017-18 was earmarked to Societies. This has largely remained the same between 2014-15 and 2017-18. The amount sanctioned to Trusts shows a sharp increase in 2017-18 from 14% in 2015-16 to 25% in 2017-18.

Figure 46: Recipient – forms of entities

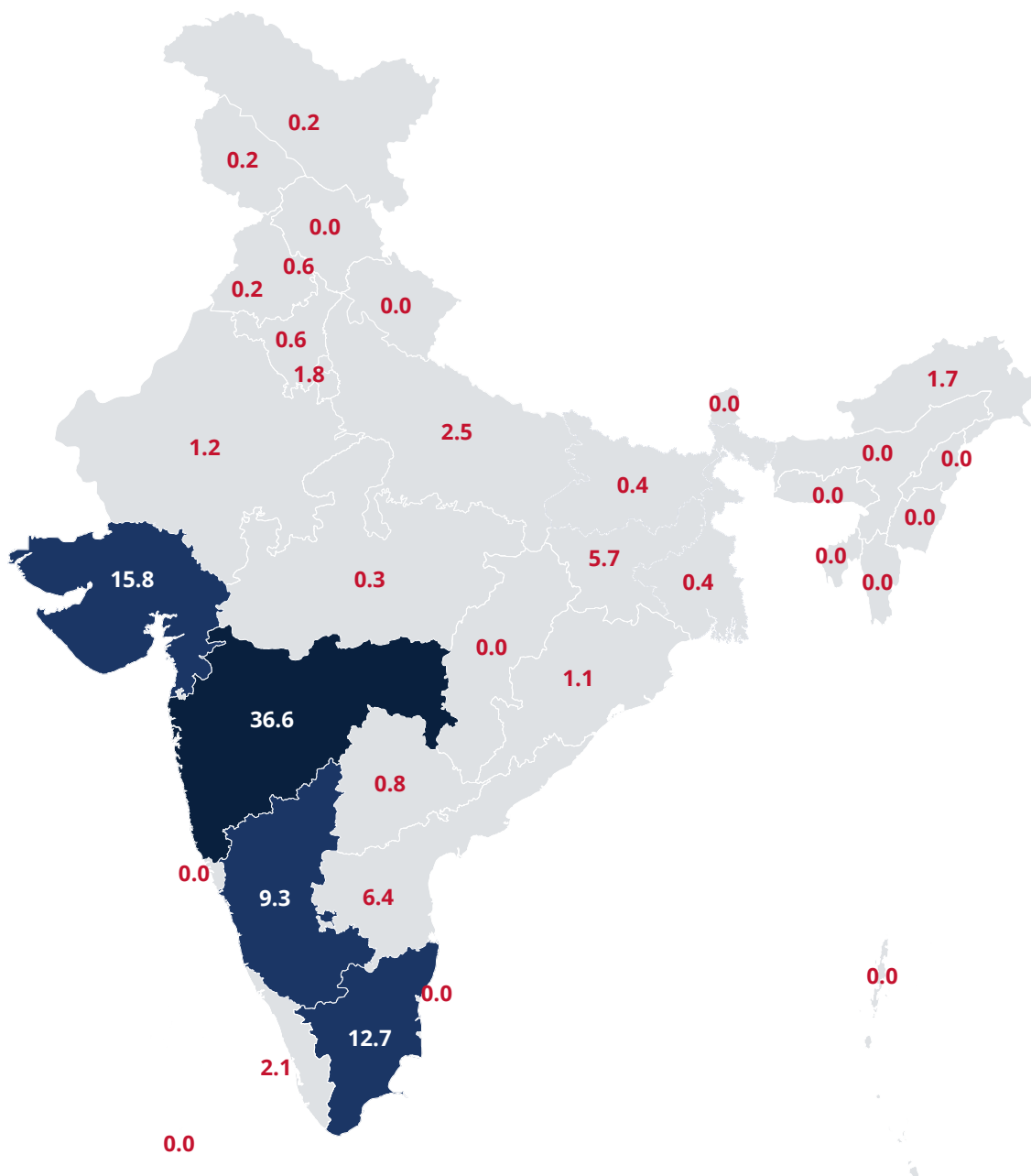


State Government Flows

In 2017-18, 6,073 NGOs registered on NGO Darpan were sanctioned an amount of Rs 5,947 crore from state governments.

In 2015-16, this was largely focused on NGOs from states in the west and south. In 2017-18, this is more diversified, with the list of top states including West Bengal, Telangana and Bihar. The big decline is in funding to NGOs from Maharashtra.

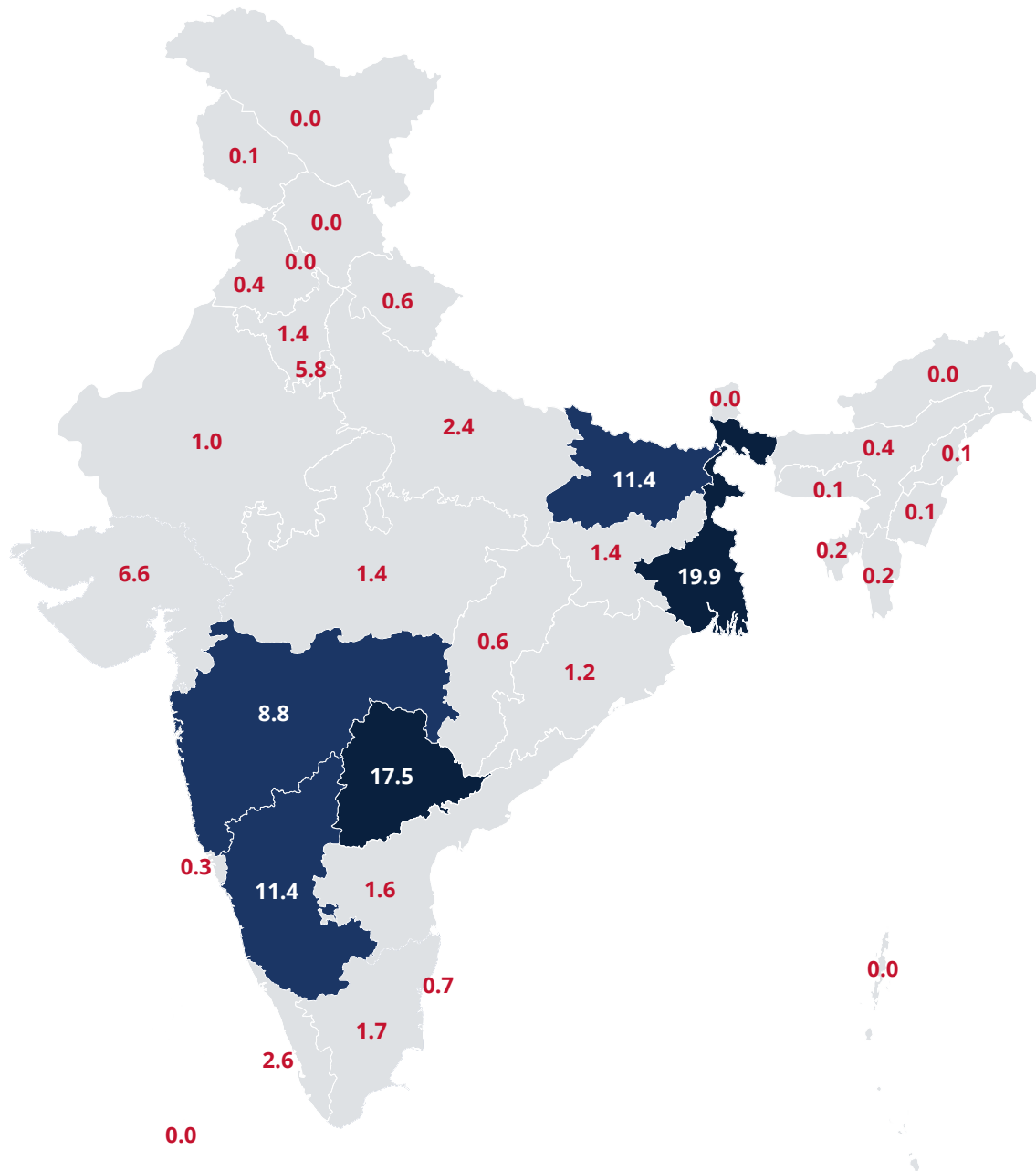
Figure 47: State wise distribution of funds sanctioned by State Governments (2015-16)



Numbers represent percentages.

Disclaimer | This map is a graphical representation designed for general reference purposes only.

Figure 48: State wise distribution of funds sanctioned by State Governments (2017-18)



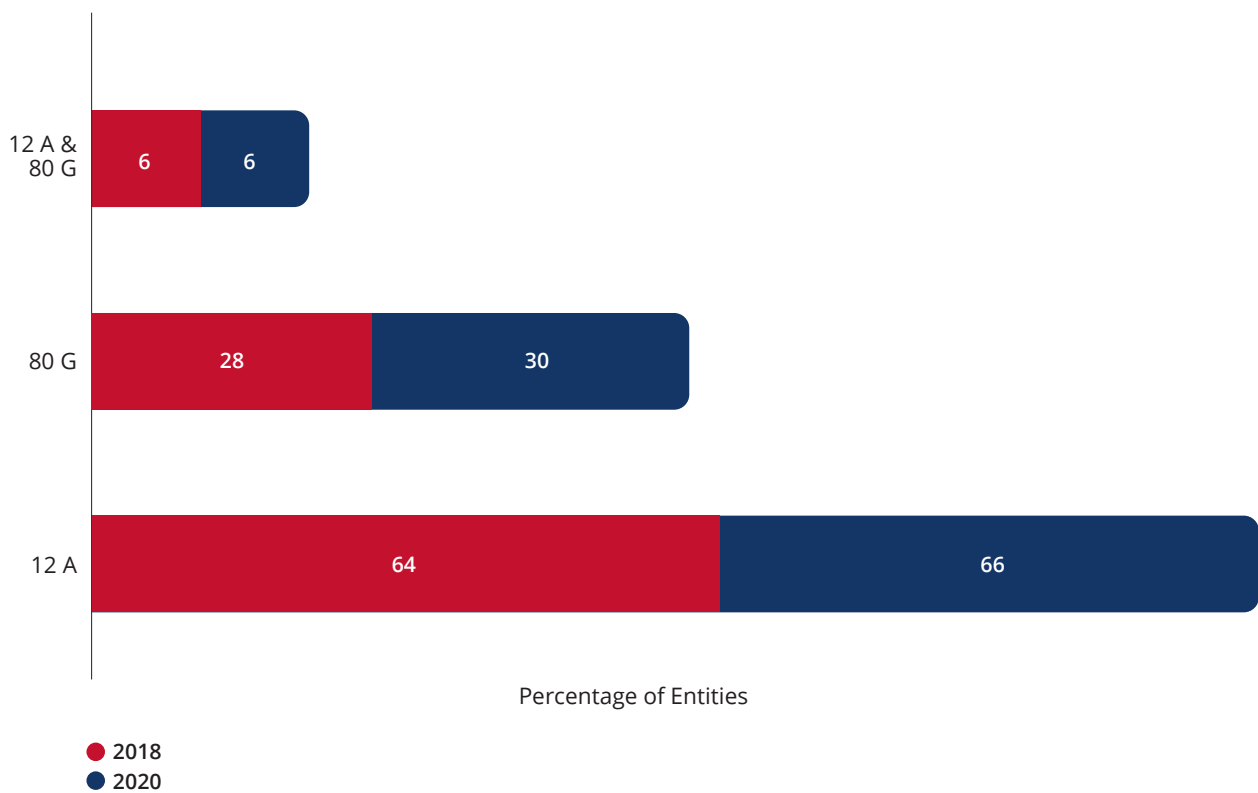
Numbers represent percentages.

Disclaimer | This map is a graphical representation designed for general reference purposes only.

Forms of entities - IT database

There were 1,78,952 tax exempt Institutions on the IT database in 2018. This number increased to 1,82,065 in 2020. While organisations registered under 12A (and 12AA) as well as 80G show a 2% increase over the two years, those with both 12A and 80 G remain the same in terms of percentage.

Figure 49: Forms of entities on IT database



Numbers represent percentages.

State wise distribution of tax-exempt organisations

More than 80% of the tax exempt institutions under section 12A are located in just five states: Maharashtra, Tamil Nadu, Gujarat, Karnataka and Delhi. Uttar Pradesh has 16. 5% of India's population, but only 1.9% of the tax-exempt institutions.

Section 80G eligible institutions are a little more dispersed compared to the distribution of 12A exempt organisations. Apart from the five states that house the bulk of 12A exempt organisations, Rajasthan and West Bengal are the other states with a proportionately higher share.

Table 11: State wise distribution of organisations exempt under Section 12 A and with Section 80G approval (2020)

State	Organisations exempt under Section 12 A	Organisations with approval under Section 80G
Andaman and Nicobar	0.0	0.0
Andhra Pradesh	2.1	2.7
Arunachal Pradesh	0.0	0.0
Assam	0.0	0.5
Bihar	1.1	2.1
Chandigarh	-	-
Chhattisgarh	0.8	0.8
Dadra and Nagar Haveli	0.0	0.0
Daman and Diu	0.0	0.0
Delhi	20.6	8.7
Goa	0.1	0.1
Gujarat	9.7	11.7
Haryana	0.2	0.4
Himachal Pradesh	0.1	0.0
Jammu and Kashmir	0.2	0.2
Jharkhand	0.7	0.3
Karnataka	10.1	10.6
Kerala	0.6	0.5
Lakshadweep	0.0	0.0
Madhya Pradesh	2.3	3.4
Maharashtra	28.8	25.9
Manipur	0.0	0.1
Meghalaya	0.0	0.1
Mizoram	0.0	0.0
Nagaland	0.0	0.0
Odisha	0.0	0.0
Puducherry	0.0	0.0
Punjab	0.3	0.5
Rajasthan	2.1	5.9
Sikkim	0.0	0.0
Tamil Nadu	17.1	10.6
Telangana*	-	-
Tripura	0.0	0.1
Uttar Pradesh	1.9	0.9
Uttarakhand	0.7	1.5
West Bengal	0.4	12.0

Numbers represent percentages.

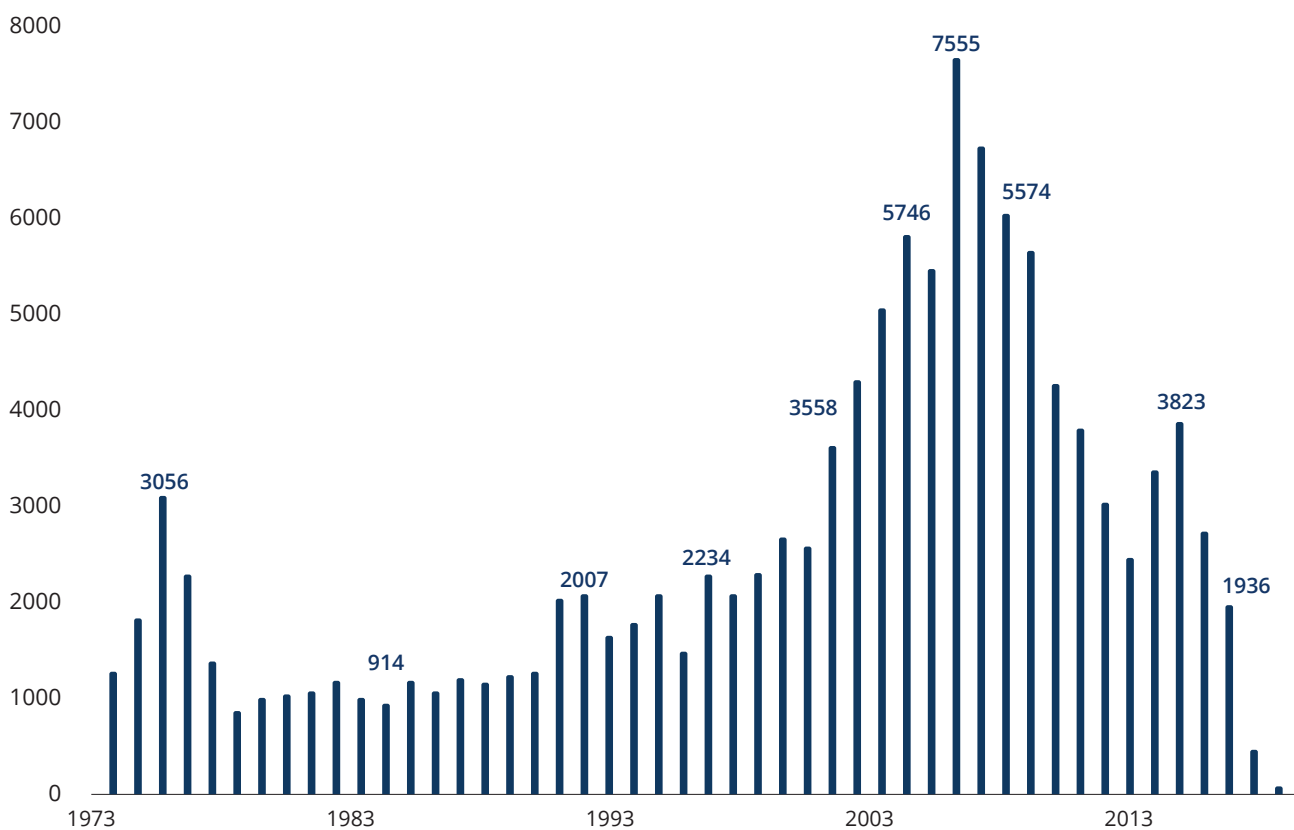
* The Telangana data has been included in the Andhra Pradesh figures in the IT database.

IT Exempt Organisations

Section 12 A Organisations

The following figure shares the number of organisations that received approval under Section 12 A in a particular year. Nearly 34% of 1,18,838 institutions that were approved under Section 12A received their approval between 2004 and 2010. The number fell to 14% for institutions approved between 2013 and 2020.

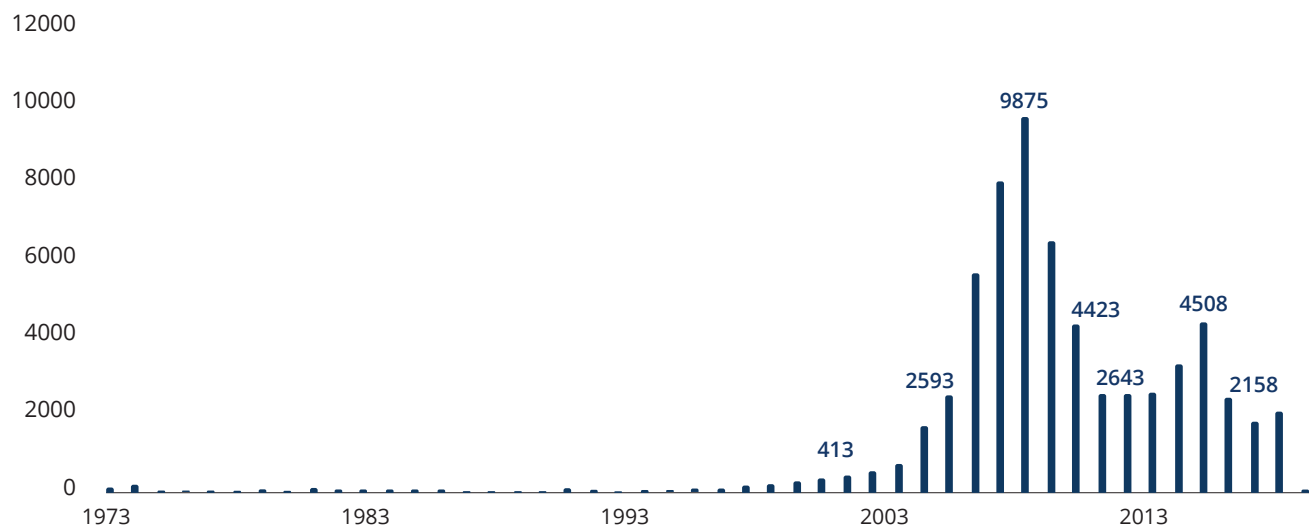
Figure 50: Number of organisations receiving 12 A approval in a particular year



Section 80G Organisations

As per the IT database, 58% of 66,960 institutions as of May 20 that were approved under Section 80G received their approval between 2005 and 2011. The maximum number is for the year 2009, possibly because of the change in renewal/validity provisions in the Income Tax Act. This fell to 26% between 2014 and 2020.

Figure 51: Approval of tax exempt institutions under Section 80G



Amount applied by IT exempt organisations

1,98,806 non-profit entities claimed to have applied Rs 5,29,125 crores towards charitable and religious work in 2018-19. This includes charitable entities of all hues and the actual total philanthropic capital would be a subset of this reported figure. However, this is definitely an indicator of the number of charitable entities claiming 12 A exemption and the value of funds applied to their work.

Figure 52: Number of charitable entities

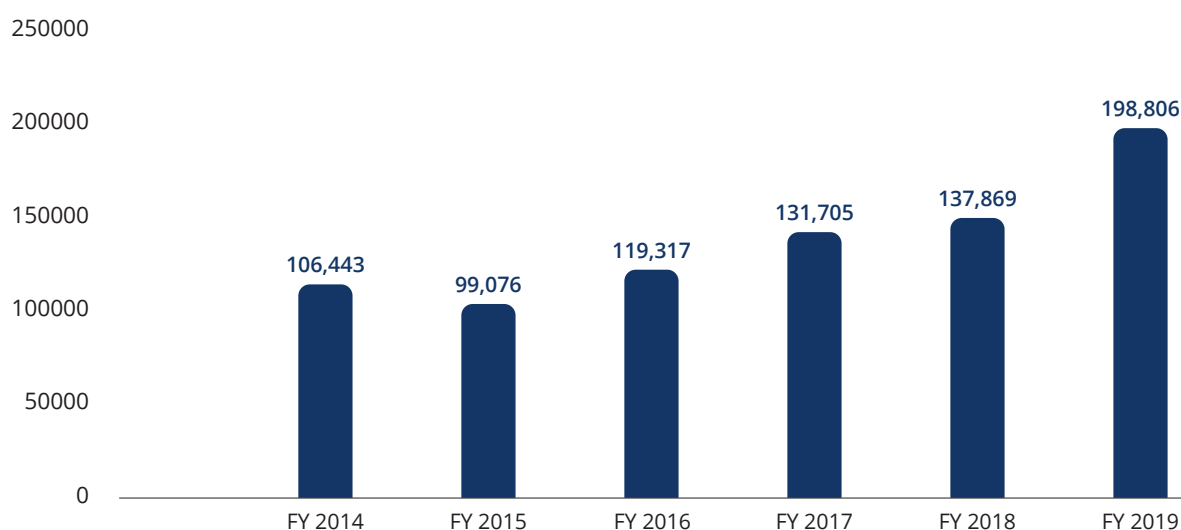
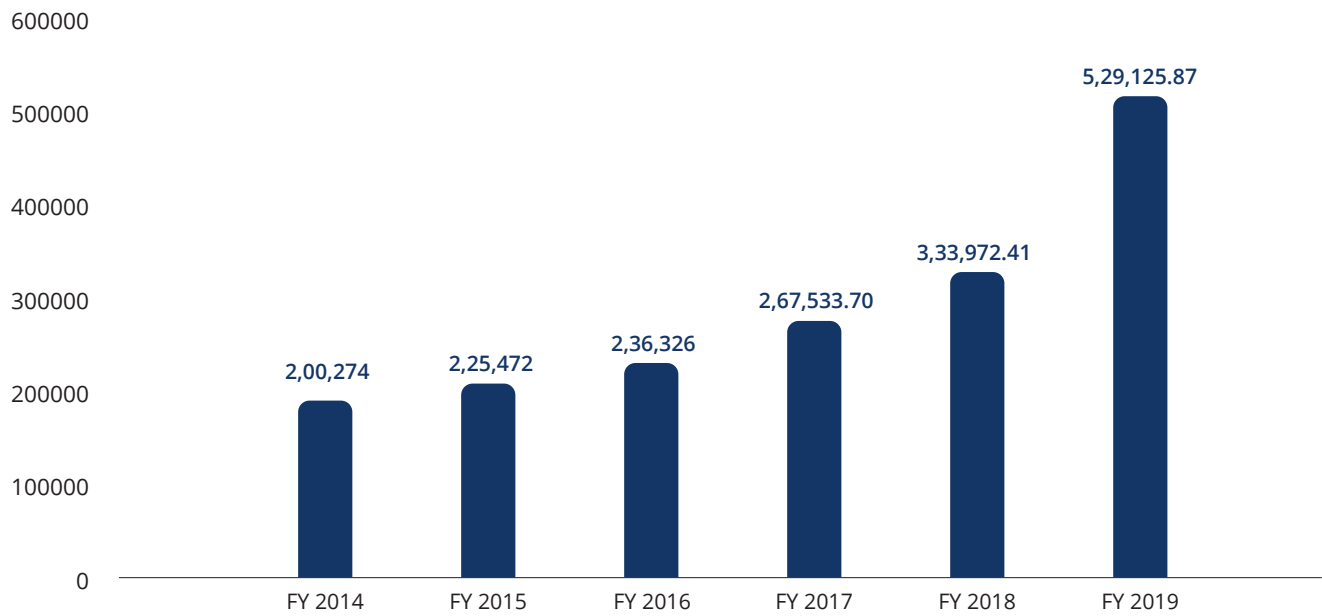


Figure 53: Total amount applied in Rs Crores



On the NGO Darpan and IT Datasets

To understand the volume and trend of philanthropy flows arising from the Government, How India Lives, the data analytics firm commissioned by the Centre for Social Impact and Philanthropy accessed data on NGO-Darpan platform and IT website in May 2020. HIL followed the following process for data scraping and analysis:

The data on the NGO Darpan dataset is organised state-wise and a pop-up form for each NGO in a state shows information under different fields, including unique ID, registered with, source of funds, amount sanctioned, city and state of registration. The income tax-exempt institutions are curated as a list on the Income Tax Website, where each institution's information is stored in 11 different fields which includes the organisation's name, address, PAN card, state, city, approved under section and date of order, among others. HIL scraped this information for over 89,600 NGOs as on May 7, 2020 from the Darpan platform, and for 1,82,065 organisations as on May 12, 2020 from the IT website platform and organised it in a spreadsheet in a readable format that enabled ease of analysis.

Box 4: Sample form from the IT website

Name of the Organisation:	Pan Number:
Address	No.250/1, 16th and 17th Cross, Sampige Road, Malleshwaram, Bangalore-560003
State	Karnataka
City	Bangalore
Chief Commissioner of Income Tax Cadre Controlling Authority (CCIT- CCA) / DGIT (Exemptions)	PR.CCIT Bengaluru
Chief Commissioner of Income Tax (CCIT)	CCIT(E) New Delhi
Commissioner of Income Tax (CIT)	CIT(E) Bengaluru
Approved under Section	12A
Date of Order (DD/MM/YYYY)	30/03/2017
Date of Withdrawal/Cancellation (DD/MM/YYYY)	-
Date of Expiry (DD/MM/YYYY)	-
Remarks	-

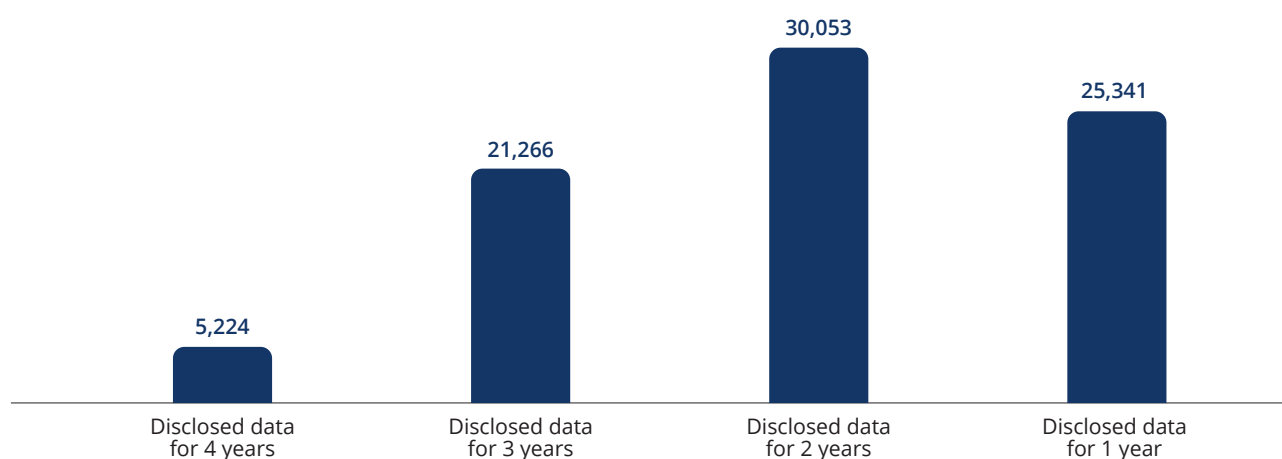
The complete dataset was cleaned to weed out blank rows and cells, and all the text was converted in a proper case to maintain uniformity. Duplicates were deleted. In the 'amount sanctioned' column, on the Darpan platform, entries that looked unfit for analysis (for example amounts below Rs 1,000) were excluded from the final analysis. The available Darpan data on NGOs spans 6 years with varying degrees of coverage. For some part of this analysis, where a year had to be chosen, 2017-18 was selected to strike a balance between the data being recent and the sample being large enough.

Limitations

On the Darpan platform, NGOs need to self-report their information under various heads. Some of these heads are open-ended: a user can enter free text in heads like, 'Sector/Key issues', 'Department Name'. Such data entries become difficult to analyse or, at times, unusable. Under the 'department name' column, NGOs have entered the names of Central and State departments that are sometimes acronyms or just the first word of the department's name making it difficult to understand or use it for analyses.

For the given years, a very small percentage of NGOs present on Darpan have given information for 4 years. A majority of them have given for 1-3 years as reflected in the figure below.

Figure 54: Number of years for which data was disclosed by NGOs on the Darpan platform



The Income-Tax database does not classify data for Telangana separately, and includes it in Andhra Pradesh. On the same website, the data for Ladakh was replicated with data for Jammu and Kashmir. There is a unique identifier for an organisation on the IT dataset, which is the PAN number of the organisation. However, this identifier was missing for half of the institutions. Another column header, address of the institution, was also sparsely filled. There were several duplicate entries in the dataset.

Suggestions

The unique identifier for tax-exempt institutions should be consistent across other NGO databases like FCRA, Darpan and CSR as well. That will enable collation, comparison and make analysis more meaningful.

All fields in filing on these portals should be filled mandatorily and validation of this information should be carried out.

Information heads with a list of drop-down options for closed-ended responses instead of open heads will improve the quality of data and analysis.

On the NGO-Darpan platform, along with an 'amount sanctioned' column, there should be an 'amount disbursed' column. Data self-reported by the NGOs should be validated against Grants-in-aid data from the ministries.

4. *Missing Data*

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Despite the growing interest in, and reporting on, Indian Philanthropy, gaps in the availability and reliability of data continue to hamper an understanding of the complete picture and all its dimensions.

Size of the Sector

A critical dimension in understanding the sector is an estimate of the number of organisations that are associated with it. One of the ways of estimating the size of the philanthropic capital is by understanding the total amount raised by all the institutions across all sources. However, limited data availability on this count leads to multiple estimates of the number of institutions associated with the sector.

There are no reliable estimates of the size of the voluntary sector in India. There are many reasons quoted for this disparity in figures including multiple registration authorities for NGOs, annual filings not required by all forms of NGOs, and that not all NGOs have exemptions under the Indian Income Tax Act to provide tax benefits to donors.

The earliest and oft quoted study is by PRIA - John Hopkins University in the year 2001 that estimated the number of NGOs in India at 1.2 million. A declaration filed by the CBI in court in 2015, mentioned 3.1 million NGOs as the then current figure in India.^x The two phase study carried out by the Ministry of Statistics and Programme Implementation, Government of India recorded 31.6 lakh* societies as listed during the first phase. The second phase of the study namely, "Compilation of Satellite Accounts in respect of NPIs in India" involved visiting the societies listed during the first phase, to physically verify their

existence and simultaneously collect employment and financial data from the traced societies. 22.44 lakh societies were physically visited by the States/UTs during the second phase of the study in 2009-10. Out of these, 6.94 lakh societies were traced.^{xi}

The datasets accessed for this report however show a far smaller number of NGOs associated with formal philanthropy. While the number of organisations registered with an FCRA registration stands at 21,490 and the number of registrations on the NGO Darpan database stands at 89,600 as of May 2020. The number of tax exempt organisations under section 12A (which includes a range of organisations apart from NGOs) is approximately 1,20,000 while those under 80G number 65,000. The size of the sector associated with formal philanthropy therefore could be far smaller than earlier estimates.

Philanthropic Flows from Individuals

Unlike FCRA, CSR, NGO Darpan databases, there is no centralised directory tracking individual philanthropy in India. While the 'Statement of Revenue Foregone' of the State Budget captures the total revenue foregone by the Government on account of providing tax incentives on donations to charitable trusts and institutions under section 80G of the Income Tax Act, it does not capture the information on total charitable contributions made by individuals, or provides any disaggregation, thereby making this dataset incomplete. The provision in the 2020 Finance Bill, requiring NGOs to share details of 80G exemptions provided to the Income Tax authorities may help in better tracking of this giving, although it has implications of enhanced compliance burden for NGOs.

x India has 31 lakh NGOs, more than double the number of schools | India News, The Indian Express

xi Final Report on Non Profit Institutions in India A Profile and Satellite Accounts in the framework of System of National Accounts (including State-wise Comparison of Profiles)- http://ccss.jhu.edu/wp-content/uploads/downloads/2012/10/India_SatelliteAccount_2007-2010.pdf

* Lakh = 100000

Philanthropic Flows from Indian Foundations

There is no credible database/repository of information on funding by Indian philanthropic foundations. Networks such as the Asian Venture Philanthropy Network (AVPN) and philanthropy ranking lists such as the Edelgive Hurun Philanthropy list do capture some information on the funding volumes, but institutionalised reporting on grant-making by Indian philanthropic foundations continues to be one of the biggest missing pieces in correctly estimating the size of philanthropic capital in India. A recent effort to provide access to all the available data is the Candid India portal which draws on CSIP data.^{xii} Much of the reporting on giving by this segment also blurs distinctions between personal and corporate giving. Greater transparency by foundations and HNWIs would go a long way towards enhancing understanding of the philanthropic sector in India.

CSIP undertook a simple exercise of reviewing publicly available information on Indian grant-making foundations to understand their operations and grant-making practices.

A foundation for the purpose of the report has been taken to be a nonprofit that supports other nonprofits via the giving and sharing of resources, both financial and non-financial. Since corporate foundations are largely funded by CSR grants of allied companies, while foreign and diaspora foundations receive funds from overseas, these are reflected in philanthropic flows captured by the CSR and FCRA datasets; and were, therefore, excluded from this exercise. Intermediary organisations^{xiii} that facilitate transfer of funds primarily from individuals and institutions to non-profits, have also been

excluded from the scope of this study. In addition, only those foundations that have a grant-making component for nonprofits in their approach have been considered.

The exercise, based on the review of foundations' official websites, yielded only fifteen foundations for which some information is available online. Even for these fifteen foundations, there were many gaps in the data on grant-making priorities and practices shared on their official websites.

This section shares findings from the study on data that is publicly available on the foundations' websites, along with suggestions on how this could be improved.

About the Foundations

The data has been assessed and grouped under parameters that include organisational details, grant-making practices, and transparency with regard to operating practices.

Organisational Details

This includes basic data on when the organisation was established and for what purpose, its location, and whether it provides a way for stakeholders to know about them, and get in touch with them. Of the 15 foundations that form part of the study, 14 have a website while one has a presence on other social media platforms. Most of these organisations share basic organisational details on their websites. Missing details include a contact number that has not been shared by three foundations, and a mission statement not shared by two.

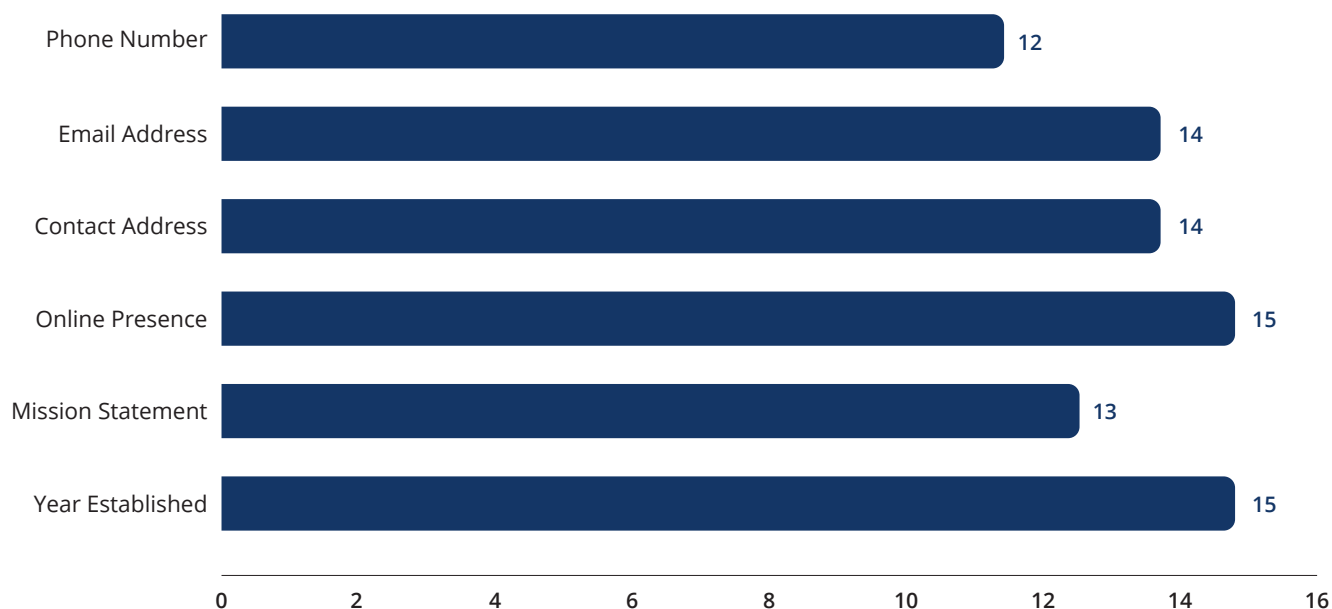


Despite growing interest, there is still a dearth of quality data on philanthropy flows. Therefore, it is difficult to put an exact value to the philanthropic capital in the country.

xii Available here-Philanthropy in India | Created by Candid

xiii Intermediaries are mission-driven organisations that aim to more effectively link donors (individuals, foundations, and corporations) with organisations and individuals delivering charitable services. At their best, intermediaries serve functions that overcome obstacles that curtail the nonprofit sector's effectiveness – from the Giving Compass available at Intermediaries Can Address Nonprofit Obstacles · Giving Compass.

Figure 55: Organisational details

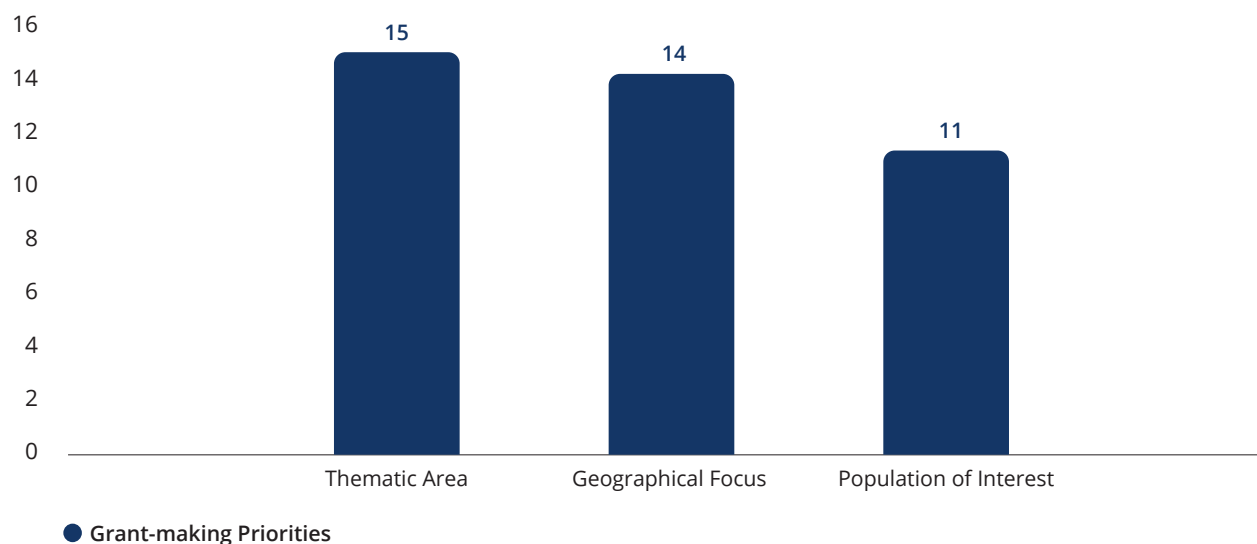


Grant-Making Priorities

Through the lens of grant-making priorities, we have analysed information provided on thematic areas that foundations support, geographies covered and population groups of interest to them.

All the foundations in the study share the thematic areas that they support, all but one share their geographical focus, however in four cases, the population that they would like to impact was not specified.

Figure 56: Grant-making priorities



Box 5: Good practices in grant making priorities - Example of National Foundation for India (NFI)

Social

NFI supports the active inclusion of those marginalised on grounds of gender and sexuality, class, caste and religion.

Read More: <https://nfi.org.in/what-we-do>

Economic

NFI supports innovative models of livelihood security that help those with very limited resources to live with dignity.

Read More: <https://nfi.org.in/what-we-do>

Regional

Addressing regional imbalances, NFI supports interventions among the Adivasi communities of central India as well as religious and ethnic minorities in north-eastern India.

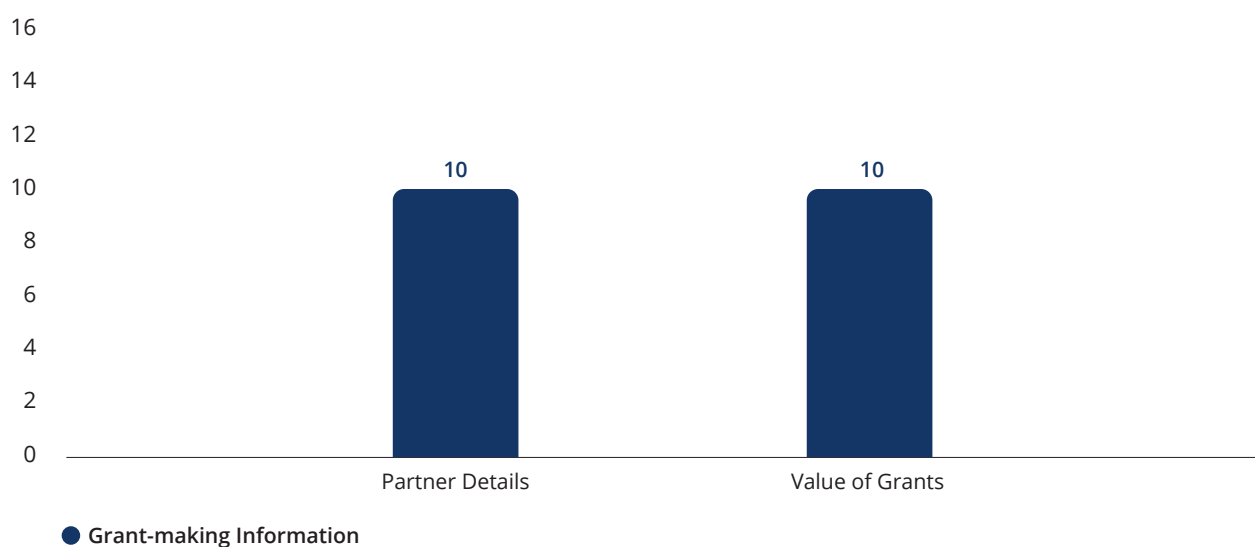
Read More: <https://nfi.org.in/what-we-do>

Source: What We Do | National Foundation For India (nfi.org.in)

Grant-Making Information

The grant-making information has been taken to include the information shared on the details of the grants made by the foundations, including number of partners and value of grants. There is a significant data gap here. One third of the foundations have not shared either of these. In addition, the information on the number of partners supported has largely been given since the inception of the foundation, making it difficult to understand the number of partners supported in a particular year. Similarly, the amount of funding given has been shared variously for different time periods including over the last year, three years, five years, or total given since inception.

Figure 57: Grant-making information

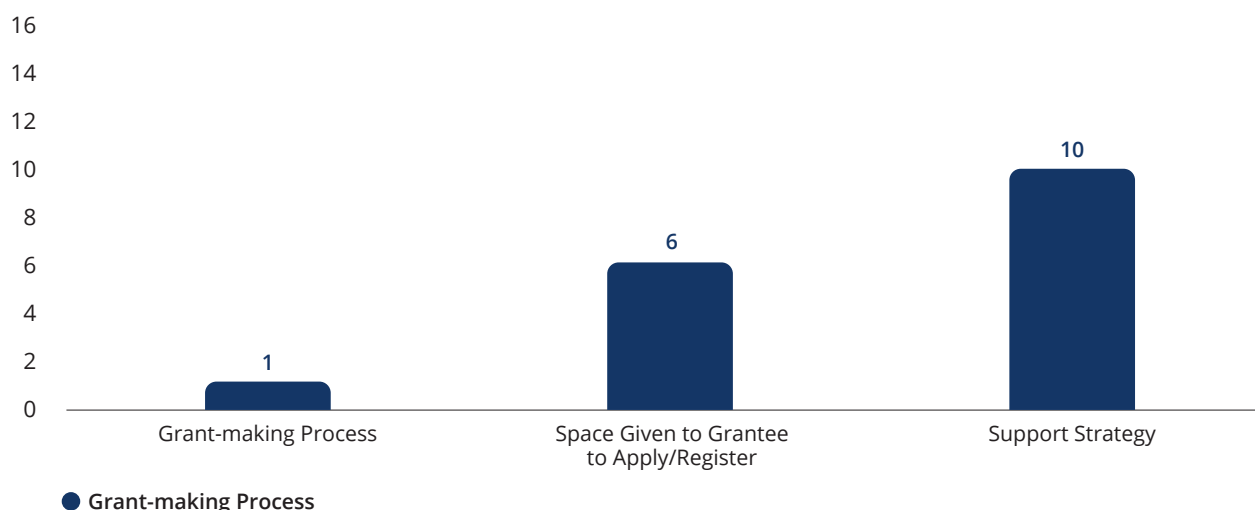


Grant-Making Process

The information on the grant-making process, support strategies offered, (financial/ non- financial, programme/non-programme costs) and space given for potential grantees to register and/or apply online, is taken together under the grant making process.

The grant making process in most cases appears to be opaque, with no details on the evaluation process and timeframes shared by the foundations. Only six of the fifteen organisations provide information and/or space for potential grantees to register or apply online, although 10 of them do mention the kind of support offered to grantees.

Figure 58: Grant-making process



Box 6: Good practices in providing information for applicants - Example of Azim Premji Philanthropic Initiatives (APPI)

Thank you for your interest in applying for a grant with the Azim Premji Philanthropic Initiatives. Please go through the information detailed below before you start the registration process.

To know more about us and our philosophy, please go through the **Who We Are** page.

To understand the roles we play and the types of grants we make, we encourage you to go through the **How We Work** page.

To know more about our focus areas and themes, please go through the **What We Do** page.

Please ensure that you provide a valid email address in the Registration form.

If your request is valid, you will receive the login details to our grant management portal within 3 working days. If you require any assistance with this process, please write to **registrations@azimpremjiphilanthropicinitiatives.org**

Transparency

This includes the information shared with regard to the foundation's own financials, people associated with the organisation and names of the grant recipients. While 12 of the foundations share the names of their Board Members and 11 give details of the names of their grantees, a little less than half of them do not share their own financials.

Figure 59: Transparency



Box 7: Good practices: grant recipient information - Example of Arghyam Foundation

A link from the page on Partners on Arghyam Foundation's website takes one to individual partnership with the specific partner. Not only does it share the name of the partner, it also gives a summary of the Project supported, the outputs from the particular project along with specific details of the location, number of beneficiaries impacted, the grant amount and the duration.

Possibilities

There are many Indian Philanthropic Foundations, however not much is known about them in the public domain. Even where they do have an online presence, there is a lack of transparency with regard to their own operations and the processes used for grant-making as the study showed using the following parameters.

Table 12: Areas needing Improvement

Organisational Details	Grant-making	Transparency
Access	Priorities	Sharing Financials
Mission Statement	Process	Sharing Partner Details
	Information	Sharing names of Board Members

Key: A score of

● < 7 = weak

● ≥7 and ≤11=adequate

● > 11 is strength

There is definitely a case for those foundations who are currently not online, to build a presence that allows them to be readily accessible, and provides an easy way for their stakeholders to find out about their work.

A repository of information on the work areas and philanthropic giving by these foundations needs to be created. This could be done by a coalition of grant makers themselves which is then made available as a general resource. Grant-makers could also ensure that their data are available to portals like Candid India.

There is also a need for better disclosures by foundations across all areas, but especially in the area relating to grant-making processes followed, as well as transparency around organisational operations. Benchmarking could be done against widely accepted standards and processes of foundation work and disclosures could be mapped accordingly.

The USA's National Centre for Responsive Philanthropy mentions a set of criteria that help Non Profits operate ethically and maximise the impact of their grants. This includes

CRITERION I: VALUES

Contributing to a strong, participatory democracy that engages all communities.

- Provides at least 50 percent of its grant dollars to benefit lower-income communities, communities of colour and other marginalized groups, broadly defined.
- Provides at least 25 percent of its grant dollars for advocacy, organizing and civic engagement to promote equity, opportunity and justice in our society.

CRITERION II: EFFECTIVENESS

Investing in the health, growth and effectiveness of its non-profit partners.

- Provides at least 50 percent of its grant dollars for general operating support.
- Provides at least 50 percent of its grant dollars as multi-year grants.
- Ensures that the time to apply for and report on the grant is commensurate with grant size.

CRITERION III: ETHICS

Demonstrating accountability and transparency to the public, its grantees and constituents.

- Maintains an engaged board of at least five people who include among them a diversity of perspectives—including of the communities it serves—and who serve without compensation.
- Maintains policies and practices that support ethical behaviour.
- Discloses information freely.



On the Foundation Data

Approach followed for data mapping

For the mapping of Indian foundations, an initial list was drawn up after referring to secondary sources such as the Hurun Philanthropy List^{xiv} and the Asia Venture Philanthropy Network,^{xv} and a consultation with development practitioners on names of well-known foundations. Individual websites of these foundations were then visited, and data collated from the foundation sites, as well as the information available publicly on their philanthropic giving.

Challenges

The study includes a small sample size of fifteen foundations, since many of the foundations do not have an online presence.

Not only is the philanthropic giving by foundations not regularly identified and tracked anywhere,^{xvi} but the websites of the foundations themselves did not contain full disclosure/information. Therefore, gaps exist in the data related to giving and operating practices.

While most of the foundations started as private foundations, along the way, or as part of the design itself, they grew to incorporate funding from other stakeholders. There are some overlaps in the philanthropic flows quoted in this section, therefore with other datasets.

A standardised lexicon of foundation and associated terminology does not exist. Accepted common understanding of certain terms has been used and shared in the document.

xiv Available here- EDELGIVE HURUN INDIA PHILANTHROPY LIST | hurun-india

xv Available here - AVPN - Asian Venture Philanthropy Network

xvi Candid, an international non profit launched Philanthropy in India, in February 2021, a web portal in association with CSIP to share information on funding data on India's social sector which may address some of these challenges. It can be accessed at Philanthropy in India | Created by Candid

List of Foundations Included in the Study



Arghyam Foundation

A.T.E.Chandra Foundation

Azim Premji Philanthropic Initiatives

Bansuri Foundation

Central Square Foundation

Chellaram Charities

Concern India Foundation

Dalit Foundation

Narotam Sekhsaria Foundation

National Foundation for India

The Nudge

Rajiv Gandhi Foundation

Sir Dorabji Tata Trusts and Allied Trusts

Sir Ratan Tata Trusts and Allied Trusts

Swades Foundation

5. *Conclusion*

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Philanthropic contributions support the possibilities of positive social change with a reduction in inequality, along with providing an avenue for different stakeholders to participate in creating that change. An understanding of philanthropic capital flows, therefore, can help enhance its functioning and effectiveness.

This report is an effort in this direction. By offering insights on updated datasets, it provides an understanding of the scale and scope of philanthropic flows in the country. At the same time, it also acknowledges that this is an incomplete picture, and emphasises the need for improving the availability and quality of data for an improved understanding.

While issues and recommendations with respect to different datasets are dealt within different sections of the report, the following is an attempt to aggregate specific suggestions for different groups of stakeholders.

Enhancing Philanthropic Capital and Enabling Access -Social Stock Exchange

A working group set up by the Securities and Exchange Board of India (SEBI), has put out a report in the public domain on the proposed set up of a Social Stock Exchange in India as a way of bringing in more funds into the social sector.

The SSE, according to the report, will bring together various funding channels, lay down a set of standard procedures that will give access to only those non-profit and for profit social enterprises which are creating measurable social impact and those which ensure impact reporting. This will also entail capacity building of the non-profit organisations. The potential benefits include access to multiple financial instruments, aggregation of donations

from multiple donors, and tax incentives. The standardisation of reporting, both financial and on impact as well as taxonomies of thematic focus, could also be one of the key outcomes of the SSE. However, there are apprehensions and concerns about the potential of SSE, given that not much is known about how this idea has worked in other countries; or from what has been seen, the idea of SSE has failed or at best functioned in ways not different from existing platforms and that too at small scale. The other concerns include the need for clarity in distinction between a non-profit and a for profit social enterprise, the difficulties in measurement of social impact, and the costs involved in certification and reporting that may be difficult to bear especially for small non-profits.

Government

The existence of, and accessibility to, public datasets such as NITI Aayog's NGO Darpan, MCA's CSR, MHA's FCRA and the Finance Ministry's IT are good starting points for the study of philanthropic capital in India. The following suggestions cover how these can be made more accessible, reliable and usable:

- The public datasets operate in silos leading to problems when combining or comparing data. There need to be shared definitions of terms and standardisation of categories across datasets. For example, the CSR and FCRA datasets have different categories for the purpose of grants, making collation and comparison a problem. Indeed, FCRA and IT have varying definitions of charitable purpose.
- To the extent possible, common reporting frameworks should be applied across datasets. This will ease the process of data extraction and enable meaningful analysis by the users of that data. In addition, once the Social Stock Exchange takes shape, a common reporting structure along with the unique identifier (explained below) will smoothen the process of due diligence by standardising the formats of available information on the work of NGOs. Some of the suggestions mentioned in the report done by Samhita and the International Centre for Not-For-Profit law which evaluates international models and experiences of SSEs, such as an SSE design in consultation with the non-profit sector, and promotion of under resourced causes could also be considered.¹⁰
- A unique identifier for organisations across platforms will help in cross referencing and validation of data across datasets. The recent CSR rules mandate application for a unique ID for implementing organisations. Organisations registered on NGO Darpan already have a unique ID specific to that portal. Enhanced co-ordination between departments handling the different datasets would help in facilitating the tracking of commonalities, and standards that apply across datasets.

- Reliability of data in different datasets could be enhanced by ensuring completeness of the reported data, validation checks, closed options rather than open formats for recording responses under the reporting framework, and by ensuring that the data is updated on a specified periodic basis.
- Lack of substantive access to the Income Tax dataset precludes meaningful analysis of the composition of and trends in Indian philanthropy. The fact that the nonprofit sector is not reported as a distinct entity in the national accounts also prevents analysis.

NGOs and Philanthropic Foundations

- Proactive data sharing and transparency of operations in case of NGOs and philanthropic foundations will not only support accurate measurement and meaningful analysis of philanthropic flows, but will repose trust in these organisations and also enable better informed decision making for themselves. In addition;
- It is suggested that philanthropic foundations build an online presence that allows them to be readily accessible by non-profits seeking funding support, and provides an easy way for their stakeholders to find out about their work.
- NGOs and philanthropic foundations should set up and follow norms for data sharing. Some norms already exist through Credibility Alliance, a consortium of voluntary organisations with regard to governance, however, additional norms around standard reporting frameworks and sharing of information with regard to philanthropic contributions could also be established.
- NGOs should ensure completeness, accuracy and updated information on data portals which require self-reporting of data.

Donors

- Donors should contribute to the availability of reliable and accessible data on the sector. Larger donors could support knowledge sharing on data reporting formats, collection and analysis of data.
- Donors could also invest in building capacities of NGOs on the use of technology platforms related to data applications.
- Individual donors could enhance transparency about their own contributions by reporting them under Section 80G.
- Corporate donors should ensure completeness and accuracy of data that they share with regard to CSR contributions.
- Philanthropic foundations should make the information on their grant-making more transparent and accessible to public and potential grantees. Developing reporting norms on the lines of Glasspockets, 360 Giving etc. would ensure such transparency.

Endnotes

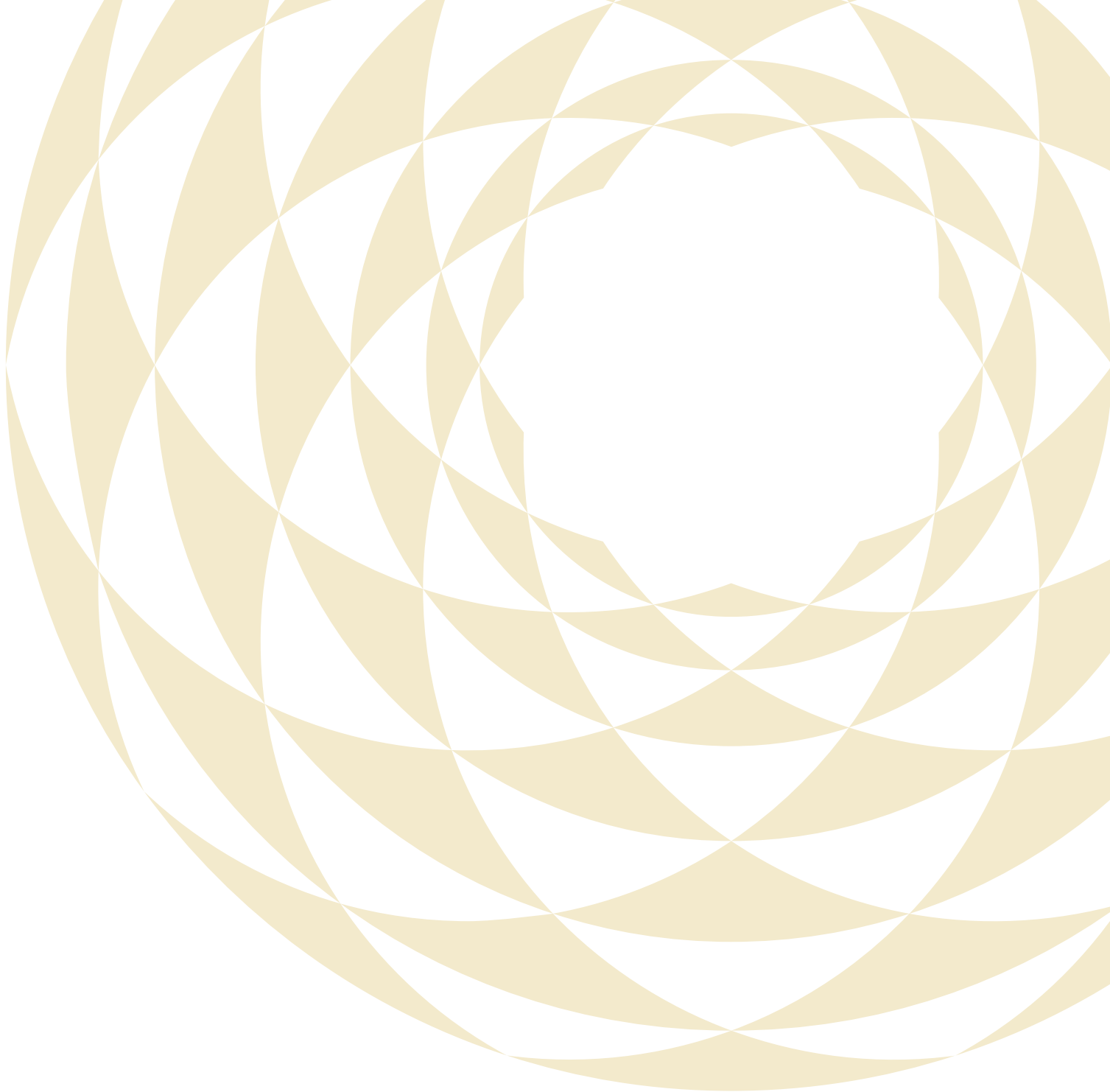


Datasets

- 1 CSR Data- <https://csr.gov.in/CSR/>
NGO Darpan Data- <https://ngodarpan.gov.in/>
FCRA Data- <https://fcraonline.nic.in/home/index.aspx>
- 2 Tax Exempted Institutions (incometaxindia.gov.in)
- 3 EDELGIVE HURUN PHILANTHROPY LIST 2019 | hurun-india

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- 4 Sources for philanthropy flow comparisons On GDP -echap01_vol2.pdf (indiabudget.gov.in) , fact sheet on FDI - FDI_Factsheet_27May2019.pdf (dipp.gov.in), net worth of India's richest man – Hurun Rich List HURUN GLOBAL RICH LIST INDIA 2019 | hurun-india ; corporate net profit figures in reference 7 and 8 below.
- 5 Prime Minister's National Relief Fund (pmnrf.gov.in)
- 6 EDELGIVE HURUN PHILANTHROPY LIST 2019 | hurun-india
- 7 Education outlay in Budget 2018 set at Rs85,010 crore (livemint.com) and Rs 52,800 cr allocated to health, family welfare | Business Standard News (business-standard.com)
- 8 TCS Q4 net profit surges 18% to Rs 8,126 crore, declares final dividend of Rs 18 per share (businesstoday.in)
- 9 Reliance Industries Q4 net profit surges 9.8% to Rs 10,362 crore, revenue jumps 19.4% (businesstoday.in)
- 10 Samhita and International Centre for Not-For-Profit Law(2021, March 21) Creating a truly social stock exchange in India. Retrieved from Creating a Truly Social Stock Exchange in India - ICNL



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