

27<sup>th</sup> November 2018

## **CSR SPEND BY COMPANIES LISTED ON NSE CROSSES INR 10,000 CRORE IN 2017-18: nseinfobase.com**

The Corporate Social Responsibility (CSR) spend by companies listed on NSE witnessed an **increase of 11 per cent to INR 10,030 crore in 2017-18**, according to nseinfobase.com. **According to Pranav Haldea, Managing Director, PRIME Database Group which has developed and powers nseinfobase.com, CSR expenditure by companies listed at NSE has grown at a healthy Compounded Annual Growth Rate (CAGR) of 16 per cent over the last 4 years.**

The CSR law, which came into force in April 2014, mandates companies, subject to the provisions of the Act, to invest two per cent of their net profit in CSR projects. Companies with net worth of INR 500 crore and above or revenue of INR 1,000 crore and above or net profit of INR 5 crore and above have to spend two per cent of average net profits of last three years.

According to nseinfobase.com, of the 1,794 companies presently listed on the NSE, 1,708 companies were listed as on March 31, 2018, excluding companies which have been suspended or delisted subsequently (balance 86 have got listed subsequent to April 2018). Of these 1,708 companies, annual reports for 2017-18 have been released by 1,627 companies. Of these 1,627 companies, 1,550 had details relating to CSR given in the annual reports, while no such details were available for the balance 77. Finally, of the 1,550 companies, 1,080 were obligated to spend on CSR, up from 1,009 companies in 2016-17. This analysis is based on these 1,080 companies.

According to nseinfobase.com, the average net profit of these 1,080 companies over last three years was INR 5.35 lakh crore (2016-17: INR 4.80 lakh crore). As per CSR requirements, the amount required to be spent by them was INR 10,686 crore (2016-17: INR 9,688 crore). These companies, however, decided to spend a bit more at INR 10,886 crore (2016-17: INR 9,954 crore), INR 200 crore more than the requirement. However, INR 1,717 crore eventually remained unspent (2016-17: INR 1,574 crore). **The final actual CSR expenditure by these companies, though, was INR 10,030 crore** (2016-17: INR 9,060 crore), primarily because some companies spent more than what was mandated or decided earlier by them, representing an increase of nearly 11 per cent.

### **CSR Spends by companies listed on NSE over last 4 years**

	2017-18	2016-17	2015-16	2014-15
<b>Average Net Profit of last 3 years (INR crore)</b>	5,35,353	4,80,069	4,51,744	4,09,714
<b>Amount Required to be spent (INR crore)</b>	10,686	9,688	9,103	8,214
<b>Amount Decided to be spent (INR crore)</b>	10,886	9,954	9,280	8,388
<b>Amount Unspent (INR crore)</b>	1,717	1,574	1,891	2,455
<b>Final Actual Amount spent (INR crore)</b>	10,030	9,060	8,418	6,461
<b>CSR spend as a % of Net Profit</b>	1.87	1.89	1.86	1.58

Source: nseinfobase.com: Developed & Powered by PRIME Database Group



<b>vi - Armed Force Veterans</b>	65	73.13	1%	88	52.99	1%	<b>-20.14</b>	<b>-</b>
<b>Community development/ infrastructure/ social welfare/ child welfare</b>	63	90.74	1%	106	102.44	1%	<b>11.70</b>	<b>12.89</b>
<b>Others</b>	27	59.77	1%	22	52.75	1%	<b>-7.03</b>	<b>-</b>
<b>Admin expenses</b>	159	141.51	2%	193	156.72	2%	<b>15.22</b>	<b>10.75</b>

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

## Company-wise Spends

The number of companies which spent on CSR went up to 1,016 (94 per cent of the 1080 companies) in 2017-18 from 931 (92 per cent) in 2016-17. The balance 64 companies, despite being mandated, did not spend anything.

The top 10 companies in terms of CSR spends in FY 2017-18 were as follows:

Rank	Company	CSR expenditure (INR crore)
1	RELIANCE INDUSTRIES LTD.	745.04
2	OIL & NATURAL GAS CORP.LTD.	503.44
3	TATA CONSULTANCY SERVICES LTD.	400.00
4	HDFC BANK LTD.	374.54
5	INDIAN OIL CORP.LTD.	331.04
6	INFOSYS LTD.	312.60
7	ITC LTD.	290.98
8	NTPC LTD.	241.54
9	TATA STEEL LTD.	231.62
10	WIPRO LTD.	186.60

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

## **The top 10 companies together spent 36.06 per cent of the total spend on CSR.**

The top 10 companies in terms of per cent of profit spent towards CSR were as follows:

Company	Average Net Profit of last 3 FY (INR crore)	CSR expenditure (INR crore)	% of net profit spent on CSR
JAMMU & KASHMIR BANK LTD.,THE	2.00	31.71	1585.52
THANGAMAYIL JEWELLERY LTD.	0.17	0.52	300.41
MANGALORE CHEMICALS & FERTILIZERS LTD.	0.11	0.22	199.18
INTELLECT DESIGN ARENA LTD.	1.01	2.00	198.59
IDFC LTD.	13.57	22.74	167.58
EMAMI INFRASTRUCTURE LTD.	3.53	2.95	83.48
KIOCL LTD.	0.36	0.16	44.22
VIPUL LTD.	0.35	0.15	43.81
HUBTOWN LTD.	17.00	3.85	22.66
E.I.D.-PARRY (INDIA) LTD.	6.60	1.23	18.70

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

According to Haldea, the top 10 companies which saw maximum increase in CSR spends in absolute terms from last year were as follows:

Company	CSR expenditure 2016-17 (INR crore)	CSR expenditure 2017-18 (INR crore)	Increase (INR crore)
INDIAN OIL CORP.LTD.	213.99	331.04	117.05
RELIANCE INDUSTRIES LTD.	659.20	745.04	85.84
BHARAT PETROLEUM CORP.LTD.	91.80	166.02	74.21
HDFC BANK LTD.	305.42	374.54	69.12
HCL TECHNOLOGIES LTD.	40.96	91.37	50.41
HINDUSTAN PETROLEUM CORP.LTD.	108.11	156.87	48.76

HINDUSTAN ZINC LTD.	49.40	92.18	42.78
INDIABULLS HOUSING FINANCE LTD.	5.87	47.68	41.81
TATA STEEL LTD.	193.61	231.62	38.01
MARUTI SUZUKI INDIA LTD.	89.45	125.08	35.63

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

**On an overall basis, 560 companies or 59 per cent increased their spending from the previous year.**

There were 440 companies (41 per cent) which exceeded their prescribed spending. The top 10 were as follows:

Company	Prescribed CSR expenditure (INR crore)	Actual CSR expenditure (INR crore)	Excess spend (INR crore)
TATA STEEL LTD.	85.62	231.62	146.00
NMDC LTD.	121.02	169.37	48.35
RELIANCE INDUSTRIES LTD.	703.08	745.04	41.96
OIL INDIA LTD.	61.76	100.57	38.81
VEDANTA LTD.	9.42	45.03	35.61
JAMMU & KASHMIR BANK LTD.,THE	0.40	31.71	31.31
HINDUSTAN PETROLEUM CORP.LTD.	126.38	156.87	30.49
AMBUJA CEMENTS LTD.	20.81	44.09	23.29
IDFC LTD.	0.27	22.74	22.47
GAIL (INDIA) LTD.	69.67	91.65	21.98

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

**There were also 36 companies, which despite reporting a loss, spent on CSR.**

**On the other hand, there were 345 companies which missed the mandatory spending of two per cent of net profit (361 in 2016-17).** The top 10 companies in terms of highest unspent amount in 2017-18 were:

Company	Prescribed CSR expenditure (INR crore)	Actual CSR expenditure (INR crore)	Unspent Amount (INR crore)
BHARTI AIRTEL LTD.	214.63	27.80	186.83
REC LTD.	161.95	49.46	112.49
HINDUSTAN ZINC LTD.	189.64	92.18	97.46
TATA CONSULTANCY SERVICES LTD.	497.00	400.00	97.00
KOTAK MAHINDRA BANK LTD.	73.97	16.17	57.80
LUPIN LTD.	75.05	21.68	53.37
GENERAL INSURANCE CORP.OF INDIA	71.09	17.91	53.18
AXIS BANK LTD.	186.82	133.75	53.07
INDUSIND BANK LTD.	70.17	20.47	49.70
LIC HOUSING FINANCE LTD.	50.79	6.70	44.09

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

**According to Haldea, PSU spending saw an increase of 4 per cent from previous year.** 55 PSUs spent INR 2,727 crore in 2017-18, up from INR 2,627 crore spent by 49 PSUs in 2016-17.

The CSR Act also mandates companies to appoint a CSR committee comprising at least three members of the board of which at least one should be independent. 855 out of 1,708

companies had such a CSR committee in place. Several companies though went beyond the requirement. **According to Haldea, as many as 427 companies had appointed more than 3 members.**

## State-wise Spends

The top 10 states which received maximum CSR spends were as follows:

State	No.of Companies	Amount Received (INR crore)	%age of Total
MAHARASHTRA	586	817.30	8.15
GUJARAT	466	610.85	6.09
RAJASTHAN	414	486.70	4.85
KARNATAKA	404	476.79	4.75
TAMIL NADU	442	451.46	4.50
DELHI	417	408.54	4.07
ODISHA	325	391.05	3.90
MADHYA PRADESH	357	386.86	3.86
WEST BENGAL	377	383.21	3.82
ANDHRA PRADESH	354	380.37	3.79

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

The top 10 states accounted for 48 per cent of the total CSR spend.

The top 10 states in terms of increase in amounts received from last year were as follows:

State	No.of Companies	Amount Received 2016-17 (INR crore)	No.of Companies	Amount Received 2017-18 (INR crore)	Increase (INR crore)
MAHARASHTRA	537	685.03	586	817.30	132.27
GUJARAT	431	502.13	466	610.85	108.71
DELHI	396	310.07	417	408.54	98.47
WEST BENGAL	368	298.42	377	383.21	84.79
RAJASTHAN	393	410.54	414	486.70	76.16
ANDHRA PRADESH	344	330.39	354	380.37	49.99
MADHYA PRADESH	351	338.72	357	386.86	48.14
UTTAR PRADESH	386	335.96	401	380.37	44.41
JAMMU & KASHMIR	294	179.79	289	220.35	40.56
UTTARAKHAND	336	251.85	337	291.05	39.20

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

Eight states saw a decrease in amounts received in comparison to previous year, as follows:

State	No.of Companies	Amount Received 2016-17 (INR crore)	No.of Companies	Amount Received 2017-18 (INR crore)	Decrease (INR crore)
KERALA	310	257.50	302	223.81	-33.69
GOA	298	173.36	287	160.07	-13.29
DADRA & NAGAR HAVELI	291	144.59	283	133.50	-11.08
PONDICHERRY	285	138.98	274	130.11	-8.87
DIU	276	131.53	266	126.47	-5.06
ARUNACHAL PRADESH	277	155.85	271	150.87	-4.99
DAMAN	279	132.47	271	128.24	-4.24
HARYANA	364	244.66	365	243.27	-1.39

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

### **Direct Spends vs using Implementing Agencies**

27 per cent of the companies spent only directly on CSR-related activities, 25 per cent only used an external Implementing Agency while 38 per cent used a combination of the two. The balance 10 per cent did not specify the route chosen by them.

However, in terms of amount spent, the maximum amount was spent through the direct route (INR 4,272 crore or 43 per cent of the total).

	No.of Companies	%age of Companies	Amount Spent (INR crore)	%age of Amount Spent
<b>Implementing Agency</b>	274	25.37	3,713.87	37.02
<b>Direct</b>	292	27.04	4,272.44	42.59
<b>Both</b>	410	37.96	1,633.68	16.28
<b>Not Specified</b>	104	9.63	410.04	4.08
<b>Total</b>	<b>1080</b>	<b>100.00</b>	<b>10,030.02</b>	<b>100.00</b>

Source: nseinfobase.com: Developed & Powered by PRIME Database Group



**Notes:**

1. Total amount to be spent as decided by the company on an overall basis may be different from the Schedule-wise amount to be spent as decided by the company. The data is captured as provided in the Annual Report.
2. For the same activity, there could be an overlap between the different schedules. For e.g., skill development for women can be classified under employment enhancing vocational skills (Schedule VII (ii)) as well as under promoting gender equality (Schedule VII (iii)).
3. Amount spent in multiple states has been equally divided between the states given. If a state/location has not been provided in the disclosure, then the amount has been equally divided amongst all states in India.
4. For standardizing the data across different financial years/accounting periods of companies, figures for years other than an 'April-March' Financial Year have been adjusted on a pro-rata basis. For e.g. data for calendar year 2018 (viz. January-December 2018) has been taken 3 months into 2017-18 and 9 months into 2018-19.
5. Schedule-wise amounts spent have been prorated equally between Direct and Implementing Agency for all companies where break up between Direct and Implementing Agency has not been given in the Annual Report.

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