

CSR spend by listed companies highest-ever in FY19 at ₹12K cr

Spending is 17.2% higher than the ₹10,128 cr dished out in the previous year, shows data

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Mumbai, 12 December

Companies spent ₹11,867.2 crore under the corporate social responsibility (CSR) model in 2018-19 (FY19) — the highest such expenditure since it became mandatory in 2014-15 (FY15).

The Companies Act required firms to spend at least 2 per cent of their average net profit over the preceding three years on CSR projects. The spends could be under heads ranging from education and health care, to sports or for ensuring gender equality.

The FY19 spend was 17.2 per cent higher than ₹10,128.3 crore spent during the previous year, showed the data from corporate tracker *nseinfobase.com*. It was ₹6,552.5 crore in FY15.

The biggest spend (₹4,406 crore) was for Schedule VII (II), which involves "promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled, and livelihood enhancement projects".

The next biggest spend (₹3,206.5 crore) was under Schedule VII (I). This involves initiatives for "eradicating hunger, poverty and malnutrition, promoting health care, including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh (set up by the central government for the promotion of sanitation and making available safe drinking water)". Rural development projects got ₹1,319 crore.

Contributions for environmental purposes and towards the benefit of armed forces and disaster management are also among the causes for which companies can make allocations.

It was also noted that richer states like Maharashtra and Gujarat received the bulk of corporate largesse, while poorer states and those in the Northeast were largely overlooked.

Maharashtra received ₹931.4 crore from over 501 companies — nearly half the 1,015 companies, of the 1,360 firms listed on the National Stock Exchange, which are required to make some spends for CSR purposes and for whom the data is available. Maharashtra tops the country in terms of gross state domestic product at factor cost at current prices (with the base year of 2011-12), shows the Reserve Bank of India data. Gujarat is also in the top five.

States like Bihar, which rank lower on development, also ranked lower on corporate largesse. It received contributions from 209 companies in FY19 and the amount spent was ₹274.2 crore.

States in the Northeast received even less. Arunachal Pradesh got ₹134.2 crore from 170 companies. Similar numbers were seen in other states of the region like Sikkim and Meghalaya.

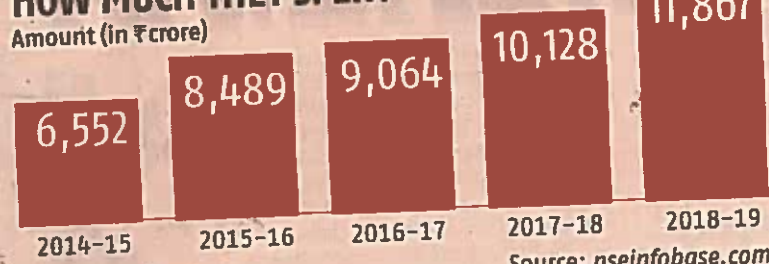
Larger allocations seem to have prompted closer attention as to how the money is being spent, according to experts. Amit Tandon, founder and managing director of Institutional Investor Advisory Services India (IIAS), said: "There are more and more companies which are doing impact assessment... people recognise the need to do it," he said.

Pranav Haldea, managing director at PRIME Database, said low CSR budget could act as a constraint for some companies to adopt monitoring mechanisms. "It may only make sense for firms with very large budgets. Smaller companies may find it too expensive to employ an agency for external audits regularly," he said.

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HOW MUCH THEY SPENT



Source: nseinfobase.com

EDUCATION AND SKILLING PROJECTS ARE MOST POPULAR

Key segments	2016-17	2017-18	2018-19
Administrative expenses	142	158	594
Others	60	57	45
Community development & infrastructure	86	104	168
Slum development	44	38	40
Rural development	1,086	1,064	1,319
Research, science & technology	44	37	41
Prime Minister's National Relief Fund	72	172	176
Sports	203	226	235
Benefit of armed forces	73	53	96
Heritage	247	393	174
Environment	952	1,191	1,012
Gender, inequality & inclusion	248	226	316
Education & skilling	3,403	3,837	4,406
Hunger, poverty, health care & sanitation	2,406	2,571	3,207
Disaster management	NA	NA	39

Note: There could be an overlap between different schedules for the same activity. Amounts are split equally where no information is given. Pro-rata adjustments made for non-standard financial years
Source: nseinfobase.com