

PRESS RELEASE

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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. CSR expenditure by companies listed at NSE has grown at a healthy Compounded Annual Growth Rate (CAGR) of 16 per cent over the last four years.

This analysis is based on 1,080 companies listed on NSE as on March 31, 2018 (excluding companies which have been suspended or delisted subsequently) which were obligated to spend on CSR and for which CSR details were available in their Annual Reports. 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.

Schedule-wise Spends: According to Pranav Haldea, Managing Director, Prime Database Group which has developed and powers nseinfobase.com, "In line with the previous year, Education received the maximum spend (INR 3,817 crore) followed by Healthcare (INR 2,509 crore)". Areas such as reducing inequalities, national heritage, armed forces, sports, technology incubators and slum development saw negligible spends. In comparison to previous year though, these areas did see the highest percentage increase in spends. According to Haldea, allocation to different schedules, though, remained fairly constant over previous year.

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 Reliance (INR 745.04 crore), ONGC (INR 503.44 crore), TCS (INR 400.00 crore), HDFC Bank (INR 374.54 crore), IOC (INR 331.04 crore), Infosys (INR 312.60 crore), ITC (INR 290.98 crore), NTPC (INR 241.54 crore), Tata Steel (INR 231.62 crore) and Wipro (INR 186.60 crore). The top 10 companies together spent 36.06 per cent of the total spend on CSR.

The top 10 companies which saw maximum increase in CSR spends in absolute terms from last year were IOC (increase of INR 117.05 crore), Reliance (INR 85.84 crore), BPCL (INR 74.21 crore), HDFC Bank (INR 69.12 crore), HCL Technologies (INR 50.41 crore), HPCL (INR 48.76 crore), Hindustan Zinc (INR 42.78 crore), Indiabulls Housing Finance (INR 41.81 crore), Tata Steel (INR 38.01 crore) and Maruti Suzuki (INR 35.63 crore).

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. 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).

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 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 1708 companies had such a CSR committee in place.

State-wise Spends: The top 10 states which received maximum CSR spends were Maharashtra (586 companies, INR 817.30 crore received), Gujarat (466 companies, INR 610.85 crore), Rajasthan (414 companies, INR 486.07 crore), Karnataka (404 companies, INR 476.79 crore), Tamil Nadu (442 companies, INR 451.46 crore), Delhi (417 companies, INR 408.54 crore), Odisha (325 companies, INR 391.05 crore), Madhya Pradesh (357 companies, INR 386.86 crore), West Bengal (377 companies, INR 383.21 crore) and Andhra Pradesh (354 companies, INR 380.37 crore). The top 10 states accounted for 48 per cent of the total CSR spend.

Eight states saw a decrease in amounts received in comparison to previous year.

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).

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.

To access, the detailed report, [click here](#).

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