

PRESS RELEASE

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## **CSR SPEND BY COMPANIES LISTED ON NSE UP 18 PER CENT IN 2018-19: nseinfobase.com**

The Corporate Social Responsibility (CSR) spend by companies listed on NSE witnessed an increase of 18 per cent to INR 11,961 crore in 2018-19, according to nseinfobase.com. CSR expenditure by companies listed at NSE has grown at a healthy Compounded Annual Growth Rate (CAGR) of 17 per cent over the last five years, according to Mukesh Agarwal, CEO, NSE Data & Analytics Ltd.

This analysis is based on 1132 companies listed on NSE as on March 31, 2019 and 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 1132 companies over last three years was INR 6.00 lakh crore (2017-18: INR 5.23 lakh crore). As per CSR requirements, the amount required to be spent by them was INR 12,018 crore (2017-18: INR 10,432 crore). These companies, however, decided to spend a bit more at INR 12,461 crore (2017-18: INR 10,637 crore), INR 443 crore more than the requirement. However, INR 1343 crore eventually remained unspent (2017-18: INR 1749 crore). The final actual CSR expenditure by these companies was INR 11,961 crore (2017-18: INR 10,179 crore), primarily because some companies spent more than what was mandated or decided earlier by them, representing an increase of nearly 18 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 4440 crore) followed by Healthcare (INR 3242 crore). Areas such as armed force veterans, technology incubators, slum development and disaster management saw negligible spends".

In comparison to previous year though, spends on armed force veterans increased the most (84 per cent) followed by spends on reducing inequalities (41 per cent) and healthcare (25 per cent). On the other hand, spends on national heritage fell the most (55 per cent). 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 1055 (93 per cent of the 1132 companies) in 2018-19 from 1024 (94 per cent) in 2017-18. The balance 77 companies, despite being mandated, did not spend anything.

The top 10 companies in terms of CSR spends in FY 2018-19 were Reliance (INR 849.32 crore), ONGC (INR 614.64 crore), IOC (INR 490.60 crore), HDFC Bank (INR 443.78 crore), Tata Consultancy Services (INR 434.00 crore), Infosys (INR 342.04 crore), Tata Steel (INR 314.94 crore), ITC (INR 306.95 crore), NTPC (INR 285.46 crore) and PGCIL (INR 195.73 crore). The top 10 companies together spent 36 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 159.56 crore), ONGC (INR 111.20 crore), Reliance (INR 104.28), Tata Steel (INR 83.32 crore), HDFC Bank (INR 69.24 crore), REC (INR 53.91 crore), MRPL (INR 51.50 crore), GIC (INR 47.38 crore), NTPC (INR 43.92 crore) and HCL Technologies (INR 38.13 crore).

On an overall basis, 653 companies or 64 per cent increased their spending from the previous year. There were 488 companies (43 per cent) which exceeded their prescribed spending. There were also 37 companies, which despite reporting a loss, spent on CSR.

On the other hand, there were 332 companies which missed the mandatory spending of two per cent of net profit (353 in 2017-18).

According to Haldea, PSU spending saw an increase of 4 per cent from previous year. 57 PSUs spent INR 3198 crore in 2018-19, up from INR 2710 crore spent by 54 PSUs in 2017-18.

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. 885 out of 1786 companies had such a CSR committee in place.

State-wise Spends: The top 10 states which received maximum CSR spends were Maharashtra (526 companies, INR 941.53 crore received), Gujarat (392 companies, INR 677.95 crore), Rajasthan (332 companies, INR 595.78 crore), Karnataka (340 companies, INR 587.04 crore), Tamil Nadu (369 companies, INR 563.99 crore), Odisha (251 companies, INR 478.69 crore), Delhi (365 companies, INR 458.80 crore), Andhra Pradesh (292 companies, INR 445.03 crore), West Bengal (306 companies, INR 440.30 crore) and Telangana (300 companies, INR 420.12 crore). The top 10 states accounted for 47 per cent of the total CSR spend. According to Haldea, “Not all areas of the country are benefitting equally. Since the Act decrees that companies shall give preference to the local area, the more industrialised parts of the country are cornering a larger share”.

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

Direct Spends vs using Implementing Agencies: 25 per cent of the companies spent only directly on CSR-related activities, 25 per cent only used an external Implementing Agency while 40 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 5206 crore or 44 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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[www.nseinfobase.com](http://www.nseinfobase.com) is a joint initiative of NSE and PRIME Database to provide value added corporate data on Insider Trading, Share Pledging, transactions under Takeover Code, Shareholding, Board of Directors, AGM/EGM/Postal Ballot Resolutions, Board Meeting Resolutions, Investor Meets, Auditors, Annual Reports, CSR, Corporate Actions, Key Managerial Personnel, Company Contact Details, Financial Results, All-in-1 Shareholding and Corporate Event Calendar. All databases are updated daily and are available on an annual subscription basis on the website [www.nseinfobase.com](http://www.nseinfobase.com). The key idea behind these databases is to provide timely, complete, credible and clean information on corporates in an extremely easy-to-use and searchable manner. Apart from the above databases, we also offer a unique service of creating, maintaining & hosting the Investors section of the websites of listed and unlisted corporates in India.

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performance of its systems through a culture of innovation and investment in technology. NSE believes that the scale and breadth of its products and services, sustained leadership positions across multiple asset classes in India and globally enable it to be highly reactive to market demands and changes and deliver innovation in both trading and non-trading businesses to provide high-quality data and services to market participants and clients.

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#### **About PRIME Database Group (PRIME)**

PRIME Database Group is India's leading provider of data on the capital markets. Apart from [www.nseinfobase.com](http://www.nseinfobase.com), the Group runs several other databases/ websites: [primedatabase.com](http://primedatabase.com)- India's first and still the only database dedicated to the primary capital market covering fund raising by the Indian corporate sector and the Government through equity, debt or securitisation, in India or abroad, [watchoutinvestors.com](http://watchoutinvestors.com)- a website which aims at alerting and protecting the investors, and is a national registry of information on companies/persons who have been indicted for an economic malpractice/non-compliance of laws/regulations/default by over 35 regulatory bodies, [primemfdatabase.com](http://primemfdatabase.com)- data on portfolios and league tables of AuMs of Mutual Funds, [primebbdatabase.com](http://primebbdatabase.com)- database of all bulk and block deals, [primecrmdatabase.com](http://primecrmdatabase.com)- database of credit rating migrations, [primecbdatabase.com](http://primecbdatabase.com)- database of public and privately placed corporate bonds containing both primary market (issuance) and secondary market (trading) data, [primemcadatabase.com](http://primemcadatabase.com)- database of RoC-filings of over 17 lakh companies, [primepevcdatabase.com](http://primepevcdatabase.com)- database of PE/V C Firms investing into India and Service Providers to this industry, [primedirectors.com](http://primedirectors.com)- an online platform to enroll professionals who are competent and willing to become independent directors on companies and for the companies to search for them and [msmentor.in](http://msmentor.in)- an online platform for helping MSMEs in finding Professionals who can add value to their enterprises. The Group also provides a variety of other services including database creation and management, content generation, website development and management, information consulting and data cleaning and standardization. By leveraging our deep understanding of information management, our clients are able to take better business decisions, improve their internal information processes and systems and also significantly enhance their public information platforms.

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