



Spend Insights

FUTUREScape : THE CUSTOMER EXPERIENCE COMPANY

FS/2018

CSR Spend

INTRODUCTION

More Indian companies are complying with the Government of India rule to spend 2% or more of average net profit of previous three years in CSR.

THIS REPORT IS BASED ON INDIA'S TOP COMPANIES FOR SUSTAINABILITY AND CSR
A 5 YEAR STUDY OF TOP 200 INDIAN COMPANIES

Insight |

Total CSR spend is increasing

41% of CSR spends are for Health and education based projects

Diversified sector spent the most, followed by Materials and Consumer staples

16% of the committed amount still remained unspent in the year

We find a consistent increase in the number of companies that reported CSR projects for Women Empowerment, Protecting National Heritage and Armed Force Veterans/War Widows.

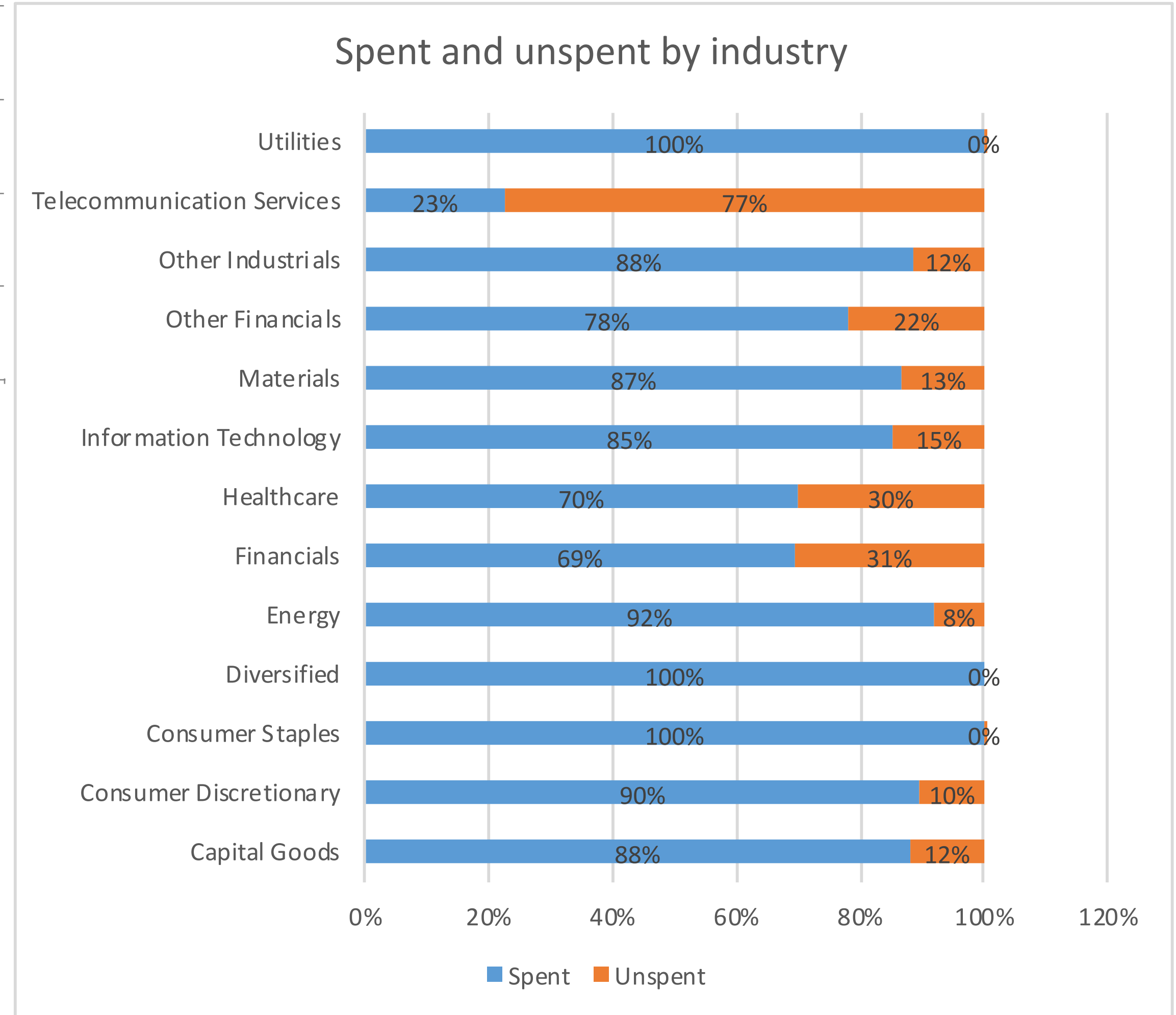
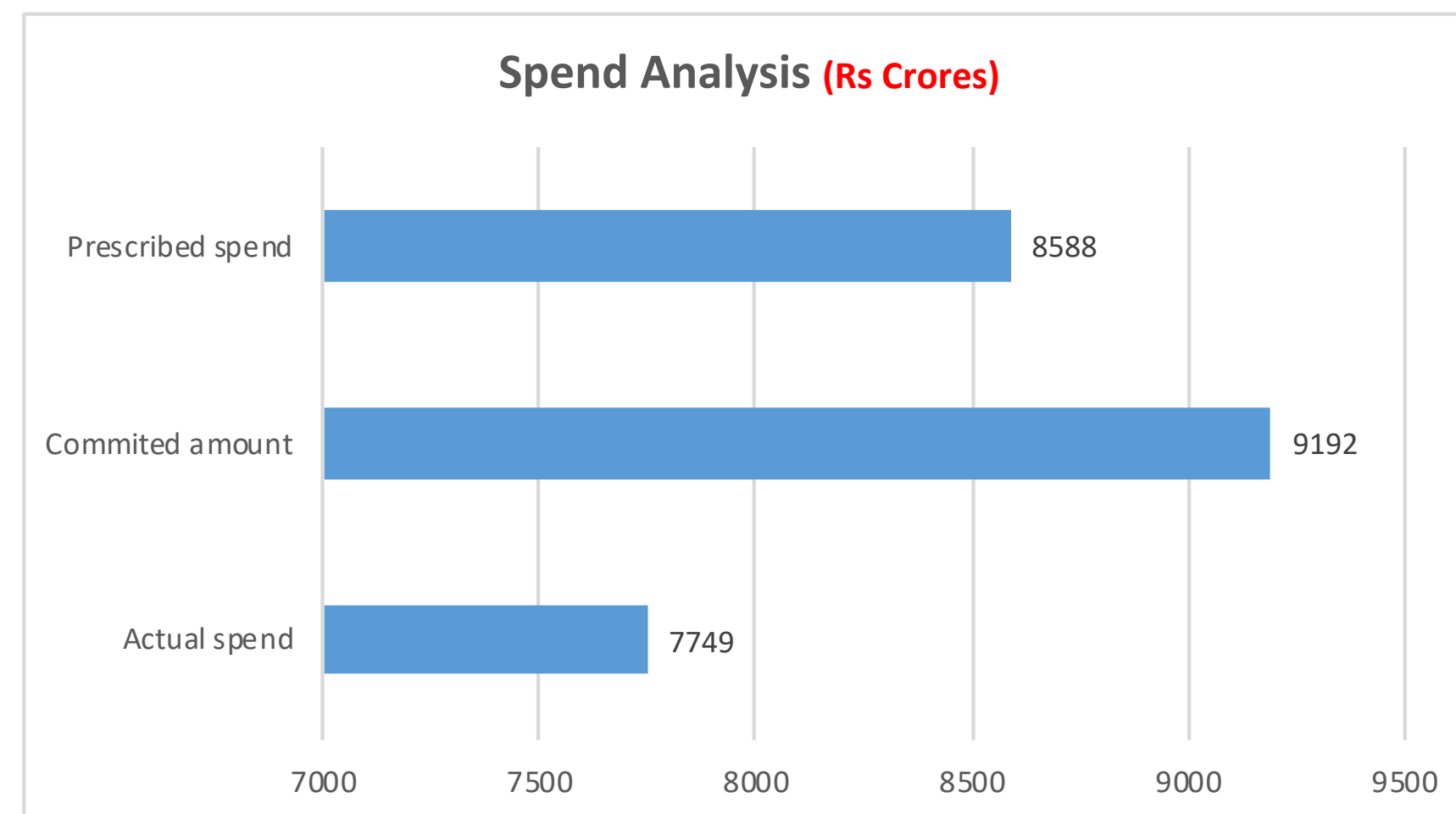
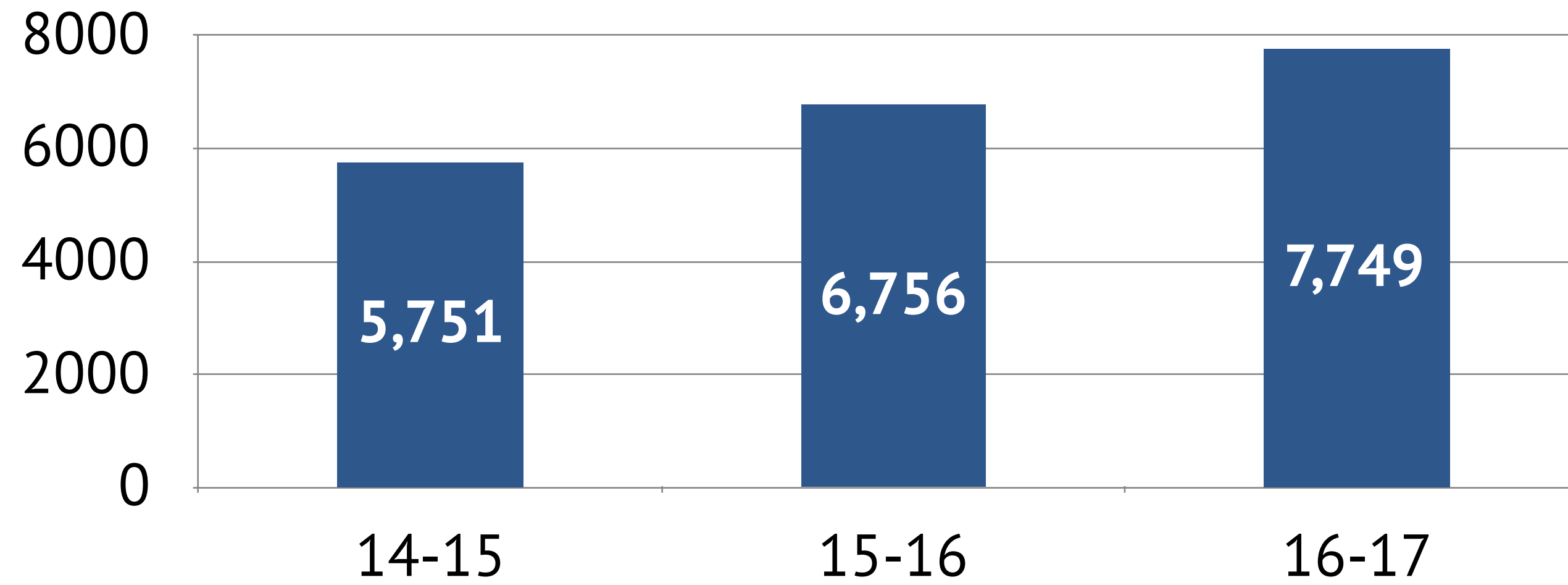
Only few companies have programs for senior citizens. The lead industries here are Other industrials, Materials, Telecom, Healthcare and Energy. Excluding Other industrials (43%), all others have around 20% companies participating in these programs.

Donations, support during national calamities and eradicating hunger & poverty projects' reporting decreased in the year.

There was a marginal drop in the number of companies that reported drinking water projects.

Amount spent vs unspent by sector

CSR spend by top 200 companies over the last 3 years (Rs. cr)



Top spenders

Rank	Top spender (% terms)	% spend
3	Piramal Enterprises Ltd.	7.2%
4	Jindal Stainless (Hisar) Ltd.	6.3%
5	National Fertilizers Ltd.	4.7%
6	Canara Bank	4.2%
7	Ambuja Cements Ltd.	4.0%
8	NHPC Ltd.	3.4%
9	Tata Steel Ltd.	3.3%
10	Uflex Ltd.	3.2%

Rank	Top spender (absolute amount)	Spend (INR cr)
1	Reliance Industries Ltd.	659.2
2	Oil And Natural Gas Corporation Ltd.	525.9
3	Tata Consultancy Services Ltd.	379.7
4	HDFC Bank Ltd.	305.4
5	Infosys Ltd.	289.4
6	NTPC Ltd.	277.8
7	ITC Ltd.	276.0
8	Indian Oil Corporation Ltd.	214.0
9	Tata Steel Ltd.	193.6
10	Wipro Ltd.	186.3

01

More Indian companies are complying with the Government of India rule to spend 2% or more of average net profit of previous three years in CSR.

	2014-15	2015-16	2016-17
Average CSR spend (%)	1.4%	1.7%	1.8%
% companies that spent 2% or more	32%	48%	57%
CSR Spend/Prescribed Amount	NA	78%	84%

Industry	Average spend	Top spender (% terms)
Diversified	2.6%	Piramal Enterprises Ltd
Materials	2.4%	Jindal Stainless (Hisar) Ltd.
Consumer Staples	2.2%	Tata Global Beverages
Utilities	2.1%	NHPC Ltd
Capital Goods	1.9%	Thermax Ltd
Information Technology	1.7%	Redington (India) Ltd
Other Industrials	1.7%	Container Corporation of India
Energy	1.7%	Oil India Ltd
Other Financials	1.7%	IDFC Ltd.
Healthcare	1.6%	Dr Reddy's Laboratories Ltd.
Consumer Discretionary	1.6%	Hero MotoCorp Ltd.
Financials	1.1%	Canara Bank
Telecom Services	1.0%	Tata Communications Ltd.
All	1.8%	

02

Diversified sector spent the most, followed by Materials and Consumer staples

Diversified sector spent the most, followed by Materials and Consumer staples. Financials and Telecom spent the least.

The top three spenders in percent terms were

- Piramal Enterprises (7.2%),
- Jindal Stainless (Hisar) (6.3%) and
- National Fertilizers (4.7%).

03

Manufacturing companies spent more than services in general

	Manufacturing	Services
Average CSR spend (%)	2.0%	1.5%
% companies that spent 2% or more	69%	41%
Average spend per company (Rs crores)	49.9	39.9
CSR spend/Prescribed amount	92%	73%
Top three spenders	Jindal Stainless Hisar (6.3%) National Fertilizers (4.7%) Ambuja Cements (4.0%)	Piramal Enterprise (7.2%) Canara Bank (4.2%) IDFC (2.7%)

05

Public and private companies spend similarly in average percentage terms

	Public	Private
Average CSR spend (%)	1.6%	1.8%
% companies that spent 2% or more	44%	61%
Average spend per company (Rs crores)	65.1	40.4
CSR spend/Prescribed amount	84%	84%
Top three spenders	National Fertilizers (4.7%) Canara Bank (4.2%) Oil India (2.9%)	Piramal Enterprise (7.2%) Jindal Stainless Hisar (6.3%) Ambuja Cements (4.0%)

06

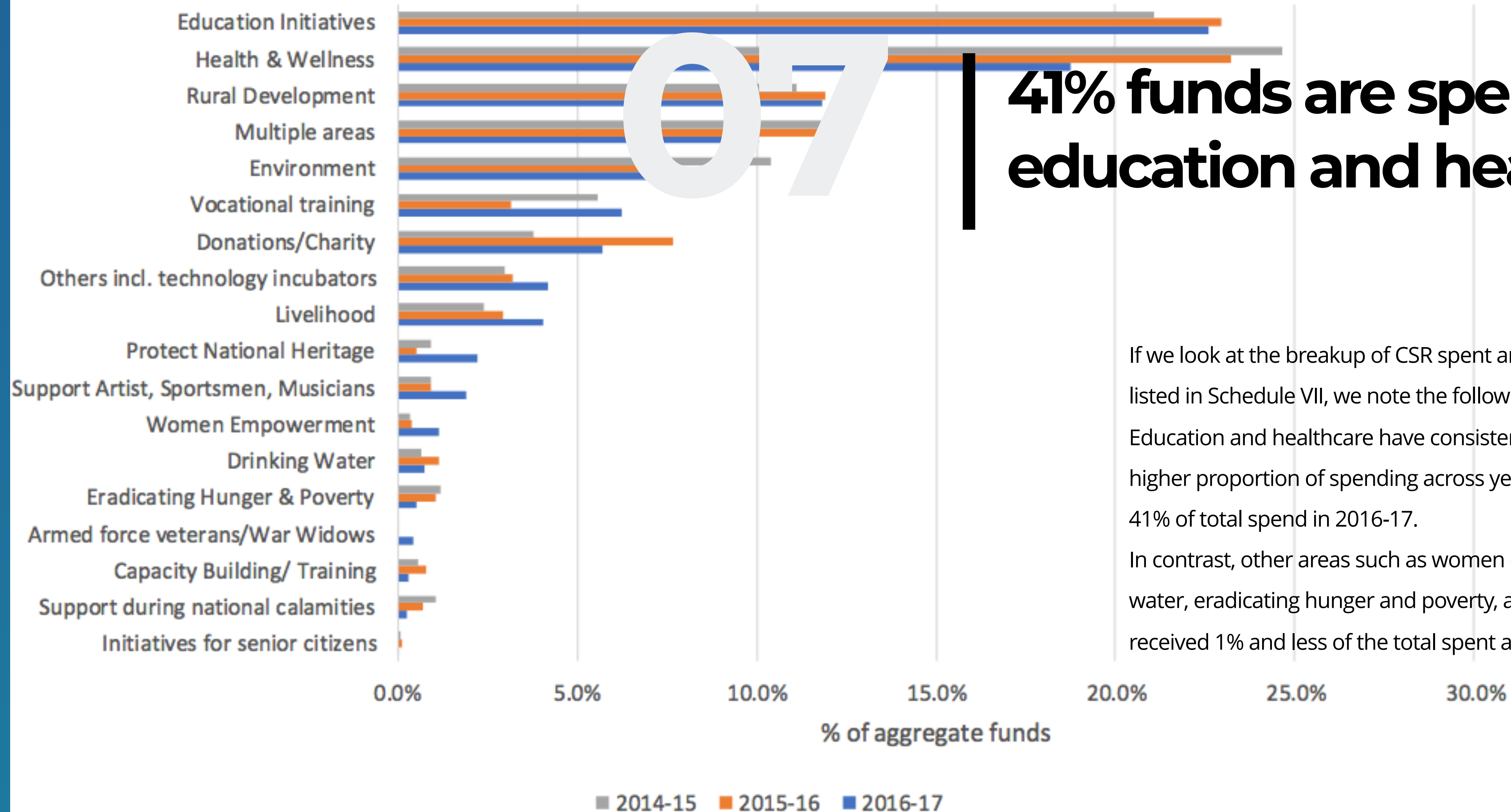
Consistent increase in the number of companies that reported CSR projects for Women Empowerment, Protecting National Heritage and Armed Force Veterans/ War Widows

Community area	Leading industries in decreasing order of percent companies with programs
Women empowerment	Other Industrials, Telecom, Energy
Protect National Heritage	Energy, Materials, Utilities
Armed force veterans/War widows	Auto, Utilities, IT



There is a consistent increase in the number of companies that reported CSR projects for Women Empowerment, Protecting National Heritage and Armed Force Veterans/War Widows.

CSR spend across community areas in Schedule VII



If we look at the breakup of CSR spent amount into the various areas listed in Schedule VII, we note the following:

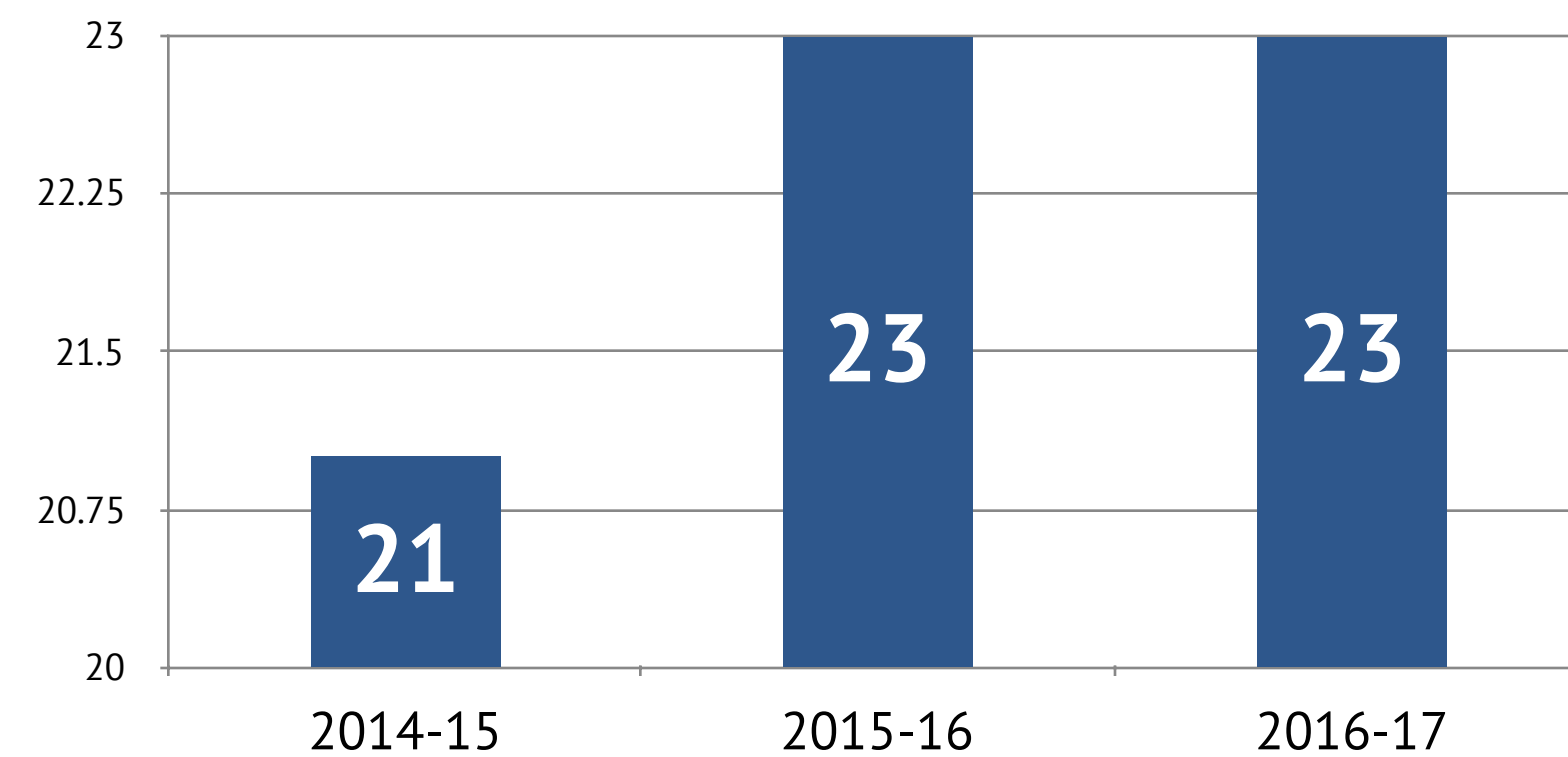
Education and healthcare have consistently received a significantly higher proportion of spending across years - together accounting for 41% of total spend in 2016-17.

In contrast, other areas such as women empowerment, drinking water, eradicating hunger and poverty, armed force veterans, etc. received 1% and less of the total spent amount in the year.

6a

Education

% OF FUNDS INVESTED IN EDUCATION

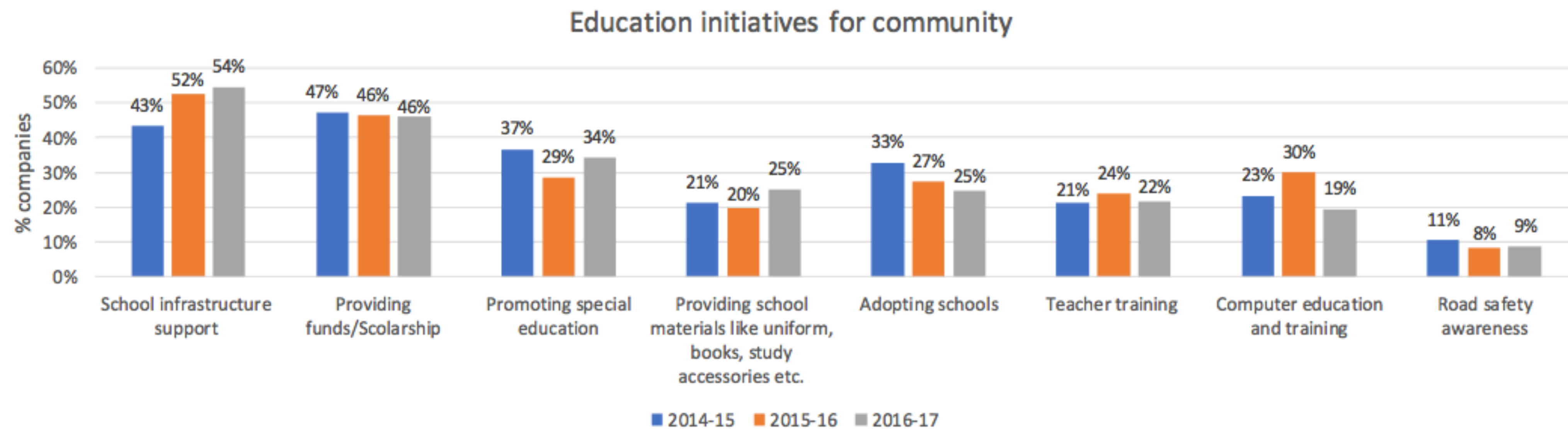


All companies in Capital goods, auto, healthcare, utilities, telecom and IT reported that they participate in education projects for the community.

Both manufacturing and services companies participate almost equally across all projects except road safety awareness where manufacturing companies conduct programs.

Education projects for community are mostly for school infrastructure support such as building classrooms, renovating existing schools, etc and providing funds/scholarships.

Education over the years



TOTAL NO OF PROJECTS BY COMPANY HAVE BEEN AGGREGATED TO CREATE THIS GRAPH

Industry focus in education

Education projects	Telecom	Utilities	Energy	Other Industrials	Others
School infrastructure support	80%	75%	70%		
Providing funds/scholarships			70%	71%	Materials: 63%
Promoting special education	60%	58%			Cons. Staples: 53%
Providing school materials	60%	33%		43%	
Adopting schools	80%			43%	Cons. Staples: 40%
Teacher training		33%			IT: 56%; Materials: 30%
Computer education			40%		IT: 44%; Capital goods: 31%
Road safety awareness					Cons. Discretionary: 29%; Materials: 13%; Capital Goods: 13%

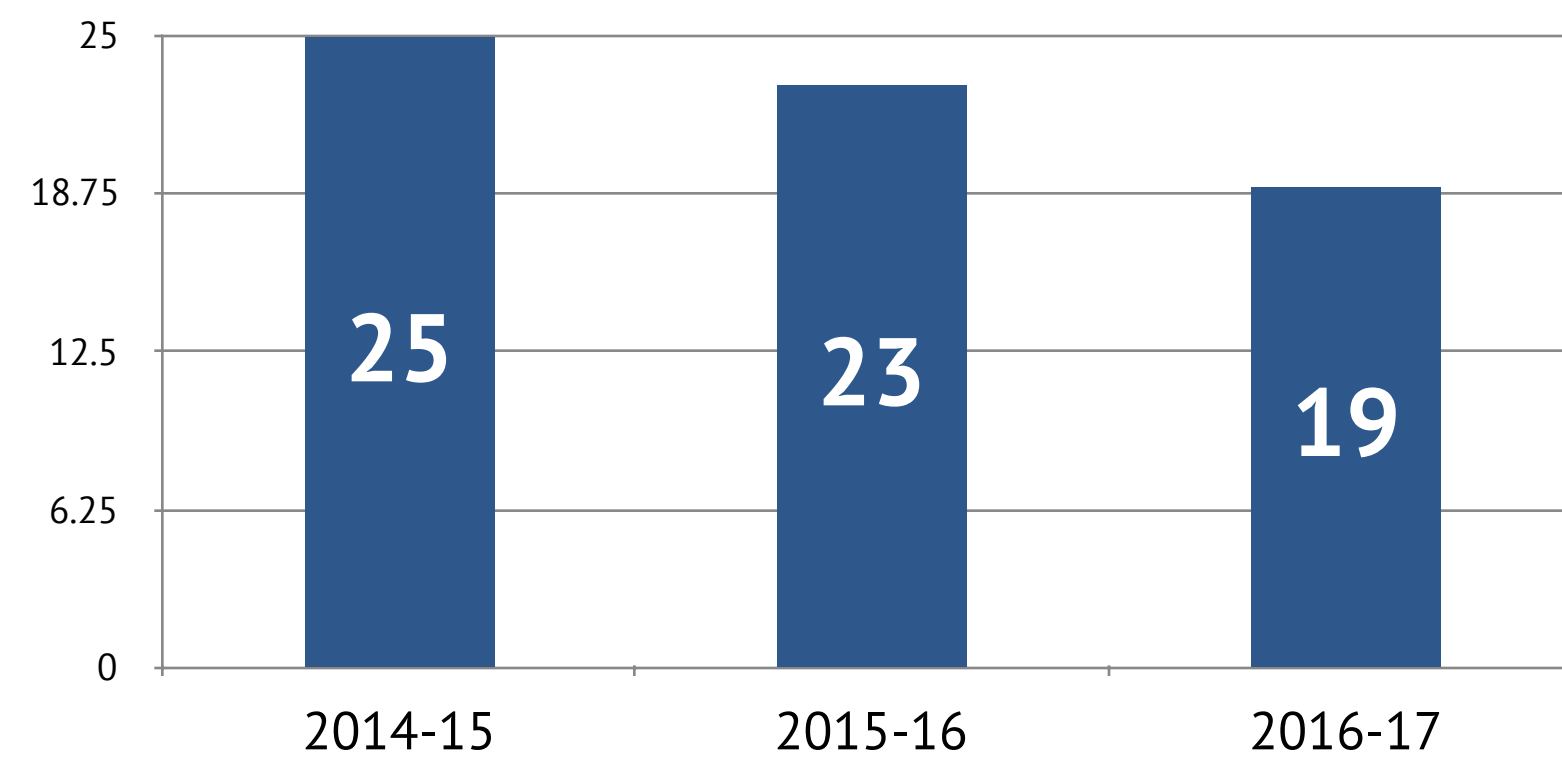
TOTAL NO OF PROJECTS BY COMPANY HAVE BEEN AGGREGATED TO CREATE THIS CHART

6b

Health

All companies in telecom, utilities, healthcare, energy and capital goods participate in health and wellness projects for the community. The % of funds in healthcare though is decreasing

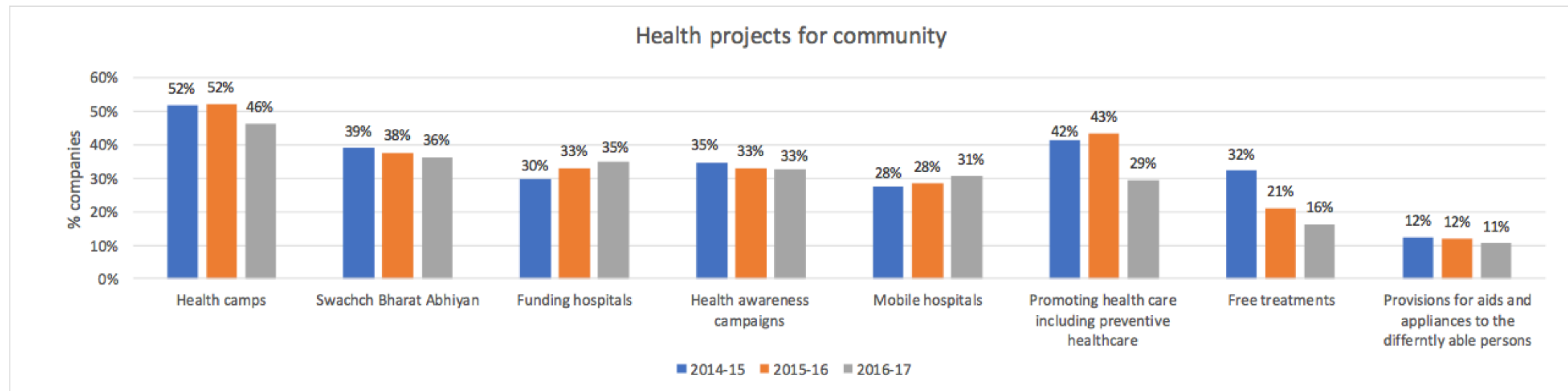
% OF FUNDS INVESTED IN HEALTHCARE



Across most healthcare projects, more manufacturing companies participate than service companies. This could be because the former has operations in various remote areas where healthcare services are not easily available. However, in "Provision for aids and appliances to the differently-abled people", more service companies have projects. The healthcare project where most companies reported participation is health camps (regular check-up or ailment specific).

Almost a-third of the companies studied participate in other key healthcare projects of Sanitation and preventive healthcare (Swachh Bharat Abhiyan), funding hospitals, health awareness campaigns and mobile hospitals.

Healthcare over the years



TOTAL NO OF PROJECTS BY COMPANY HAVE BEEN AGGREGATED TO CREATE THIS GRAPH

Industry focus in healthcare

Healthcare projects	Energy	Healthcare	Utilities	Telecom	Others
Health camps	70%	70%			Materials: 63%
Swachch Bharat Abhiyan	90%		58%	60%	
Funding hospitals	50%		83%		Other Financials: 58%
Health awareness campaigns		60%	50%	80%	
Mobile hospitals	70%	60%			Materials: 50%
Promoting health care including preventive healthcare			58%	40%	Other industrials: 43%
Free treatments		60%			Other financials: 32%; Cons. Staples: 27%
Provision for aids and appliances for differently-abled people				20%	Other industrials: 29%; Other financials: 21%

TOTAL NO OF PROJECTS BY COMPANY HAVE BEEN AGGREGATED TO CREATE THIS CHART

6c

Livelihood

The lead industries are IT and Telecom where over 80% companies participate in livelihood projects for community

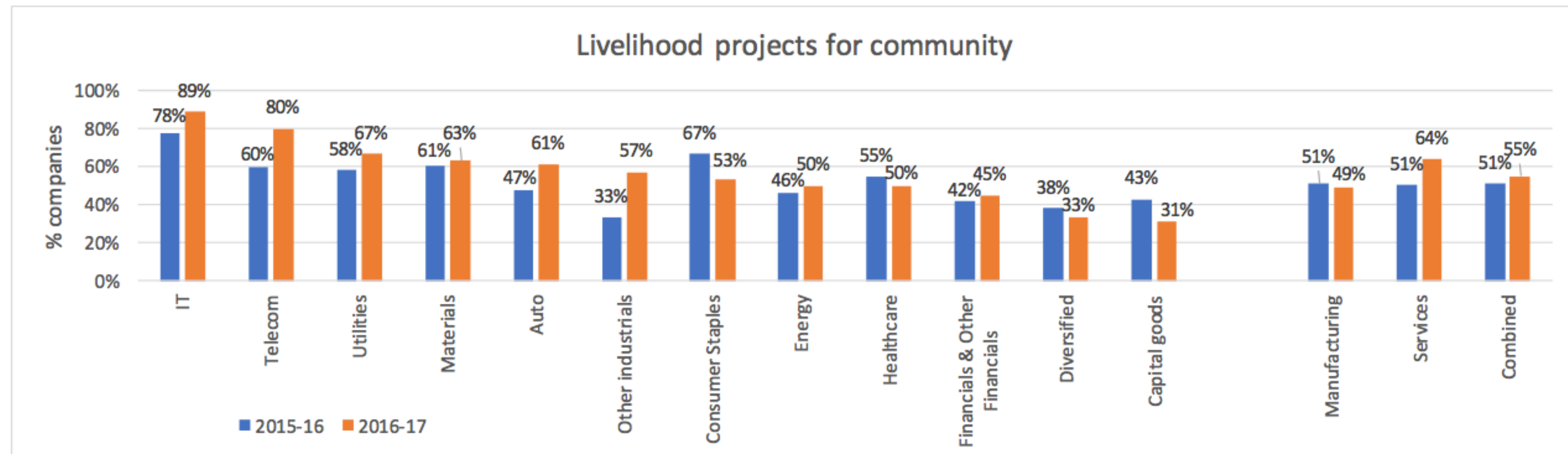
Across most industries, we find a rise in the number of companies that contribute to community livelihood projects.

There is a significant rise in the number of services companies that disclosed participation in livelihood programs, in contrast to a small dip in manufacturing companies.

More companies (35%) have initiatives for providing training or upgrading skills. Less (27%) companies create employment or livelihood opportunities within organizations or SHGs

Key industries	Lead companies
IT	L&T Infotech, Mphasis Ltd, Infosys Ltd.
Telecom	Tata Communications
Utilities	KEC International, JSW Energy
Materials	Tata Steel, Ambuja Cements, Jindal Steel & Power, NMDC, Hindustan Zinc
Auto	Maruti Suzuki, Mahindra & Mahindra Ltd

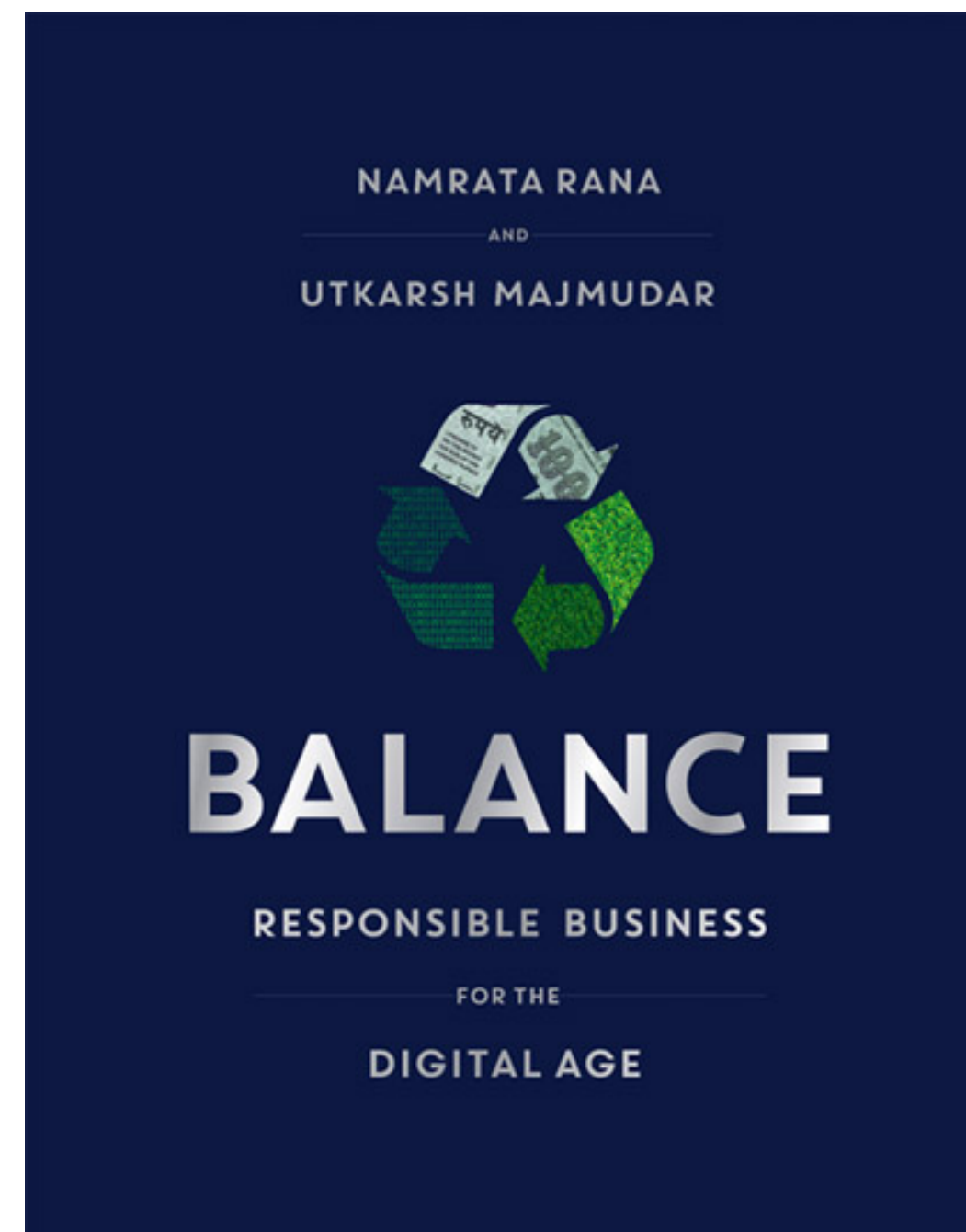
Livelihood projects over the years



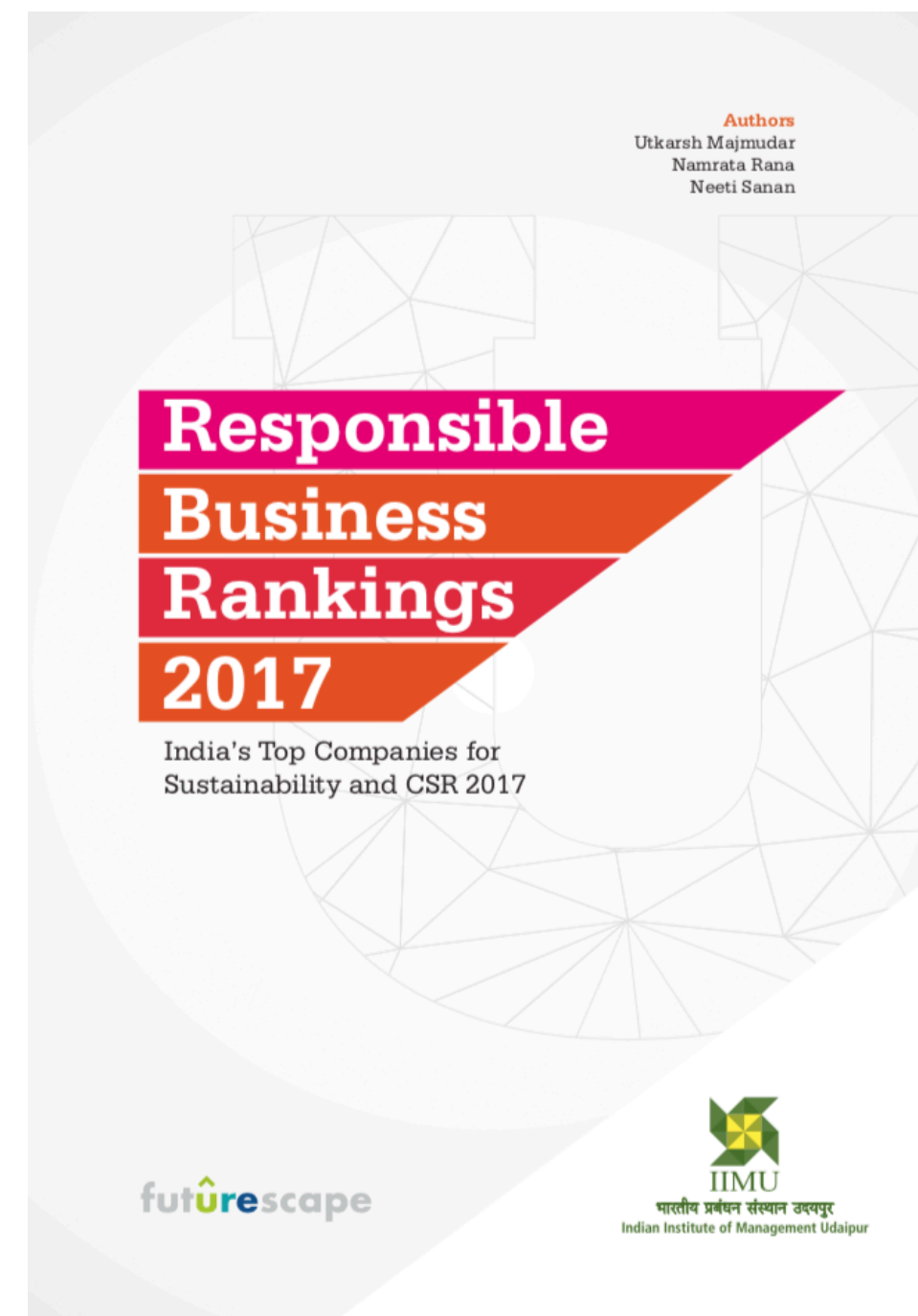
TOTAL NO OF PROJECTS BY COMPANY HAVE BEEN AGGREGATED TO CREATE THIS GRAPH

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