

One-Fourth of the Companies Spend More Than the Prescribed CSR; Two-Third Miss the Target

Highlights of the First Year (FY 2014-15) of the Mandatory CSR Spending

When the new Government took charge in May 2014, companies were expecting that there would be drastic changes in the Companies Act 2013 and the Government may withdraw the provisions of mandatory CSR spending, stipulated in the Section 135. But it did not happen, and companies had to plan for spending their prescribed CSR amount as per the provisions of the Act.

As a few companies have announced their annual report of the last financial year (FY 2014-15), it has been exciting to analyze them and find a few points that can present an overview of CSR spending and CSR compliances among the companies.

An analysis of CSR reports of BSE-listed 100 companies presents that 27% companies have spent more than prescribed CSR spend and 64% companies have spent less than the prescribed CSR.

The Analysis

We selected 100 BSE-listed companies that have published their annual report and where information about the CSR spending was available as on July 16, 2015. These 100 companies are a good representation of large and medium companies and account for 33 sectors as per the BSE sector classifications. We have kept Public Sector Units and Public Sector Banks out of the purview of this analysis as the required information was not available.

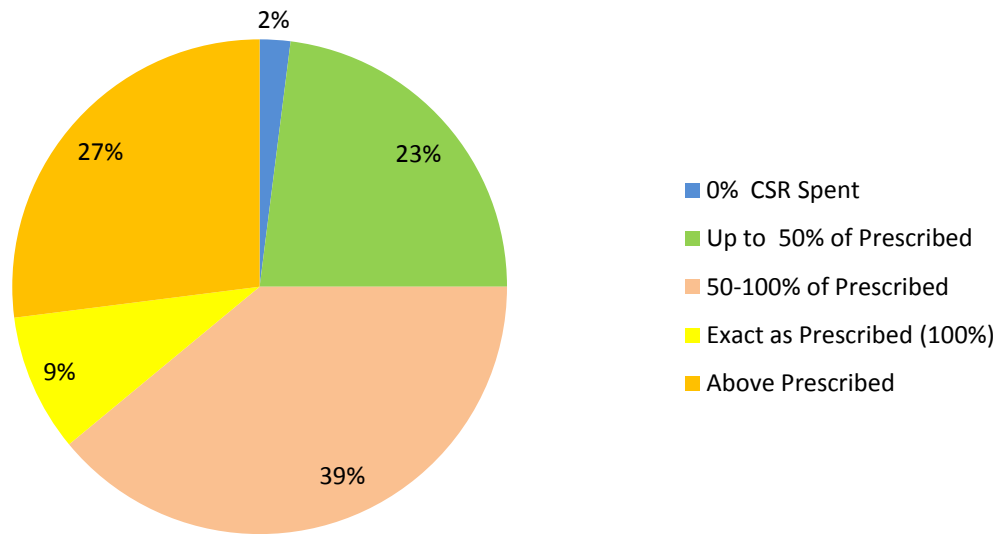
Only 1 Banking & Finance sector company could spend the prescribed CSR amount. VIP Industries emerges the top performer by spending almost double of the prescribed CSR spend.

Key Findings of the study:

- Nearly one-fourth (27%) of the companies spent more than the prescribed CSR spend and about two-third (64%) of the companies spent less than the prescribed CSR spend.
- 2% of the companies spent zero amount from their prescribed CSR spend and 9% the companies spent exactly same as the prescribed CSR amount. 39% of the

companies spent more than 50% of the prescribed CSR spent but missed the target of the prescribed CSR spend.

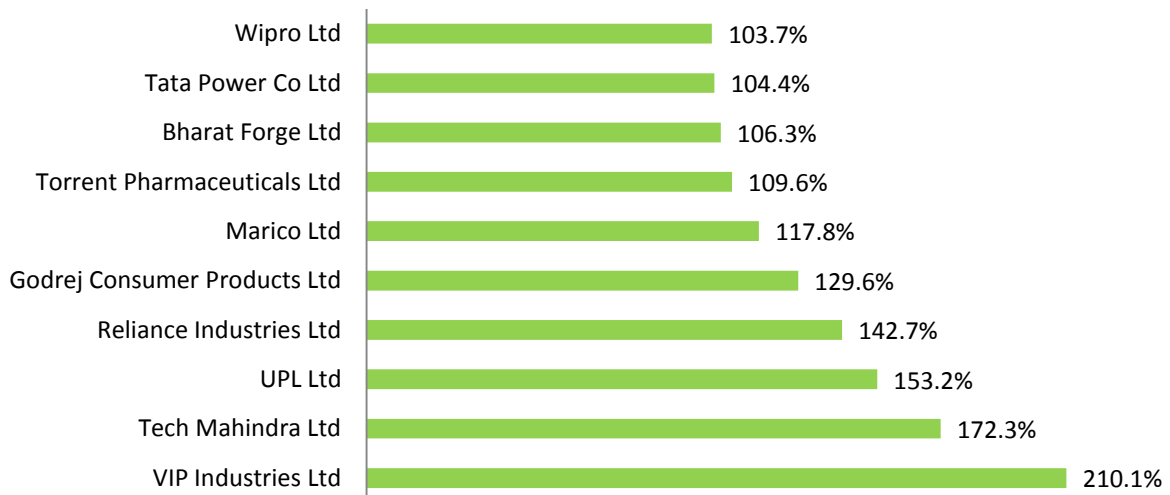
**Companies Actual CSR Spent to the Prescribed CSR Amount
(Total Companies 100)**



Top 10 Companies (Percentage-wise) in Spending More than the Prescribed CSR

VIP Industries emerges as the best performer by spending more than the double of prescribed CSR spend, followed by Tech Mahindra Ltd and UPL Ltd.

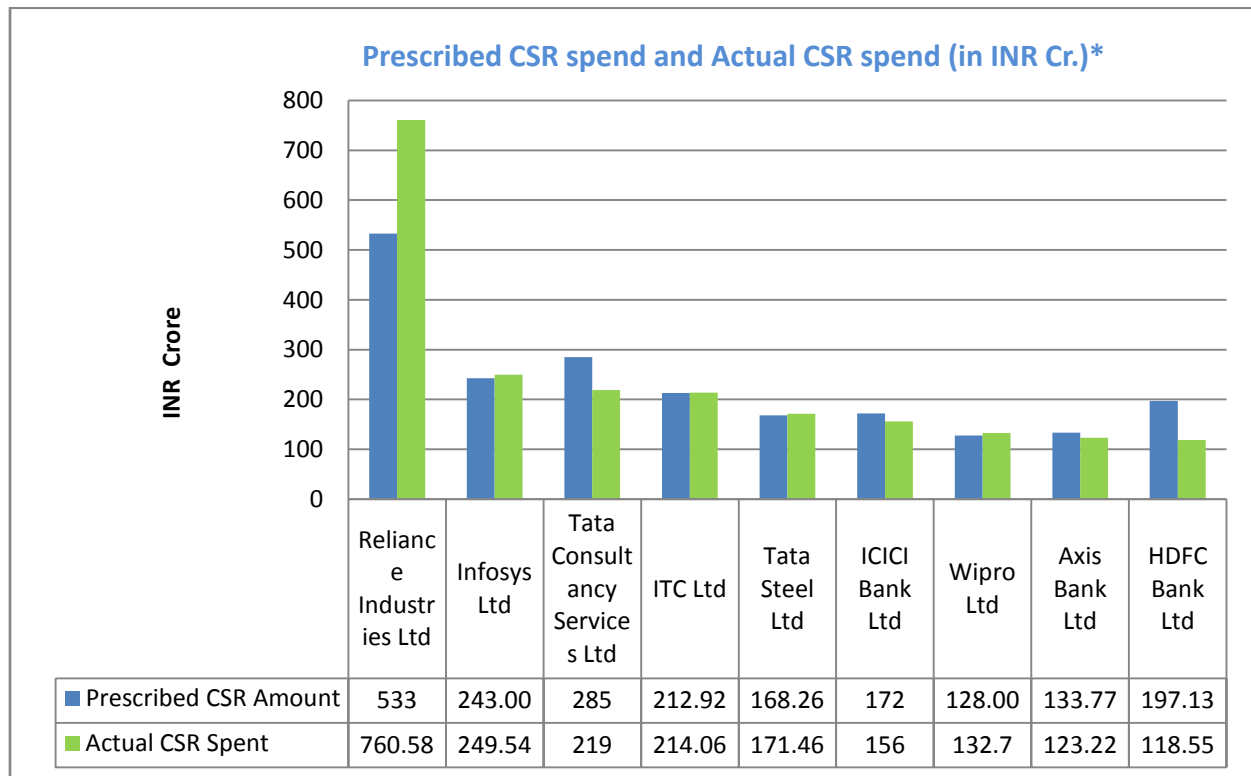
**Actual CSR Spent to the Percentage of Prescribed CSR Spend
Top 10 Companies (% wise)**



	Companies	Actual CSR spend to the % of the Prescribed CSR	Prescribed CSR Spent (INR Cr.)	Actual CSR Spent (INR Cr.)
1	VIP Industries Ltd	210.1%	1.19	2.5
2	Tech Mahindra Ltd	172.3%	30.88	53.21
3	UPL Ltd	153.2%	6.93	10.62
4	Reliance Industries Ltd	142.7%	533	760.58
5	Godrej Consumer Products Ltd	129.6%	12.41	16.08
6	Marico Ltd	117.8%	9.50	11.19
7	Torrent Pharmaceuticals Ltd	109.6%	13.69	15.01
8	Bharat Forge Ltd	106.3%	10.56	11.23
9	Tata Power Co Ltd	104.4%	29.80	31.1
10	Wipro Ltd	103.7%	128.00	132.7

Top 10 Companies (Volume-wise) in Actual CSR Spend

Reliance Industries, Infosys and TCS emerge as the top three CSR spenders, volume-wise with Reliance Industries spending almost 42% more than the prescribed while TCS missing the target by one-fourth of the amount.



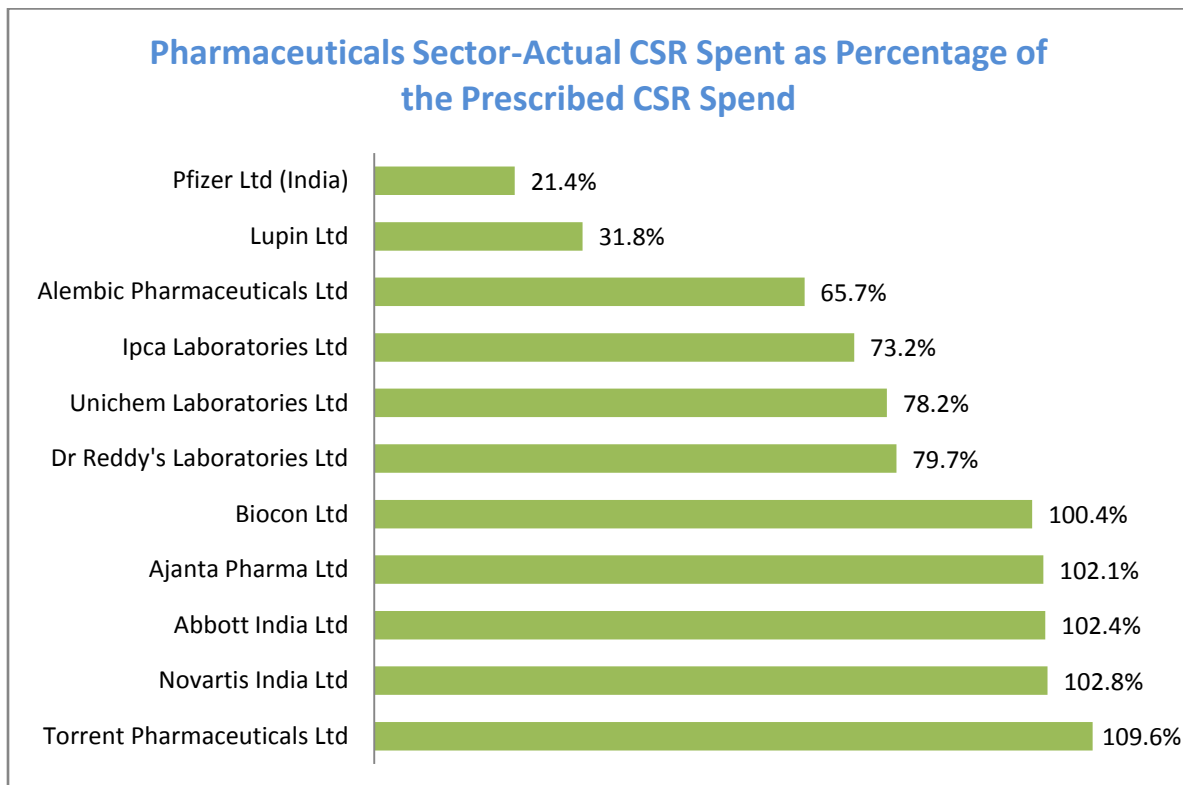
*Among the companies in the analysis

Bottom 10 Companies (Percentage-wise) in spending prescribed CSR spends

Bottom 10 Performers	Prescribed CSR	Actual CSR	
Monsanto India Ltd	1.8	0	0.0%
Nilkamal Ltd	1.15	0	0.0%
Motherson Sumi Systems Ltd	11.7	0.15	1.3%
Oberoi Realty Ltd	6.96	0.16	2.3%
Finolex Cables Ltd	3.03	0.11	3.6%
Dewan Housing Finance Corp Ltd	11.58	0.45	3.9%
Sonata Software Ltd	0.68	0.034	5.0%
IFB Industries Ltd	0.724	0.046	6.4%
Bajaj Electricals Ltd	2.076	0.1628	7.8%
Shriram Transport Finance Co Ltd	38.15	6.924	18.1%

CSR Spending in Pharmaceutical Sector Companies

Out of 11 pharmaceuticals sector companies only 5 companies could spend the prescribed CSR amount.



Company	Prescribed CSR Spend (INR Cr.)	Actual CSR Spend (INR Cr.)
Torrent Pharmaceuticals Ltd	13.69	15.01
Novartis India Ltd	3.24	3.33
Abbott India Ltd	4.52	4.63
Ajanta Pharma Ltd	3.74	3.82
Biocon Ltd	7.10	7.13
Dr Reddy's Laboratories Ltd	36.6	29.17
Unichem Laboratories Ltd	3.08	2.41
Ipca Laboratories Ltd	9.68	7.09
Alembic Pharmaceuticals Ltd	4.72	3.1
Lupin Ltd	39.6	12.6
Pfizer Ltd (India)	6.02	1.29

CSR Spending in Banking & Finance Sector Companies

Only one company managed to spend the prescribed CSR spend among 17 Banking and Finance sector companies. Almost 50% of the companies could not spend even half of the prescribed CSR spend. While Mahindra & Mahindra Financial Services managed to spend all of the prescribed CSR spend while DHFL could spend only 3.9% of the prescribed CSR making it to the last spot in the list.

Company	Prescribed CSR Spend	Actual CSR Spend	Percentage of the Prescribed
Mahindra & Mahindra Financial Services Ltd	24.87	24.87	100.0%
IDFC Limited	47	46.5	98.9%
Axis Bank Ltd	133.77	123.22	92.1%
ICICI Bank Ltd	172	156	90.7%
Bajaj Holdings and Investment Ltd	5.47	4	73.1%
Bajaj Finserv Ltd	1.48	1	67.6%
Cholamandalam Investment & Finance Co. Ltd.	8.6	5.73	66.6%
SREI Infrastructure Finance Ltd	2.26	1.38	61.1%
HDFC Bank Ltd	197.13	118.55	60.1%
Housing Development Finance Corp	9.93	4.49	45.2%
Manappuram Finance Ltd	10.173	4.46	43.8%
Yes Bank Ltd	38.02	15.71	41.3%
Capital First Ltd.	1.93	0.75	38.9%
Magma Fincorp Ltd.	3.78	1.26	33.3%
Kotak Mahindra Bank Ltd	39.2	11.97	30.5%
Shriram Transport Finance Co Ltd	38.15	6.924	18.1%
Dewan Housing Finance Corp Ltd	11.58	0.45	3.9%

Prescribed CSR Spend: As per the Companies Act 2013, With effect from April 1, 2014, every company, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs 1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities.

Annexure: List of the 100 companies in the study

	Company	Prescribed CSR Spend (INR Cr.)	Actual CSR Spend (INR Cr.)	Actual CSR spend as % of the prescribed CSR	Sector
1	Abbott India Ltd	4.52	4.63	102.4%	Pharma
2	Ajanta Pharma Ltd	3.74	3.82	102.1%	Pharma
3	Alembic Pharmaceuticals Ltd	4.72	3.1	65.7%	Pharma
4	Alstom India Ltd	3.4	0.62	18.2%	Electric Equipment
5	Apollo Tyres Ltd	8.47	5.68	67.1%	Tyres
6	Ashok Leyland Ltd	1.72	1.77	102.9%	Automobile
7	Asian Paints Ltd	29.87	19.01	63.6%	Paints & Varnish
8	Atul Ltd.	3.95	3.95	100.0%	Dyes & Pigments
9	Axis Bank Ltd	133.77	123.22	92.1%	Banking & Finance
10	Bajaj Auto Ltd	86.33	42.91	49.7%	Automobile
11	Bajaj Electricals Ltd	2.076	0.1628	7.8%	Domestic Appliances
12	Bajaj Finserv Ltd	1.48	1.0	67.6%	Banking & Finance
13	Bajaj Holdings and Investment Ltd	5.47	4.0	73.1%	Banking & Finance
14	Balkrishna Industries Ltd	11.01	11.01	100.0%	Tyres
15	Berger Paints India Ltd	5.8	1.53	26.4%	Paints & Varnish
16	Bharat Forge Ltd	10.56	11.23	106.3%	Cast & Forging
17	Biocon Ltd	7.10	7.13	100.4%	Pharma
18	Birla Corp Ltd	5.60	5.67	101.3%	Cement
19	Bombay Dyeing & Manufacturing Co Ltd	1.47	1.38	93.9%	Diversified
20	Cairn India Ltd	129.8	70.36	54.2%	Oil & Power, Refinery
21	Capital First Ltd.	1.93	0.75	38.9%	Banking & Finance
22	Carborundum Universal Ltd	2.386	2.183	91.5%	Abrasive

23	Castrol India Ltd	4.73	2.7	57.1%	Lubricants
24	CEAT Ltd	4.02	3.24	80.6%	Tyres
25	Cholamandalam Investment & Finance Co. Ltd.	8.6	5.73	66.6%	Banking & Finance
26	CMC Ltd	4.18	4.18	100.0%	Computer-Hardware
27	Colgate-Palmolive India Ltd	13.17	13.28	100.8%	Personal Care
28	Coromandel International Ltd	13.23	10.28	77.7%	Fertilizers
29	Crompton Greaves Ltd	13.54	6.59	48.7%	Electric Equipment
30	Cummins India Ltd	15.9	8.1	50.9%	Engines
31	Dabur India Ltd	14.66	14.71	100.3%	Personal Care
32	DB Corp Ltd	7.36	3.7	50.3%	Media & Entertainment
33	Dewan Housing Finance Corp Ltd	11.58	0.45	3.9%	Banking & Finance
34	Dr Reddy's Laboratories Ltd	36.6	29.17	79.7%	Pharma
35	eClerx Services Ltd	4.63	4.63	100.0%	Computer-Software
36	Emami Ltd	7.55	7.59	100.5%	Personal Care
37	Finolex Cables Ltd	3.03	0.11	3.6%	Cables
38	Godrej Consumer Products Ltd	12.41	16.08	129.6%	Personal Care
39	Godrej Properties Ltd	2.13	1.47	69.0%	Construction
40	Grindwell Norton Ltd	2.69	0.54	20.1%	Abrasive
41	Havells India Ltd	9.92	9.785	98.6%	Electric Equipment
42	HDFC Bank Ltd	197.13	118.55	60.1%	Banking & Finance
43	Hindustan Unilever Ltd	79.82	82.35	103.2%	Personal Care
44	Housing Development Finance Corp	9.93	4.49	45.2%	Banking & Finance
45	ICICI Bank Ltd	172	156	90.7%	Banking & Finance
46	IDFC Limited	47	46.5	98.9%	Banking & Finance
47	IFB Industries Ltd	0.724	0.046	6.4%	Domestic Appliances
48	Infosys Ltd	243.00	249.54	102.7%	Computer-Software
49	Ipca Laboratories Ltd	9.68	7.09	73.2%	Pharma
50	ITC Ltd	212.92	214.06	100.5%	Diversified
51	JSW Steel Ltd	42.86	43.39	101.2%	Steel
52	Jyothy Laboratories Ltd	1.67	1.21	72.5%	Personal Care
53	Kansai Nerolac Paints Ltd.	6.108	4.508	73.8%	Paints & Varnish
54	Kirloskar Oil Engines Ltd	5.19	5.37	103.5%	Engines
55	Kotak Mahindra Bank Ltd	39.2	11.97	30.5%	Banking & Finance
56	Lupin Ltd	39.6	12.6	31.8%	Pharma
57	Magma Fincorp Ltd.	3.78	1.26	33.3%	Banking & Finance

58	Mahindra & Mahindra Financial Services Ltd	24.87	24.87	100.00%	Banking & Finance
59	Mahindra & Mahindra Ltd	83.03	83.24	100.3%	Automobile
60	Manappuram Finance Ltd	10.173	4.46	43.8%	Banking & Finance
61	Marico Ltd	9.50	11.19	117.8%	Personal Care
62	McLeod Russel India Ltd	4.99	4.3	86.2%	Plantation-Tea-Coffee
63	MindTree Ltd	6.85	4.009	58.5%	Computer-Software
64	Monsanto India Ltd	1.8	0	0.0%	Pesticides & Agro-chem
65	Motherson Sumi Systems Ltd	11.7	0.15	1.3%	Auto Ancillary
66	Navin Florine Int Ltd	3.002	1.317	43.9%	Chemical
67	Nestle India Ltd	15.35	8.51	55.4%	Food Processing
68	NIIT Technologies Ltd	3.628	3.628	100.0%	Computer-Software
69	Nilkamal Ltd	1.15	0	0.0%	Plastics
70	Novartis India Ltd	3.24	3.33	102.8%	Pharma
71	Oberoi Realty Ltd	6.96	0.16	2.3%	Construction
72	Page Industries Ltd	3.552	0.893	25.1%	Textiles
73	Persistent Systems Ltd	5.15	5.196	101.0%	Computer-Software
74	Pfizer Ltd (India)	6.02	1.29	21.4%	Pharma
75	Polaris Consulting & Services Ltd	3.31	3.31	100.0%	Computer-Software
76	Rallis India Ltd	3.5	2.13	60.9%	Pesticides & Agro-chem
77	Ramco Cements Ltd	8.6	7.8	90.7%	Cement
78	Reliance Industries Ltd	533	760.58	142.7%	Oil & Power, Refinery
79	Shriram Transport Finance Co Ltd	38.15	6.924	18.1%	Banking & Finance
80	Sonata Software Ltd	0.68	0.034	5.0%	Computer-Software
81	SREI Infrastructure Finance Ltd	2.26	1.38	61.1%	Banking & Finance
82	SRF Ltd	7.71	4.42	57.3%	Textiles
83	Tata Chemicals Ltd	11.6	10.2	87.9%	Chemical
84	Tata Consultancy Services Ltd	285	219	76.8%	Computer-Software
85	Tata Power Co Ltd	29.80	31.1	104.4%	Oil & Power, Refinery
86	Tata Steel Ltd	168.26	171.46	101.9%	Steel
87	Tech Mahindra Ltd	30.88	53.21	172.3%	Computer-Software
88	Thermax Ltd	9.88	8.43	85.3%	Infrastructure
89	Titan Co Ltd	19.36	12.32	63.6%	Miscellaneous
90	Torrent Pharmaceuticals Ltd	13.69	15.01	109.6%	Pharma
91	Tube Investments Of India	2.99	2.64	88.3%	Miscellaneous

92	TVS Motor Co Ltd	6.3	6.3	100.0%	Automobile
93	Unichem Laboratories Ltd	3.08	2.41	78.2%	Pharma
94	UPL Ltd	6.93	10.62	153.2%	Chemical
95	VIP Industries Ltd	1.19	2.5	210.1%	Plastics
96	Wipro Ltd	128.00	132.7	103.7%	Computer-Software
97	Yes Bank Ltd	38.02	15.71	41.3%	Banking & Finance
98	Zee Entertainment Enterprises Ltd	19.3	16.8	87.0%	Media & Entertainment
99	Zensar Technologies Ltd	3.94	2.57	65.2%	Computer-Software
100	Zydus Wellness Ltd	1.79	1.79	100.0%	Computer-Software

References:

- Annual Reports of the Companies
- Ministry of Corporate Affairs, Government of India

About NGOBOX

If social development is about doing good, NGOBOX can claim to have facilitated doing good, better. Having completed three years of our inception, we can define ourselves, as a leading and unique online development sector platform, which has carved a niche in the field of information and partnership services in the social sector. Our driving force has been to provide holistic communication and networking platform to social sector organizations, CSR foundations and social enterprises. From online outreach services to on-ground event management, recruitment support to process management, we have partnered with a range of organizations in India. We network with over 95000 organizations in India by bringing their efforts to the right platform. For more information visit www.ngobox.org

India CSR Summit 2015 and CSR Awards

After an overwhelming success of India CSR Summit 2014 and 1st CSR Impact Awards, we are proud to announce India's biggest CSR event; India CSR Summit 2015, to be held on 7th and 8th October, 2015 in Bangalore. The Summit intends to bring together businesses, government agencies, civil society organizations and other stakeholder together to discuss and learn from the CSR projects implemented in FY 2014-15.

2nd CSR Impact Awards: The CSR Impact Awards is an initiative of NGOBOX to encourage companies, CSR foundations and CSR implementing partners to deliver high impacts through CSR projects and adopt multi-stakeholder approach leading to excellence in project outcomes. The Awards seek to appreciate project specific impacts made by the organizations in particular thematic area, to set benchmark in project planning, identification of partners and delivery of impacts. For more information, please visit www.indiacsrsummit.in
