

# Cos cut CSR spends on national heritage by 56%

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**Mumbai:** Companies more than halved their funding for national heritage, arts and culture, under corporate social responsibility (CSR). National heritage saw the largest drop of nearly 56% in 2018-19, even as spends on the welfare of armed forces increased by 84%, registering the highest growth.

Other areas that showed significant contribution from companies included reducing inequalities (41%) and healthcare (25%) year-on-year, according to data culled from NSEinfobase.com. Overall, CSR by companies — mandated by law — witnessed an increase of 18% to Rs 11,961 crore in 2018-19. Interestingly, even 37-odd loss-making companies earmarked funds for it, highlighting their zeal for making a change on the ground.

In 2018-19, 219 companies invested Rs 175 crore, or over 1% of the total contribution, for heritage conservation, promoting art, craft and culture, with top contributors being REC, Oil India, Infosys and Wipro. It may be noted this emerging trend is on a low base. In the previous year, a large contribution totalling Rs 393 crore by 208 companies — including PSUs Bharat Petroleum, GAIL, Indian Oil and Engineers India — was done for the construction of

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cubators, slum development and disaster management saw negligible spends. The top 10 companies in terms of CSR spends in FY19 were Reliance (Rs 849 crore), ONGC (Rs 615 crore), IOC (Rs 491 crore), HDFC Bank (Rs 444 crore), TCS (Rs 434 crore), Infosys (Rs 342 crore), Tata

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**84%** | Armed Forces Veterans category saw the highest rise in total CSR spend

**18%** | Overall increase in CSR funding by India Inc in 2018-19

The analysis is based on 1,132 companies listed on the NSE as on March 31, 2019. The CSR law mandates companies with a net worth of Rs 500 crore and above, or revenue of Rs 1,000 crore and above, or net profit of Rs 5 crore and above to spend 2% of average net profits of the previous three years on CSR projects.

CSR expenditure by companies grew at a healthy compounded annual growth rate (CAGR) of 17% over five years. A majority of the companies contributed to education (Rs 4,440 crore), followed by healthcare (Rs 3,242 crore), while areas such as welfare of armed forces, technology in-

Steel (Rs 315 crore), ITC (Rs 307 crore), NTPC (Rs 285 crore) and PGCIL (Rs 196 crore). The top 10 companies together spent 36% of total CSR spend. The number of companies that spent on CSR increased to 1,055 (93% of the mandated 1,132 companies) in 2018-19, from 1,024 (94%) in 2017-18. The balance 77 companies, despite being mandated, did not spend anything.

Further, a large chunk of CSR funds have been cornered by the more industrialised parts of the country like Maharashtra, Gujarat, Karnataka and Tamil Nadu, with others including Chhattisgarh and Jammu & Kashmir being left out.