

10th August 2023

CSR SPEND BY COMPANIES REMAINS UNCHANGED FOR 2 YEARS; COVID RELATED EXPENDITURE AT A STAGGERING INR 9365 CRORE OVER LAST 3 YEARS: primeinfobase

The Corporate Social Responsibility (CSR) spend by companies listed on NSE main board stood at INR 14,801 crore in 2021-22, similar to INR 14,763 crore spent in 2020-21 and INR 14,741 crore spent in 2019-20, according to primeinfobase.com, an initiative of PRIME Database Group. This was despite a 6% rise in average net profit (of the preceding 3 years) between 2020-21 and 2021-22. According to Pranav Haldea, Managing Director, PRIME Database Group, while increase in profits did result in an increase in the amount required to be spent, to their credit, Indian listed companies as a whole have already been spending more than what was required to be spent from 2019-20 till 2021-22.

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.

According to primeinfobase.com, 1,797 companies were listed on NSE main board as on March 31, 2022. Of these 1,797 companies, annual reports for 2021-22 have been released by 1,759 companies. Of these 1,759 companies, 1,734 had details relating to CSR given in the annual reports, while no such details were available for the balance 25. Finally, of the 1,734 companies, 1,205 were obligated to spend on CSR, up from 1,144 companies in 2020-21. This analysis is based on these 1,205 companies.

According to primeinfobase.com, the average net profit of these 1,205 companies over last three years was INR 7.19 lakh crore, up from INR 6.80 lakh crore in 2020-21. As per CSR requirements, the amount required to be spent by them was INR 13,977 crore (2020-21: INR 13,531 crore), against which they spent a higher INR 14,801 crore (2020-21: INR 14,763 crore), as several companies spent more than what was required and also because of unspent amounts of previous years which they spent in 2021-22.

On an aggregate basis, however, INR 1,225 crore still eventually remained unspent (2020-21: INR 913 crore) because of some companies not spending as much as required.

CSR Spends by companies listed on NSE over last 8 years

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
No. of Companies	1205	1144	1116	1066	1058	994	927	888
Average Net Profit of last 3 years (INR crore)	7,19,488	6,80,431	6,79,348	5,95,332	5,20,060	4,80,256	4,57,352	4,17,977
Amount Required to be Spent in Current FY* (INR crore)	13,977	13,531	13,303	11,911	10,380	9,692	9,217	8,375
Surplus Unspent Amount of Previous FYs (INR crore)	61	114	NA	NA	NA	NA	NA	NA
Final Actual Amount Spent (INR crore)#	14,801	14,763	14,741	11,789	10,143	9,059	8,485	6,549
CSR spend as a % of Net Profit	2.02	2.13	2.14	1.88	1.92	1.86	1.83	1.54
Average Amount Spent per company (INR crore)	12.03	12.68	13.03	10.50	9.44	8.97	9.01	7.27

Amount Unspent (INR crore)	1,225	913	1,019	1,333	1,726	1,573	1,934	2,525
Amount transferred to Unspent CSR Account (INR crore)	1,280	1,123	NA	NA	NA	NA	NA	NA

Source: primeinfobase.com

* Set-off amount viz. excess amount spent in previous financial years has been excluded

includes administrative expenses and impact assessment cost

Schedule-wise Spends

The spends as per the 12 prescribed schedules are given in the table below. Apart from this, few companies also made spends towards community development/ infrastructure/ social welfare/ child welfare and towards other activities. Details of such spends have been given at the bottom of the table.

Schedule VII	No. of Cos.	Amount Spent (INR crore)	%age of Total
i - Hunger, Poverty and Healthcare	1008	4,202.97	28.40
ii - Education and Vocation Skills	1016	4,436.02	29.97
iii - Reducing Inequalities	389	392.59	2.65
iv - Environmental Sustainability	569	1,227.25	8.29
v - National Heritage	171	362.17	2.45
vi - Armed Force Veterans	93	58.09	0.39
vii - Sports	250	239.98	1.62
viii - PM's Relief Fund	113	876.96	5.92
ix - Technology Incubators	81	80.38	0.54
x - Rural Development	372	994.62	6.72
xi - Slum Development	56	45.04	0.30
xii - Disaster Management (introduced w.e.f. 30 th May 2019)	552	1,555.83	10.51
Total		14,471.89	97.77
Community Development/Infrastructure/Social Welfare/Child Welfare	83	27.98	0.19
Others	5	1.51	0.01
Administrative Expenses	304	287.25	1.94
Impact Assessment Cost	79	12.71	0.09

Source: primeinfobase.com

In line with the previous years, **Education received the maximum spend (INR 4,436 crore) followed by Healthcare (INR 4,202 crore)**. On the other hand, areas such as slum development, armed force veterans and technology incubators saw lower and negligible spends.

In comparison to previous year, **spends on national heritage increased the most (27 per cent) followed by spends on healthcare (26 per cent) and environment sustainability (25 per cent)**, as shown in table below. On the other hand, **contribution to PM's relief fund fell the most (48 per cent) followed by spends on armed force veterans (43 per cent), slum development (38 per cent) and disaster management (31 per cent)**. Allocation to schedules, though, remained fairly constant over the previous year.

Schedule VII	2020-21			2021-22			Increase (INR crore)	Increase %
	No. of Cos.	Amount Spent (INR crore)	% of Total	No. of Cos.	Amount Spent (INR crore)	% of Total		
v - National Heritage	189	285.34	1.93	171	362.17	2.45	76.83	26.92
i - Hunger, Poverty and Healthcare	920	3332.31	22.57	1008	4202.97	28.40	870.66	26.13
iv - Environmental Sustainability	501	978.16	6.63	569	1227.25	8.29	249.08	25.46
ii - Education and Vocation Skills	978	4063.18	27.52	1016	4436.02	29.97	372.84	9.18
iii - Reducing Inequalities	362	361.95	2.45	389	392.59	2.65	30.63	8.46
x - Rural Development	356	941.35	6.38	372	994.62	6.72	53.27	5.66
vii - Sports	225	235.78	1.60	250	239.98	1.62	4.20	1.78
ix - Technology Incubators	81	88.01	0.60	81	80.38	0.54	-7.63	-8.67
xii - Disaster Management	580	2269.54	15.37	552	1555.83	10.51	-713.71	-31.45
xi - Slum Development	73	72.10	0.49	56	45.04	0.30	-27.07	-37.54
vi - Armed Force Veterans	92	101.85	0.69	93	58.09	0.39	-43.77	-42.97
viii - PM's Relief Fund	269	1694.94	11.48	113	876.96	5.92	-817.98	-48.26
Community Development/Infrastructure/Social Welfare/Child Welfare	115	75.67	0.51	83	27.98	0.19	-47.69	-63.02
Others	14	7.11	0.05	5	1.51	0.01	-5.60	-78.72
Administrative Expenses	272	251.75	1.71	304	287.25	1.94	35.50	14.10
Impact Assessment Cost	30	4.29	0.03	79	12.71	0.09	8.42	196.37

Source: primeinfobase.com

Covid & PM CARES: 817 companies spent a staggering INR 9,365 crore over 3-year period (2019-20 to 2021-22) on Covid related relief activities.

Financial Year	Covid related Amount Spent (INR crore)
2021-22	3,101
2020-21	4,388
2019-20	1,876
TOTAL	9,365

Source: primeinfobase.com

This included INR 4,873 crore which was contributed to PM CARES Fund for the same (out of INR 4,945 crore which was contributed to PM CARES Fund in total over 3 years).

Company-wise Spends

The number of companies which spent on CSR went up to 1182 (98 per cent of the 1205 companies) in 2021-22 from 1117 (98 per cent) in 2020-21. The balance 23 companies, despite being mandated, did not spend anything.

The top 10 companies in terms of CSR spends in FY 2021-22 were as follows:

Rank	Company	Mkt.Cap. as on 31 st March 2023 (INR crore)	CSR Expenditure (INR crore) [#]
1	RELIANCE INDUSTRIES LTD.	15,77,210	813.00
2	HDFC BANK LTD.	8,98,088	736.01
3	TATA CONSULTANCY SERVICES LTD.	11,73,055	727.00
4	OIL & NATURAL GAS CORP.LTD.	1,90,025	458.44
5	TATA STEEL LTD.	1,27,715	405.97
6	NTPC LTD.	1,69,789	357.33
7	ITC LTD.	4,76,614	351.13
8	INFOSYS LTD.	5,92,394	344.91
9	INDIAN OIL CORP.LTD.	1,10,004	298.30
10	NMDC LTD.	32,691	290.91

Source: primeinfobase.com

The top 10 companies together spent 32 per cent of the total spend on CSR.

The top 10 companies in terms of per cent of profit spent towards CSR were as follows:

Rank	Company	Mkt.Cap. as on 31 st March 2023 (INR crore)	Average Net Profit of Last 3 FY (INR crore)	CSR Expenditure (INR crore) [#]	% of Net Profit spent on CSR
1	SUNDARAM-CLAYTON LTD.	7,624	8.82	23.08	261.68
2	SETCO AUTOMOTIVE LTD.	71	0.47	0.80	168.23
3	DAMODAR INDUSTRIES LTD.	90	0.07	0.10	159.45
4	ASTER DM HEALTHCARE LTD.	12,023	15.09	3.96	26.24
5	COAL INDIA LTD.	1,31,667	340.42	77.90	22.88
6	VISHNU CHEMICALS LTD.	1,613	21.63	3.24	14.95
7	JAY SHREE TEA & INDUSTRIES LTD.	227	0.73	0.10	13.06
8	63 MOONS TECHNOLOGIES LTD.	805	2.37	0.30	12.80
9	OIL INDIA LTD.	27,289	1,295.56	163.05	12.59
10	TAJGVK HOTELS & RESORTS LTD.	1,177	12.24	1.31	10.73

Source: primeinfobase.com

The top 10 companies which saw maximum increase in CSR spends in absolute terms from last year were as follows:

Rank	Company	Mkt.Cap. as on 31 st March 2023 (INR crore)	CSR Expenditure 2020-21 [#] (INR crore)	CSR Expenditure 2021-22 [#] (INR crore)	Increase (INR crore)
1	TATA STEEL LTD.	1,27,715	221.98	405.97	183.99
2	JSW STEEL LTD.	1,66,329	78.50	200.41	121.91
3	NMDC LTD.	32,691	176.27	290.91	114.64
4	HDFC BANK LTD.	8,98,088	634.91	736.01	101.10
5	VEDANTA LTD.	1,02,019	38.86	138.13	99.28
6	STATE BANK OF INDIA	4,67,427	130.36	204.10	73.74
7	ICICI BANK LTD.	6,12,568	200.50	266.62	66.12
8	OIL INDIA LTD.	27,289	105.25	163.05	57.80

9	GAIL (INDIA) LTD.	69,137	147.67	204.97	57.30
10	TATA CONSULTANCY SERVICES LTD.	11,73,055	674.00	727.00	53.00

Source: primeinfobase.com

On an overall basis, 543 companies or 50 per cent increased their spending from the previous year.

While 332 companies (28 per cent) spent as much as prescribed, there were 572 companies (47 per cent) which exceeded their prescribed spending. The top 10 were as follows:

Rank	Company	Mkt.Cap. as on 31 st March 2023 (INR crore)	Prescribed CSR Expenditure (INR crore)	Actual CSR Expenditure (INR crore) [#]	Excess Spend (INR crore)
1	NMDC LTD.	32,691	148.15	290.91	142.76
2	TATA STEEL LTD.	1,27,715	266.57	405.97	139.40
3	OIL INDIA LTD.	27,289	25.91	163.05	137.14
4	VEDANTA LTD.	1,02,019	37.50	138.13	100.63
5	INDIAN OIL CORP.LTD.	1,10,004	204.77	298.30	93.53
6	JINDAL STEEL & POWER LTD.	55,717	46.49	125.10	78.61
7	RELIANCE INDUSTRIES LTD.	15,77,210	737.00	813.00	76.00
8	NTPC LTD.	1,69,789	281.80	357.33	75.53
9	GAIL (INDIA) LTD.	69,137	130.70	204.97	74.27
10	COAL INDIA LTD.	1,31,667	6.81	77.90	71.09

Source: primeinfobase.com

As per revised provisions in the Companies Act, such companies can set off such excess amounts spent against their CSR spends in the next three financial years.

There were also 42 companies, which despite reporting a loss, spent on CSR. The top 10 companies were as follows:

Rank	Company	Mkt.Cap. as on 31 st March 2023 (INR crore)	Average Net Profit of Last 3 FY (INR crore)	CSR Expenditure (INR crore) #	Surplus Unspent Amount of Previous FYs (INR crore)
1	TATA MOTORS LTD.	1,39,762	-2,542	23.70	
2	IDFC FIRST BANK LTD.	36,433	-1,568	14.42	
3	MANGALORE REFINERY & PETROCHEMICALS LTD.	9,210	-1,198	9.73	21.68
4	CHENNAI PETROLEUM CORP.LTD.	3,537	-679	9.73	
5	BHARAT HEAVY ELECTRICALS LTD.	24,392	-725	9.11	
6	JAYASWAL NECO INDUSTRIES LTD.	2,054	-647	3.87	
7	ADITYA BIRLA FASHION & RETAIL LTD.	20,337	-227	3.09	
8	JAIPRAKASH POWER VENTURES LTD.	3,804	-1,259	1.82	

9	BHARTI AIRTEL LTD.	4,46,960	-9,139	1.64	8.61
10	MSP STEEL & POWER LTD.	304	-6	1.61	

Source: primeinfobase.com

Overall spends made by such companies viz. companies which either reported a loss or did not generate enough profit and thus were not obligated to spend on CSR were as follows:

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
No. of Companies	66	64	52	57	59	66	50	33
CSR Expenditure (INR crore) #	118	139	190	155	178	174	186	102

Source: primeinfobase.com

On the other hand, there were 279 companies which missed the mandatory spending of two per cent of net profit (242 in 2020-21). This was primarily due to companies undertaking multi-year projects and thus transferring the unspent amount to their 'Unspent CSR Account' for utilisation in the next three financial years. In case the amount remains unspent even after the end of the three financial years, it needs to be transferred to any fund specified under the CSR Act such as PM National Relief fund, PM CARES fund etc.

PSU spending saw a decrease of 8 per cent from previous year. 59 PSUs spent INR 3,766 crore in 2021-22, down from INR 4,088 crore spent by 63 PSUs in 2020-21.

The CSR Act also mandates companies to appoint a CSR committee comprising at least three members of the board of which at least one should be independent, in case the CSR spend is more than INR 50 lakh. **While 856 spent more than INR 50 lakh, 882 companies had such a CSR committee in place.** Several companies also went beyond the requirement of having 3 members with as many as 490 companies appointing more than 3 members.

State-wise Spends

The top 10 states which received maximum CSR spends were as follows:

Rank	State	No.of Cos.	Amount Received (INR crore)	%age of Total
1	MAHARASHTRA	684	1,943.23	13.40
2	GUJARAT	595	932.49	6.43
3	DELHI	496	867.76	5.98
4	KARNATAKA	496	850.99	5.87
5	TAMIL NADU	506	777.81	5.36
6	ODISHA	376	755.57	5.21
7	UTTAR PRADESH	490	693.86	4.78
8	RAJASTHAN	465	658.82	4.54
9	JHARKHAND	379	531.55	3.67
10	ANDHRA PRADESH	432	466.42	3.22

Source: primeinfobase.com

The top 10 states accounted for 58 per cent of the total CSR spend.

The top 10 states in terms of increase in amounts received from last year were as follows:

Rank	State	2020-21		2021-22		Increase (INR crore)
		No.of Cos.	Amount Received (INR crore)	No.of Cos.	Amount Received (INR crore)	
1	DELHI	585	501.91	496	867.76	365.85
2	ODISHA	481	558.60	376	755.57	196.97
3	MAHARASHTRA	698	1,787.30	684	1,943.23	155.93
4	JHARKHAND	467	424.20	379	531.55	107.36
5	CHHATTISGARH	453	340.40	355	424.51	84.11
6	KARNATAKA	559	794.13	496	850.99	56.86
7	TAMIL NADU	588	751.06	506	777.81	26.75
8	TELANGANA	528	438.86	443	460.72	21.86
9	HARYANA	512	461.51	439	465.47	3.96
10	RAJASTHAN	542	656.58	465	658.82	2.23

Source: primeinfobase.com

The top 10 states in terms of decrease in amounts received in comparison to previous year were as follows:

Rank	State	2020-21		2021-22		Decrease (INR crore)
		No.of Cos.	Amount Received (INR crore)	No.of Cos.	Amount Received (INR crore)	
1	PUDUCHERRY	442	189.71	336	127.30	-62.41
2	LAKSHADWEEP	422	168.99	313	109.29	-59.70
3	MEGHALAYA	430	193.01	321	133.62	-59.39

4	ANDAMAN & NICOBAR ISLANDS	427	170.12	321	111.51	-58.61
5	DADRA & NAGAR HAVELI AND DAMAN & DIU	438	181.26	336	124.42	-56.84
6	ARUNACHAL PRADESH	425	188.27	321	132.26	-56.01
7	CHANDIGARH	446	188.51	337	133.59	-54.92
8	GUJARAT	631	986.41	595	932.49	-53.93
9	MADHYA PRADESH	505	454.90	420	403.44	-51.46
10	JAMMU & KASHMIR	450	225.08	339	175.48	-49.60

Source: primeinfobase.com

Direct Spends vs using Implementing Agencies

29 per cent of the companies spent only directly on CSR-related activities, 20 per cent used an external Implementing Agency while 48 per cent used a combination of the two. The balance 3 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 8,795 crore or 61 per cent of the total).

	No.of Cos.	%age of Cos.	Amount Spent (INR crore)	%age of Amount Spent
Direct	349	28.96	8,795.40	60.65
Implementing Agency	243	20.17	3,948.67	27.23
Both	580	48.13	929.81	6.41
Not Specified	33	2.74	827.51	5.71
Total	1205	100.00	14,501.39	100.00

Source: primeinfobase.com

Impact Assessment

As per revised provisions of the Companies Act, companies which have an average CSR spend of more than INR 10 crore in the last three financial years need to mandatorily carry out impact assessment by an independent agency of such projects where the outlay is more than INR 1 crore and which have completed a one year period. The top 10 companies in terms of amount spent on Impact Assessment were as follows:

Rank	Company	Mkt.Cap. as on 31 st March 2023 (INR crore)	Actual CSR Expenditure (INR crore)*	Amount spent on Impact Assessment (INR crore)
1	HINDUSTAN ZINC LTD.	1,23,950	173.38	0.54
2	HOUSING DEVELOPMENT FINANCE CORP.LTD.	4,81,663	194.03	0.50
3	MAHINDRA & MAHINDRA LTD.	1,44,088	97.08	0.50
4	BOSCH LTD.	57,129	22.47	0.50
5	HDFC BANK LTD.	8,98,088	736.01	0.49
6	CHOLAMANDALAM INVESTMENT & FINANCE CO.LTD.	62,582	36.34	0.47
7	AUROBINDO PHARMA LTD.	30,357	53.64	0.47
8	BANDHAN BANK LTD.	31,532	66.57	0.46
9	OIL & NATURAL GAS CORP.LTD.	1,90,025	458.44	0.44
10	APOLLO TYRES LTD.	20,317	18.72	0.39

Source: primeinfobase.com



Notes:

1. For the same activity, there could be an overlap between the different schedules. For e.g., skill development for women can be classified under employment enhancing vocational skills (Schedule VII (ii)) as well as under promoting gender equality (Schedule VII (iii)).
2. Amount spent in multiple states has been equally divided between the states given. If a state/location has not been provided in the disclosure, then the amount has been equally divided amongst all states in India.
3. For standardizing the data across different financial years/accounting periods of companies, figures for years other than an 'April-March' Financial Year have been adjusted on a pro-rata basis. For e.g. data for calendar year 2022 (viz. January-December 2022) has been taken 3 months into 2021-22 and 9 months into 2022-23.
4. Schedule-wise amounts spent have been prorated equally for companies where break up between Direct and Implementing Agency has not been given in the Annual Report.
5. Where amount spent does not fall under any of the prescribed schedules or no details of activity have been provided, the amount has been equally split across all schedules.
6. Where schedule-wise spends have not been provided, the total amount has been equally divided across all schedules.



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