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CSR SPEND BY NSE-LISTED COMPANIES CROSSES INR 15,000 CRORE: primeinfobase

Corporate Social Responsibility (CSR) spend by companies listed on NSE main board rose by 5 per cent to INR 15,524 crore in 2022-23, in comparison to INR 14,816 crore spent in 2021-22, according to primeinfobase.com, an initiative of PRIME Database Group. This was despite a 13 per cent rise in average net profit (of the preceding 3 years) of these companies, 2 per cent of which needs to be spent on CSR activities as per regulatory requirements.

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, these companies as a whole had already been spending more than what was required to be spent in the previous 3 years (from 2019-20 till 2021-22). Thus, the increase in amount spent in 2022-23 was not as significant.

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 Haldea, it is also now time that the Government considers revising these thresholds upwards given the passage of time and “ease of doing business”.** As case in point, the average 3-year net profit of companies listed on NSE has almost doubled from INR 4.18 lakh crore in 2014-15, the first year of this regulation, to INR 8.14 lakh crore in 2022-23. Accordingly, the thresholds may now be revised upwards to keep the relatively smaller companies out of the purview of this regulation, which was the original intent as well.

According to primeinfobase.com, 1,893 companies were listed on NSE main board as on March 31, 2023. Of these 1,893 companies, annual reports for 2022-23 have been released by 1,854 companies. Of these 1,854 companies, 1,830 had details relating to CSR given in the annual reports, while no such details were available for the balance 24. Finally, of the 1,830 companies, 1,296 were obligated to spend on CSR, up from 1,214 companies in 2021-22. **This analysis is based on these 1,296 companies.**

According to primeinfobase.com, the average net profit of these 1,296 companies over last three years was INR 8.14 lakh crore, up from INR 7.20 lakh crore in 2021-22. **As per CSR requirements, the amount required to be spent by them was INR 15,713 crore (2021-22: INR 13,994 crore), against which they spent a slightly lower INR 15,524 crore (2021-22: INR 14,816 crore).** According to Haldea, the shortfall can be explained by the increase in amount which remained unspent which was transferred by companies to Unspent CSR Account (INR 1,643 crore) for use in future years.

CSR Spends by companies listed on NSE over last 9 years

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
No.of Companies	1296	1214	1151	1124	1067	1057	992	925	884
Average Net Profit of last 3 years (INR lakh crore)	8.14	7.20	6.81	6.80	5.95	5.20	4.80	4.57	4.18
Amount Required to be Spent in Current FY* (INR crore)	15,713	13,994	13,546	13,317	11,912	10,378	9,690	9,216	8,374
Surplus Unspent Amount of Previous FYs (INR crore)	86	78	114	NA	NA	NA	NA	NA	NA
Final Actual Amount Spent (INR crore)#	15,524	14,816	14,780	14,760	11,790	10,142	9,058	8,485	6,549
CSR spend as a % of Net Profit	1.87	2.02	2.13	2.14	1.88	1.92	1.86	1.83	1.54
Average Amount Spent per company (INR crore)	11.74	11.96	12.62	12.95	10.50	9.45	8.99	9.03	7.30
Amount Unspent (INR crore)	1,470	1,228	914	1,017	1,332	1,726	1,572	1,934	2,524
Amount transferred to Unspent CSR Account (INR crore)	1,643	1,282	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

Company-wise Spends

The number of companies which spent on CSR went up to 1271 (98 per cent of the 1296 companies) in 2022-23 from 1191 (98 per cent) in 2021-22. The balance 25 companies, despite being mandated, did not spend anything.

The top 10 companies in terms of CSR spends in FY 2022-23 were as follows:

Rank	Company	CSR Expenditure (INR crore)#	Mkt.Cap. as on 31 st March 2023 (INR crore)
1	HDFC BANK LTD.	820.89	8,98,088
2	TATA CONSULTANCY SERVICES LTD.	783.00	11,73,055
3	RELIANCE INDUSTRIES LTD.	744.00	15,77,210
4	TATA STEEL LTD.	480.62	1,27,715
5	OIL & NATURAL GAS CORP.LTD.	475.89	1,90,025
6	ICICI BANK LTD.	462.66	6,12,568
7	INFOSYS LTD.	391.51	5,92,394
8	ITC LTD.	365.50	4,76,614
9	POWER GRID CORP.OF INDIA LTD.	321.66	1,57,436
10	NTPC LTD.	315.32	1,69,789

Source: primeinfobase.com

The top 10 companies together spent 33 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	ASHOK LEYLAND LTD.	40,871	5.50	15.16	275.64
2	COASTAL CORP.LTD.	238	1.66	1.18	70.90
3	NECTAR LIFESCENCES LTD.	358	0.39	0.21	54.66
4	LOKESH MACHINES LTD.	197	2.22	0.38	17.25
5	BLB LTD.	115	1.88	0.25	13.26
6	PEARL GLOBAL INDUSTRIES LTD.	886	10.17	1.34	13.14
7	VENUS REMEDIES LTD.	217	2.17	0.26	11.91
8	COAL INDIA LTD.	1,31,667	354.96	42.04	11.84
9	KIRI INDUSTRIES LTD.	1,467	1.66	0.18	10.80
10	VASWANI INDUSTRIES LTD.	60	4.18	0.44	10.63

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 2021-22# (INR crore)	CSR Expenditure 2022-23# (INR crore)	Increase (INR crore)
1	ICICI BANK LTD.	6,12,568	266.62	462.66	196.04
2	JINDAL STEEL & POWER LTD.	55,717	125.10	236.30	111.20
3	HINDUSTAN ZINC LTD.	1,23,950	173.38	260.91	87.53
4	HDFC BANK LTD.	8,98,088	736.01	820.89	84.88
5	TATA STEEL LTD.	1,27,715	405.97	480.62	74.65
6	STEEL AUTHORITY OF INDIA LTD.	34,159	94.24	162.46	68.22
7	AXIS BANK LTD.	2,64,148	113.37	172.31	58.94
8	BAJAJ FINANCE LTD.	3,40,054	60.01	117.46	57.45
9	TATA CONSULTANCY SERVICES LTD.	11,73,055	727.00	783.00	56.00
10	INDUS TOWERS LTD.	38,538	35.63	91.49	55.86

Source: primeinfobase.com

On an overall basis, 721 companies or 64 per cent increased their spending from the previous year.

While 396 companies (31 per cent) spent as much as prescribed, there were 630 companies (49 per cent) which exceeded their prescribed spending. The top 10 companies which exceeded their prescribed spending 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	NHPC LTD.	40,381	12.10	127.31	115.21
2	JINDAL STEEL & POWER LTD.	55,717	146.11	236.30	90.19
3	ICICI BANK LTD.	6,12,568	393.85	462.66	68.81
4	WIPRO LTD.	2,00,446	147.80	215.70	67.90
5	OIL INDIA LTD.	27,289	32.93	98.21	65.28
6	HINDUSTAN ZINC LTD.	1,23,950	210.14	260.91	50.77
7	K.P.R.MILL LTD.	19,760	12.91	63.08	50.17
8	OIL & NATURAL GAS CORP.LTD.	1,90,025	429.76	475.89	46.13
9	COAL INDIA LTD.	1,31,667	7.10	42.04	34.94
10	AMBUJA CEMENTS LTD.	72,585	45.57	73.28	27.71

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 48 companies, which despite reporting a loss, spent on CSR. The top 10 loss making companies in terms of amount spent on CSR were as follows:

Rank	Company	Mkt.Cap. as on 31 st March 2023 (INR crore)	Average Net Profit/Loss of Last 3 FY (INR crore)	CSR Expenditure (INR crore) #	Surplus Unspent Amount of Previous FYs (INR crore), if any
1	TATA MOTORS LTD.	1,39,762	-4,141.67	20.81	
2	IDFC FIRST BANK LTD.	36,433	-588.59	17.52	
3	MANGALORE REFINERY & PETROCHEMICALS LTD.	9,210	-683.34	8.73	
4	CHENNAI PETROLEUM CORP.LTD.	3,537	-1,870.00	6.04	
5	BHARAT HEAVY ELECTRICALS LTD.	24,392	-1,301.61	6.01	
6	JAIPRAKASH POWER VENTURES LTD.	3,804	-340.49	3.93	
7	ADITYA BIRLA FASHION & RETAIL LTD.	20,337	-80.70	3.55	
8	MSP STEEL & POWER LTD.	304	-6.57	1.94	
9	STAR HEALTH & ALLIED INSURANCE CO.LTD.	30,148	-619.13	1.61	
10	PATEL ENGINEERING LTD.	1,157	-2.37	1.58	

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:

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
No. of Companies	75	66	64	52	57	59	66	49	33
CSR Expenditure (INR crore) #	142	118	139	190	155	178	174	185	102

Source: primeinfobase.com

On the other hand, there were 248 companies which missed the mandatory spending of two per cent of net profit (281 in 2021-22). 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 17 per cent from previous year. 56 PSUs spent INR 3,136 crore in 2022-23, down from INR 3,766 crore spent by 59 PSUs in 2021-22.

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 916 companies spent more than INR 50 lakh, 932 companies had such a CSR committee in place.** Several companies also went beyond the requirement of having 3 members with as many as 468 companies appointing more than 3 members.

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 2024 (INR crore)	Actual CSR Expenditure (INR crore)#	Amount spent on Impact Assessment (INR crore)
1	OIL INDIA LTD.	64,452	98.21	8.44
2	HDFC BANK LTD.	11,12,420	820.89	3.01
3	ITC LTD.	5,36,531	365.50	1.44
4	MAHINDRA & MAHINDRA LTD.	2,41,220	92.28	1.04
5	GUJARAT INDUSTRIES POWER CO.LTD.	2,581	5.63	0.55
6	HINDUSTAN UNILEVER LTD.	5,36,024	208.32	0.55
7	RELIANCE INDUSTRIES LTD.	20,10,530	744.00	0.50
8	GAIL (INDIA) LTD.	1,20,259	99.10	0.49
9	INFOSYS LTD.	6,27,181	391.51	0.49
10	ASIAN PAINTS LTD.	2,75,352	77.42	0.48

Source: primeinfobase.com

Ministry of Corporate Affairs, vide notification dated 20th September 2022, amended the format in which companies have to disclose details of their CSR spends in their Annual Reports. As per the notification, companies are no longer required to disclose details (sector, location etc.) of CSR projects undertaken by them. Despite that, 610 companies of the above mentioned 1296 companies voluntarily made this disclosure. Following sections of this report are based on this limited data pertaining to 610 companies.

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	496	825.05	23.86
ii – Education and Vocation Skills	529	1,210.94	35.01
iii – Reducing Inequalities	200	82.04	2.37
iv – Environmental Sustainability	284	378.42	10.94
v – National Heritage	92	66.77	1.93
vi – Armed Force Veterans	47	17.75	0.51
vii – Sports	128	91.12	2.63
viii – PM’s Relief Fund	39	158.82	4.59
ix – Technology Incubators	26	18.65	0.54
x – Rural Development	163	186.47	5.39
xi – Slum Development	20	6.97	0.20
xii – Disaster Management (introduced w.e.f. 30 th May 2019)	74	72.64	2.10
Total		3,115.64	90.09
Community Development/Infrastructure/Social Welfare/Child Welfare	43	24.21	0.70
Others	5	4.16	0.12
Administrative Expenses	326	282.66	8.17
Impact Assessment Cost	122	31.72	0.92

Source: primeinfobase.com

In line with the previous years, **Education received the maximum spend (INR 1,211 crore) followed by Healthcare (INR 825 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 (only considering data of 536 companies for which project details were available for both years), **spends on environmental sustainability increased the most (76 per cent) followed by spends on education (41 per cent) and rural development (26 per cent)**, as shown in table below. On the other hand, **contribution to disaster management fell the most (77 per cent) followed by spends on slum development (75 per cent) and PM’s relief fund (59 per cent)**. Allocation to schedules, though, remained fairly constant over the previous year.

Schedule VII	2021-22			2022-23			Increase (INR crore)	Increase %
	No. of Cos.	Amount Spent (INR crore)	% of Total	No. of Cos.	Amount Spent (INR crore)	% of Total		
iv - Environmental Sustainability	239	211.98	6.85	254	372.40	11.99	160.42	75.67
ii - Education and vocation skills	454	830.93	26.86	470	1173.75	37.80	342.82	41.26
x - Rural Development	142	144.43	4.67	148	181.28	5.84	36.85	25.51
v - National Heritage	59	56.77	1.84	83	64.80	2.09	8.03	14.15
vii - Sports	97	87.53	2.83	119	89.50	2.88	1.97	2.25
iii - Reducing Inequalities	162	75.87	2.45	177	76.04	2.45	0.16	0.22
ix - Technology Incubators	29	17.43	0.56	22	17.21	0.55	-0.22	-1.26
i - Hunger, poverty and healthcare	448	876.29	28.32	441	803.95	25.89	-72.34	-8.25
vi - Armed Force Veterans	37	20.66	0.67	39	16.15	0.52	-4.51	-21.81
viii - PM's Relief Fund	47	382.66	12.37	32	156.88	5.05	-225.79	-59.00
xi - Slum Development	27	21.98	0.71	16	5.53	0.18	-16.45	-74.86
xii - Disaster Management	210	310.66	10.04	66	70.78	2.28	-239.88	-77.22
Community development/ infrastructure/ social welfare/ child welfare	41	12.44	0.40	39	24.02	0.77	11.58	93.14
Others	1	0.07	0.00	4	4.15	0.13	4.08	5822.43
Administrative Expenses	99	41.36	1.34	111	44.43	1.43	3.07	7.43
Impact Assessment Cost	19	2.70	0.09	32	4.14	0.13	1.44	53.46

Source: primeinfobase.com

Covid & PM CARES: 2022-23 was the first full Covid-free financial year. Thus, as expected, amount spent on Covid related relief activities went down sharply to just INR 96 crore.

Financial Year	Covid related Amount Spent (INR crore)
2022-23	96
2021-22	3,133
2020-21	4,421
2019-20	1,878
TOTAL	9,527

Source: primeinfobase.com

Of this INR 9,527 crore, INR 4,958 crore (or 52 per cent) were contributions to PM CARES Fund for Covid relief (In total, INR 5,164 crore has been contributed to the PM CARES Fund).

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	342	355.78	11.21
2	RAJASTHAN	215	344.19	10.84
3	GUJARAT	278	193.39	6.09
4	TAMIL NADU	227	185.68	5.85
5	CHHATTISGARH	158	167.83	5.29
6	UTTAR PRADESH	227	156.82	4.94
7	HARYANA	199	154.10	4.85
8	TELANGANA	207	147.63	4.65
9	ODISHA	156	140.08	4.41
10	KARNATAKA	217	123.91	3.90

Source: primeinfobase.com

The top 10 states accounted for 62 per cent of the total CSR spend.

The top 10 states in terms of increase in amounts received from last year (only considering data of 536 companies for which project details were available for both years) were as follows:

Rank	State	2021-22		2022-23		Increase (INR crore)
		No.of Cos.	Amount Received (INR crore)	No.of Cos.	Amount Received (INR crore)	
1	RAJASTHAN	181	221.46	181	341.61	120.15
2	HARYANA	181	70.15	173	152.60	82.45
3	TELANGANA	184	117.93	180	144.01	26.09
4	GUJARAT	252	156.01	226	181.96	25.95
5	ODISHA	150	123.23	136	139.42	16.18
6	JHARKHAND	150	89.26	137	104.25	14.99
7	BIHAR	142	60.80	134	75.41	14.61
8	CHHATTISGARH	146	151.22	132	164.66	13.44
9	TAMIL NADU	198	152.38	193	160.25	7.87
10	PUNJAB	156	57.03	153	63.17	6.13

Source: primeinfobase.com

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

Rank	State	2021-22		2022-23		Decrease (INR crore)
		No. of Cos.	Amount Received (INR crore)	No. of Cos.	Amount Received (INR crore)	
1	DELHI	201	263.64	198	95.37	-168.26
2	ANDHRA PRADESH	175	116.95	163	95.42	-21.53
3	UTTARAKHAND	159	78.26	150	64.54	-13.73
4	UTTAR PRADESH	191	162.76	192	149.97	-12.79
5	HIMACHAL PRADESH	148	40.35	132	29.26	-11.09
6	NAGALAND	132	32.61	117	22.62	-9.98
7	LADAKH	132	28.23	114	19.05	-9.18
8	JAMMU & KASHMIR	140	29.57	125	20.63	-8.94
9	PUDUCHERRY	139	31.17	125	22.40	-8.77
10	MEGHALAYA	132	26.43	115	18.54	-7.89

Source: primeinfobase.com

Direct Spends vs using Implementing Agencies

29 per cent of the companies (175 companies) spent only directly on CSR-related activities, 31 per cent used an external Implementing Agency while 38 per cent used a combination of the two. The balance 2 per cent did not specify the route chosen by them.

However, in terms of amount spent, the maximum amount was spent through implementing agencies (INR 1,617 crore or 52 per cent of the total INR 3,144 crore for which project details are available).

	No. of Cos.	%age of Cos.	Amount Spent (INR crore)	%age of Amount Spent
Direct	175	28.69	1,123.29	35.73
Implementing Agency	187	30.66	1,617.08	51.43
Both	234	38.36	293.67	9.34
Not Specified	14	2.30	109.98	3.50
Total	610	100.00	3,144.03	100.00

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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