

HITTING A 4-YEAR HIGH

NSE Firms' CSR Spend Takes Nearly 16% Leap



Corporate social responsibility spending at NSE-listed firms saw the biggest jump in four years at

- 15.7% in FY24 on the back of strong profit growth. HDFC Bank at ₹954 crore, RIL with ₹900 crore and TCS at ₹827 crore topped the list. **Sreeradha Basu** reports. ▶ 15

India Inc's Profit Surges, So Does CSR Expenditure Pockets

Spending on social activities sees highest jump in 4 years at ₹17,967 cr in FY24, shows study

Sreeradha Basu

Bengaluru: Corporate social responsibility (CSR) spending of NSE-listed companies saw the highest year-on-year jump in four years at 15.7% in fiscal 2024 on the back of strong profit growth, according to a study that analysed the numbers from 1,394 companies.

CSR spending by these companies rose to ₹17,967 crore in 2023-24, when they posted an 18% rise in rolling average net profit for the preceding three years compared with 2022-23, according to data shared exclusively with **ET** by primeinfobase.com. The spending rose 4.8% in FY23 and was flat in the previous two fiscal years.

The top 10 companies in terms of CSR spending—led by HDFC Bank (₹954.3 crore), Reliance Industries (₹900 crore) and Tata Consultancy Services (₹827 crore)—accounted for 34% of the total amount.

Others in the top 10 were Oil & Natural Gas Corp (₹634.5 crore), Tata Steel (₹580 crore), ICICI Bank (₹518.9 crore), Indian Oil Corp (₹457.7 crore), Infosys (₹455.7 crore), ITC (₹404 crore) and Power Grid Corporation of India (₹330.5 crore).

Spending by public sector units rose 19% over the previous year —

Giving Back

CSR spends by NSE-listed cos over 5 years

	2023-24	2022-23	2021-22	2020-21	2019-20
No of cos	1,394	1,297	1,214	1,153	1,122
Avg net profit of last 3 years (₹ cr)	9,61,963	8,13,678	7,20,343	6,81,324	6,79,601
Actual amt spent (₹ cr)	17,967	15,524	14,816	14,780	14,751
YoY increase in spends (%)	15.7	4.8	0.2	0.2	25.2

Note: Includes administrative expenses and impact assessment cost
Source: primeinfobase.com

66 PSUs spent ₹3,717 crore in FY24, up from ₹3,136 crore spent by 56 PSUs in FY23. The CSR law, which came into force in April 2014, mandates that companies with at least a net worth of ₹500 crore, revenue of ₹1,000 crore or net profit of ₹5 crore during the preceding financial year must spend 2% of the average net profit of the previous three years on CSR projects.

According to primeinfobase.com, the three-year rolling average net profit of these 1,394 companies was ₹9.6 lakh crore, up from ₹8.1 lakh crore in FY23.

As per CSR requirements, the amount required to be spent by them was ₹18,309 crore (₹15,713 crore in FY23), against which they spent slightly lower at ₹17,967 crore (₹15,524 crore in 2022-23).

"The shortfall can be explained by the increase in amount which

remained unspent, which was transferred by companies to the Unspent CSR Account (₹2,329 crore) for use in future years," said Prime Database Group managing director Pranav Haldea.

As in previous years, education (₹1,104 crore) received the biggest chunk of companies' CSR spends, followed by hunger, poverty and healthcare (₹720 crore), based on data of 544 companies among the 1,394 that voluntarily made this disclosure.

While the uptick in spending is a function of profits going up over the years, companies have also become more structured and thoughtful in the way they are spending on CSR, said Amit Tandon, managing director of proxy-advisory firm Institutional Investor Advisory Service India (IIAS). "They are aligning these spends to their strategy and corporate purpose, and have shifted from projects to themes; for example: education in Raipur district. In addition, they are now measuring the impact."



The top 10 cos in terms of CSR spending, led by HDFC Bank, RIL, TCS, accounted for 34% of the total amount