

# CSR spend: Listed firms record 16% rise to ₹17,967 cr on surge in profits

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## TOP CSR SPENDERS

Rank	Company	CSR expenditure (₹ cr)	Market cap (₹ lakh cr)
1	HDFC Bank	945.31	10.99
2	Reliance Industries	900	20.10
3	TCS	827	14.02
4	ONGC	634.57	3.37
5	TATA Steel	580.02	1.94
6	ICICI Bank	518.87	7.67
7	IOC	457.71	2.36
8	Infosys	455.67	6.21
9	ITC	404.05	5.34
10	Power Grid	330.48	2.57

Source: primeinfobase.com

**AIDED BY A** surge in profits, funds spent by listed companies on Corporate Social Responsibility (CSR) rose by 16% to ₹17,967 crore during the year ended March 2024 as compared to ₹15,524 crore spent in 2022-23, says a report. HDFC Bank topped the list with a CSR spend of ₹945.31 crore, followed by Reliance Industries at ₹900 crore, TCS at ₹827 crore and ONGC at ₹634.57 crore.

The rise was due to an 18% rise in average net profit of these companies, 2% of which needs to be spent on CSR activities as per regulatory requirements, and followed three years of flat-ish spends, from ₹14,751 crore in 2019-20 to just ₹15,524 crore in 2022-23, says a PRIME Database report.

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 ₹500 crore and

above or revenue of ₹1,000 crore and above or net profit of ₹5 crore and above have to spend two per cent of average net profits of last three years.

According to Primeinfobase.com, the average net profit of 1,394 firms over last three years was ₹9.62 lakh crore, up from ₹8.14 lakh crore in 2022-23. As per CSR requirements, the amount required to be spent by them was ₹18,309 crore (2022-23: ₹15,713 crore),

against which they spent a slightly lower ₹17,967 crore (2022-23: ₹15,524 crore). The shortfall can be explained by the increase in amount which remained unspent which was transferred by firms to Unspent CSR Account ₹2,329 crore) for use in future years, it said.

According to Pranav Haldea, MD, PRIME Database, it is also now time that the government considers revising these thresholds upwards given the passage

of time and "ease of doing business". As a case in point, the average 3-year net profit of firms listed on NSE has more than doubled from ₹4.18 lakh crore in 2014-15, the first year of this regulation, to ₹9.62 lakh crore in 2023-24. The CSR 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, he said. As many as 2,013 firms were listed on NSE main board as on March 31, 2024.

Education received the maximum spend ₹1,104 crore followed by healthcare ₹720 crore. On the other hand, areas such as slum development, armed force veterans and disaster management saw lower and negligible spends. In comparison to previous year, spends on environmental sustainability increased the most (54%) followed by spends on national heritage (5%). Meanwhile, contribution to slum development fell the most (72%) followed by spends on rural development (59%) and armed force veterans (52%).