

In FY23, Jindal, Ashok Leyland, others spent in excess on CSR

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BSE 200 companies cumulatively spent ₹800 crore more than their prescribed amount on Corporate Social Responsibility (CSR) activities in FY23. This is according to the recently released EdelGive Hurun India Philanthropy List 2023. Of them, a few companies overspent quite a bit. Jindal Steel and Power spent ₹117 crore more than the prescribed amount.

DATA FOCUS.

While the company's mandated CSR expenditure amount (2 per cent of annual profit) was ₹146.11 crore, its expenditure was ₹236.3 crore. Its annual report shows that the company spent a large portion of that money - ₹204.73 crore - on education and skill development.

Another entrant to the list is Hindustan Zinc, which spent ₹47 crore more than the prescribed amount on CSR. Ashok Leyland's contribution is noteworthy, while the prescribed CSR expenditure for FY23 was ₹0.11 crore, it spent ₹15.5 crore. The excess CSR amount spent can be carried forward up to the immediately succeeding three financial years, according to a Ministry of Corporate Affairs circular.

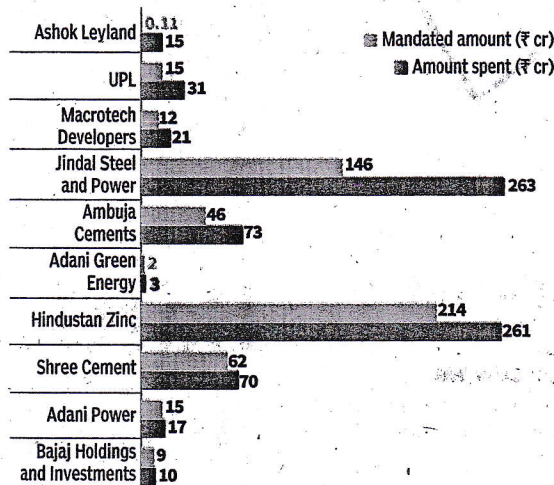
UNSPENT MONEY

In FY23, the total unspent CSR amount by the BSE 200 companies was ₹1,386 crore. This was 11 per cent of the total CSR expenditure. "There have been multiple amendments in the CSR legislations in India between 2020 and 2021. These have complicated the CSR spending since then," says Sridhar K, Director, Iswar Foundation, who has been working on the space.

"This way, so many companies haven't been able to spend funds earmarked for

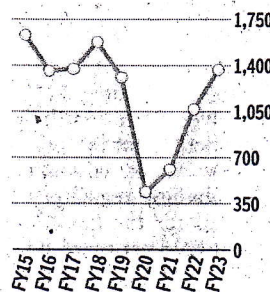
India's CSR game

Top companies that spent excess on CSR in FY23



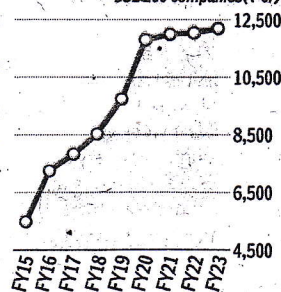
Unspent CSR money of BSE 200 companies back to pre-Covid times

Cumulative unspent money (₹ cr)



CSR spend of BSE 200 companies growing at a slow pace

Cumulative CSR Spend of BSE 200 companies (₹ cr)



Source: EdelGive Hurun India Philanthropy List 2023

CSR activities in a particular financial year.

Also, companies may face delays in obtaining government permissions for spending money," he adds.

The cumulative unspent CSR amount of these companies was ₹456 crore in FY20. It was ₹628 crore in FY21 and ₹1,087 crore in FY22 and ₹1,386 crore in FY23. Unspent CSR amount is transferred by the company to an exclusive account, known as an 'Unspent Corporate Social Responsibility Account', in any scheduled bank within 30 days

from the end of the financial year. The data also show that the CSR expenditure of BSE 200 has been growing at a slow pace since FY21.

Between FY20 and FY21, it grew 1.58 per cent. In the next year, the growth was just 0.44 per cent. In FY23, the cumulative expenditure of BSE 200 was ₹12,271 crore, which was 1.2 per cent more than FY22 numbers.

Experts say that the CSR expenditure of companies is generally slowing down, and that they tend to spend more on right after the elections.