

# CSR spends plunge 64% in FY21

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Mumbai: The Covid pandemic and its impact on India Inc's profitability has affected overall giving under corporate social responsibility (CSR). Contributions plunged 64% year-on-year to Rs 8,828 crore in fiscal 2021 under CSR, making it the lowest in recent years. In fiscals 2020 and 2019, CSR expenditure was Rs 24,689 crore and Rs 20,150 crore.

In 2014, India had mandated companies to spend 2% of their average net profits clocked in the preceding three fiscals on social causes. But the pandemic that set in towards the fag end of fiscal 2020 forced companies to balance their business goals, employee well-being programmes and social obligations. A significant part of their CSR contribution was directed towards fighting the public health crisis, leaving little for other social causes. Companies set up medical infrastructure, established oxygen plants and contributed to Centre & state governments' Covid relief programmes to counter the pandemic.

"Given the expectations of a third Covid wave, the probability of (companies) diverting more funds during this fiscal seems imminent," Crisil Foundation COO Maya Vengurlekar had said in August.

India's largest conglomerate, the Tata Group, spent nearly Rs 1,000 crore on CSR activities in fiscal 2021, retaining its top position, according to data from ministry of corporate affairs. Reliance Industries followed next, spending Rs 922 crore on social causes. The company, headed by India's wealthiest man Mukesh Ambani, contributed Rs 561 crore to the Centre and various state governments' Covid relief programmes. IT major Infosys contributed Rs 362 crore to CSR activities in fiscal 2021, while diversified cigarette-to-cookie maker ITC allocated Rs 335 crore, according to the data.

Following the outbreak of Covid, New Delhi has been amending CSR rules by including multiple components into them. It has allowed companies to use CSR funds for setting up Covid care facilities, manufacturing of ventilators and other medical equipment, among other things. "More changes may be in order this fiscal as new rules proposed by the ministry of corporate affairs have kicked in from April 2021. In its notifications, apart from key CSR rules, the ministry has also urged India Inc to support Covid relief work, and awareness & vaccinations drives as part of their ongoing CSR mandate," Crisil Ratings director Nitesh Jain had also said in August.