

Rs 100,000 crore

CSR spending tops watermark,  
propelled by the pandemic

**CRISIL CSR Yearbook 2021**

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# Executive summary



In just seven years since it was made mandatory, spending on corporate social responsibility (CSR) in India has crossed the Rs 1 lakh crore milestone, with around 40% of this incurred in just the past two fiscals as companies rolled up their sleeves to fight the Covid-19 pandemic.

Our estimation, based on data disclosed in annual reports, pegs overall CSR spending in fiscal 2020 at Rs 21,231 crore, with 1,387 listed companies accounting for ~Rs 14,431 crore (~26% more than in fiscal 2019), and 19,962 unlisted ones Rs 6,800 crore (~7% less than in fiscal 2019).

In fiscal 2021, again, assuming the spending was around the mandated mark of 2% of average profit of the preceding three fiscals, eligible companies would have spent ~Rs 22,000 crore on CSR, including Rs 14,986 crore by more than 1,700 listed ones and ~Rs 7,072 crore by unlisted entities.

While the actual spending for the two fiscals can be corroborated only once annual reports for last fiscal become available and are analysed in coming months, one trend is clear: Covid-19 has gobbled up a chunk of the money.

We undertook two separate exercises to say this with certainty, based on data sourced from company websites, public disclosures and articles/ features on reliable websites, including those of top newspapers, business magazines and financial portals.

In the first exercise, we took the top 500 companies by CSR spending in fiscal 2020 and calculated their

expenditure on Covid-19 relief since March 23, 2020, when it became eligible for CSR calculation<sup>1</sup>. This showed them spending ~Rs 11,000 crore, as of June 2021.

For the second exercise, we considered the top 100 companies by revenue and by CSR spending in fiscal 2020. Of these 200, 70 companies appeared in both the lists, while 60 appeared in only one, leaving 130 unique companies. These 130 have spent ~Rs 8,500 crore (including support through corporate groups<sup>2</sup>) on Covid-19, across the two waves, as of June 2021.

The continued improvement in spending and reporting on CSR is heartening, for sure. The successive waves of Covid-19 have, however, been a litmus test of corporate altruism – with companies having to balance employee well-being initiatives, business imperatives and their social contract. Given the expectations of a third wave, the probability of diverting more funds during this fiscal seems imminent. Thus, how long the momentum holds remains to be seen.

Coming back to fiscal 2020, the number of companies and their cumulative spending printed higher yet again, with over two-thirds of the eligible listed ones spending 2% or more of their net profits on CSR initiatives, and ~10% spending 3% or more.

Among sectors, manufacturing, energy and financial services accounted for over 60% of the spending. Public sector companies (accounting for ~7% of the total eligible companies) contributed ~32% of the total CSR spending, while private ones (accounting for 87% of total eligible companies) spent ~63%.

<sup>1</sup> [https://www.mca.gov.in/Ministry/pdf/Covid\\_23032020.pdf](https://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf)

<sup>2</sup> Refers to consolidated donations which have been made at a corporate group/entity level



Also, in keeping with recent trends, most companies preferred to implement their CSR mandate through non-government organisations or trusts.

Most of the money (53% of total CSR spending) continued to flow towards education and skill development, and healthcare and sanitation, while rural development got 9%. Yet the cumulative spending into these three sectors was down to ~61% in fiscal 2020 from ~75% in fiscal 2019, as the pandemic spawned a change in priorities. And in fiscal 2021, the share of pandemic-related CSR spending is estimated to have climbed to 62%, leaving little for other causes.

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-19 relief work, and awareness and vaccinations drives as part of their ongoing CSR mandate.



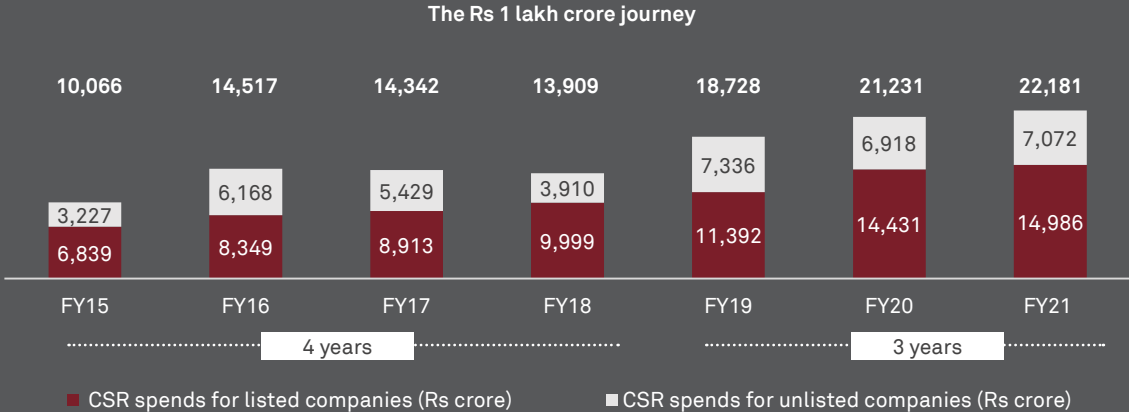


# Kindred spirit kindled



Cumulative spending on CSR, which was made mandatory in 2014, took four years to reach the Rs 50,000 crore mark. However, it has taken just three

years to tote up a further Rs 50,000 crore, crossing the coveted Rs 1 lakh crore milestone, a CRISIL analysis shows.



For listed companies, data on CSR spending till fiscal 2020 has been sourced from their Annual Reports. For fiscal 2021, however, CSR spending has been estimated taking into account their average profitability over the past three financial years.

taking the total to ~Rs 21,231 crore. In fiscal 2021, listed companies spent an estimated Rs 14,986 crore, while unlisted ones – assuming the same rate of growth, at 4% – spent ~Rs 7,072 crore, taking the total to ~Rs 22,058 crore.

CSR spending by unlisted companies was obtained by deducting CRISIL’s estimate for listed companies from the total spend for the respective year, as mentioned on the National CSR Data Portal<sup>3</sup> managed by the Ministry of Corporate Affairs, Government of India.

With this, cumulative spending over the seven years stands at ~Rs 75,000 crore for listed companies and ~Rs 40,000 crore for unlisted ones, totalling over Rs 115,000 crore.

In fiscal 2020, listed companies had spent Rs 14,431 crore on CSR, and unlisted ones ~Rs 6,800 crore,

The sharp increase in spending shows India Inc’s sharp focus on giving back to the community even as it battled headwinds on the business front – living up to the CSR spirit as it were.

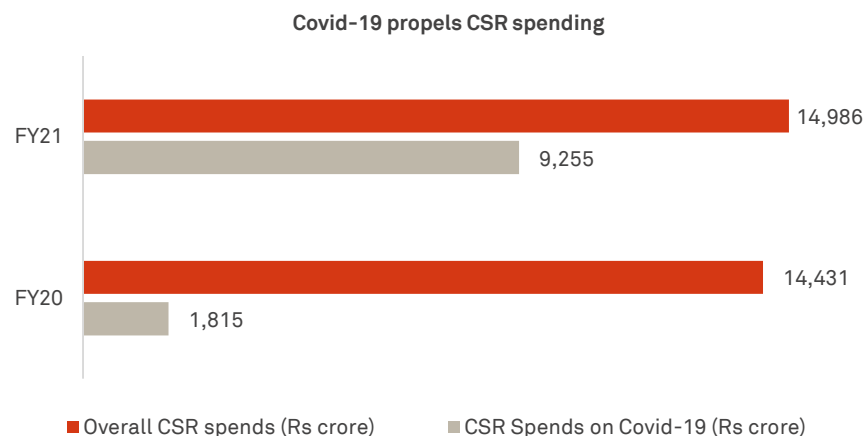
<sup>3</sup> [https://www.csr.gov.in/index\\_across.php](https://www.csr.gov.in/index_across.php)

## Pandemic pulls spending

CRISIL analysed India's top 500 companies by CSR spend for fiscal 2020 to assess their contribution in the fight against the pandemic over the past two fiscals.

While the analysis for fiscal 2020 is based on the published annual reports, fiscal 2021 data has been sourced mainly from company websites, public disclosures and articles/ features on reliable websites, including those of renowned newspapers, business magazines and financial portals.

India Inc has come forward proactively with a large component of its CSR funds, contributing to the PM CARES Fund, other relief funds, and distributing food, masks, personal protective equipment (PPE) kits, and relief material.



The analysis indicates a cumulative spend of ~Rs 11,000 crore on Covid-19 till June 2021, since it was made eligible for CSR spends at March-end, 2020<sup>4</sup>.

<sup>4</sup> [https://www.mca.gov.in/Ministry/pdf/Covid\\_23032020.pdf](https://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf)

For perspective, this is almost equal to the total CSR spend by listed companies in fiscal 2019 (Rs 11,392 crore), a year before the pandemic led to a nationwide lockdown. It also accounts for ~75% of CSR spend in fiscal 2020 (Rs 14,431 crore).

Of the top 500, 36 companies spent ~Rs 1,424 crore at a group level.

Over the past two fiscals, Covid-19 has taken up a significant proportion of CSR funds, which would otherwise have been earmarked for other programmes.

### Notifications from the Ministry of Corporate Affairs, Government of India, clarifying the definition of CSR spending for Covid-19

The Ministry of Corporate Affairs (MCA), Government of India, has released a slew of notifications indicating spending on different aspects of Covid-19 relief and prevention as eligible under CSR.

Awareness campaigns/ programmes or public outreach campaigns for Covid-19 vaccination.

([https://www.mca.gov.in/Ministry/pdf/CSR2021\\_13012021.pdf](https://www.mca.gov.in/Ministry/pdf/CSR2021_13012021.pdf) dtd. 13 January, 2021)

Setting up makeshift hospitals and temporary Covid-19 care facilities.

([https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo5\\_22042021.pdf](https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo5_22042021.pdf) dtd. 22 April, 2021)

Creating health infrastructure for Covid-19 care, establishment of medical oxygen generation, manufacturing and supply of oxygen concentrators, ventilators, cylinders and other medical equipment for countering Covid-19.

([https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo9\\_05052021.pdf](https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo9_05052021.pdf) dtd. 5 May, 2021)

Covid-19 vaccination for persons other than the employees and their families

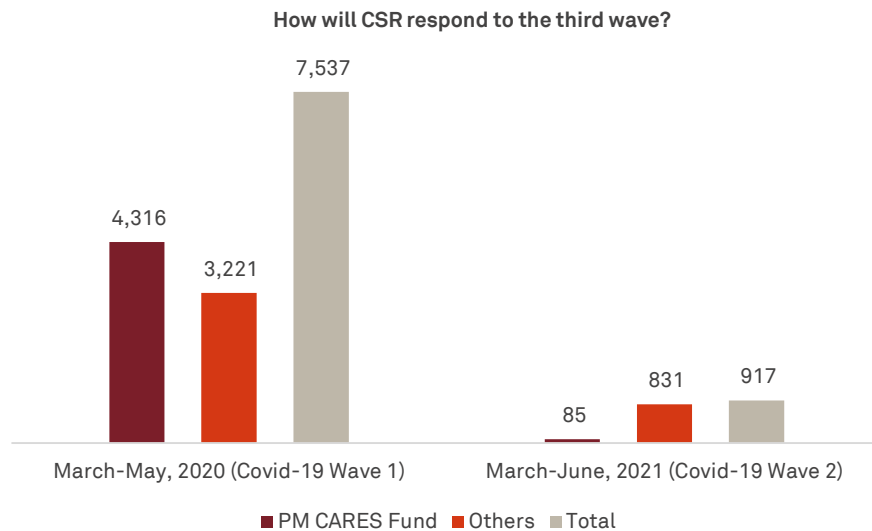
(<https://www.mca.gov.in/bin/dms/getdocument?mds=LYGLgEX5HiF2cj%252FEWlnVfA%253D%253D&type=open> dtd. 30 July, 2021)



## Whither momentum?

In the previous edition of the CSR report, we had drawn up a list of the top 100 companies by revenue and CSR spend each (totalling unique 130 companies) in fiscal 2019, and analysed how these had responded to the pandemic. This was based mainly on data available on the websites of the companies, disclosures with stock exchanges and news that featured on various authentic websites.

We have attempted a similar response analysis with the same 130 companies during the second wave this fiscal.



<sup>5</sup> <https://www.crisil.com/content/dam/crisil/crisil-foundation/generic-pdf/doing-good-in-bad-times.pdf>  
<sup>6</sup> Refers to consolidated donations which have been made at a corporate group/entity level

The analysis reveals a much greater spending in cash (largely through PM CARES Fund) during the first wave, followed by a more direct support (through in-kind spends) during the second wave.

Given the severity of the latter, support largely came in the shape of supporting the healthcare infrastructure with equipment such as ventilators, oxygen concentrators, cylinders, testing kits, and donation of food/ ration – where an exact monetary value could not be ascribed.

In monetary terms alone, the 130 companies (including support through their corporate group) have contributed ~Rs 8,500 crore during the two waves. This, despite the businesses being under severe pressure, primarily due to the lockdowns and restrictions imposed by the Centre and the states, and the associated declines in mobility or footfalls.

Considering the strong expectations of a likely third wave, there is a possibility these companies would have to divert more funds to the cause this fiscal. The quantum of assistance, though, will bear watching.

# Fiscal 2020 factoids



Spending swells as more companies heed compassion call

Six years since it was made mandatory, spending on CSR and reporting by eligible listed companies has continued to improve, with the number of companies and their cumulative spend printing higher in fiscal 2020.

The Companies Act, 2013 mandates a company to spend 2% of its average net profit of the preceding three years on CSR if it had in its immediately preceding fiscal, a net worth of Rs 500 crore or more, turnover/ revenue of Rs 1,000 crore or more, or net profit of Rs 5 crore or more.

In fiscal 2020, of the companies listed on the Bombay Stock Exchange and the National Stock Exchange, 1,820 met the criteria for mandatory CSR spending under Section 135(5) of the Act.

Of these 1,820 companies, 140 said they were unable to spend because of various reasons,

such as delay in identifying projects and setting up in-house expertise. Another 31 did not report CSR activity in their annual report; while for 50 companies, the annual reports for fiscal 2020 were not available either on their websites or on those of the stock exchanges. A further 212 said they were not required to spend because they did not meet the criteria, or were loss-making.

Net-net, 1,387 companies spent and reported on CSR, up 8.7% from 1,246 in fiscal 2019. The proportion of companies that met the criteria is 76%, an 11% jump from the previous fiscal.

These 1,387 companies spent an aggregate Rs 14,431 crore on CSR activities in fiscal 2020, a growth of ~26% on-year. The incremental spend from the previous fiscal is Rs 3,039 crore, of which Rs 1,815 crore, or 60%, is for Covid-19.

## Change in key eligibility norm spurs giving

The Ministry of Corporate Affairs (MCA), Government of India, notified spending on Covid-19 as an eligible CSR activity on March 23, 2020\*.

During the fiscal, 269 companies spent Rs 1,814 crore, or 13%, on the pandemic alone – making it the third-largest area in terms of corporate spending.

With the pandemic commanding a chunk of the CSR kitty of corporates, spending in other CSR areas is likely to shrink.

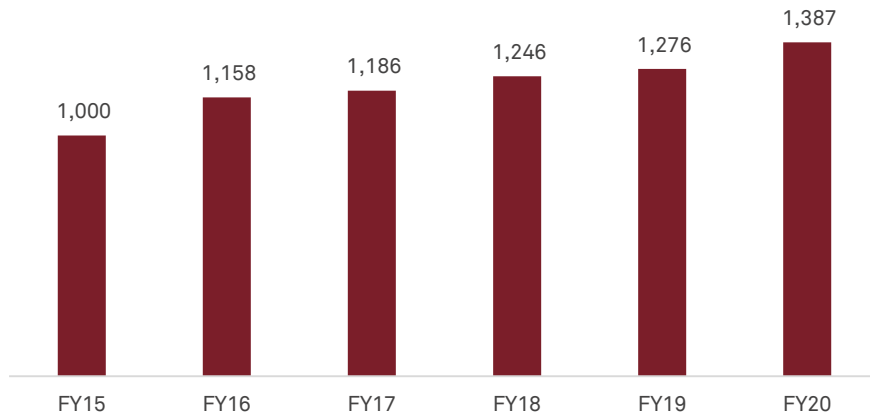
\* Source: [https://www.mca.gov.in/Ministry/pdf/Covid\\_23032020.pdf](https://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf)



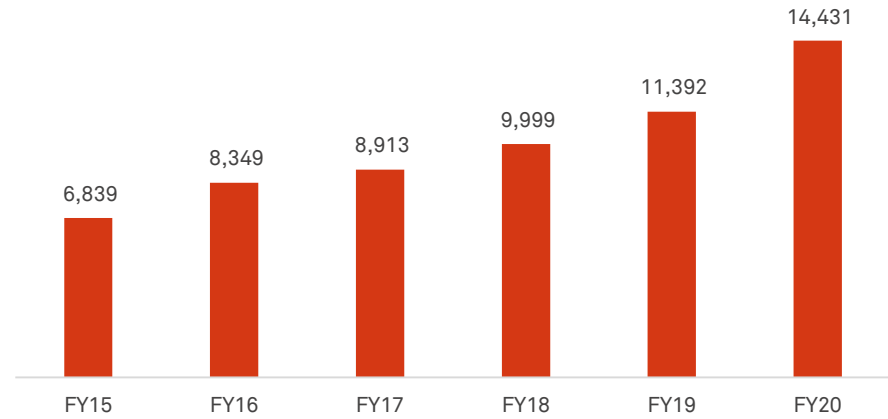
## Compliance level increasing

The number of companies reporting on CSR spending as well as total CSR spends by listed companies have increased every year since fiscal 2015, signifying improved compliance.

Number of companies reporting CSR spend



Total CSR spend by eligible listed companies

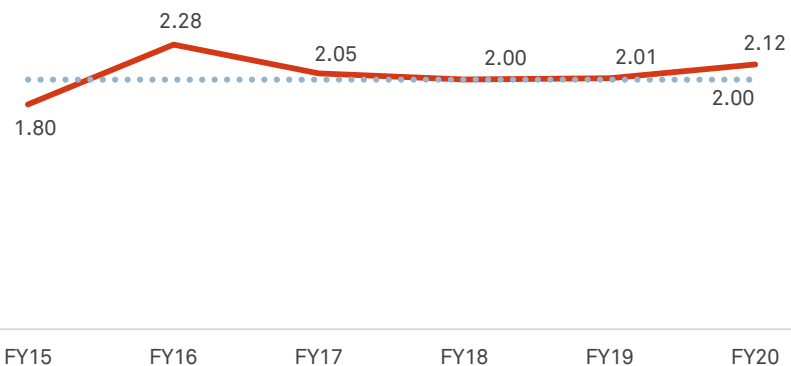




## For the fifth year on the trot, CSR spend stays above 2%

Even as companies intensify their efforts to give back to society, total CSR spend as a percentage of average profit has increased beyond the mandated 2% mark. On aggregate, companies continue to be on mandate with spends of 2.12%, an increase from 2.01% in the previous fiscal.

### Breaching the mandated mark yet again



Of the 1,387 companies, 918, or 66%, spent 2% or more of their profits – a tad higher than 64% the previous fiscal – while 10%, or 140 companies, spent 3% or more. This was a slight uptick from the 119 companies, or 9%, in the previous fiscal.

Of the above, 45% of the total spend came from companies that spent between 2.01% and 2.99% of their profits on CSR.

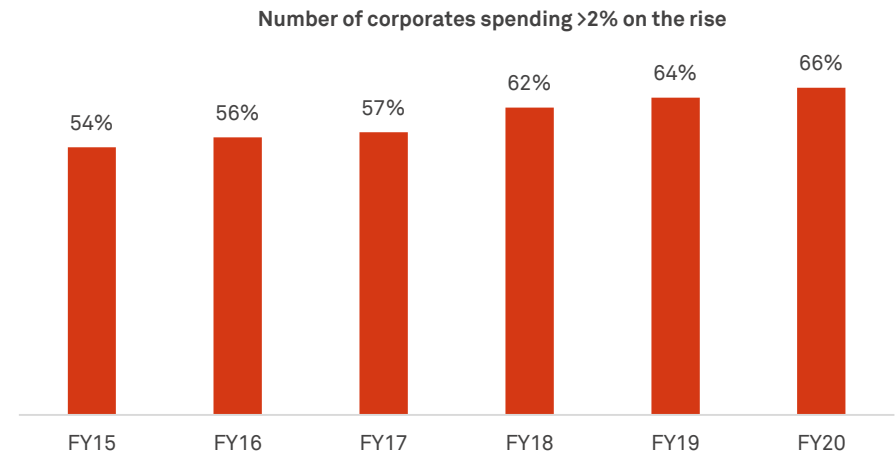
At the other end, 468 companies, or 33.8%, did not meet their spending mandate in fiscal 2020. Of these, 233 companies spent less than 1%.







## More companies spending beyond the mandate



Of the 1,387 companies, 1,210 had figured in the list of spenders in the previous fiscal as well. As many as 776, or 64%, of these increased their CSR spend on-year. While 422 or 35% reduced spend, 12 companies, or 1%, logged no change.

## Most companies meet the mark across sales buckets

Except for the Rs 500-999 crore sales bracket, more than half of the companies in other sales brackets spent 2% or more.

The number of companies with net sales of more than Rs 1,000 crore increased from 552 in fiscal 2019 to 567 in fiscal 2020. Of these, as much as 59% spent 2% or more of their profits, marginally lower than in fiscal 2019.

The number of companies with net sales of Rs 10,000 crore fell slightly to 92 from 95 in the previous fiscal. However, 61% of these spent 2% or more of their profits on CSR, up from 59% the previous fiscal.

Of companies generating less than Rs 1,000 crore of net sales, 54% spent 2% or more – down from 64% the previous fiscal.

At the bottom of the pyramid, 61% of the companies with sales below Rs 99 crore spent 2% or more on CSR, less than 64% in the previous fiscal.

While not every bucket also met the mark in terms of average CSR spend, companies in the below Rs 500 crore sales bucket appeared to show more altruism than larger companies.

### CSR spend by net sales category

Sales range (Rs crore)	Fiscal 2020 (1,387 companies)		Fiscal 2019 (1,276 companies)	
	Proportion of companies that spent 2% or more	Average CSR spend in FY	Proportion of companies that spent 2% or more	Average CSR spend in FY
99 and below	61%	2.36%	64%	1.86%
100-499	53%	2.27%	67%	1.66%
500-999	47%	1.94%	60%	2.05%
1,000-9,999	57%	2.02%	64%	2.86%
10,000 +	61%	1.78%	59%	1.68%

Sales range (Rs crore)	Fiscal 2020 (1,387 companies)		Fiscal 2019 (1,276 companies)	
	Number of companies	Amount spent (Rs crore)	Number of companies	Amount spent (Rs crore)
99 and below	200	639	168	180
100-499	413	432	374	245
500-999	207	260	182	218
1,000-9,999	475	3282	457	2626
10,000 +	92	9818	95	8123

## Education and health, the moolah magnets

The top priorities for India Inc continued to be education and skill development, as well as healthcare and sanitation – both accounting for 53% of the total spend on CSR.

Education and skill development saw the highest spending, in terms of both number of companies spending (1,098) and proportion of total spend (32.8%, down from 36.2% the previous fiscal).

Healthcare and sanitation (exclusive of Covid-19 spends) remained the second-highest head, with the number of companies contributing to it increasing to 936 from 881.

### Covid-19 consumes 13% of the CSR kitty

Of the total CSR spend of Rs 14,431 crore, 13% or Rs 1,815 crore was spent on the Covid-19 cause – making it the third largest area in terms of spending alone.

During the fiscal, out of the 1,387 companies, there were 269 companies, or 20%, which came forward to contribute towards the pandemic. Over 90% of these companies fall under the sales bracket of Rs 1,000 crore and more.

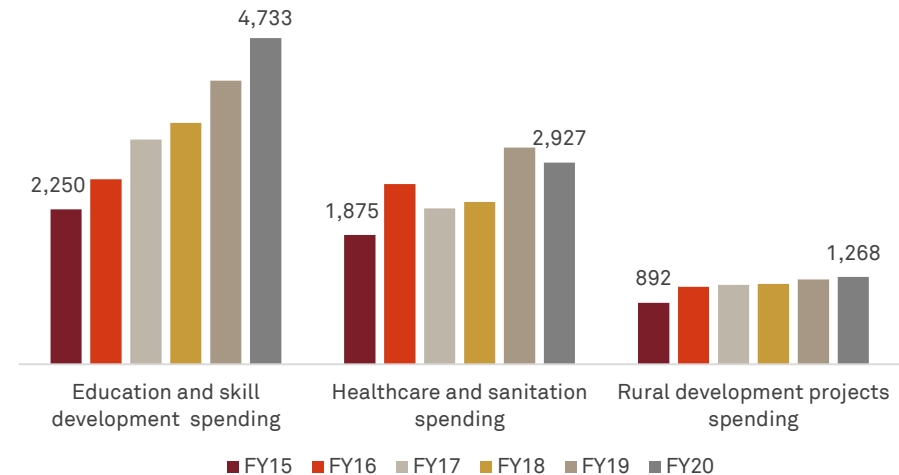
Of the total Covid-19 spend, 88% was contribution towards the PM-Cares Fund, while the remaining 12% included other relief funds, masks, sanitisers, food rations, and supplies.

Given the waves of infection anticipated in months to come, Covid-19 could continue to hog a chunk of the CSR spend at the cost of other mandated areas for a while longer.

\* Source: [https://www.mca.gov.in/Ministry/pdf/Covid\\_23032020.pdf](https://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf)

Rural development is the fourth-highest spending head with 295 companies spending on it compared with 310 a year ago. However, its share of the pie declined further from 11% to 9%.

### Top spending heads unchanged



Among other areas, there was an on-year increase in CSR spending on relief funds, women empowerment and environment. This being said, the proportion of spends across key heads showed a decrease as compared with the previous fiscal.



## Private sector drives rise in CSR spend

Company type	FY20		FY19	
	Number of companies (#)	CSR spend (Rs crore)	Number of companies (#)	CSR spend (Rs crore)
Private sector companies	1,210	9,027	1,104	7,709
Private (foreign) companies	77	754	59	459
Public sector companies	100	4,650	113	3,224
<b>Total</b>	<b>1,387</b>	<b>14,431</b>	<b>1,276</b>	<b>11,392</b>

CSR spending for the fiscal was spurred by the private sector as compared with the previous fiscal. This was with respect to both the increase in number of companies (1,210) and spends (Rs 9,027 crore).

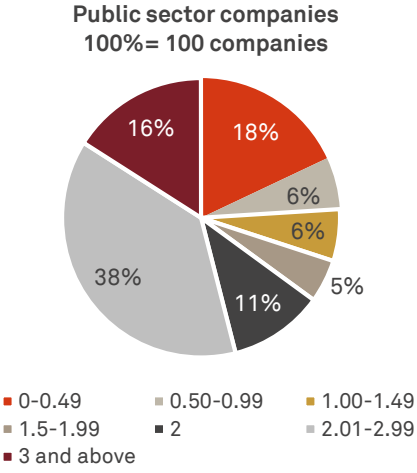
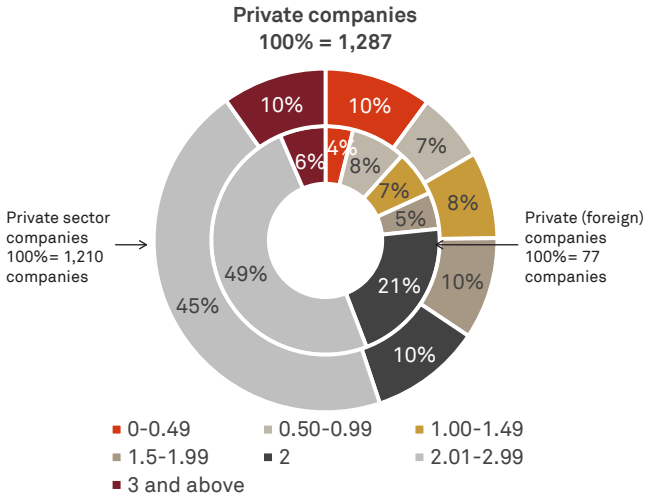
A large majority of both public sector undertakings and private sector companies continued to focus on spending more than the stipulated 2% on CSR.

Of the total, 100 public sector companies spent Rs 4,650 crore, 1,210 private companies spent Rs 9,027 crore, and 77 private (foreign) companies spent Rs 754 crore.

While public sector companies represented only ~7% of the companies engaged in CSR, they contributed to ~32% of the total spend. Of the total public sector companies, 65% spent more than 2% of their profits, a shade more than the previous year's 64%. The number of companies spending less than 1% fell 2 percentage points, while that of those spending 2% or more increased by 2%.

Private companies, representing ~87% of the universe of eligible companies, contributed proportionately lower, at ~63% of the CSR spend. Also, 66% of these companies spent more than 2% of their profits on CSR activities.

Of the private (foreign) companies, 77% spent more than 2% on CSR, though 23% spent less than 1%.



## Financials, IT, energy punch way above their weight

In fiscal 2020, sector-wise participation was similar to the previous year, with more than half the companies across sectors spending 2% or more.

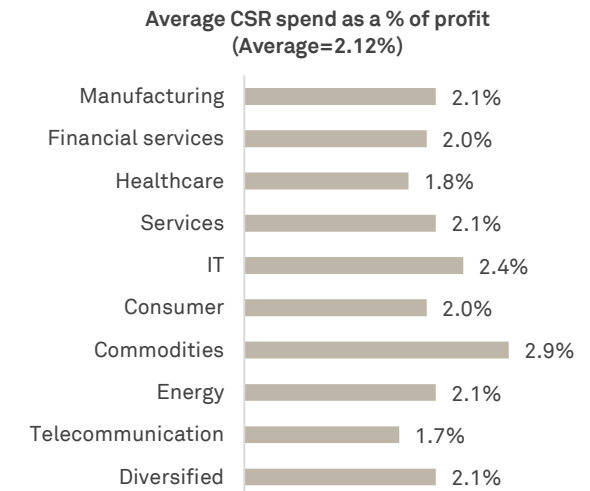
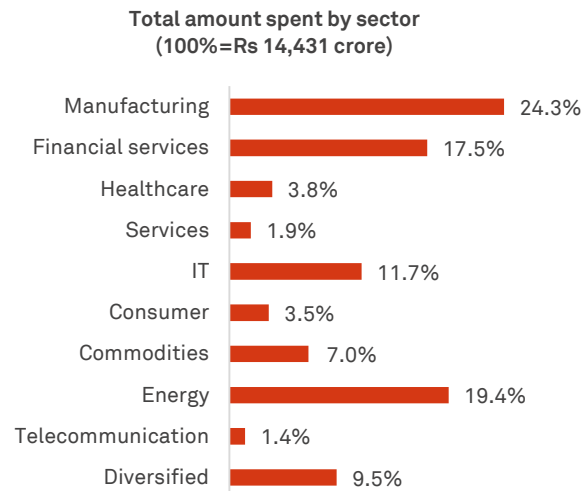
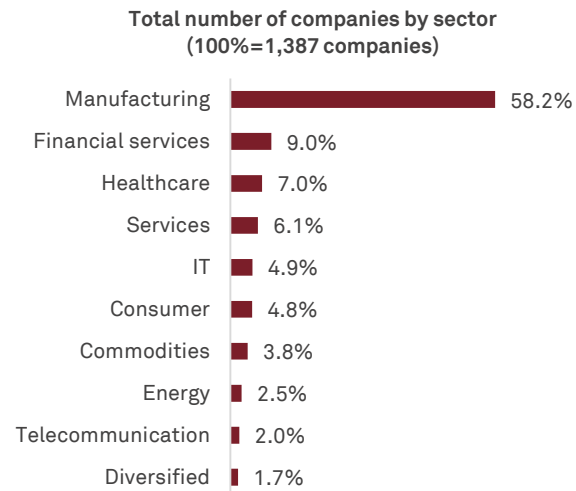
Manufacturing, financial services and health care accounted for a little less than 75% of the number of companies but a little over 45% of the spend. At 24%, manufacturing contributed the most to CSR spend. It represented 58% of the companies and spent 2.1% on average.

At the other end, financial services accounted for 9% of the companies, but over 17% of the spend. Indeed, its contribution was up 2.5 percentage points on-year.

Energy also continued to punch above its weight, with 2.5% of the pool contributing nearly 20% of the total spend. And the sector improved its on-year contribution, up by nearly 5 percentage points, with average CSR spend driving the mandate at 2.1%.

The IT sector was a generous contributor, with 4.9% of companies and nearly 12% of the spend. The average spend was a whopping 2.4%, second to the 2.9% average spend by commodities.

Telecom continued to remain a laggard on all fronts with just 2% players spending on CSR, the least contribution to total spend (1.4%) and the lowest average spend (1.7%).





## With the highest case load, Maharashtra remains in spotlight

The top 10 states (based on number of companies with registered offices in each) accounted for 96% of the total CSR spend in fiscal 2020 – following a similar trend from the previous two fiscals.

Likewise, in terms of proportion of companies by state, there was no major change from the previous fiscal.

All states witnessed an impressive increase in the amount spent on CSR. Haryana accounted for the largest growth, a massive 367% increase from Rs 127 crore in the previous fiscal to Rs 595 crore. Growth in Gujarat and Uttar Pradesh was subdued, at 3% and 5%, respectively.

More than 65% of the companies in all states spent 2% or more on CSR as a percentage of profit. The National Capital Territory (NCT) of Delhi surpassed the other states with 72% companies in the state spending 2% or more on CSR (compared with 63% in the previous fiscal).

Maharashtra continues to account for a lion's share of the pie, receiving 46.5%, slightly below the 49.8% in fiscal 2019, even as the number of companies rose to 476 from 427.

The NCT is a distant second, grabbing 18.7% of the CSR pie, up from 17.2% the previous fiscal. The increase is backed by a rise in the number of companies, to 161 from 136 the previous fiscal.

Karnataka with 73% (compared with 58%) and Rajasthan with 68% (against 55%) were the states which showed maximum improvement in the number of companies spending 2% or more across both fiscals.

On the contrary, there was a reversal of sorts in Gujarat, West Bengal, Haryana, and Uttar Pradesh with a decrease in the number of companies that spent 2% or more on CSR.

States	FY20				FY19			
	Number of companies	Total amount spent	Less than 2% on CSR	2% or more on CSR	Number of companies	Total amount spent	Less than 2% on CSR	2% or more on CSR
Maharashtra	476	6,710	35%	65%	427	5,679	36%	64%
NCT of Delhi	161	2,710	28%	72%	136	1,965	38%	63%
Gujarat	134	722	34%	66%	123	700	25%	75%
Tamil Nadu	120	568	29%	71%	112	409	35%	65%
West Bengal	95	733	36%	64%	96	579	30%	70%
Karnataka	70	1,049	27%	73%	67	818	42%	58%
Telangana	69	462	30%	70%	60	376	33%	67%
Rajasthan	41	246	32%	68%	40	221	45%	55%
Uttar Pradesh	38	66	37%	63%	35	62	34%	66%
Haryana	31	594	39%	61%	32	127	38%	63%
Rest of India	152	571	39%	61%	148	457	44%	56%
<b>Total</b>	<b>1,387</b>	<b>14,431</b>	<b>33%</b>	<b>67%</b>	<b>1,276</b>	<b>11,392</b>	<b>36%</b>	<b>64%</b>

## Rising preference for implementers

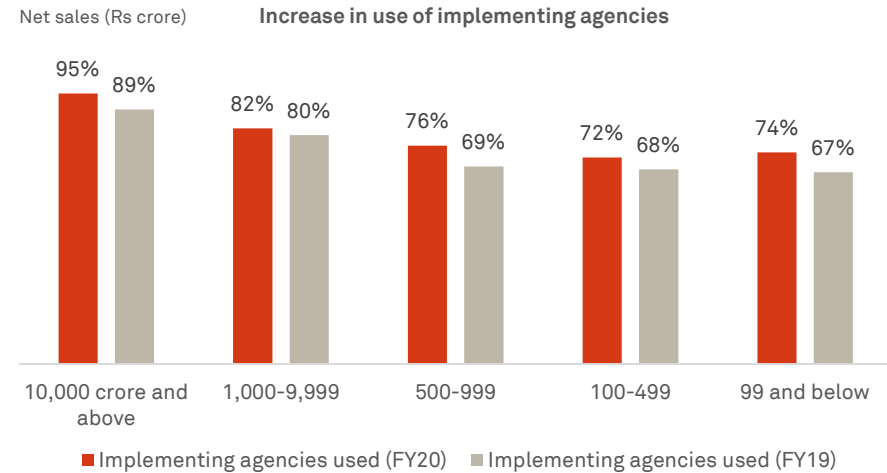
The use of implementing agencies to execute CSR projects continued to gain ground, with 1,082 of the 1,387 companies reporting in the affirmative. At 78%, the proportion of such companies was up from 74% the previous fiscal.

In addition, 69% companies using implementing agencies have spent 2% or more on CSR as a percentage of profit.

Of the companies with net sales of Rs 1,000 crore and above, 84% used implementing agencies, while 95% of those above Rs 10,000 crore used one.

But, in the lower end of the sales bracket, there was a fewer percentage of companies engaging an implementing agency for their CSR.

Net sales (Rs crore)	Number of companies	Implementing agencies leveraged
10,000 crore and above	92	95%
1,000-9,999	475	82%
500-999	207	76%
100-499	413	72%
99 and below	200	74%



Of the companies with sales of Rs 10,000 crore and above, 95% used implementing agencies, up from 89% previous fiscal. This indicates larger companies prefer to conduct their CSR activities through implementing agencies.

# Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021



The Ministry of Corporate Affairs (MCA) notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, on January 22, 2021, thereby introducing significant amendments to the existing Companies (Corporate Social Responsibility Policy) Rules, 2014, for implementation.

## **Making CSR mandatory**

Any ongoing CSR project has been defined as a 'multi-year project not exceeding three years' excluding the financial year in which it commenced. The duration may be extended depending on the Board's approval.

Any unspent amount related to an ongoing project needs to be transferred to an 'Unspent CSR Account' and used within the immediate succeeding three financial years. In case it remains unspent even after the three years, it will need to be transferred to a government fund notified under Schedule VII.

## **Impact creation is paramount**

Any company with a mandated CSR budget of Rs 10 crore or more will need to undertake an impact assessment through an independent agency for projects with outlays of Rs 1 crore or more. In addition, the report will need to be placed before the Board, along with the reports and amounts spent on impact assessment disclosed in the company's annual report and website.

## **Enhanced internal controls through the Board**

The role of the Board has been expanded to cover:

- Monitoring implementation of on-going projects as well as empowered to make modifications

- Get the CSR fund utilisation certified by the Chief Financial Officer to ensure that the funds have been utilised as per the CSR policy

## **Stricter rules on implementing partners**

Any implementing agency will have to be registered under 12A and 80G of the Income Tax Act, 1961. It will also need to register itself mandatorily with the Government of India – by electronically filing and submitting the 'Form CSR-1' with the Registrar of Companies (as well as duly verifying it by a CA/ Company Secretary).

Following this, each agency will be provided a unique CSR Registration Number, which will also need to be disclosed in the company's annual report.

## **Fixing greater accountability**

A monetary penalty will be imposed on the company and every officer of the company if the company fails to:

- Disclose the unspent amount in the annual report, and/or
- Transfer unspent amount unto the Unspent CSR Account within the due cut-off time
- Transfer the unutilised amount into the Government fund if it remains unspent even after three years

## **And greater transparency in reporting**

There are new disclosures applicable for this financial year – especially on excess CSR funds, surplus arising from the projects, disclosures for projects, and details of capital assets.



## **Business Responsibility and Sustainability Reporting (BRSR), a big step towards sustainable reporting**

On March 25, 2021, the Securities and Exchange Board of India (SEBI) introduced new sustainability related reporting requirements in the form of a Business Responsibility and Sustainability Report (BRSR).

BRSR is a notable update from the existing Business Responsibility Report (BRR), with a clear intention towards bringing sustainability reporting at par with financial reporting.

BRSR is also a bold initiative towards ensuring investors have access to standardised disclosures on environmental, social and governance (ESG) parameters, access to relevant and comparable information, to enable them to identify and assess sustainability-related risks and opportunities of companies and make better investment decisions.

BRSR also provides an opportunity for companies to demonstrate their sustainability objectives, position and performance, resulting in long-term value creation.

To begin with, the BRSR will be applicable to the top 1,000 listed entities (by market capitalisation) in a voluntary manner for fiscal 2022, and will be made mandatory from fiscal 2023.

Source: [https://www.sebi.gov.in/media/press-releases/may-2021/sebi-issues-circular-on-business-responsibility-and-sustainability-reporting-by-listed-entities-\\_50097.html](https://www.sebi.gov.in/media/press-releases/may-2021/sebi-issues-circular-on-business-responsibility-and-sustainability-reporting-by-listed-entities-_50097.html)









#### **About CRISIL Limited**

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

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It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

#### **CRISIL Foundation**

CRISIL Foundation, a public charitable trust, was set up in March 2013 as CRISIL's corporate social responsibility (CSR) arm. Our mission is to empower socially and economically disadvantaged communities within and beyond our areas of operations.

In Assam and Rajasthan, we have established a robust scalable intervention through our flagship programme Mein Pragati – strengthening the financial capabilities of over 160,000 rural women; as well as an ecosystem that sustains behaviour change through a well-trained community cadre called sakhis – which is active, self-sustainable, and delivering outcomes.

The Foundation's efforts in Assam were also recognised by the Government of India under the 'National CSR Award 2018' in the category 'Corporate Awards in CSR in Challenging Circumstances', which was conferred by the Hon'ble President of India in October 2019.

In 2017, the Reserve Bank of India (RBI) selected CRISIL Foundation to implement a three-year pilot project, MoneyWise Centres for Financial Literacy (CFLs). Under this, CRISIL Foundation has set up 25 CFLs across seven districts in Maharashtra, Haryana and Rajasthan using a 'hub-and-spoke' approach. CRISIL Foundation has initiated rollout of a technology-based certification programme (called GramShakti) to increase the knowledge and skillsets of sakhis and build this cadre to enable last-mile financial inclusion.

CRISIL RE, CRISIL's environment conservation programme under the aegis of the CRISIL CSR Policy, is focused on tree plantation and a number of other initiatives. The programme includes centrally driven and employee-led projects, and strives to engage employees and their families, friends and relatives in conservation activities. 'RE' is a sustained endeavour of CRISIL to work towards preserving the oceans and forests, tackling climate change and its impacts, thereby positively impacting 'Life below Water' and 'Life on Land' – two key Sustainable Development Goals of the United Nations.

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