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REPORT

HOW PHARMA LEADER
LUPIN SPENT
ITS
CSR FUNDS
IN 2020-21

How pharma leader Lupin spent its CSR funds in 2020-21

In the last 7 years company has spent over Rs. 181 crores on various corporate lead social development programmes.

The total CSR spend of Lupin Limited for the year was Rs 35.11 Crores (Last year Rs.34.20 Cr) which is 2.02% of the average net profit of the Company for the last three years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

In the last 7 years company has spent over Rs. 181 crores on various corporate lead social development programmes.

First time the company has fully spent its Corporate Social Responsibility – CSR funds.

The average net profit of the Company for the last three financial years calculated in accordance with the provisions of Section 198 of the

Companies Act, 2013 was Rs. 1732.7 Crores.

In the year 2019-20 company's unspent CSR amount was Rs. 21.31 Crore. The total CSR spend for the year was Rs. 34.2 crores which was 1.23% of the Company for the last three years.

“The amount required to be spent by the company at Standalone level during the year is Rs. 34.66 Crores (previous year Rs. 55.50 Crore). No amount was spent during the year towards construction or acquisition of any asset relating to CSR expenditure and there are no outstanding amounts payable towards any other purposes.”, Company annual report said.

Year wise csr spending for the last 7 years

Financial Year	CSR Spending
2014-15	12.60
2015-16	20.50
2016-17	19.70
2017-18	21.70
2018-19	38.00
2019-20	34.20
2020-21	35.11
Total	181.81

(Rs. Crores)

Lupin Limited Annual Reports



[How pharma leader Lupin spent its CSR funds in 2020-21]

The prescribed corporate social responsibility budget for the company in 2019-20 was calculated as Rs 55.51 crore. However, the company spent only Rs 34.2 crores and failed to spend the rest of 38% of its CSR budget for the financial year.

As a reason for not having been able to spend the total CSR budget the company in its annual report gave an excuse saying, “Despite best efforts, the Company has been unable to execute its ambitious plan of setting up a state-of-the-art JCI and NABH accredited hospital in Mumbai as it could not identify a suitable plot.”

The company hasn’t been able to spend most of its funds from its prescribed CSR budget from financial year 2016-17 to 2019-20 (See table)

Details of Lupin Limited’s CSR Expenses from FY 2016-17 to 2019-20

Financial Year	Prescribed CSR Budget (in Rs Cr)	Actual CSR Spent (in Rs Cr)	Unspent Amount (%)
2016-17	66.25	19.68	70.3
2017-18	75.05	21.68	71.1
2018-19	65.67	37.95	42.2
2019-20	55.51	34.20	38.4

According to Companies Act 2013, a company is expected to spend 2% of its average profit of the last three years on corporate social responsibility activities. The Company followed the norm in the first two years of the Act being implemented but lost track after that.

Pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility (CSR) Policy) Rules, 2014, during the year, the company ought to have spent Rs 65.67 Cr on CSR activities.

The actual spend was Rs 37.95 Cr (1.16% of the average net profit for the last 3 years), which was substantially higher than Rs. 21.68 Cr spent in the previous year, Company's Annual report 2018-19 informed.

In the financial year 2016-17, its prescribed CSR budget was around Rs 66.25 crore out of which it failed to spend more than 70% of the amount. In the subsequent years, it kept missing its targets on the pretext of some or the other excuses.

Majority of Lupin Limited's CSR activities are carried out through its CSR arm CSR arm Lupin Human Welfare and Research Foundation (LHWRF).



Lupin Foundation

Lupin Human Welfare & Research Foundation (LHWRF) is the CSR arm of the Company. LHWRF was established by the Company in 1988 to undertake rural development. LHWRF implements the CSR programmes of the Company within the framework of Section 135 and Schedule VII of the Companies Act, 2013 and Rules

made thereunder. LHWRF has experience of implementing social projects for over three decades. CSR operations focus on rural India and have a presence in about 5431 villages located in 77 blocks of 23 districts spread across nine states. LHWRF operates through its 20 centres throughout the country.

No Impact Assessment

LHWRF regularly conducts third party impact assessments of its CSR initiatives through qualitative feedback collected from the beneficiaries of CSR projects. Several projects are undertaken in partnership with government and semi-government agencies that have their own monitoring mechanisms and impact

assessment systems. It was not possible to conduct any impact assessment during FY 2021 due to the Covid pandemic lockdown, the company said.

The foundation has not spent any amount towards Impact Assessment during the year. ■

Source: <https://indiacsr.in/how-pharma-leader-lupin-spent-its-csr-funds-in-2020-21/>

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