

THE CASE OF 'MISSING' NUMBERS IN CSR DATA

The money companies spent on corporate social responsibility (CSR) programmes hit a record high in FY23, but it is getting difficult to track where they are spending on. After a Ministry of Corporate Affairs directive in 2022, firms have stopped revealing information, writes SACHIN P MAMPATTA



The case of 'missing' numbers in CSR data

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SACHIN P MAMPATTA
Mumbai, 10 May

The money companies spent on corporate social responsibility (CSR) programmes hit a record high in 2022-23 (FY23), but it is getting difficult to track where they are spending on. In September 2022, the Ministry of Corporate Affairs allowed companies to make limited disclosures on CSR spending, prompting businesses to stop revealing information.

Companies listed on the National Stock Exchange (NSE) spent a record ₹15,524 crore on CSR programmes in 2022-23, according to data collated by tracker primeinfobase.com. It is the latest year for which numbers are available. Less than ₹3,500 crore worth of spends have detailed disclosures on allocations.

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Companies have to spend around two per cent of their profits on CSR programmes, which can be in education, healthcare, sports, technology incubators and other sectors. Detailed information on sectors and places which got CSR funding money was available until 2021-22.

Private companies have not disclosed details on around 80 per cent of their CSR spending. It is around 70 per cent in the public sector. Of the 1,240 private companies listed on the NSE, 592 made details available. Only 18 of 56 public sector companies made similar disclosures.

Limited information affects the analysis of how CSR money is being spent. For example, location data revealed that most of the money to improve living standards through programmes in education and health care went to richer states because that is where companies tend to be located.

Maharashtra and Gujarat were the largest recipients and Bihar, a less developed state, got only a fraction of CSR spending. Subsequently, the central government suggested companies can spend in states where they don't have direct operations.

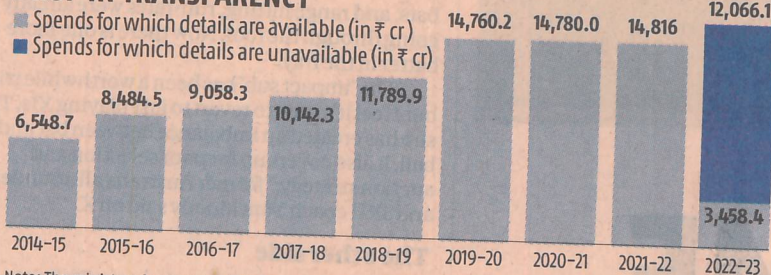
The available data for FY23 shows that the share of the largest states may only have increased.

The numbers cover only listed companies on the NSE. Many of India's large companies are not listed. A government CSR portal was set up to provide granular data about listed and unlisted entities. The last available data as of FY22.



ILLUSTRATION: BINAY SINHA

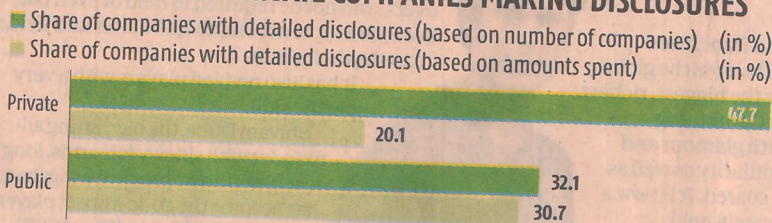
DROP IN TRANSPARENCY



Note: The ministry of corporate affairs removed the requirement for spend details in September 2022. Despite this, 610 companies out of 1,296 companies voluntarily made this disclosure. These reports are based on this limited data pertaining to 610 companies for 2022-23.

Source: primeinfobase.com

LOWER SHARE OF PRIVATE COMPANIES MAKING DISCLOSURES



Source: primeinfobase.com, Business Standard calculations

DATA SHOWS SHARE OF TOP FIVE STATES RISING AGAIN



Note: The ministry of corporate affairs removed the requirement for spend details in September 2022. Despite this, 610 companies out of 1,296 companies voluntarily made this disclosure. These reports are based on this limited data pertaining to 610 companies for 2022-23.

Source: primeinfobase.com, Business Standard calculations