BUSINESS STANDARD, Delhi, 24.4.2023
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The first of a three-part series on corporate social responsibility (CSR) explores allocations to the PM CARES Fund. The analysis is in the context of easing of CSR disclosure rules in annual reports

Listed govt firms contributed ₹2,900 cr to PM CARES

SACHIN P MAMPATTA
Mumbai, 23 April

Government-run firms accounted for the majority of donations that listed entities made to the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund.

They contributed at least ₹2,913.6 crore between 2019-20 and 2021-22, according to an analysis of the data collated by tracker primeinfobase.com for all the companies listed on the National Stock Exchange.

Business Standard identified 57 companies in which the government had a significant stake to reach the aforementioned amount. Their contribution accounts for more than the cumulative donation made by 247 other firms to the fund – 59.3 per cent of total donation of ₹4,910.5 crore.

The top five donors among the list of 57 are Oil and Natural Gas Corporation (₹370 crore), NTPC (₹330 crore), Power Grid Corporation of India (₹275 crore), Indian Oil Corporation (₹265 crore), and Power Finance Corporation (₹222.4 crore).

EYE on CSR
PART-I

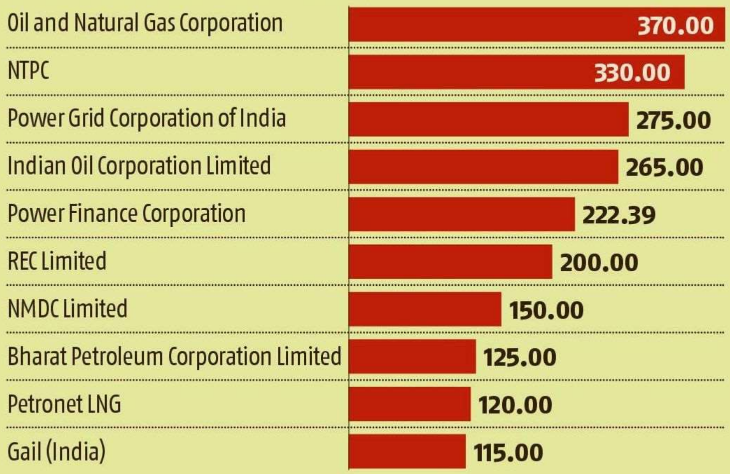
There has been controversy around the fund since it was set up in March 2020.

The chairman of the fund is the prime minister and trustees include the defence minister, home minister, and finance minister. The fund is not controlled by the Government of India, according to a reported submission by the Centre to the Delhi High Court in January 2023. This reiterates a position mentioned in a 2020 judgment by the Supreme Court of India, which noted that the trust does not receive any government money.

"The PM CARES Fund is a charitable trust registered under the Registration Act, 1908, at New Delhi on 27.03.2020. The trust does not receive any Budgetary support or any government money," stated the August 18, 2020, Supreme Court Judgment.

NEARLY ₹1,500 CR CAME FROM TOP FIVE

Amount contributed to PM CARES, FY20-22 (in ₹ cr)



Source: primeinfobase.com, *Business Standard* calculations

Scrutiny over CSR spending gains significance in light of the new norms. The government in September 2022 amended norms to limit the amount of information that companies have to put out in their annual reports on CSR spends.

Pranav Haldea, managing director at PRIME Database, said the recent amendments in the CSR provisions allow less transparency. "Companies no longer have to provide as many details to shareholders on where CSR spends are going. Greater disclosures for the donating companies, as well as large recipients, would be positive," he said.

The PM CARES Fund also receives donations from individuals and other organisations, besides companies.

It collected ₹3,076.6 crore in 2019-20, according to disclosures on its website. This rose to ₹10,990.2 crore in 2020-21. It was ₹ 9,131.9 crore in 2021-22.

The bulk of the amount appeared to have come from corporate India's CSR budgets in its first year.

Total CSR contribution to the PM CARES Fund was ₹1,577.8 crore or more than half the collection in 2019-20. Total CSR contributions from NSE-listed companies rose to ₹2,471.6 crore in 2020-21. The figure for 2021-22 was ₹861.1 crore.

The PM CARES Fund spent a limited amount (₹2,049) in the few days it was operational in 2019-20. This rose to ₹3,976.2 crore in 2020-21 and ₹3,716.3 crore in 2021-22.

E-mails sent to the 57 companies on Wednesday and to the PM CARES Fund on Thursday did not elicit a reply.

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Gas-based power plants ready to meet peak demand

MANISH GUPTA
New Delhi, April 23

GAS-BASED POWER plants are ready to meet any power deficit during the peak demand period this summer, and availability of natural gas is being ensured by state-owned GAIL India and country's top gas importer Petronet LNG Ltd.

Both GAIL and Petronet have issued several tenders to import liquefied natural gas (LNG) last week for deliveries in May and June. Sector analysts believe the underutilised gas-based power plants will be used to fill any shortage.

"Idea is to improve the energy generation so as to meet the spike in the energy demand that we are anticipating because of the heat wave... You may see some improvement in capacity utilisation of gas-based power plants.

"To meet the peak deficit, respective utilities can tap this (gas) power on high price day ahead basis from the power exchange market," said Girishkumar Kadam, senior vice president and co-group head, ICRA.

India's electricity demand saw an all-time of 218 GW last week on April 18, of which the power sector could meet record demand of 216 GW, leaving a deficit of 2,021 MW. Last year, the highest demand met was 212 GW on June 10.

Gas-based power plants of NTPC Ltd, India's largest power producer, are all set to start power production when required, an official said. NTPC has 6,511 MW of gas-based power capacity and has assured gas supply from GAIL.

While NTPC is directed by the ministry of power to run 5,000 MW gas-based power stations during the crunch period, its subsidiary NTPC Vidyut Vyapar Nigam Ltd will procure 4,000 MW gas power from other state-run plants.

There are more than 60 gas-based power plants in the country with a total capacity of about 25 GW, which is slightly above 6% of India's total installed power generation capacity. The government wants the share to rise to 15%. However, 28 gas-based plants with about 10 GW capacity had zero generation and the overall plant load factor (PLF) of all gas-based power plants was below 15% in FY23 due to lack of domestic gas and high price of imported gas.

With barely half of the current gas consumption coming from local production, which mostly feeds the fertilizer sector and city gas distributors, dependence on gas-based power plants can only be interim and not a long term solution. "Gas-based power plants can only provide temporary relief during the summer months. Imported gas is not favourable in terms of cost economics," said Kadam.

READY FOR ACTION

- Gas-based power plants of NTPC, which has 6,511 MW of gas-based capacity and assured gas supply from GAIL, are all set to start power production when needed
- There are more than 60 gas-based power plants in the country with a total capacity of about 25 GW