

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 402
ANSWERED ON MONDAY, FEBRUARY 5, 2024/MAGHA 16, 1945(SAKA)**

EXPENDITURE UNDER CSR

QUESTION

402. SHRI SANJAY JADHAV:

SHRI VINAYAK RAUT:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether there are wide-ranging and regional variations in expenditure under Corporate Social Responsibility (CSR) in the country;**
- (b) if so, the details thereof and the reasons therefor;**
- (c) the corrective steps taken by the Government in this regard;**
- (d) whether expenditure under CSR is being neglected in local areas in some States and if so, the details thereof;**
- (e) the steps taken by the Government to increase the said expenditure under CSR in local areas;**
- (f) whether the Government proposes to make statutory amendment in this regard; and**
- (g) if so, the details thereof and if not, the reasons therefor?**

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS

[RAO INDERJIT SINGH]

(a) & (b): The broad framework for Corporate Social Responsibility (CSR) has been provided under Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014. The CSR framework is disclosure based and CSR mandated companies are required to file details of CSR activities annually in the MCA21 registry. All data related to CSR filed by companies in MCA21 registry is available in public domain and can be accessed at www.csr.gov.in.

An analysis of CSR data during the period FY 2014-15 to FY 2021-22, reveals that around 35% of the total CSR spent by the companies is in the states of Maharashtra, Karnataka, Gujarat, Tamil Nadu and Andhra Pradesh. Similarly, around 66% of the total CSR spent by the companies is in the areas of education, healthcare, rural development and environmental sustainability related activities.

(c) to (g): Section 135 (5) of the Act provides that the company shall give preference to the local area and areas around where it operates. However, in order to ensure an all India spread of CSR expenditure, the emphasis on local area is only directory and not mandatory in nature and companies need to balance local area preference with national priorities. It was further clarified that the activities mentioned in Schedule VII are broad based and can be interpreted liberally. Under the Act, CSR is a Board driven process and the Board of the company is empowered to plan, decide, execute and monitor CSR activities of the company based on the recommendation of its CSR Committee. The Government does not issue any specific direction to the companies to spend in any particular geographical area or activity.