

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 1653
ANSWERED ON TUESDAY, DECEMBER 10, 2024**

**NOTIFICATION OF SECOND PROVISO TO SECTION 135(5) OF COMPANIES ACT,
2013**

QUESTION

1653 SHRI CHANDRAKANT HANDORE:

Will the Minister of CORPORATE AFFAIRS be pleased to state:-

- (a) whether second proviso to Section 135(5) of Companies Act, 2013 has been notified by Government;
- (b) if so, the amount of CSR Funds transferred to funds specified in Schedule VII of the Companies Act, 2013, till date;
- (c) the companies required to constitute Corporate Social Responsibility committee under section 135(1) of the Companies Act, 2013 based on the data of Financial Year 2023-24; and
- (d) the details of number of companies which have constituted CSR Committees, till date?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND MINISTER
OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS.**

[SHRI HARSH MALHOTRA]

(a) to (b): Second Proviso to Section 135(5) of Companies Act, 2013 has been notified vide Notification No. G.S.R. 129(E) dated 27.02.2014 and further amended in Companies (Amendment) Act, 2019 vide notification No. G.S.R. 40(E) dated 22.01.2021. The legal framework for CSR has been provided under Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014. Every company having net worth of Rs. 500 crore or more or turnover of Rs. 1000 crore or more or net profit of Rs. 5 crore or more during immediately preceding financial year shall ensure that it spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately financial years in areas or subjects specified in Schedule VII of the Act. On the basis of annual filings made by companies in the MCA 21 registry, the sector-wise total CSR expenditure for the last three financial years (FY) i.e, 2020-21, 2021-22 and 2022-23 is attached at Annexure-I in which the details of CSR fund transferred to funds specified in Schedule VII is included.

(c) & (d) : As per Section 135(1) of the Act, every CSR mandated company shall constitute a CSR Committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent director. It is further provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more Directors. Further, Section 135(9) provides that where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) of Section 135 for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Director of such company. On the basis of annual filings made by companies in the MCA 21 registry, the number of companies which have constituted CSR committees for the last three financial years (FY) i.e, 2020-21, 2021-22 and 2022-23 is attached at Annexure-II.

**ANNEXURE REFERRED TO IN REPLY OF RAJYA SABHA UNSTARRED QUESTION NO. 1653
FOR 10.12.2024**

Sector-wise CSR expenditure from FY 2020-21 to 2022-23				
(Amount in Rs. Cr.)				
S. No.	Development Sector	FY 2020-21	FY 2021-22	FY 2022-23
1	Agro forestry	20.90	34.27	65.07
2	Animal welfare	193.55	168.79	315.98
3	Armed Forces, Veterans, War Widows/ Dependants	84.05	47.22	62.27
4	Art And Culture	493.13	248.34	441.02
5	Conservation of natural resources	92.00	273.82	580.37
6	Education	6693.25	6569.82	10085.78
7	Environmental Sustainability	1030.16	2433.24	1960.13
8	Gender Equality	43.83	104.67	119.83
9	Health Care	7325.83	7816.29	6830.60
10	Livelihood Enhancement Projects	938.91	854.78	1654.39
11	Other Central Government Funds	3491.30	1620.09	1091.86
12	Poverty, Eradicating Hunger, Malnutrition	1407.58	1896.95	1232.62
13	Rural development projects	1850.71	1833.76	2005.37
14	Safe drinking water	203.13	182.68	246.36
15	Sanitation	338.97	313.26	429.91
16	Senior citizens welfare	56.47	79.58	132.87
17	Setting up homes and hostels for women	44.52	100.92	48.53
18	Setting up orphanage	21.88	27.52	41.24
19	Slum area development	88.95	58.38	93.84
20	Socio-economic inequalities	149.81	164.90	154.01
21	Special education	209.24	190.52	305.67
22	Technology incubators	62.62	8.57	1.38
23	Training To Promote Sports	243.39	291.85	526.14
24	Vocational skills	717.65	1034.18	1164.19
25	Women Empowerment	206.00	261.34	396.99
26	NEC (Not elsewhere covered)/ Not Mentioned*	203.14	0.59	1.50
	Total	26210.95	26616.30	29987.92

(Data upto 31.03.2024) (Source: Corporate Data Management Cell)

* Companies either did not specify the names of Sector or indicated more than one sector.

**ANNEXURE REFERRED TO IN REPLY OF RAJYA SABHA UNSTARRED QUESTION NO. 1653
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Number of companies which have constituted CSR committee from FY 2020-21 to 2022-23				
S. No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23
1	Companies having constituted CSR committee	3328	11573	15291

(Data upto 31.03.2024) (Source: Corporate Data Management Cell)

Note: The above data does not include number of companies wherein details pertaining to CSR committee have not been mentioned in the filings.
