

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

LOK SABHA

UNSTARRED QUESTION NO. 4191

ANSWERED ON FRIDAY THE 11TH AUGUST 2017

SHRAVANA 20, 1939 (SAKA)

UNSPENT FUNDS UNDER CSR

QUESTION

4191. SHRI Y.V. SUBBA REDDY:

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

कारपोरेट कार्य मंत्री

- (a) the status of implementation of Corporate Social Responsibility (CSR) by various companies mandated under the Companies Act;**
- (b) whether the Government is aware that all companies have not been able to spend their 100 per cent funds allotted under CSR and if so, the details thereof and the reasons therefor;**
- (c) the amount of funds left unspent since implementation of CSR under Companies Act; and**
- (d) whether the Government has devised a monitoring mechanism on pre and post implementation of programmes under CSR so as to ensure full expenditure of funds by companies under CSR and if so, the details thereof?**

ANSWER

**THE MINISTER OF STATE IN THE
MINISTRY OF CORPORATE AFFAIRS**

(SHRI ARJUN RAM MEGHWAL)

कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री अर्जुन राम मेघवाल)

(a) to (d): Section 135 of Companies Act, 2013 requires every company above the specified thresholds of turnover, or net worth, or net profit to spend at least two per cent of the average net profits earned during three immediately preceding financial years on Corporate Social Responsibility (CSR). The section also provides that in case a company fails to spend the specified amount, the Board would specify the reasons for not spending the amount in its report.

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An assessment of CSR expenditure of 5097 companies for financial year 2015-16, indicates that about Rs. 9822 crores have been spent on CSR, as tabulated below:-

CSR Expenditure during 2015-16 (in Rs. Crore)

Sr. No.	Company Type	Total companies	No. of Companies with CSR expenditure	No. of Companies with no CSR expenditure	Actual CSR expenditure (in Rs. Crore)
1.	PSUs	172	103	69	3360
2.	Private Sector Companies	4925	2999	1926	6462
	Total	5097	3102	1995	9822

The reasons given by companies for not spending/under spending inter-alia are as below:

- **adoption of long term CSR programmes / projects;**
- **non-receipt of utilisation certificate from implementing agencies by the year end;**
- **difficulty to find suitable implementing agency;**
- **delay in formation of CSR committee / implementation of plan / reorientation of CSR Policies etc.;**
- **Financial restructuring**
- **Incurred loss**
- **Technical and Procedural difficulty**
- **Projects were in conceptualization stage**
- **CSR policy formulation is under process**
- **Company were primarily focused on creating suitable organizational capacity to identify and undertake appropriate CSR programs/projects**

The Board of the CSR eligible company is empowered under the Act to take decision on the CSR programmes/projects to be undertaken which includes devising of monitoring mechanism on pre and post implementation of such programmes/ project under CSR. Ministry of Corporate Affairs has no role to play in this regard.
