

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 1984
ANSWERED ON FRIDAY THE 29th DECEMBER, 2017
PAUSHA 08, 1939 (SAKA)**

CSR BY PSUs

QUESTION

1984. SHRI KAUSHALENDRA KUMAR:

Will the Minister of CORPORATE AFFAIRS

कारपोरेट कार्य मंत्री

be pleased to state:

(a) whether Public Sector Undertakings (PSUs) can spend funds on their own discretion under Corporate Social Responsibility (CSR) or have responsibility to give priority to the backward areas of the country and if so, the details thereof;

(b) whether PSUs seek advice from the Government for spending fund under CSR or there is a provision to consult the elected representatives and if so, the details thereof;

(c) whether the whole CSR fund has been spent only on cleanliness drive during the last year; and

(d) if so, the details thereof and the reasons therefor along with the reasons for not giving importance to the other works?

ANSWER

**MINISTER OF STATE FOR LAW AND JUSTICE
AND CORPORATE AFFAIRS**

(SHRI P. P. CHAUDHARY)

विधि और न्याय एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री पी. पी. चौधरी)

(a) & (b) : Section 135 of the Companies Act, 2013 ('The Act') requires every company, including public sector undertakings (PSUs), above the specified threshold to spend at least two per cent of the average net profits earned during three immediate preceding financial years on Corporate Social Responsibility (CSR). The first proviso to section 135 (5) of the Act reads that "the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities". As per Section 135 (3) & (4) of the Act, the Board of the CSR eligible company, and its CSR Committee, are empowered to select CSR

programmes / projects / activities to be undertaken including the area where the works are to be undertaken under such programmes/projects.

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(c) & (d): No Madam. The entire CSR fund of PSUs has not been spent on cleanliness drive only during the last year. The total CSR expenditure reported by PSUs in various development sectors as enlisted in the Schedule VII of the Act, for the year 2015-16, as per the filings made on MCA21 registry upto 31.03.2017, is as summarized in the Table below:

DEVELOPMENT SECTOR WISE CSR EXPENDITURE BY PSUs FOR FY 2015-16

S. No.	Sectors	CSR Expenditure (In Rs. crores)
1	Health/ Eradicating Hunger/ Poverty and malnutrition/ Safe drinking water / Sanitation	1,466.01
2	Education/ Differently Abled/ Livelihood	806.17
3	Rural Development Projects	529.87
4	Environment/ Animal Welfare/ Conservation of resources	290.64
5	Swachh Bharat Kosh	637.69
6	Any other fund	215.54
7	Gender equality / Women empowerment / Old age homes / Reducing inequalities	77.57
8	Prime Minister's National Relief Fund	20.42
9	Encouraging Sports	6.93
10	Heritage, Art and Culture	56.27
11	Slum Area Development	37.31
12	Clean Ganga Fund	0.55
13	Other Sectors (Technology Incubator and benefits to armed forces, admin overheads and others*)	14.60
	Total (In Rs. Crore)	4,159.57
	Number of Companies**	237

* not specified

**no. of companies which have reported any CSR expenditure.
