

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA**

**UNSTARRED QUESTION NO. 763  
ANSWERED ON MONDAY, DECEMBER 12, 2022/  
AGRAHAYANA 21, 1944 (SAKA)**

**PROMOTION OF LOCAL SPENDING UNDER CSR**

**QUESTION**

**763. SHRI POCHA BRAHMANANDA REDDY:**

**SHRI M.V.V. SATYANARAYANA:**

**SHRI HANUMAN BENIWAL:**

**SHRI MADDILA GURUMOORTHY:**

**SHRI CHANDRA SEKHAR BELLANA:**

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

**(a) whether the Government has taken cognizance of the fact that there is wide-spread regional and sectoral variation in spending under the Corporate Social Responsibility (CSR) in the country;**

**(b) if so, the details thereof and the reasons therefor along with the corrective steps taken by the Government in this regard;**

**(c) whether CSR spending in local areas is being neglected and it is concentrated in a few States;**

**(d) if so, the details thereof along with the steps taken by the Government to increase CSR spending in local areas; and**

**(e) whether the Government proposes to make a statutory amendment in this regard and 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) to (e): 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](http://www.csr.gov.in).**

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**An analysis of CSR data (as on 30.09.2022) during the period 2014-15 to 2020-21, reveals that around 35% of the total CSR spent by the companies is in the states of Maharashtra, Karnataka, Gujarat, Andhra Pradesh and Tamil Nadu. Similarly, around 60% of the total CSR spent by the companies is in the areas of education, healthcare and rural development related activities.**

**Section 135 (5) of the Act provides that the company shall give preference to the local area and areas around it where it operates. In order to ensure an all India spread of CSR expenditure, the Ministry vide General Circular no. 14/2021 dated 25.08.2021 had clarified that 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.**

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