

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

LOK SABHA

UNSTARRED QUESTION NO. 4173

ANSWERED ON MONDAY, MARCH 27, 2023/CHAITRA 6, 1945 (SAKA)

USE OF CSR FUNDS

QUESTION

4173. SHRI SHRINIWAS PATIL:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the analysis of spending of Corporate Social Responsibility (CSR) funds by various companies reveals a tendency to spend funds in the immediate vicinity of the operational location of the respective companies;**
- (b) if so, whether such practice creates a concentration of development projects in areas which are already industrialized leading to a further disparity between industrialised and non-industrialized areas and if so, the details thereof;**
- (c) whether the Government proposes to bring in an amendment to the CSR rules making it mandatory to spend a certain portion of the CSR funds of the company in same State but in different districts away from the immediate operational location of the company; and**
- (d) if so, the details thereof?**

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 first proviso to 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. 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. Further, in the CSR framework, there is no distinction between industrialized and non-industrialized areas. However, on the basis of annual filings made by Companies in the MCA21 registry, State/UT-wise details of CSR spent by companies during the FY 2018-19, 2019-20 & 2020-21 are at Annexure.

(c) & (d): No Such proposal is under consideration.

ANNEXURE REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO. 4173 FOR 27.03.2023

State/UT-wise CSR Expenditure (in Rs. Cr.)				
S.N.	State/UT	FY 2018-19	FY 2019-20	FY 2020-21
1	Andaman and Nicobar	0.82	1.29	2.86
2	Andhra Pradesh	665.97	710.12	715.81
3	Arunachal Pradesh	24.56	18.02	10.58
4	Assam	210.00	285.00	167.78
5	Bihar	137.57	110.48	79.30
6	Chandigarh	11.46	15.58	13.19
7	Chhattisgarh	149.35	269.68	307.83
8	Dadra and Nagar Haveli	13.48	18.34	21.98
9	Daman and Diu	6.25	9.53	5.25
10	Delhi	750.76	829.50	713.58
11	Goa	46.77	43.91	41.78
12	Gujarat	1,082.18	984.15	1,443.62
13	Haryana	378.11	536.57	542.45
14	Himachal Pradesh	78.79	78.61	105.01
15	Jammu and Kashmir	36.44	25.27	35.47
16	Jharkhand	109.80	155.21	210.27
17	Karnataka	1,252.23	1,448.08	1,265.05
18	Kerala	354.78	298.56	286.52
19	Lakshadweep	0.39	-	0.01
20	Madhya Pradesh	243.55	215.33	354.50
21	Maharashtra	3,147.66	3,348.82	3,426.31
22	Manipur	7.81	14.21	10.30
23	Meghalaya	16.54	17.65	12.46
24	Mizoram	0.11	0.25	0.97
25	Nagaland	2.12	5.10	3.57
26	Odisha	697.91	716.81	567.63
27	Puducherry	9.15	11.32	11.97
28	Punjab	166.85	188.52	137.29
29	Rajasthan	595.49	734.12	657.86
30	Sikkim	5.87	10.99	15.16
31	Tamil Nadu	877.08	1,072.02	1,145.67
32	Telangana	428.06	445.80	624.22
33	Tripura	23.06	9.40	9.29
34	Uttar Pradesh	521.32	577.91	870.13
35	Uttarakhand	172.31	124.70	155.43
36	West Bengal	382.23	422.95	464.65
37	NEC/ Not mentioned*	4.44	26.41	176.20
38	PAN India**	6,429.81	9,385.41	7,684.81
39	Contribution to Funds included in Schedule VII of the Act	1,155.86	1,789.15	3,417.89
Grand Total (in Cr.)		20,196.95	24,954.78	25,714.65

(Data up to 30.09.2022) [Source: National CSR Data Portal]

*Companies did not specify the names of States where projects were undertaken

** Companies indicated more than one State where projects were undertaken
