

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 616
ANSWERED ON MONDAY, FEBRUARY 6, 2023/
MAGHA 17, 1944 (SAKA)**

**REGIONAL VARIATIONS IN CSR SPENDING
QUESTION**

616. SHRI CHANDRA SEKHAR BELLANA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has taken cognisance of the fact that there are wide-spread regional and sectoral variations in Corporate Social Responsibility (CSR) spending;**
- (b) if so, the details thereof and the reasons for such variation in CSR spending across sectors and regions; and**
- (c) the measures being taken by the Government to reduce such variation in CSR spending?**

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 (c): 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.

An analysis of CSR data during the period FY 2014-15 to FY 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.