

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 14
ANSWERED ON MONDAY, DECEMBER 4, 2023
AGRAHAYANA 13, 1945 (SAKA)**

UNSPENT AMOUNT UNDER CSR BY PSUs and PSBs

QUESTION

14. SHRI RAMDAS C. TADAS

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the details of Public Sector Undertakings (PSUs) and private sector companies which have not spent any funds under Corporate Social Responsibility (CSR) during the last two years and the current year;**
- (b) the number of such PSUs/companies/institutions throughout the country against which action has been taken;**
- (c) whether the Government has received complaints regarding manipulations by such PSUs/ companies/institutions;**
- (d) if so, whether the Government has set up any Committee/authority which can ensure proper use of CSR funds and monitor their activities;**
- (e) if so, the details thereof; and**
- (f) 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 (c) : The broad framework for Corporate Social Responsibility (CSR) has been provided through Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014. 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 based on the recommendations of its CSR Committee. The CSR framework is disclosure based and expenditure on CSR activities is required to be audited by the statutory auditors of the company.

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Further, Ministry has notified the Companies (Auditor's Report) Order, 2020, ("CARO, 2020") applicable from FY 2021-22 which requires auditors to state details of any unspent CSR amount. The Board of the company is also required to disclose the CSR Policy implemented by the company in its Board report. Under Rule 4(5) of the Companies (CSR Policy) Rules, 2014 the Board of the company has to satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it, and the Chief Financial Officer or the person responsible for financial management shall certify to the effect. Thus, the corporate governance framework along with the existing legal provisions such as mandatory disclosures, accountability of the CSR Committee and the Board, provisions for statutory audit of accounts of the company etc. provide adequate safeguards for CSR activities implemented by the companies.

The CSR related disclosures are filed by the companies in the MCA 21 portal. Whenever violation of CSR provisions is reported, action against such non-compliant Companies is initiated as per provisions of the Act after due examination of records and following due process of law.

On the basis of annual filings made by Companies in the MCA21 registry, the CSR expenditure by Public Sector Undertakings (PSUs) and Non-PSUs during the last three Financial Years (FY) i.e., 2019-20, 2020-21 to 2021-22 are given below:

CSR Expenditure by PSUs and Non-PSUs (Amount in Crore)						
Nature of Company	FY 2019-20		FY 2020-21		FY 2021-22	
	No. of Companies	Amount Spent	No. of Companies	Amount Spent	No. of Companies	Amount Spent
PSUs	483	5,310.12	448	4,486.27	313	4,313.46
Non-PSUs	22,502	19,655.70	20,392	21,724.68	18,310	21,619.34
Grand Total	22,985	24,965.82	20,840	26,210.95	18,623	25,932.80

(Data upto 31.03.2023) [Source: National CSR Data Portal]

Moreover, the companies are required to file the CSR details for the FY 2022-23 on or before 31.03.2024.

(d) to (f): No, Sir. 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 based on the recommendations of its CSR committee. The Government does not issue any specific direction to the companies to spend in any particular activity.
