

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
STARRED QUESTION NO. 365  
ANSWERED ON MONDAY, MARCH 22, 2021/  
CHAITRA 1, 1943 (SAKA)**

**CHECKS ON CSR SPENDINGS**

**QUESTION**

**\*365. SHRI RAHUL RAMESH SHEWALE:  
SHRI HEMANT SRIRAM PATIL:**

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

कारपोरेट कार्य मंत्री

- (a) whether the Government keeps a check on spending of requisite profits under Corporate Social Responsibility (CSR) by the Public and Private Sector companies in the country;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the number of companies against which the Government has taken penal action for non-compliance of the provisions of the Companies Act, 2013 pertaining to CSR during each of the last three years and the current year, company-wise;
- (d) the manner in which the Government unearthed clandestine activities adopted by the said companies to get rid of their requisite spendings under CSR; and
- (e) the other steps taken by the Government to ensure the requisite spending of profits under their CSR by the said companies?

**ANSWER**

**THE MINISTER OF FINANCE  
AND CORPORATE AFFAIRS**

वित्त एवं कारपोरेट कार्य मंत्री

**(SHRIMATI NIRMALA SITHARAMAN)**

(श्रीमती निर्मला सीतारमण)

**(a) to (e): A Statement is laid on the Table of the House.**

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**STATEMENT REFERRED TO IN ANSWER TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 365\* (5<sup>TH</sup> POSITION) FOR 22<sup>ND</sup> MARCH, 2021 REGARDING CHECKS ON CSR SPENDING.**

**(a) to (e): The Government provides the broad framework for Corporate Social Responsibility (CSR) through Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014. 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 CSR architecture is disclosure based and CSR mandated companies are required to file details of CSR activities annually in the MCA21 registry. 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 sufficient safeguards. Whenever any violation of CSR provisions is reported, action against such non-compliant Companies are initiated as per provisions of the Act after due examination of records and following due process of law. All CSR related defaults are compoundable. So far, sanction for prosecution has been accorded in 366 cases. Of these, 148 applications for compounding have been made and 75 cases have been compounded. Further, through Companies amendment Act, 2019, the non-compliance of CSR has been a civil wrong from financial year 2020-21 onwards.**

**As per filings made by the Companies in the MCA21 registry, the CSR spent by various public and private sector companies during last three financial years 2017-18, 2018-19 and 2019-20 respectively are given below:**

| Nature of Company                 | FY 2017-18       |                             | FY 2018-19       |                             | FY 2019-20       |                             |
|-----------------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|
|                                   | No. of Companies | Total Amount Spent (in Cr.) | No. of Companies | Total Amount Spent (in Cr.) | No. of Companies | Total Amount Spent (in Cr.) |
| Public Sector Undertakings (PSUs) | 535              | 2,704.32                    | 609              | 3,835.50                    | 14               | 438.29                      |
| Non-PSUs                          | 20,915           | 11,185.53                   | 24,323           | 14,819.32                   | 1,061            | 7,384.21                    |
| Grand Total                       | 21,450           | 13,889.85                   | 24,932           | 18,654.82                   | 1,075            | 7,822.50                    |

**(Data upto 30.09.2020) [Source: National CSR Data Portal]**

**Contd...2/-**

**The Companies (Amendment) Act, 2019 and 2020 have made requisite amendments to Section 135 of the Act and provided for treatment of unspent CSR fund by companies. In case a company has any ongoing project, the company shall open a special account in any scheduled bank in order to discharge its CSR obligation. Further, the amendments in the Companies (CSR Policy) Rules, 2014 have been notified on 22<sup>nd</sup> January 2021. These amendments aim at strengthening the CSR ecosystem by enhancing the disclosures, simplifying the compliances, bringing in more objectivity, transparency and entrusting more responsibility on the Board of the company.**

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