

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3168
ANSWERED ON MONDAY THE 15th MARCH, 2021/
PHALGUNA 24, 1942 (SAKA)**

USE OF CSR FUNDS BY COMPANIES

QUESTION

**3168. SHRI RAMDAS C. TADAS:
SHRI SANGAM LAL GUPTA:**

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

कारपोरेट कार्य मंत्री

(a) the details of the amount spent by various corporate companies including Public Sector Undertakings (PSUs) and Public Sector Enterprises (PSEs) under the Corporate Social Responsibility (CSR) during each of the last three years and the current year;

(b) whether the Government is aware that several companies have established Non-Governmental Organisations (NGOs) to spent their CSR funds and are thereby misusing the provisions of the CSR policy;

(c) if so, the details thereof, company-wise; and

(d) whether the Government has formulated any scheme to review the works done by them and if so, the details thereof?

ANSWER

**THE MINISTER OF STATE FOR FINANCE
AND CORPORATE AFFAIRS**

(SHRI ANURAG SINGH THAKUR)

वित्त एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री अनुराग सिंह ठाकुर)

(a): As per filings made by the Companies in the MCA21 registry, the Corporate Social Responsibility (CSR) spent by various public and private sector companies for the 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	1061	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]

As per the Companies Act, 2013 ('Act'), companies are required to hold Annual General Meeting (AGM) within six months from the end of financial year. Thereafter, financial statements and board report containing disclosure about CSR, are to be filed in MCA21 within 30 days of the AGM. Thus, for the ongoing financial year no filing has been made by CSR mandated companies.

(b) & (c): Section 135 of the Act read with Rule 4 of the Companies (CSR Policy) Rules, 2014 prescribes that the Board of the company is empowered to undertake its CSR activities either by itself or through implementing agencies, namely:

- i). a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or**
- ii). a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or**
- iii). any entity established under an Act of Parliament or a State legislature; or**
- iv). a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.**

(d): 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. Further, the Board of the company is also required to disclose the CSR Policy developed and implemented by the company, including the details like funds earmarked, expenditure made, implementing agencies appointed etc., in their board report. 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 for implementation of CSR by companies. 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.
