# GOVERNMENT OF INDIA MINISTRY OF CORPORATE AFFAIRS

# LOK SABHA STARRED QUESTION NO. 4 ANSWERED ON MONDAY, JULY 19, 2021/ ASHADHA 28, 1943 (SAKA)

## **CSR SPENDING IN RAJASTHAN**

#### QUESTION

## \*4. SHRI HANUMAN BENIWAL:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

कारपोरेट कार्य मंत्री

- (a) the details of the criteria and provisions laid down for the industries and the oil, gas and energy sector companies for spending the Corporate Social Responsibility (CSR) funds;
- (b) whether the Government proposes to issue instructions for spending the full amount of CSR funds of the oil, gas and energy sector companies operating in Western Rajasthan including Barmer, Jaisalmer and Jalore districts on the development activities in the concerned districts itself in view of the backwardness of these districts;
- (c) if so, the details thereof along with the time by which the said instructions are likely to be issued;
- (d) if not, the reasons therefor; and
- (e) the item-wise and activity-wise details of expenditure under CSR fund by the companies operating in Barmer, Jaisalmer, Jalore, Nagaur, Jodhpur and Pali districts of Rajasthan during the last three years along with the amount of CSR fund of the companies operating in these districts spent in other States?

### ANSWER

# THE MINISTER OF FINANCE AND CORPORATE AFFAIRS

(SHRIMATI NIRMALA SITHARAMAN) (श्रीमती निर्मला सीतारामन)

वित्त एवं कारपोरेट कार्य मंत्री

(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. \*4 (4<sup>TH</sup> POSITION) FOR 19<sup>th</sup> JULY, 2021 REGARDING CSR SPENDING IN RAJASTHAN

(a) to (d): 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. Section 135 of the Act mandates every company, including oil, gas and energy sector companies, having net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more, or net profit of Rs. 5 crore or more during the immediately preceding financial year, to spend at least two per cent of the average net profits of the company towards CSR as per the CSR Policy of the Company. The activities undertaken towards CSR should relate to areas or subjects specified in Schedule VII of the Act. The operational framework with respect to CSR is contained in the 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. However, 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 area or activity.

(e) All data related to CSR filed by companies in MCA21 registry is available in public domain and can be accessed at <u>www.csr.gov.in</u>. As per the filings made by the companies in the MCA21 registry, the CSR amount spent in Barmer, Jaisalmer, Jalore, Nagaur, Jodhpur and Pali districts of Rajasthan by all the companies, including the companies operating in those districts, for the financial years 2017-18, 2018-19 and 2019-20 respectively are given below:

District-wise CSR Spent in the State of Rajasthan (In Rs. Crore)				
Districts	FY 2017-18	FY 2018-19	FY 2019-20	Total
Barmer	0.27	25.85	15.80	41.92
Jaisalmer	1.54	0.03	3.40	4.97
Jalore	0.64	1.03	2.42	4.09
Jodhpur	1.67	6.69	4.46	12.82
Nagaur	1.44	0.39	0.85	2.68
Pali	4.63	10.34	3.40	18.7

(Data upto 31.03.2021) [Source: National CSR Data Portal