

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3303
ANSWERED ON MONDAY, AUGUST 09, 2021/
SRAVANA 18, 1943 (SAKA)**

DIVERSION OF CSR FUNDS

QUESTION

3303. SHRI KIRTI VARDHAN SINGH:

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

कारपोरेट कार्य मंत्री

- (a) whether during the pandemic caused due to Covid-19, all the CSR funds had been put on hold and are diverted to the Government for the purchase of medical equipments and para medical facilities; and**
- (b) the contribution of the PSUs to the Government in the last two fiscal years, PSU-wise and also the contribution of private entities to the fund in the last two fiscal years and whether there has been a mishandling of CSR funds by private entities, if so, the details thereof?**

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): No, Sir. Apart from the already allowed activities, Ministry vide General Circular no.10/2020 dated 23.03.2020 clarified that Corporate Social Responsibility (CSR) funds may be spent by the companies for various activities related to COVID-19. Further, Ministry vide General Circulars no. 05/2021 and 09/2021 dated 22.04.2021 & 05.05.2021 respectively, also clarified that spending of CSR funds for setting up makeshift hospitals and temporary COVID care facilities and 'creating health infrastructure for COVID care', 'establishment of medical oxygen generation and storage plants', 'manufacturing and supply of oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19' are eligible CSR activities.

(b): The Government provides the broad framework for CSR 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 of the company based on the recommendation of its CSR Committee. The Government does not have any direct role in this regard.

The CSR architecture is disclosure based and CSR mandated companies are required to file details of CSR activities annually in MCA21 registry. As per the 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, the CSR data for the Financial Year 2020-21 is not available. However, as per filings made by the Companies in the MCA21 registry, the CSR spent by various public and private sector companies for the financial years 2018-19 and 2019-20 respectively is given below:

Nature of Company	FY 2018-19		FY 2019-20	
	No. of Companies	Total Amount Spent (in Rs. Cr.)	No. of Companies	Total Amount Spent (in Rs. Cr.)
Public Sector Undertakings(PSUs)	612	3847	439	4650
Non-PSUs	24353	14881	20910	16581
Grand Total	24965	18728	21349	21231

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

Whenever any violation of CSR provisions is reported, action against such non-compliant Companies are initiated as per provisions of Act after due examination of records and following due process of law.
