

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3615
ANSWERED ON MONDAY, DECEMBER 20, 2021/
AGRAHAYANA 29, 1943 (SAKA)**

NORMS FOR CSR SPENDING

QUESTION

**3615. SHRI. RAMESH CHANDRA MAJHI:
SHRIMATI RAJASHREE MALLICK:**

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

- (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 Odisha including Nabarangpur, Malkangiri, Koraput and Jugathsingpur 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 details of expenditure under CSR funds by the companies operating in Nabarangpur, Malkangiri, Koraput and Jugathsingpur districts of Odisha during each of the last five years?**

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 (d): The broad framework for Corporate Social Responsibility (CSR) has been provided under 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 made during the immediately preceding three financial years 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. The same has also been clarified through Frequently Asked Questions (FAQs) on CSR issued vide General Circular no. 14/2021 dated 25.08.2021. 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 geographical 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 www.csr.gov.in. As per the filings made by the companies in the MCA21 registry, the CSR spent in Nabarangpur, Malkangiri, Koraput and Jugathsingpur districts of Odisha by all the companies, including the companies operating in those districts, during the financial years (FY) 2016-2017 to 2020-21 is given below:

District-wise CSR Spent in the State of Odisha (INR Cr.)						
Districts	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total amount
Nabarangpur	-	1.46	1.98	0.01	-	3.45
Malkangiri	-	0.25	0.04	0.02	-	0.31
Koraput	12.01	1.59	2.23	14.81	0.05	30.69
Jugathsingpur	-	-	2.19	5.65	0.56	8.40

(Data upto 30.09.2021)

[Source: National CSR Data Portal]

Regarding CSR data for FY 2020-21, it is informed that the 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. The Ministry vide General Circular No. 17/2021 dated 29.10.2021 relaxed the levying of additional fees till 31.12.2021 for the filing of financial statements in respect of the FY 2020-21.