GOVERNMENT OF INDIA MINISTRY OF CORPORATE AFFAIRS

LOK SABHA

UNSTARRED QUESTION NO. 1914 ANSWERED ON MONDAY, MARCH 14, 2022/ PHALGUNA 23, 1943 (SAKA)

CSR COMPLIANCE BY COMPANIES IN MADHYA PRADESH

QUESTION

1914. SHRI ANIL FIROJIYA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether all companies are complying with the Section 135 of the companies Act related to Corporate Social Responsibility (CSR) and giving preference to development of local areas:
- (b) if so, the details thereof, State-wise;
- (c) if not, the district-wise details of the companies in Madhya Pradesh which are not complying;
- (d) whether the Government has taken action against the companies which are not complying with the CSR rules, if so, the details thereof; and
- (e) whether the Government is formulating new measures to ensure its compliance and 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) to (c): 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. 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 based on the recommendations of its CSR committee.

All data related to CSR filed by companies in MCA21 registry is available in public domain at www.csr.gov.in. On the basis of the filings made by the companies in the MCA 21 registry, details of CSR funds spent by the companies, in different States /Union Territories (UTs) for financial years 2016-17 to 2020-21 is at Annexure.

- (d): The corporate governance framework along with 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 safeguards in this regard. Whenever any violation of CSR provisions is reported, action against such non-compliant Companies is initiated as per provisions of the Act after due examination of records and following due process of law. Earlier, CSR related defaults were compoundable offences. So far, sanction for prosecution has been accorded in 366 cases. Of these, 155 applications for compounding have been made and 105 cases have been compounded. Further, the non-compliance of CSR provisions has been converted as a civil wrong w. e. f. 22nd January, 2021.
- (e): Section 135 of the Act was amended vide Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020. These amendments provided for the transfer of unspent CSR amount and made the non-compliance of CSR provisions a civil wrong w. e. f. 22nd January 2021. Further, Companies (CSR Policy) Rules, 2014 was also amended which have strengthened the CSR ecosystem by bringing more objectivity, transparency, entrusting more responsibility on the board and enhancing the disclosures by the companies.

ANNEXURE REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO. 1914 FOR 14.03.2022

	State /UT-wise CS	R expenditure	(INR Cr.) for	the last five fi	nancial years	2016-17 to 202	20-21
S. No.	States/UT	Amount Spent FY 2016-17	Amount Spent FY 2017-18	Amount Spent FY 2018-19	Amount Spent FY 2019-20	Amount Spent FY 2020-21	Total Amount
1	Andaman And Nicobar	0.83	0.76	0.82	1.29	2.26	5.95
2	Andhra Pradesh	753.53	578.22	668.72	720.62	588.67	3,309.76
3	Arunachal Pradesh	24.05	12.23	24.56	18.02	6.42	85.29
4	Assam	269.92	213.59	210.22	288.49	160.78	1,143.00
5	Bihar	100.81	107.72	140.14	144.16	56.29	549.13
6	Chandigarh	21.99	20.55	11.95	15.72	7.20	77.41
7	Chhattisgarh	84.94	176.94	150.30	261.61	283.14	956.94
8	Dadra And Nagar Haveli	7.58	7.04	13.48	19.12	7.02	54.23
9	Daman And Diu	2.63	20.23	6.25	9.69	3.13	41.93
10	Delhi	521.16	637.88	815.20	936.04	839.65	3,749.93
11	Goa	37.89	55.94	49.46	48.53	32.53	224.34
12	Gujarat	870.84	983.77	1,091.79	995.60	1,168.19	5,110.19
13	Haryana	390.07	369.84	381.41	528.81	398.45	2,068.58
14	Himachal Pradesh	24.03	69.98	81.25	82.10	98.59	355.94
15	Jammu And Kashmir	42.84	51.76	36.55	25.54	33.82	190.51
16	Jharkhand	95.69	110.18	112.35	156.52	188.35	663.10
17	Karnataka	887.68	1,161.68	1,280.24	1,483.54	966.62	5,779.77
18	Kerala	135.47	227.21	444.12	305.04	321.10	1,432.94
19	Lakshadweep	-	3.27	0.39	1.00	-	4.66
20	Madhya Pradesh	290.60	166.39	255.84	216.48	273.88	1,203.19
21	Maharashtra	2,492.11	2,833.41	3,206.84	3,426.79	2,646.46	14,605.62
22	Manipur	12.35	4.81	7.81	14.21	6.28	45.46
23	Meghalaya	10.97	13.20	18.12	19.74	8.71	70.74
24	Mizoram	0.08	1.48	0.11	0.25	0.49	2.41
25	Nagaland	0.92	1.81	2.14	5.10	2.98	12.96
26	Odisha	316.73	505.62	690.77	752.43	495.72	2,761.26
27	Puducherry	7.43	6.63	9.15	11.40	10.44	45.04
28	Punjab	75.83	114.11	167.86	192.05	95.16	645.01
29	Rajasthan	327.05	445.20	603.84	735.05	454.08	2,565.22
30	Sikkim	6.83	7.46	5.87	12.72	13.85	46.73
31	Tamil Nadu	550.94	687.96	900.36	1,110.15	749.03	3,998.44
32	Telangana	259.88	385.48	440.07	451.92	343.38	1,880.73
33	Tripura	1.25	1.88	23.06	9.40	8.20	43.79
34	Uttar Pradesh	328.31	442.30	524.46	584.59	680.24	2,559.90
35	Uttarakhand	102.52	86.47	178.19	128.64	113.10	608.93
36	West Bengal	290.35	360.45	386.69	454.87	316.98	1,809.34
37	NEC/Not Mentioned*	7.63	153.27	4.74	31.66	176.71	374.01
38	PAN India*	4,990.68	6,070.93	7,218.07	10,664.97	8,802.30	37,746.94
	Grand Total (in Cr.)	14,344.40	17,097.66	20,163.18	24,863.84	20,360.25**	96,829.32

(Data up to 31.12.2021) [Source: National CSR Data Portal]

^{*}Companies either did not specify the names of States or indicated more than one State where projects were undertaken.

^{**} Data for FY 2020-21 is subject to change as the levy of additional fees for the late filing has been relaxed till 15.03.2022.