

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 4909
ANSWERED ON MONDAY, MARCH 23, 2026 / CHAITRA 02, 1948 (SAKA)
CORPORATE SOCIAL RESPONSIBILITY (CSR) FUNDS SPENT IN KOLAR**

QUESTION

4909. Shri M Mallesh Babu:

Will the Minister of CORPORATE AFFAIR be pleased to state:

(a) the total amount of Corporate Social Responsibility (CSR) funds mandated to be spent by companies operating within the Narasapura and Vemagal industrial areas of Kolar in Karnataka for the Financial Year 2024-25;

(b) the specific data on unspent CSR funds from these units and whether such funds have been transferred to "Unspent CSR Accounts" or diverted to National Funds (Schedule VII) instead of being utilized for the local community, if so, the details thereof;

(c) whether the Government has monitored the nature of CSR projects in Kolar to ensure that they move beyond "general skilling" to address the district's urgent environmental and health crises, such as fluoride-free water provision and groundwater recharging, if so, the details thereof; and

(d) whether the Government is likely to enforce the "Local Area Preference" mandate under section 135(5) of the Companies Act, 2013, to ensure that the human development indices of villages in Malur and Bangarpet are prioritized by the industries operating in their vicinity and if so, the details thereof?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND MINISTER OF
STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

[SHRI HARSH MALHOTRA]

(a): Under the Companies 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. This Committee formulates and recommends the CSR policy, which outlines the activities to be undertaken by the company in alignment with the areas or subjects specified in Schedule VII of the Act.

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 Government does not mandate the companies to spend in any particular geographical area or for any particular activity.

(b) to (d): In view of the reply to part (a) above, the situation does not arise.
