

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 361
ANSWERED ON TUESDAY, THE 06th FEBRUARY, 2018
NON-FULFILLING OF TARGETS UNDER CSR BY PSUs**

QUESTION

361. DR T. SUBBARAMI REDDY:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the funds allotted and utilised separately by Public Sector Undertakings (PSUs) under Corporate Social Responsibility (CSR) in the last three years, and in the current year, year-wise;
- (b) the nature of projects being undertaken and the present status; and
- (c) the reasons for not fulfilling the target of completing various projects under CSR, in the last three years, the details thereof, PSU-wise?

ANSWER

MINISTER OF STATE FOR LAW AND JUSTICE
AND CORPORATE AFFAIRS

(SHRI P. P. CHAUDHARY)

(a) & (b) : Section 135 of the Companies Act 2013 (the 'Act') mandates every company above a specified threshold of turnover or net worth or net profit to spend at least two per cent of the average net profits earned during three immediately preceding financial years on Corporate Social Responsibility (CSR) activities as specified in Schedule VII of the Act. As per the data obtained from filings made by companies upto 30.11.2017 in the MCA21 registry for the years 2014-15, 2015-16 and 2016-17, the CSR expenditure made by Public Sector Undertakings (PSUs) was Rs. 2673.85 crore, Rs. 4163.09 crore and 1325.83 crore respectively. Schedule VII of the Act enlists the activities that can be undertaken by the companies under their CSR policies. The information with respect to present status of projects undertaken under CSR by the companies is not captured under MCA21 registry.

(c) : The reasons given by companies for not spending/under spending CSR inter-alia are as below:

- Adoption of long term CSR programmes / projects;
- Non-receipt of utilisation certificate from implementing agencies by the year end;
- Difficulty to find suitable implementing agency;
- Delay in formation of CSR Committee / implementation of plan / reorientation of CSR Policies etc.;
- Financial restructuring;

- Incurred loss;
- Technical and Procedural difficulty;
- Projects were in conceptualization stage;
- CSR policy formulation is under process;
- Company were primarily focusing on creating suitable organizational capacity to identify and undertake appropriate CSR programs/projects.
