

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

STARRED QUESTION NO:153
ANSWERED ON:07.03.2013
PHALGUNA SAKA CORPORATE SOCIAL RESPONSIBILITY
Chaudhary Shri Jayant;Punia Shri P.L.

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government proposes to bring in transparency in Corporate Social Responsibility (CSR) initiatives undertaken by the companies;
- (b) if so, the details thereof;
- (c) whether the money donated by the corporate companies could be treated as their CSR initiatives and if so, the details thereof;
- (d) whether the Government proposes to constitute a Board to regulate the utilisation of funds under CSR and if so, the details thereof; and
- (e) whether the Government also proposes to mandate companies to publicise provision of funds under CSR and if so, the details thereof and the time by which the same is likely to be introduced?

Answer

THE MINISTER OF STATE (SHRI SACHIN PILOT) (INDEPENDENT CHARGE) IN THE MINISTRY OF CORPORATE AFFAIRS

(a) to (e):- A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN ANSWER TO LOK SABHA STARRED QUESTION NO. 153 FOR 07.03.2013 REGARDING CORPORATE SOCIAL RESPONSIBILITY.

(a) to (b):- Yes, Madam. The Companies Bill, 2012 includes provisions (in Clause 135) for CSR activities to be undertaken by companies having

(i) net worth of rupees 500 crore or more; or

(ii) turnover of rupees of 1000 crore or more; or

(iii) net profits of rupees 5 crore or more in a financial year to spend at least 2% of average net profits (of last 3 years) in pursuance of the company's Corporate Social Responsibility (CSR) policy and in case of failure, to specify the reasons for not spending such amount in the Board's Report. Every company falling in the above category is required to spend every year two percent of its average net profits made during the past three years to implement its CSR policy.

(c):- Schedule VII as referred in Clause 135 of the Companies Bill 2012, provides list of Activities which may be included by companies in CSR Activities.

(d):- Yes, Madam.

(i) The Companies Bill, 2012, Clause 135 as referred in reply to para (a) above, provides for constitution of a CSR Committee of the Board.

(ii) The CSR Committee is required to;

(a) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(e) :- The format for disclosure of CSR policy and the activities therein as part of Board's report will be prescribed in the rules once the Bill is enacted.