

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4113
ANSWERED ON:21.03.2013
PHALGUNA SAKA CORPORATE SOCIAL RESPONSIBILITY
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the corporate houses have been spending money on Corporate Social Responsibility (CSR) ; and
- (b) if so, the details thereof alongwith the details of CSR activities or sectors as provided in the Companies Bill, Schedule-VII, Clause 135?

Answer

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

(a) & (b) There is no provision of Corporate Social Responsibility (CSR) in the Companies Act, 1956. The Companies Bill, 2012, however, incorporates the provision of CSR under Clause 135 which states that every company having net worth Rs. 500 crore or more, or a turnover of Rs. 1000 crore or more or a net profit of rupees five crore or more during any financial year shall constitute a CSR Committee of the Board consisting of three or more directors, including at least one independent director, to recommend activities for discharging corporate social responsibilities in such a manner that the company would spend at least 2 per cent of its average profits of the previous three years on CSR. The company is also required to disclose its activities in its report or on its website, and to institute a formal policy on CSR.

According to Schedule-VII of Companies Bill, 2012 the following activities can be included by companies in their CSR Policies:-

- i) eradicating extreme hunger and poverty;
- ii) promotion of education;
- iii) promoting gender equality and empowering women;
- iv) reducing child mortality and improving maternal health;
- v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi) ensuring environmental sustainability;
- vii) employment enhancing vocational skills;
- viii) social business projects;
- ix) contribution to the Prime Minister's National Relief Fund or any other fund set by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women; and
- x) such other matters as may be prescribed.