

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:716

ANSWERED ON:08.08.2013

CSR

Thakor Shri Jagdish

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the data regarding the amount spent by various companies under Corporate Social Responsibility (CSR) Scheme during the last three years and the current year;
- (b) whether the Government is aware that many companies have found their own Non-Governmental Organisations (NGOs) to spend CSR and are misusing the Scheme;
- (c) if so, the details thereof; and
- (d) the steps taken by the Government in this regard?

Answer

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

(a) to (d) There is no provision for Corporate Social Responsibility (CSR) spending by companies in the Companies Act, 1956. However, the Companies Bill, 2012 has a provision of CSR under Clause 135 which states that every company having net worth of Rs. 500 crores or more, or turnover of Rs. 1000 crores or more or net profit of rupees five crores or more during any financial year, shall constitute a CSR Committee to recommend its activities for discharging CSR in such a manner that the company would spend at least 2 per cent of its average net profits of the previous three years on CSR activities. The companies will have latitude in designing project based CSR interventions. Reporting requirements etc. will be discussed with all stakeholders and defined once the Bill is enacted.