

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

STARRED QUESTION NO:71  
ANSWERED ON:27.02.2015  
CORPORATE SOCIAL RESPONSIBILITY  
Rai Shri Prem Das;Sahu Shri Tamradhwaj

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) whether all public and private sector companies have been mandated to spend at least two per cent of their average net profits for activities under the Corporate Social Responsibility (CSR), if so, the details thereof during the last three financial years and the current year and the annual average expenditure incurred by the companies including Mahanavratna and Navratna companies during the said period, company-wise;
- (b) whether the Government proposes to include more activities and hike expenditure under CSR and if so, the details thereof;
- (c) whether the cases of underutilization/misutilisation of funds and corruption/ irregularities by the companies under CSR have come to the notice of the Government during the above period, if so, the details thereof, company-wise and the action taken by the Government thereon;
- (d) the mechanism put in place by the Government to monitor the activities including utilisation of funds by the companies under CSR; and
- (e) the other steps taken/being taken by the Government to ensure/facilitate effective implementation of CSR policy?

**Answer**

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY)

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

STATEMENT REFERRED TO IN ANSWER TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 71 FOR 27th FEBRUARY, 2015 REGARDING CORPORATE SOCIAL RESPONSIBILITY.

(a) to (c): In terms of Section 135 of the Companies Act 2013, companies above a certain threshold level of turnover or net worth or net profit are required to spend at least two per cent of their average net profits earned during three immediately preceding financial years on Corporate Social Responsibility (CSR) activities.

The current financial year is the first year of implementation of CSR by companies under the aforementioned Act. Details of expenditure incurred by companies under CSR would be available after the mandatory disclosures of CSR expenditure are filed by companies towards the end of the year 2015.

No proposal to include more activities or hike expenditure under CSR is under consideration of this Ministry.

(d): As per provisions of the Companies Act, 2013, the responsibility of monitoring the implementation of CSR policy lies with the Board of the company concerned.

(e): The Companies (Corporate Social Responsibility Policy) Rules, 2014 have been notified and clarifications have been issued by way of circulars to facilitate effective implementation of CSR by companies.