

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:2274

ANSWERED ON:11.12.2015

Irregularities under CSR

Adhikari Shri Sisir Kumar;Chaudhary Shri P.P.;Dubey Shri Nishikant ;Gandhi Shri Dilip Kumar Mansukhlal;Malyadri Shri Sriram;Meghwal Shri Arjun Ram ;Muddahanumegowda Shri S.P.;Rajesh Shri M. B.;Ram Shri Vishnu Dayal;Reddy,Kotha Prabhakar;Singh Shri Sunil Kumar;Singh Shri Sushil Kumar;Subbareddy Shri Yerram Venkata

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

(a) whether the Government is aware that many of the companies including Public Sector Undertakings (PSUs) are not spending two percent of their total profit on welfare activities under the Corporate Social Responsibility (CSR) and the Companies Act, 2013;

(b) if so, the details thereof and the action taken by the Government against such companies during each of the last three years and the current year, companies and State/UT-wise;

(c) whether a number of complaints regarding misuse of funds by companies/ PSUs under the CSR have been received by the Government, if so, the details thereof and the action taken thereon, company-wise;

(d) whether the Company Act does not have any provisions for defaulters who failed to comply with CSR provisions, if so, the manner in which the Government takes action against such companies; and  
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(e) whether the Government has constituted/proposes to constitute any monitoring authority in order to regulate and monitor the activities of CSR, if so, the details thereof?

**Answer**

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY)

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(a) and (b): The provisions of Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 and rules made thereunder have come into force with effect from 01.04.2014. The year 2014-15 was the first year of implementation of CSR policies by companies under the legislation. The Board of the company, eligible to comply with the CSR provisions of the Act, is mandated to make annual disclosure on CSR in the Board's report. The companies are still in the process of filing their Annual Reports with the Ministry. Details of companies complying with CSR provisions of the Act for the financial year 2014-15, are expected to be available after requisite filings are made by companies.

(c): The Ministry of Corporate Affairs has not received any specific complaint regarding misuse of CSR funds by companies. Further, Department of Public Enterprises have informed that no complaints regarding misuse of funds by Central Public Sector Enterprises have come to their notice.

(d): The provisions for non-compliance of Section 135 of the Act are prescribed under Section 134 (8) of the Act.

(e): No, Madam.

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