

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

LOK SABHA

UNSTARRED QUESTION NO. 3977

ANSWERED ON FRIDAY THE 10th AUGUST, 2018/

SHRAVANA 19, 1940 (SAKA)

CSR VIOLATION BY COMPANIES

QUESTION

3977. DR. UDIT RAJ:

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

कारपोरेट कार्य मंत्री

(a) whether action has been taken/ being taken by the Government against the companies which have failed to comply with the Corporate Social Responsibility norms for financial years 2014-15, 2015-16 and 2016-17; and

(b) if so, the details thereof along with the names of these companies during the said period, year-wise?

ANSWER

**MINISTER OF STATE FOR LAW AND JUSTICE
AND CORPORATE AFFAIRS**

(SHRI P. P. CHAUDHARY)

विधि और न्याय एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री पी. पी. चौधरी)

(a)& (b): Every company including public and private sectors companies having net worth of Rs. 500 crore or more or turnover of Rs. 1,000 crore or more or net profit of Rs. 5 crore or more during the immediately preceding financial year is liable to spend at least 2% of the average net profits of the company made during the three immediately preceding financial years on CSR activities in areas or subjects specified in Schedule VII of the Companies Act, 2013 (Act). As per second proviso to section 135(5) of the Act, the Board of a company shall give specific reasons for not spending the prescribed CSR funds and disclose the same in the Board's Report. Whenever violation of CSR provisions is noticed, action under section 134 (8) of the Act is initiated. Government has accorded permission for initiating such penal action against 254 companies for non-compliance of provisions of section 135 read with section 134 (3) (o) of the Act for financial year 2014-15. In addition to this, the Ministry has established Centralized Scrutiny and Prosecution Mechanism in April, 2018 for the financial year 2015-16 onwards on pilot basis for enforcement of CSR provisions. Based on inquiry, preliminary notices have been issued to 272 companies, in respect of financial year 2015-16.
