

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 88
ANSWERED ON MONDAY THE 18TH NOVEMBER, 2019
KARTIKA 27, 1941 (SAKA)**

CSR LAW

QUESTION

88. SHRI SUDHEER GUPTA:

SHRI SANJAY SADASHIV RAO MANDLIK:

SHRI BIDYUT BARAN MAHATO:

SHRI GAJANAN KIRTIKAR:

SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:

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

कारपोरेट कार्य मंत्री

(a) whether the Government has amended the Corporate Social Responsibility (CSR) laws with prospective effect and companies have time until July 2024 to use accumulated CSR funds in projects of their choice and if so, the details thereof;

(b) whether the Parliament has passed a legislation under which unspent CSR allocations would have to be transferred to a fund specified by the Government and if so, the details thereof;

(c) whether the Government proposes to use the appropriated unspent CSR fund for the welfare programmes and if so, the details thereof;

(d) whether the Government has sent show-cause notices to more than 5000 companies for defaulting on their mandatory CSR obligations;

(e) if so, the details thereof and the response of the said companies in this regard; and

(f) whether the Government has any plan to take any legal action or impose monetary penalty on CSR defaulters and if so, the details thereof and the framework devised by the Government in this regard?

ANSWER

**THE MINISTER OF STATE FOR FINANCE
AND CORPORATE AFFAIRS**

(SHRI ANURAG SINGH THAKUR)

वित्त एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री अनुराग सिंह ठाकुर)

(a) & (b): Companies (Amendment) Act, 2019 has amended Section 135(5) and inserted Section 135(6) which provides that if a company fails to meet its CSR spending obligation, the unspent amount shall be transferred within a period of 30 days from the end of concerned financial year to a special account called as

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“Unspent Corporate Social Responsibility Account” opened by the Company in any scheduled bank if it is an ongoing project. Any amount remaining unspent in that special account after a period of three years, the same shall be transferred to a Fund to be specified in Schedule VII of the Act within a period of 30 days from the date of completion of the third financial year. In case of other than ongoing projects, the unspent amount shall be transferred to a Fund to be specified in Schedule VII of the Act within six months from the end of financial year.

(c): The unspent CSR fund, if any, would be used for funding activities enlisted under Schedule VII of the Companies Act, 2013.

(d) to (f): The entire CSR architecture is disclosure based and CSR mandated companies are required to file details of CSR initiatives annually in MCA21 registry. Whenever any violation of CSR provisions is reported, action against such non-compliant Companies are initiated as per provisions of Companies Act, 2013 after due examination of records. Accordingly, call for information letters were issued to 5382 companies seeking information on the compliance of provisions related to section 135 of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.
