

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 971
ANSWERED ON MONDAY, THE 3RD DECEMBER, 2012**

EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

QUESTION

971. SHRI NAND KUMAR SAI:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government proposes to make companies answerable towards corporate social responsibility and make it mandatory for companies;
- (b) if so, the details in this regard;
- (c) the details of existing provisions regarding expenditure incurred by companies for corporate social responsibility;
- (d) whether some companies have not been following the existing provisions in this regard;
- (e) if so, the details of such companies found violating these norms during each of the last three years; and
- (f) the details of action taken against each of such companies?

ANSWER

THE MINISTER OF STATE
(INDEPENDENT CHARGE)

(SHRI SACHIN PILOT)

IN THE MINISTRY OF CORPORATE AFFAIRS

(a) to (f):- Clause 135 of the Companies Bill, 2011, interalia, provides for the specified companies to spend atleast 2% of the average net profits (of last 3 years) in pursuance of the company's Corporate Social Responsibility (CSR) policy and in case of failure, to specify the reasons for not spending such amount in the Board's Report. In case the disclosure about such reasons in the Board's report is not made, the specified class of companies shall be liable for action under the provisions of the Companies Bill, 2011 which require disclosures to be made in the Board's report. CSR policy to be undertaken by the companies as specified in schedule VII of the Companies Bill, 2011.

CSR being proposed for the first time in the Companies Bill, 2011 thus no such information is maintained under the Companies Act, 1956.
