

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 1892  
ANSWERED ON MONDAY, THE 10<sup>th</sup> FEBRUARY, 2014**

**SPENDING ON CORPORATE SOCIAL RESPONSIBILITY**

**QUESTION**

1892.           SHRIMATI WANSUK SYIEM:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether, under the Companies Act 2013, the total spending on Corporate Social Responsibility (CSR) activities by India's corporate sector is estimated to be around ₹15,000 to ₹20,000 crore annually;
- (b) whether Government has made all efforts to make the CSR Rules exhaustive and flexible;
- (c) whether the firms would have the freedom to decide the social welfare projects they want to support; and
- (d) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE  
(INDEPENDENT CHARGE)  
IN THE MINISTRY OF CORPORATE AFFAIRS

(SHRI SACHIN PILOT)

(a) Section 135 of the Companies Act, 2013 deals with Corporate Social Responsibility (CSR). Under this Section every company having net worth of Rs. 500 crores or more or turnover of Rs. 1000 crores or more or net profit of rupees five crores or more during any financial year, shall constitute a CSR Committee to recommend its activities for discharging CSR in such a manner that the company would spend at least 2 percent of its average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR policies. As Section 135 of the Act has not yet come into force, this Ministry has no information on the official estimated expenditure to be incurred by corporate sector on the CSR activities.

(b) Draft rules on Corporate Social Responsibility (CSR) have been placed on the website of Ministry of Corporate Affairs and widely discussed with all the stakeholders including corporate sectors. Public Comments received including suggestions to include specific activities within the purview of CSR would be taken into account while finalizing the rules.

(c) & (d) The companies will have latitude in designing project based CSR interventions within the framework of Schedule VII of the Act and the CSR policy of the company.

