

Audit of Corporate Social Responsibility activities

930. SHRI DEREK O'BRIEN: Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Corporate Social Responsibility activities are required to be audited;
- (b) if so, what percentage of companies have got their CSR spending audited in the past four years, the details thereof;
- (c) if not, the reasons therefor;
- (d) what percentage of companies did not fulfil their CSR requirements in the past four years, the details thereof; and
- (e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI P.P. CHAUDHARY): (a) to (e) Pursuant to Schedule-III (Form of Financial Statement), every company covered under Section 135 of the Companies Act, 2013 is required to provide additional information in its Profit and Loss Account regarding amount of expenditure incurred on Corporate Social Responsibility (CSR) activities. The Financial Statement is required to be audited by the Statutory Auditor under Chapter X of the Companies Act, 2013. However, Section 135 (3) and (4) of the Companies Act, 2013 (the 'Act') empowers the Board of the company, and its CSR Committee to take decisions regarding allocation of CSR funds for items enlisted in Schedule VII of the Act. On the basis of filings made by the Companies upto 30.06.2018 in the MCA21 registry, the details of the CSR funds spent by the companies under the Companies Act, 2013 for the financial years 2014-15, 2015-16 and 2016-17 are given below:

Nature of Company	Year of Filing					
	2014-15		2015-16		2016-17	
	No. of Companies	Total Amount Spent (in ₹ cr.)	No. of Companies	Total Amount Spent (in ₹ cr.)	No. of Companies	Total Amount Spent (in ₹ cr.)
PSUs	380	2816	438	4175	372	3242
Private Companies	16405	7249	21060	10190	19561	10222
TOTAL	16785	10065	21498	14365	19933	13464

(Source- National CSR Portal) Further, no compiling of data for the financial year 2017-18 has been undertaken as on date.

The various reasons reported by the companies for non-compliance of the Corporate Social Responsibility (CSR) provisions are as under:

- (i) Non-receipt of utilisation certificate from implementing agencies by the year end;
- (ii) Delay in formation of CSR Committee/implementation of plan/reorientation of CSR Policies etc.;
- (iii) Difficulty in finding suitable implementing agency;
- (iv) Financial restructuring;
- (v) Loss had been incurred;
- (vi) Projects were in conceptualization stage;
- (vii) Technical and Procedural difficulty;
- (viii) CSR policy formulation being under process;
- (ix) Creation of suitable organizational capacity to identify and undertake appropriate CSR programs/projects.
- (x) Adoption of long term CSR programmes/projects.

Vanishing companies from Kerala

931. SHRI K. SOMAPRASAD: Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the number of companies which are included in the vanishing list of companies from Kerala; and
- (b) the details of action taken against the vanishing companies from 2014 to 2018?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI P.P. CHAUDHARY): (a) There is no vanishing company in the State of Kerala.

(b) There are a total of 77 companies in the country that have been identified as "Vanishing" companies by the Jurisdictional Registrars of Companies (ROC). Besides carrying out physical verification of the Registered Offices, prosecutions have been launched for various offences under the Companies Act, 1956 against the vanishing