

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 2412
ANSWERED ON TUESDAY, THE 10th AUGUST, 2021

CSR EXPENDITURE

QUESTION

2412. Dr. KIRODI LAL MEENA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether many companies have not made their mandatory Corporate Social Responsibility (CSR) expenditure;
- (b) if so, the details thereof and the number of cases of defaults every year during the last three years, the details thereof, company-wise;
- (c) whether Government has taken any step for complying with the recommendations made by the high level committee on CSR; and
- (d) if so, the details thereof and, if not, the reasons therefor?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS

[RAO INDERJIT SINGH]

(a) & (b): The CSR architecture is disclosure based and CSR mandated companies are required to file details of CSR activities annually in the MCA21 registry. The Government monitors the compliance of CSR through the disclosures made by the companies. The existing legal provisions such as mandatory disclosures, accountability of the CSR Committee and the Board, provisions for statutory audit of accounts of the company etc. provide sufficient safeguards. Whenever any violation of CSR provisions is reported, action against such non-compliant Companies are initiated as per provisions of the Act after due examination of records and following due process of law. So far, sanction for prosecution has been accorded in 366 cases. Of these, 148 applications for compounding have been made and 75 cases have been compounded. Further, the non-compliance of CSR provisions have been made civil wrong w. e. f. 22nd January, 2021.

(c) & (d): The High Level Committee on CSR (HLC-2018) submitted its report to the Government on 07.08.2019 which is available in the public domain at www.mca.gov.in. Based on the recommendations of HLC-2018, the Ministry carried out amendments in the Section 135 of the Companies Act, 2013 ('Act') through Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020 and amendments in the Companies (CSR Policy) Rules, 2014 vide notification dated 22nd January, 2021
