

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 988
ANSWERED ON TUESDAY, JULY 26, 2022**

NON-COMPLIANCE OF CSR FUNDING

QUESTION

988. SHRI SANDOSH KUMAR P:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the number and name of corporate companies that have not complied with the mandatory provisions for Corporate Social Responsibility (CSR) funding since 2020;
- (b) whether the Ministry has taken any disciplinary action against these companies; and
- (c) if so, the details of the disciplinary action initiated against such companies?

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) to (c): The broad framework for Corporate Social Responsibility (CSR) has been provided under Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014. Under the Act, CSR is a Board driven process and the Board of the company is empowered to plan, decide, execute and monitor CSR activities based on the recommendations of its CSR Committee. Further, Section 135 of the Act was amended vide Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020. These amendments provided for treatment of unspent CSR amount and made the non-compliance of CSR provisions a civil wrong w. e. f. 22nd January 2021. Furthermore, Companies (CSR Policy) Rules, 2014 was also amended which have strengthened the CSR eco-system by bringing more objectivity, transparency, entrusting more responsibility on the board and enhancing the disclosures by the companies.

The CSR framework is disclosure based and CSR mandated companies are required to file details of CSR activities annually in the MCA21 registry. All data related to CSR filed by companies in MCA21 registry is available in public domain and can be accessed at www.csr.gov.in. The Government monitors the compliance of CSR provisions through the disclosures made by the companies in the MCA 21 registry. Whenever any violation of CSR provisions is reported, action against such non-compliant Companies is initiated as per provisions of the Act after due examination of records and following due process of law. The corporate governance framework along with 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 safeguards in this regard. Earlier, CSR related defaults were compoundable offences. So far, sanction for prosecution has been accorded in 366 cases. Of these, 155 applications for compounding have been made and 105 cases have been compounded.
