

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 667
ANSWERED ON TUESDAY, THE 22nd NOVEMBER, 2016**

**NON-COMPLIANCE OF CSR OBLIGATIONS
BY CORPORATE COMPANIES**

QUESTION

667. DR. T. SUBBARAMI REDDY:
SHRIMATI AMBIKA SONI:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether more than 20 per cent companies are not meeting CSR obligations and not providing valid reasons therefor, if so, the reaction of Government thereto;
- (b) whether any notice has been sent to corporate companies which have not complied with the CSR rules, for explanation, if so, the details thereof; and
- (c) in view of poor performance of CSR programmes, what action is proposed to be taken including conducting any workshop or training programme for corporate companies to familiarize with CSR programmes, and the details thereof?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF CORPORATE AFFAIRS

(SHRI ARJUN RAM MEGHWAL)

- (a) : An assessment of Corporate Social Responsibility (CSR) expenditure of 7334 companies for the year 2014-15 indicates that 4195 companies did not incur any expenditure on CSR. The reasons given for not spending included, inter alia, 'multi year projects', 'suitable implementing agency not found', 'first year of implementation of CSR legislation', 'delay in formation of CSR committee', and 'inability to formulate well-conceived CSR Policy' .
- (b) : Show cause notices have been issued by Registrars of Companies to 496 companies for non-compliance of Section 135 read with Section 134 (3) (o) of the Companies Act, 2013.
- (c) : With a view to facilitate implementation of CSR by companies in compliance with provisions of Companies Act, 2013, and rules made thereunder, the Ministry has issued clarificatory circular and FAQs on 18th June, 2014 and 12.01.2016 respectively.
