

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 1742
ANSWERED ON TUESDAY THE 9TH DECEMBER, 2014**

LEGAL BACKING FOR CSR COMPLIANCE

QUESTION

1742. SHRI DEVENDER GOUD T.:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Company Law does not have any provision for Corporate Social Responsibility (CSR) defaulters;
- (b) whether there are any plans to bring an amendment to the Bill to give CSR compliance a legal backing;
- (c) if so, the details thereof; and
- (d) the estimated money that companies are likely to spend in 2014-15, public and private sector-wise?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(a): Section 135 of the Companies Act, 2013 mandates every company above the given threshold levels to comply with Corporate Social Responsibility (CSR) provisions of the Act, and to disclose contents of its CSR policy in its Board's Report. The penalty provision for non-compliance in this regard is prescribed under Section 134 (8) of the Act.

(b) and (c): Provisions for CSR compliance by companies, as prescribed under Section 135 of the Act, have the force of law.

(d): This is the first year of CSR implementation by companies under the Act. The likely amount of CSR expenditure for the year 2014-15 would be known only after the Annual Financial Statements are filed by companies due after September, 2015. It may be prudent to not speculate on the quantum of CSR expenditure at this stage.
