

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 944
ANSWERED ON FRIDAY THE 21ST JULY, 2017
ASHADHA 30, 1939 (SAKA)**

IRREGULARITIES IN CSR

QUESTION

**944. SHRI HARISH CHANDRA ALIAS HARISH DWIVEDI:
DR. RAMESH POKHRIYAL "NISHANK":**

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेट कार्य मंत्री

- (a) whether directions for Corporate Social Responsibility (CSR) being carried out by various industrial establishments are issued regularly by the Government and if so, the details thereof;**
- (b) whether any competent monitoring system for the better utilisation of funds been set up by the companies and if so, the details thereof;**
- (c) whether any mechanism have been involved to deal with the irregularities and corruption in utilisation of CSR funds and if so, the details thereof; and**
- (d) whether all the public sector companies are under the purview of the same and if so, the details thereof?**

ANSWER

**THE MINISTER OF STATE IN THE
MINISTRY OF CORPORATE AFFAIRS**

(SHRI ARJUN RAM MEGHWAL)

कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री अर्जुन राम मेघवाल)

(a) to (d): Section 135 of the Companies Act, 2013 ('The Act') requires every company, including public sector companies, above the specified threshold to spend at least two per cent of the average net profits earned during three immediately preceding financial years on Corporate Social Responsibility (CSR). As per Section 135 (3) & (4) of the Companies Act, 2013, the Board of the company, and its CSR Committee, is empowered to select programmes / projects / activities to be undertaken, allocation and utilization of CSR fund towards various development activities etc. and monitor the same. The CSR Committee should have an Independent Director, wherever the company is statutorily required to appoint one. Further, the mechanism of disclosures of the CSR

expenditure and the audit of the financial statements is adequate to check irregularities.
