

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3269**  
**TO BE ANSWERED ON MONDAY, 9<sup>th</sup> AUGUST, 2021/ SRAVANA 18, 1943 (SAKA)**

**VIOLATION OF CSR PROVISION**

**QUESTION**

**3269. SHRI MANOJ TIWARI:**  
**SHRI SUBRAT PATHAK:**  
**SHRI SUDHEER GUPTA:**  
**SHRI RAVINDRA KUSHWAHA:**  
**SHRI RAVI KISHAN**  
**SHRI PRATAPRAO JADHAV**  
**SHRI SANJAY SADASHIVRAO MANDLIK:**  
**SHRI SHRIRANG APPA BARNE:**  
**SHRI CHANDRA SEKHAR SAHU:**  
**SHRI BIDYUT BARAN MAHATO:**

Will the Minister of Finance be pleased to state:

- (a) whether the existing legal provisions such as mandatory disclosures, accountability of the Corporate Social Responsibility (CSR) Committee and the Board, provisions for statutory audit of accounts of the company etc. provide sufficient safeguards for utilization of funds;
- (b) if so, the number of cases of violation of CSR provisions reported along with the action against such Companies initiated as per provisions of the Act after due examination of records and following due process of law;
- (c) the details of the CSR funds available and utilised by each of the Central Public Sector Undertakings(CPSUs) for the fiscal year 2020-21;
- (d) the details of utilisation of the CSR funds of CPSUs for the fiscal year 2020-21, State-wise;
- (e) the priority areas for which the CSR funds assistance have been considered and utilised;
- (f) whether any effective measures have been taken regarding the funds being spent particularly for hilly areas of the country under the CSR?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE**  
**(SHRI PANKAJ CHAUDHARY)**

- (a) & (b): Corporate Social Responsibility (CSR) activities of corporates are governed as per Section 135 of Companies Act, 2013 ('Act'), Companies (CSR Policy) Rules made there under, and the Schedule-VII of the Act as notified by Ministry of Corporate Affairs from time to

time. The CSR architecture is disclosure based and CSR mandated companies are required to file details of CSR activities annually in the MCA21 registry. Whenever any violation of CSR provisions is reported, action against such non-compliant Companies are initiated as per provisions of the Companies Act, 2013 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. 22<sup>nd</sup> January, 2021.

(c) & (d): All data related to CSR filed by companies in MCA21 registry, including company-wise & state-wise, is available in public domain at [www.csr.gov.in](http://www.csr.gov.in). As per the Act, companies are required to hold Annual General Meeting (AGM) within six months from the end of financial year. Thereafter, financial statements and board report containing disclosure about CSR, are to be filed in MCA21 within 30 days of the AGM. Thus, the CSR data for the Financial Year 2020-21 is not available.

(e) & (f): Schedule VII of the Act indicates the activities that can be undertaken as CSR and broadly relates to health, sanitation, education, environment, sports, heritage, art and culture, rural development, slum area development, disaster management, setting up old age homes, day care centers, measures for reducing inequalities faced by socially and economically backward groups etc. 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 recommendation of its CSR Committee. The Government does not issue any direction to spend in any specific geographical area or activity.

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