

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 509
ANSWERED ON TUESDAY, THE 1ST MARCH, 2016**

SHORTFALL IN CSR SPENDING BY COMPANIES

QUESTION

509. SHRIMATI RENUKA CHOWDHURY:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it is a fact that two third of the top listed companies have failed to spend the minimum 2 per cent of profits on social responsibility activities;
- (b) if so, the details thereof along with the reasons therefor;
- (c) whether any of such companies has given any explanation for the shortfall in CSR spending and if so, the details thereof; and
- (d) the steps taken by Government to ensure compliance of CSR provisions by the companies?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(a) to (c) : Corporate Social Responsibility (CSR) expenditure of 460 listed companies, which have placed their annual reports on their websites, is estimated at Rs. 6337.36 crores during the year 2014-15. Of these 460 companies, 266 companies have spent less than 2 per cent of their average profit.

The reasons given by these companies for not being able to spend the minimum 2 per cent of profits on CSR are summarised below:

- being the first year of implementation of CSR legislation, inability of company to formulate well conceived CSR Policy;
- adoption of long term CSR programmes / projects;
- non-receipt of utilisation certificate from implementing agencies by the year end;
- difficulty to find suitable implementing agency;
- delay in formation of CSR committee / implementation of plan / reorientation of CSR Policies etc.;

(d) : Ministry has issued clarificatory circular and Frequently Asked Questions (FAQs) dated 18.06.2014 and 12.01.2016 respectively to facilitate effective implementation of CSR and ensure compliance by companies under the legislation.
