

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2433
ANSWERED ON TUESDAY, THE 11TH AUGUST, 2015**

MONITORING OF CSR ACTIVITIES

QUESTION

2433. SHRI PRABHAT JHA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it is mandatory for the profit-making companies, under the present Company Law, to spend two per cent of their three years' net profit on the activities relating to Corporate Social Responsibility (CSR) in every financial year, if so, the details thereof; and
- (b) whether these profit-making companies are making contribution in CSR fund by following this law in letter and spirit and whether it is being regularly monitored, if so, the details thereof?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(a) and (b): Under Section 135 of the Companies Act, 2013, profit making companies above a certain threshold are required to spend at least 2 percent of their average net profit made during the three preceding financial years, on CSR activities or specify reasons for failure to spend. The year 2014-15 being the first year of implementation of CSR under the legislation, it is premature to assess the level of compliance under the provision of the Act.
