

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 2072
ANSWERED ON FRIDAY THE 11TH DECEMBER, 2015/
AGRAHAYANA 20, 1937(SAKA)**

AMENDMENT TO COMPANIES ACT

QUESTION

2072. SHRI B. SENGUTTUVAN:

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

कारपोरेट कार्य मंत्री

(a) whether the Government proposes to introduce new laws or amendments to the Companies Act mandating compulsory CSR outlay on some targeted schemes for the welfare of SCs/STs;

(b) if so, the details thereof;

(c) whether his Ministry has any proposal to issue directions to all Central Ministries and Departments to earmark a certain percentage of their CSR Outlay for the purpose of implementation of welfare schemes for the benefit of the SCs/STs; and

(d) if so, the details thereof?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

कारपोरेट कार्य मंत्री

(SHRI ARUN JAITLEY)

(श्री अरुण जेटली)

(a) to (d) : Section 135 of the Companies Act, 2013 mandates every company above a certain threshold to formulate a Corporate Social Responsibility (CSR) Policy, and to ensure that the company spends at least 2% of its average net profits made during the preceding three financial years, on CSR activities. Schedule VII of the Act, enlists the activities that can be undertaken by the companies under their CSR policies. Item No. (viii) of Schedule VII covers 'relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women' as eligible CSR activities.

Section 135 of the Act, Schedule VII and Companies CSR Policy Rules, 2014 read with General Circular dated 18.06.2014 issued by the Ministry of Corporate Affairs, provide the broad contour within which eligible companies are required to formulate their CSR policies including activities to be undertaken and implement the same in the right earnest. The decision to allocate CSR fund across various items of Schedule VII is taken by the Board of the Company under the provisions of the Act.
