

(b) whether it is a fact that profit making companies are not spending under CSR head because the assessing officer of Income Tax (IT) renders the expenses incurred under CSR invalid; and

(c) if so, whether the Ministry has asked the Ministry of Finance to declare the expenditure under CSR as valid and justified under Income Tax Act?

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) Section 135 (1) of the Companies Act, 2013 mandates every company with a turnover of ₹ 1000 crores or more; or a networth of ₹ 500 crores or more; or a net profit of ₹ 5 crore or more to spend at least two per cent of their average net profits earned during three immediately preceding financial years on CSR activities.

(b) and (c) No such issue has come to the notice of this Ministry. The Finance Act, 2014 clarifies that expenditure on CSR does not form part of business expenditure. While no specific tax exemption has been extended to expenditure incurred on CSR, spending on several activities like rural development projects, skill development projects, notified agricultural extension projects and contribution to Prime Minister National Relief Fund etc., which find place in Schedule VII, already enjoy exemptions under different sections of the Income Tax Act, 1961, subject to fulfilment of specified conditions.

Adoption of suggestions of panel on review of Companies Act

1780. SHRI TIRUCHI SIVA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government intends to adopt the changes suggested by the high-level panel that was set-up to review the issues arising out of implementation of the Companies Act, 2013;

(b) if so, the details thereof and if not, the reasons therefor;

(c) whether Government has already formed a Committee to look into these suggestions; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) to (d) The report of Companies Law Committee (CLC) was submitted on 01/02/2016 *vide* which the Committee had suggested changes in 78 sections of Companies Act, 2013 not including the consequential amendments in other sections of the Act. The Government

has accepted most of the recommendation of the Committee and accordingly, the Companies (Amendment) Bill, 2016, was introduced in the Lok Sabha on 16.03.2016.

CSR funds for Clean India Campaign

1781. SHRI HISHEY LACHUNGPA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government intends to take a policy decision wherein 30 per cent of CSR funds from all public sector undertakings and private companies shall be compulsorily spent on Clean India Campaign; and

(b) if so, the details in this regard and the status of the proposed decision?

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) No, Sir.

(b) Does not arise.

Carry forward of unspent CSR obligations

1782. SHRI RANGASAYEE RAMAKRISHNA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether there is a flaw in the Companies Act, which does not provide for carry forward of unspent CSR obligations;

(b) whether Public Sector Undertakings are obliged to carry forward of unspent commitments, while Private Sector has no such obligations; and

(c) whether these anomalies would be corrected by suitable amendments to the Companies Act?

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) to (c) The Ministry of Corporate Affairs, in its circular dated 12th January, 2016, has clarified that, the Board of the Company is free to decide whether any unspent amount from out of the minimum required CSR expenditure is to be carried forward to the next year. This provision is uniformly applicable to all CSR eligible companies including Public Sector Undertakings under the Companies Act, 2013.

Compliance of SEBI directive on women director

1783. SHRI C.M. RAMESH: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether all listed companies have complied with SEBI's directive to appoint at least one women Director on the Board;