

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) and (b) The Finance Act, 2014 clarifies that expenditure on Corporate Social Responsibility (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.

**Prosecution cases filed by SFIO**

165. DR. K. V. P. RAMACHANDRA RAO: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that large number of prosecution cases are pending before designated courts filed by Serious Fraud Investigation Office (SFIO);

(b) if so, the details thereof; and

(c) number of complaints received by the SFIO during the last two years in the country including the States of Andhra Pradesh and Telangana?

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) and (b) As on date a total of 967 complaints are pending before the designated courts filed by Serious Fraud Investigation Office.

(c) The complaints received by SFIO during the last two years including the States of Andhra Pradesh and Telangana are as under:-

Year	Number of complaints
2014	797
2015	1375

**Performance of CSR activities of public/private sector companies**

166. SHRI DEVENDER GOUD T.: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether any study or assessment has been carried out by the Ministry for 2014-15 and 2015-16 to find out the performance of CSR activities of listed companies, both public and private;

(b) if so, the details of such study/assessment, year-wise;

(c) activities that are permitted under CSR and whether there are any plans to add additional activities under CSR; and

(d) if not, the reasons thereof?

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) and (b) An assessment of Corporate Social Responsibility (CSR) expenditure of a sample of 460 listed companies indicates that 51 Public Sector Undertakings (PSUs) and 409 private sector companies together spent about ₹ 6337 crores on CSR during 2014-15, the first year of implementation of CSR by companies under the legislation. The PSUs have utilised about 71% of their mandated CSR fund against 79% utilisation by private sector companies, as summarised below:

*CSR expenditure during 2014-15*

(₹ in crore)

Sl. No.	Company Type	No. of Companies	Actual CSR Expenditure	Mandated CSR Expenditure	Percentage utilisation
1.	PSUs	51	2386.60	3359.84	71.03
2.	Private Sector Companies	409	3950.76	4987.63	79.21
TOTAL		460	6337.36	8347.47	75.92

(c) and (d) Schedule VII of the Companies Act, 2013, enlists the subjects and areas, under which activities can be undertaken by the companies under their CSR policies. A copy of Schedule VII is given as a Statement (*See below*). There is no proposal, at present, to add additional items in Schedule VII of the Act.

***Statement***

*Activities covered in Schedule VII of the Act and amendments made thereunder*

The indicative activities which can be undertaken by a company under CSR have been specified in Schedule VII of the Act. An amended Schedule VII was notified on 27th February 2014. The Schedule has since been amended three times. The updated list under Schedule VII is provided at below:

- (i) Eradicating hunger, poverty and malnutrition; promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality and empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers

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- and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the 'Clean Ganga Fund' set-up by the Central Government for rejuvenation of river Ganga;
  - (v) Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
  - (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
  - (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
  - (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
  - (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
  - (x) Rural development projects.
  - (xi) Slum area development.

Explanation For the purpose of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

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*Notes:* Item no. (xi) and phrases in *italics* under items no. (i) and (iv) have been inserted in Schedule VII of the Act through amendments subsequent to gazette notification on Schedule VII dated 27.02.2014. Details of the Amendments are given below:

- (a) *First amendment* was notified on 31st March, 2014 which included *health care including preventive health care* in item (i) of the Schedule.
- (b) *Second amendment* was notified on 6th August, 2014, which inserted "slum area development" as item (xi) in the Schedule.
- (c) *Third amendment* was notified on 24th October, 2014. This included (a) "*contribution to Swachh Bharat Kosh* set up by the Central Government for the promotion of sanitation" under "sanitation" in item no. (i) of the Schedule; and (b) "*contribution to Clean Ganga Fund* set up by the Central Government for the rejuvenation of river Ganga" in item (iv) of the Schedule.