

The various reasons reported by the companies for non-compliance of the Corporate Social Responsibility (CSR) provisions are as under:

- (i) Non-receipt of utilisation certificate from implementing agencies by the year end;
- (ii) Delay in formation of CSR Committee/implementation of plan/reorientation of CSR Policies etc.;
- (iii) Difficulty in finding suitable implementing agency;
- (iv) Financial restructuring;
- (v) Loss had been incurred;
- (vi) Projects were in conceptualization stage;
- (vii) Technical and Procedural difficulty;
- (viii) CSR policy formulation being under process;
- (ix) Creation of suitable organizational capacity to identify and undertake appropriate CSR programs/projects.
- (x) Adoption of long term CSR programmes/projects.

#### **Vanishing companies from Kerala**

931. SHRI K. SOMAPRASAD: Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the number of companies which are included in the vanishing list of companies from Kerala; and
- (b) the details of action taken against the vanishing companies from 2014 to 2018?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI P.P. CHAUDHARY): (a) There is no vanishing company in the State of Kerala.

(b) There are a total of 77 companies in the country that have been identified as "Vanishing" companies by the Jurisdictional Registrars of Companies (ROC). Besides carrying out physical verification of the Registered Offices, prosecutions have been launched for various offences under the Companies Act, 1956 against the vanishing

Companies, their Promoters and Directors as well as action has been taken under the Indian Penal Code, 1860 against Promoters and Directors of the Vanishing Companies.

**Norms for removal of independent directors**

932. SHRI NARAYAN LAL PANCHARIYA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government has taken any decision to tighten norms for removal of independent directors;

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

(c) the details regarding initiatives taken by Government to ensure that independent directors work fearlessly and freely;

(d) whether Government has taken any steps to fix responsibility of independent directors; and

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

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI P.P. CHAUDHARY): (a) to (e) Presently, no proposal is being considered by the Ministry for tightening the norms for removal of independent directors. The provisions for removal of independent directors have already been reviewed and it has been provided that any independent director who has been re-appointed under section 149(10) of the Companies Act, 2013, shall be removed under section 169 only after passing a special resolution and after giving him a reasonable opportunity of being heard. In order to ensure the independence of the independent directors, Section 149 (6) has been further amended through Companies (Amendment) Act, 2017 *vide* notification dated 3rd January, 2018, *inter-alia*, prescribing the limits on pecuniary interest for independent Directors as well as their relatives. Further, Schedule IV to the Act prescribes the code of conduct for independent directors for ensuring their independence while discharging their functions.

Therefore, adequate provisions have been provided in the Companies Act, 2013 to tighten the procedure of removal and to promote independence of independent directors.

Further, section 149 (12) of the Companies Act, 2013 provides for liability of the independent director in respect of such acts of omission or commission by a company