

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 1748
ANSWERED ON MONDAY, THE 10TH DECEMBER, 2012
CHANGES IN COMPANIES ACT

QUESTION

1748. DR.PRADEEP KUMAR BALMUCHU:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government is planning to make changes and amendments to the Companies Act to make it powerful to undertake more CSR activities;
- (b) if so, the details thereof; and
- (c) the other changes proposed to be incorporated in the Act?

ANSWER

THE MINISTER OF STATE
(INDEPENDENT CHARGE)
IN THE MINISTRY OF CORPORATE AFFAIRS

(SHRI SACHIN PILOT)

(a) to (c):- Clause 135 of the Companies Bill, 2011 interalia, provides for the specified companies to spend atleast 2% of the average net profits (of last 3 years) in pursuance of the company's Corporate Social Responsibilities (CSR) policy and in case of failure, to specify the reasons for not spending such amount in the Board's Report. In case the disclosure about such reasons in the Board's report is not made, the specified class of companies shall be liable for action under the provisions of the Companies Bill, 2011 which require disclosures to be made in the Board's report. CSR policy is to be undertaken by the companies as specified in schedule VII of the Companies Bill, 2011.
