

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
STARRED QUESTION NO. 21
ANSWERED ON TUESDAY, THE 8TH JULY, 2014**

**FAQs ON CSR ACTIVITIES UNDERTAKEN BY VARIOUS COMPANIES
QUESTION**

*21. SHRIMATI AMBIKA SONI:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government proposes to come out with detailed Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR) activities to be undertaken by various companies;
- (b) if so, by when, the guidelines would be ready;
- (c) whether there is any proposal to extend tax benefits for social welfare spendings by companies, if so, the details thereof;
- (d) whether Government proposes to expand CSR Umbrella to include rural development projects, working towards protection of national heritage, art and culture, setting up of public libraries, promotion and development of traditional arts and handicrafts etc.; and
- (e) if so, the details thereof and by when, it would be finalised?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF RAJYA SABHA STARRED QUESTION NO. 21 FOR 08th JULY, 2014 REGARDING FAQs ON CSR ACTIVITIES UNDERTAKEN BY VARIOUS COMPANIES

(a) and (b): Following several representations received from various stakeholders seeking clarifications about operationalization of the mandated Corporate Social Responsibility (CSR) under Section 135 of the Companies Act 2013, Schedule VII of the Act and Rules made thereunder, the Ministry of Corporate Affairs have issued a Circular on 18th June 2014 giving a series of clarifications. The Circular *inter alia* provides that the activities required to be undertaken by a company as per Schedule VII are to be liberally interpreted. This Circular has been placed in the public domain on the Ministry's website (<http://www.mca.gov.in>). For the time being, clarifications sought on the subject stand addressed. Based on the nature of queries received in future, the question of introducing 'FAQs' or guidelines may also be considered.

(c): While as on date no specific tax exemption has been extended to expenditure incurred on specified CSR activities, spending on several activities like contributions to Prime Minister's Relief Fund, scientific research, rural development projects, skill development projects, agricultural extension projects, etc., which find place in Schedule VII, already enjoy such exemptions under the Income Tax Act, 1961.

(d) and (e): All activities mentioned in part (d) of the question stand included in Schedule VII.
