

Bill No. XVII of 2019

THE COMPANIES (AMENDMENT) BILL, 2019

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further to amend the Companies Act, 2013.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Companies (Amendment) Act, 2019.

Short title and
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

5 2. In section 135 of the Companies Act, 2013, in sub-section (5) after the first proviso, the following proviso shall be inserted, namely :—

Amendment
of section
135.

"Provided further that the company shall spend, in every financial year, at least twenty five per cent. The amount earmarked for Corporate Social responsibility activities on repair restoration, management, maintenance, upkeep etc. of ancient monuments and archaeological sites and remains of national importance as declared under section 3 of the Ancient Monuments and Archaeological Sites and Remains Act, 1958:

STATEMENT OF OBJECTS AND REASONS

Corporate Social Responsibility (CSR) is an indispensable part of business today. CSR mandates the company to operate in an ethical manner while finding sustainable ways to contribute to the society at large. Companies in India are involved in women empowerment, social upliftment, environment awareness, among other things, in the CSR activities as required under section 135 of the Companies Act, 2013.

India as a nation has a rich history, culture and heritage. Our monuments have withstood the test of time and braved repeated invasions and assaults. It is the duty of every Indian to contribute into the maintenance and restoration of these monuments that showcase India's architectural marvel, engineering brilliance and spirituality to the whole world. Every monument mentioned under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 has a story to tell. These are stories of not only peace and tolerance, but also of the bravery and valour of those who fought protecting these ancient structures.

It is therefore desirable that, at least twenty five percent, of the two per cent of the average net profits of the company made during the three immediately preceding financial years, be spent on repair, restoration, management, maintenance, upkeep etc. of ancient monuments and archaeological sites and remains of national importance as declared under section 3 of the Ancient Monuments and Archaeological Sites and Remains Act, 1958.

Hence, this Bill.

DR. VINAY P. SAHASRABUDDHE

ANNEXURE

EXTRACT FROM THE COMPANY ACT, 2013

135. (1)* * * * * * Corporate
* * * * * * Social
* * * * * * Responsibility.

(5) The Board of every company referred to in sub-section (1) , shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall , in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.—For the purposes of this section "average net profit" shall be calculated in accordance with the provisions of section 198.

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RAJYA SABHA

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further to amend the Companies Act, 2013.

(Dr. Vinay P. Sahasrabudhe, M.P.)