

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3515
ANSWERED ON MONDAY THE 16th MARCH, 2020
PHALGUNA 26, 1941 (SAKA)**

COMMITTEE ON CSR

QUESTION

3515. SHRI JAYADEV GALLA:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेट कार्य मंत्री

- (a) whether it is true that High Powered Committee on Corporate Social Responsibility (CSR) has recommended that CSR spending should be made eligible for tax deduction and companies be allowed to utilise their unspent CSR funds during the next three to five financial years;
- (b) the details of other recommendations made by the Committee relating to CSR activities; and
- (c) the action taken by the Ministry on the above recommendations?

ANSWER

**THE MINISTER OF STATE FOR FINANCE
AND CORPORATE AFFAIRS**

(SHRI ANURAG SINGH THAKUR)

वित्त एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री अनुराग सिंह ठाकुर)

(a) to (c): Yes, Sir. The High-Level Committee on Corporate Social Responsibility (HLC-2018) submitted its report to the Government on 07.08.2019. The report is available on the Ministry's website at www.mca.gov.in. The Committee recommended that the unspent CSR amount for a particular year be transferred to a separate designated account created for the purpose. Such unspent amount, and the interest earned thereon, be spent within a period of three to five years, failing which the same be transferred to a fund to be specified by the Central Government which may be used for innovative, high-impact projects related to activities listed in Schedule VII. Adequate provisions be provided to ensure compliance. A penalty, 2-3 times the default amount, may be imposed subject to a maximum of Rs. 1 (one) Crore upon the default being made good, but there would be no imprisonment. In respect of tax benefit for CSR activities, the Committee recommended that all activities listed under Schedule VII of the Companies Act, 2013 to enjoy uniform tax benefit and CSR expenditure to be made deductible from the income earned for the purpose of taxation. The recommendations of HLC-2018 is under consideration of the Ministry.
