

GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO.2656

TO BE ANSWERED ON THE 10TH MAY, 2016/ VAISAKHA 20, 1938 (SAKA)
AMENDMENT IN FCRA

2656. SHRIMATI VANAROJA R.:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether there is a discreet move to amend the Foreign Contribution Regulation Act, (FCRA), 2010 to serve the twin purpose of unlocking the estimated Rs. 10,000 crore that corporates want to spend on corporate social responsibility activities in the country and clearing the legal path for political parties to receive donations from what were hitherto classified as foreign companies;

(b) if so, so the details thereof;

(c) whether it is true that the said amendment would benefit many national parties; and

(d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS
(SHRI KIREN RIJJU)

(a) to (d) In order to bring harmony between Foreign Contribution Regulation Act, 2010 (FCRA, 2010), Companies Act, 2013 and FDI Policy of Government of India in regard to the definition of Foreign Sources in respect of Indian Companies registered under Companies Act, 2013, the Government has initiated necessary amendment in Foreign Contribution (Regulation) Act, 2010. The amendment shall pave the way for Indian Companies to spend part of their net profit on CSR activities, as prescribed in companies Act, 2013, without seeking approval under FCRA, 2010.

In this process concerned Stakeholders have been duly consulted and the said amendment was also placed in public domain. The purpose of the amendment shall not be restricted to facilitate CSR activities alone but would also have general application.
