

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 3082
ANSWERED ON TUESDAY, THE 28TH MARCH, 2023**

MONITORING OF CSR FUNDS

QUESTION

**3082. SHRI S. KALYANASUNDARAM:
SHRI M. MOHAMED ABDULLA:**

Will the Minister of Corporate Affairs be pleased to state:

- (a) whether Government has any supervisory body to oversee the Corporate Social Responsibility (CSR) funds;
- (b) whether Government is aware of the fact that many companies do not spend CSR funds except on paper; and
- (c) the steps taken to address this issue?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS

[RAO INDERJIT SINGH]

(a): No, Sir. Under the Companies Act, 2013 ('Act'), CSR is a Board driven process and the Board of the company is empowered to plan, decide, execute and monitor CSR activities based on the recommendations of its CSR Committee.

(b) & (c): The CSR framework is disclosure based and CSR mandated companies are required to file details of CSR activities annually in the MCA21 registry. The corporate governance framework along with the existing legal provisions such as mandatory disclosures, accountability of the CSR Committee and the Board, provisions for statutory audit of accounts of the company etc. provide safeguards in this regard. Whenever any violation of CSR provisions is reported, action against such non-compliant companies are initiated as per provisions of the Companies Act, 2013 after due examination of records and following due process of law. Further, the amendments in the Companies (CSR Policy) Rules, 2014 notified on 22nd January 2021 have strengthened the CSR eco-system by bringing more objectivity, transparency, entrusting more responsibility on the Board and enlarging the disclosures by the companies.
