

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 3984  
ANSWERED ON FRIDAY THE 10<sup>th</sup> AUGUST, 2018/  
SHRAVANA 19, 1940 (SAKA)**

**SOCIAL AUDIT OF CSR FUNDS**

**QUESTION**

**3984. SHRI DEVJI M. PATEL:**

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

कारपोरेट कार्य मंत्री

**(a) whether the lack of social audit of the utilisation of Corporate Social Responsibility (CSR) funds has made it convenient for the public sector and private sector enterprises to misuse the funds earmarked under CSR;**

**(b) if so, whether the Government proposes to make a provision of spending 80 per cent funds only on panchayats, schools, hospitals and primary health centres;**

**(c) whether it is being planned to upload the complete details of CSR funds of all the public and private sector industries including the details of funds allocated, the funds spent and the name of the institution on website to ensure transparency and if so, the details thereof; and**

**(d) whether the Government is also planning to upload the criteria of selection and rating of NGOs on the Department's website and if so, the details thereof?**

**ANSWER**

**MINISTER OF STATE FOR LAW AND JUSTICE  
AND CORPORATE AFFAIRS  
CHAUDHARY)**

**(SHRI P. P.**

विधि और न्याय एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री पी. पी. चौधरी )

**(a): Every company having net worth of Rs. 500 crore or more or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during the immediately preceding financial year shall ensure that company spends, in**

every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR) activities in areas or subjects specified in Schedule VII of the Companies Act, 2013. Every such company will have a CSR Committee which will (i) formulate and recommend to the Board a CSR policy which shall indicate the activities to be undertaken by the company (ii) recommend the amount of expenditure to be incurred on such activities and (iii) monitor the CSR policy from time to time. Further the Board of such company shall approve the CSR policy recommended by the CSR Committee and ensure that activities included in the CSR policy are undertaken by the company. Section 135 (5) read with Section 134 (3) (o) of the Act mandates the Board to disclose in its report, the CSR Policy developed and implemented by the company, including the details like funds earmarked, expenditure made, implementing agencies appointed etc. The details reported in the annual financial statement of the company are required to be audited by the auditor of the company under the Act.

**(b): No such proposal is under consideration of the Government.**

**(c): To ensure transparency and accountability in utilization of CSR funds, Ministry of Corporate Affairs has launched National CSR Data Portal ([www.csr.gov.in](http://www.csr.gov.in)) in January, 2018 displaying disclosures made by companies in MCA21 registry.**

**(d) : No such proposal is under consideration of the Government.**

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