

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA

UNSTARRED QUESTION No. 1622

TO BE ANSWERED ON MONDAY, MARCH 02, 2020/PHALGUNA 12, 1941 (SAKA)

GST LAWS

1622. SHRI SHANMUGA SUNDARAM K.:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware of the fact that the GST laws do not address the taxability of goods and services provided by companies as part of their CSR activities despite CSR for large companies becoming mandatory and if so, the details thereof;
- (b) whether cash donation to the companies is subject to GST regulations and it is linked to a specific beneficiary;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether the Government is having any proposal to exempt charitable trusts who are entrusted with the work of complying charitable services under CSR irrespective of the ceiling of Rs. 20 lakhs;
- (e) if so, the details thereof; and
- (f) the steps taken by the Government to rope in companies under CSR regulations to fulfill the objectives of the Government's social obligations?

ANSWER

MINISTER OF STATE FOR FINANCE (SHRI ANURAG SINGH THAKUR)

- (a) GST is a levy of the supply of goods or services or both. Those CSR (Corporate Social Responsibility) activities of a company which fall under the ambit of 'supply' shall be taxable under GST.
- (b) & (c) Cash donation to companies, being in the nature of transaction in money, is not covered under the ambit of 'supply' of goods or services. Thus, it is not taxable under GST.
- (d) & (e) There is no such proposal at this stage.
- (f) Ministry of Corporate Affairs (MCA) has taken various initiatives to rope in companies under CSR regulations to fulfill the objectives of the Government's social obligations. Two High Level Committees (HLC-2015 and HLC-2018) on CSR have been constituted to review the existing framework and to guide and formulate a roadmap for a coherent policy on CSR. Reports of these HLCs are available in the public domain and can be accessed at www.mca.gov.in. A National CSR Data Portal (www.csr.gov.in) was launched on 19.01.2018 and is available in public domain. National CSR Awards have been instituted to recognize corporate initiatives and excellence in the area of CSR and to achieve inclusive growth and sustainable development.
