

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 42
ANSWERED ON MONDAY, NOVEMBER 29, 2021/
AGRAHAYANA 8, 1943 (SAKA)**

MONITORING OF CSR FUNDS

QUESTION

42. MS. RAMYA HARIDAS:

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

- (a) the measures taken by the Government to ensure checks and balances for utilisation of budget allotted Corporate Social Responsibility (CSR) funds of the companies registered under the Ministry during the last three years;**
- (b) whether there is any provision made by the Government to ensure CSR foundations, registered under the respective State Charity Commissioners, spending and related budget utility of received funds; and**
- (c) if so, the details thereof?**

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): The Government provides the broad framework for Corporate Social Responsibility (CSR) through Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014. Under the Act, CSR is a Board driven process and the Board of the company is empowered to plan, decide, execute and monitor the CSR activities based on the recommendation of its CSR Committee. 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. The recent amendments in the Companies (CSR Policy) Rules, 2014 have further strengthened the CSR ecosystem by bringing more objectivity, transparency, entrusting more responsibility on the Board of the company and enhancing the disclosure by the companies.

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The CSR architecture is disclosure based and CSR mandated companies are required to file details of CSR activities annually in MCA21 registry which is available in public domain at www.csr.gov.in. Whenever any violation of CSR provisions is reported, action against such non-compliant Companies are initiated as per provisions of Act after due examination of records and following due process of law.

(b) & (c): Section 135 of the Act read with Rule 4 of the Companies (CSR Policy) Rules, 2014 prescribes that the Board of the company is empowered to undertake its CSR activities either by itself or through implementing agencies, namely:

- i). a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or**
- ii). a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or**
- iii). any entity established under an Act of Parliament or a State legislature; or**
- iv). a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.**
