

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

LOK SABHA

UNSTARRED QUESTION NO. 1180

ANSWERED ON FRIDAY THE 09th FEBRUARY, 2018/

MAGHA 20, 1939 (SAKA)

SOCIAL AUDIT OF CSR FUNDS

QUESTION

1180. SHRI DEVJI M. PATEL:

SHRI A.T. NANA PATIL:

Will the Minister of CORPORATE AFFAIRS

कारपोरेट कार्य मंत्री

be pleased to state:

- (a) whether in the absence of social audit, use of Corporate Social Responsibility (CSR) funds have become easier for public and private sector enterprises to misuse the fund earmarked for CSR;
- (b) if so, whether the Government proposes to ensure that eighty per cent of the funds are spent through public institutions like panchayats, schools, hospitals and other level institutions and if so, the details thereof;
- (c) whether in order to ensure transparency the Government proposes to display the complete details of CSR funds of all public and private sector enterprises, earmarked CSR amount, expenditure and names of institutes on the website also and if so, the details thereof; and
- (d) whether the Government also proposes to display criteria for selection and rating of NGOs on the said website and if so, the details thereof?

ANSWER

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

(SHRI P. P. CHAUDHARY)

विधि और न्याय एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री पी. पी. चौधरी)

(a) to (c) : Section 135 (3) & (4) of the Companies Act, 2013 (the 'Act') empowers the Board of the company, and its CSR Committee to select programmes / projects / activities to be undertaken, allocation and utilization of CSR funds towards such activities, selection of implementing agencies (if any) and to monitor the same. 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.

To ensure transparency and accountability in utilization of CSR funds, Ministry of Corporate Affairs has launched National CSR Data Portal (www.csr.gov.in) displaying disclosures made by companies in MCA21 registry.

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