

CSR: The Game Changer in Nation-Building - A Decade And Going Stronger

HCLTech Grant2025

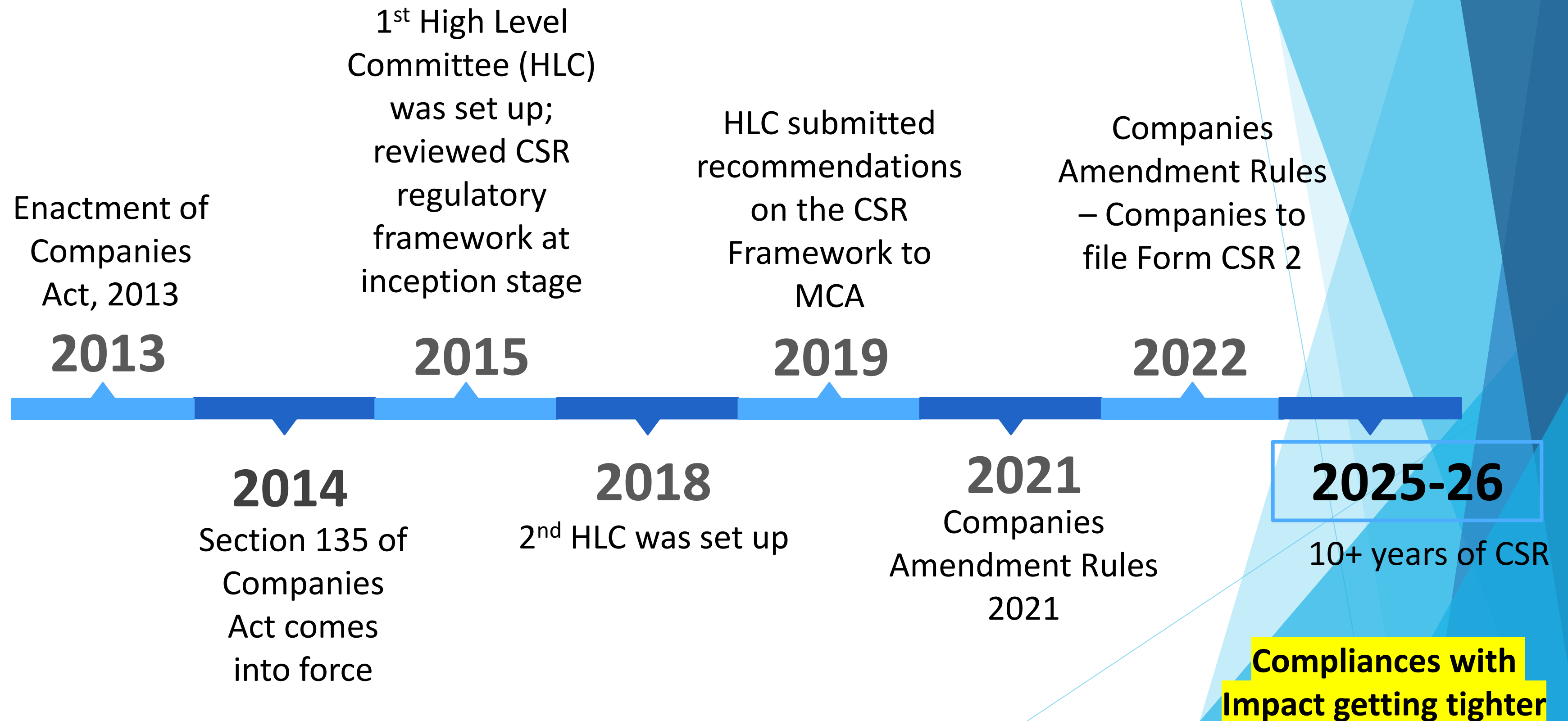
Symposiums

Nikhil Pant

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Roadmap – Evolution of CSR Policy Framework: 2013 to 2024



So, what is CSR - Section 135, Companies Act 2013 – A quick recap

Companies incorporated in India and having either of the following in any of the **immediately preceding financial year**

Net worth of INR 500 Cr or more

Turnover of INR 1000 Cr or more

Net profit of INR 5 Cr or more

CSR Budget = Every financial year, at least 2% of the average net profits made during the **immediately 3 preceding financial years**

CSR Is a Board level function since 1st April 2014 – The Board of each Qualifying Corporate must form a CSR Committee of the Board

Role of the Board of the Company

1. Approve and disclose CSR Policy in the Annual Directors' Report and on company website

2. Ensure implementation of CSR activities as per the Policy

3. Report on actual spending /utilization

4. Directors' Report to specify reasons incase the specified amount is not spent

CSR Committee of the Board

1. Comprising of 3 or more directors with at least one independent director

2. Composition to be disclosed in the Annual Board of Directors' Report

3. To formulate CSR Policy for the company, clearly stating budget and activities

4. To monitor implementation of this CSR Policy

CSR can be undertaken in several ways as per Schedule VII of the Companies Act 2013

1. Company Vehicle / NGO / Foundations
(Can be new)

Activities Route

Form CSR1; 12A or 10(23C) & 80G

2. External Vehicle / NGO
(Min 3 years old)

Activities Route

Form CSR1; 12A or 10(23C) & 80G

3. Central / State Govt Vehicle
(Can be new)

Activities Route

Form CSR1

• Registered Trust
• An 1860 Society
• A Section 8 Company

4. Parliament / State Legislature
Established Entity
(Can be new)

Activities Route

Form CSR1

5. PM Cares

- PM National Relief Fund
- Any central govt fund for SC, ST, BCs
 - Swachh Bharat Kosh
 - Clean Ganga Fund
- Above are all contributions route

6. Qualifying Incubators & research & Development Projects in STEM

- Qualifying institutions in STEM research for achieving SDGs
 - Above are all contributions route

CSR can be undertaken in a number of ways besides directly by the qualify company as per Schedule VII of the Act

SCHEDULE VII

(See [Section 135](#))

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:—

¹[(i) Eradicating hunger, poverty and malnutrition, ²["promoting health care including preventive health care"] and sanitation ⁴[including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water ⁴[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].

(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, ⁹[Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

(viii) contribution to the prime minister's national relief fund ⁸[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

¹⁰[(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

(x) rural development projects]

³[(xi) slum area development.

CSR Spending Distribution Chart - Broad activities as per Companies (Corporate Social Responsibility) Amendment Rules 2021 and September 2022

	5% of CSR Expenditure for given FY	2% (if applicable, else part of Actual CSR Spends) of CSR Expenditure for given FY	Actual CSR Spends (expenses directly incurred) through Activities & Contribution Route (93% if Column B is applicable else 95% of CSR Expenditure)		
	A	B	C	D	E
Budget Heads As per CSR Rules 2021	5% admin overheads - General Management and Administration of CSR	Impact Assessment - 2% of CSR Expenditure in the FY or Rs. 50 lacs whichever is higher, for qualifying companies can be used for Impact Assessment	Designing of CSR projects and programs	Implementation of CSR projects and programs Direct by Company, an 1860 Society, Trust or Section 8 Company or as per other entities under CSR Rule 4(1) (a) to (d)	Monitoring and Evaluation (M&E) of CSR Projects
Activity sub-heads that may qualify under stated Budget Heads**	Board level compliances like CSR Policy, Strategy, Annual Action Plan, Management of Board Agenda and documentation of Board Minutes, Action Points & related Follow-ups etc.; CFO, CA & CS compliances, HQ employee costs, legal and audit expenses, office supplies, stationary, admin related HR, travel etc - all as part of General management and administration of CSR; Mandatory CSR Reporting etc. This admin expense is outside of admin expense that an NGO may seek for Project admin – which will be part of Column D, to be worked out between Corporate and NGO.	As required/Applicable; to be undertaken by an independent agency (not part of implementation) commissioned by the qualifying Corporate. Important for corporates to take this up transparently, with accountability under government and public scrutiny.	May include - Need assessment, RFP (Request For Proposal), Project design, Due diligence and Selection of NGOs, MoU, Budget plan, Theory of Change, Model of Intervention, Baseline & Endline Surveys etc. Proposal writing is not part of permitted CSR spends as it precedes project approval.	1) Activities Route: Actual implementation of CSR Projects and Programs by above entities - All of these must be registered under Form CSR-1 with effect from 1 April 2021, and non-government ones amongst these must also be Registered u/s 12A or 10 (23C) of the Income Tax Act 1961, and 80G of the Income Tax Act 1961. 2) Contribution to Funds Route: via contribution to various funds specified in Sc VII. 3) Contribution to incubators and R&D projects as per Sc VII (ix)(a) and (ix)(b). Note: for bullet 2) above, Budget Heads in Columns C, D & E will not apply and CSR funds would go direct into government funds.	M&E plugged into Project budget; can be spent via partner NGOs or taken up by Company itself/third party or both. Has a key role to ensure Compliance with Impact.

*Note: 1) ** Activity sub-heads stated are suggestive based on CSR expert experience; may include other related activities also that align with concerned Budget Head/s as per applicable CSR Rules; 2) CSR Obligation = 2% CSR as per Section 135(5) + Surplus (like interest on SB A/C) - Set-off (CSR spend over and above 2% in a given FY); 3) To achieve outcomes/impact and S.135 Compliances SMEs/Consultants/Agencies with requisite know-how can be suitably deployed by the Corporate / NGO; 4) Interest calculation for CSR funds received in Savings Bank Account must be calculated precisely as far as possible, and validated by the CA of Implementing Agency as part of the Utilization Certificate; 5) Column D includes Admin expenses that may be needed for project implementation - direct by company or by an Implementing Agency. This is different from 5% Admin Overheads as stated in Column A, that can be used by the company for general management & admin of overall CSR that it is mandated to do.*

Note: This chart is indicative, and must be read in conjunction with applicable CSR legislation, CSR Rules & FAQs etc. If any difference, the latter must be adhered to.

Key Concerns for MCA to take up based on recommendations by Standing Committee on Finance 2025 –

Main concern – Tracking and Assessing actual benefits/Outcomes of CSR Projects. Others as below:

1. Unspent funds tracking – there is lack of clarity on how Unspent funds are getting deployed / utilized by Corporates
2. Gaps in Enforcement of Penalties by MCA
3. CSR Outcomes unclear – lack of detailed analysis on CSR effectiveness by MCA
4. Transparency needs to be enhanced by Corporates by publicly disclosing the status of CSR funds and their Utilization
5. Stronger Monitoring Framework needed from MCA side
6. Disclosure of Impact Assessment Reports and need for Impact Assessment to be carried out in an independent, transparent manner
7. Tracking Ongoing Projects with more rigor from MCA side
8. Role of Implementing Agencies / NGOs. Stricter Evaluation Criteria for NGOs may be developed by MCA to monitor how effectively, CSR compliance-wise and impactfully they are implementing CSR projects.

Chart Conceptualized and Designed by: Nikhil Pant

CSR Data from Ministry of Corporate Affairs (MCA)



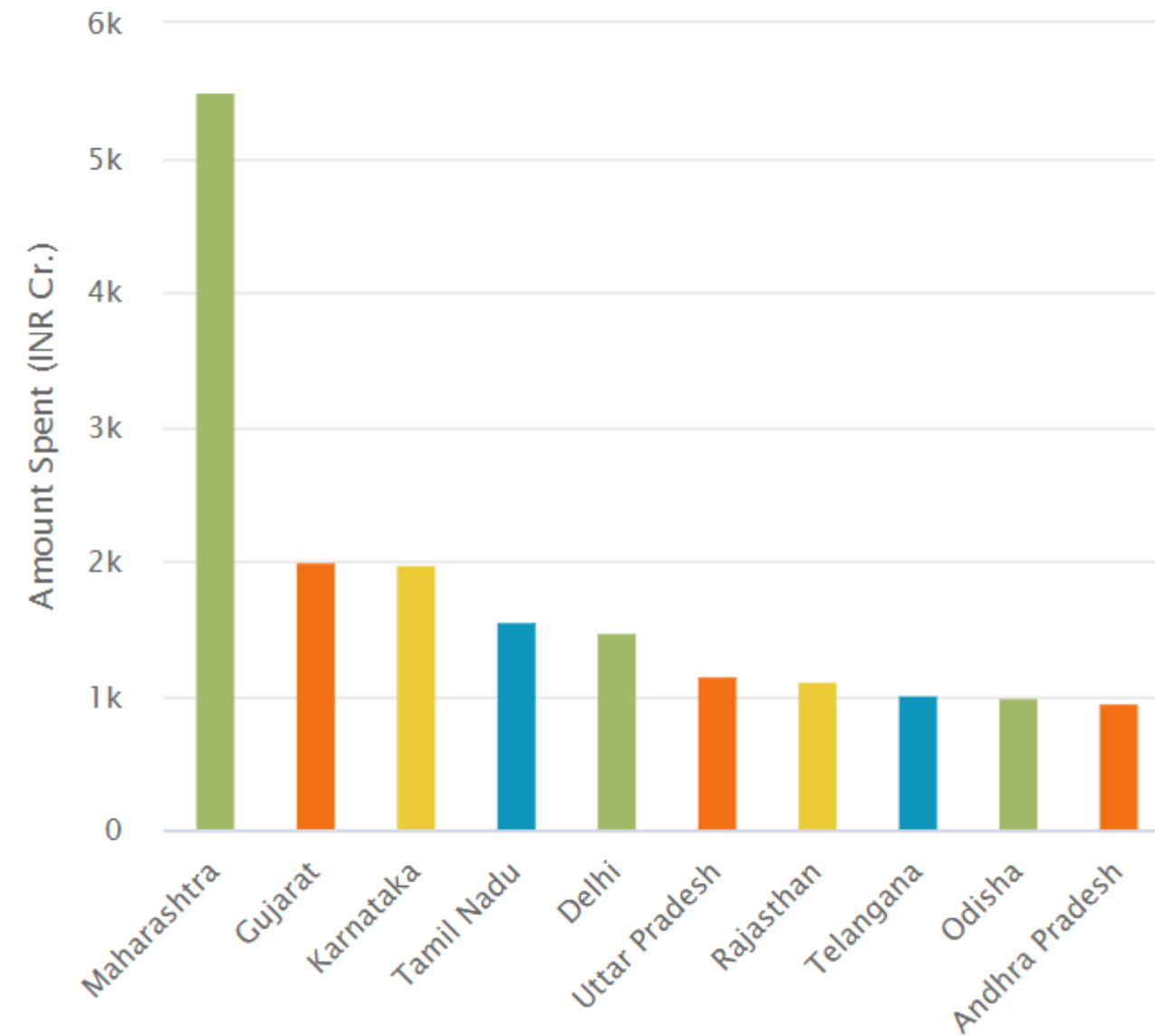
<https://www.csr.gov.in/content/csr/global/master/home/home.html>

FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	Comparative
24392	29986.92	40	51966	14	
Total No. of Companies	Total Amount Spent on CSR (INR Cr.)	States & UTs Covered	Total No. of CSR Projects	Development Sectors	

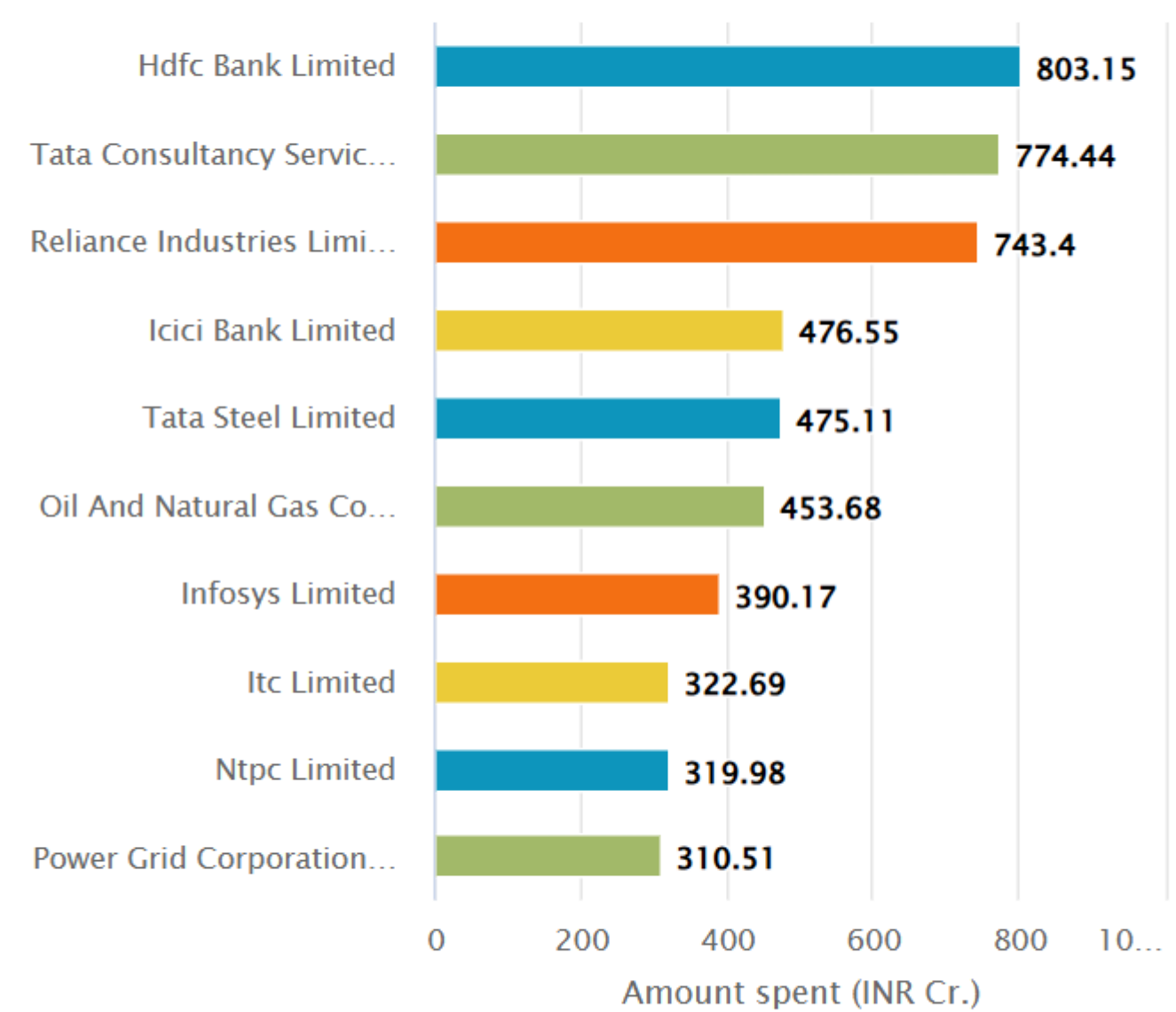
FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	Comparative
19888	26579.78	40	44425	14	
Total No. of Companies	Total Amount Spent on CSR (INR Cr.)	States & UTs Covered	Total No. of CSR Projects	Development Sectors	

FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	Comparative
20840	26210.95	39	39324	14	
Total No. of Companies	Total Amount Spent on CSR (INR Cr.)	States & UTs Covered	Total No. of CSR Projects	Development Sectors	

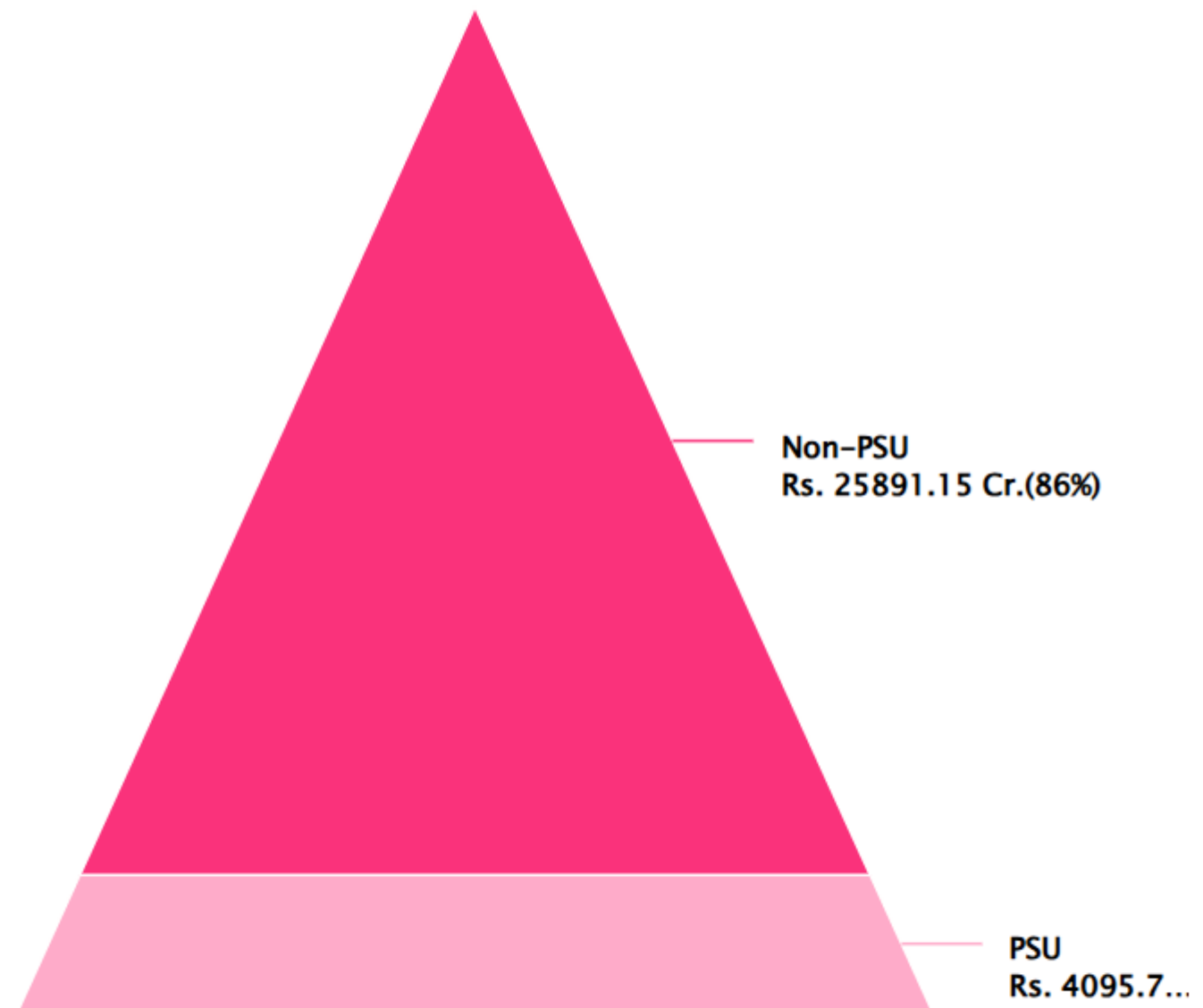
CSR Spent: Top 10 States



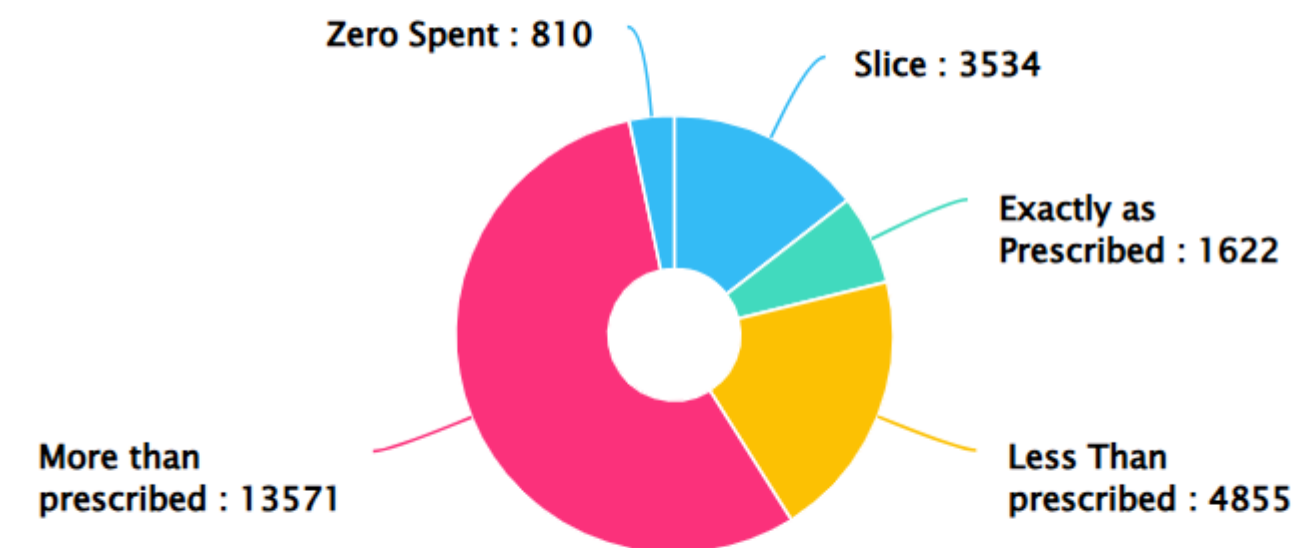
CSR Spent - Top 10 Companies



CSR Spent: PSU vs. Non PSU Companies



CSR Compliance: Company-wise



PRESS RELEASE

Parliament of India
Lok Sabha Secretariat



19th March, 2025

Parliamentary Standing Committee on Finance (2024-25)

<https://sansad.in/ls>

[Press Release: 19th March 2025](#)

8	Corporate Social Responsibility (CSR)	<p>The Committee recommended that the Ministry should establish a more comprehensive <u>reporting and monitoring framework</u> to ensure <u>greater transparency</u> in <u>CSR</u> spending, especially regarding <u>unspent funds</u>. This should include the regular <u>publication</u> of detailed reports on the <u>impact</u> and <u>outcomes</u> of <u>CSR</u> projects; a more robust system for <u>monitoring ongoing projects</u>, and timely <u>enforcement</u> of penalties for non-compliance. Furthermore, the Ministry should consider strengthening the <u>role of the Implementing Agencies</u> and ensure better <u>tracking</u> of their performance to guarantee that <u>CSR</u> funds are being <u>utilised effectively</u> and for their intended <u>purposes</u>.</p>
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House panel urges MCA to ensure more transparency in CSR spending

MAJOR CONCERNS. It flagged opacity around unspent funds and weak enforcement of non-compliance

KR Srivats
New Delhi

The Standing Committee on Finance, headed by BJP MP Bhartruhari Mahtab, has urged the Ministry of Corporate Affairs (MCA) to establish a more comprehensive reporting and monitoring framework to ensure greater transparency in Corporate Social Responsibility (CSR) spending, particularly with regard to unspent funds and the effectiveness of implemented projects.

The committee has expressed concern over gaps in enforcement, impact assessment and the role of implementing agencies in CSR activities.

The Parliamentary panel noted that while there has been significant progress under the CSR framework, both in the public and private sectors, several deficiencies remain in tracking and assessing the actual benefits of CSR spending.

In its report, tabled in the



KEY RECOMMENDATION. Panel stresses on need to strengthen the role of implementing agencies that execute CSR projects on behalf of companies

Lok Sabha recently, the committee emphasised that the lack of detailed analysis on CSR effectiveness raises questions about how companies utilise their mandated CSR contributions.

THREE-YEAR DEADLINE

One of the major concerns highlighted by the committee is the opacity surrounding unspent CSR funds. Companies are required to transfer unspent CSR amounts to a separate 'unspent CSR account' and use

them within three financial years, failing which they must transfer the funds to a government-specified fund. However, the effectiveness of this mechanism remains unclear, with inadequate public disclosure on how much of these funds are eventually utilised for CSR projects.

The committee also pointed out that the enforcement of penalties for non-compliance has been weak, raising concerns that some companies may not be fully adhering

to CSR mandates. To address these concerns, the Standing Committee has recommended that the MCA implement a stronger monitoring framework, including regular publication of detailed reports on the impact and outcomes of CSR projects; a robust tracking mechanism for ongoing CSR projects to ensure they are completed effectively, and timely enforcement of penalties on companies failing to meet CSR obligations.

ACCOUNTABILITY

By enhancing transparency and publicly disclosing the status of CSR funds, the committee believes companies will be more accountable in ensuring that CSR initiatives yield tangible social benefits.

Another recommendation is the need to strengthen the role of implementing agencies that execute CSR projects on behalf of companies.

The committee noted that many of these agencies lack sufficient oversight, leading

to inefficiencies in fund utilisation and project execution.

To ensure that CSR funds are being used effectively and for their intended purpose, the committee has urged the MCA to develop stricter evaluation criteria for implementing agencies, monitor their performance periodically to ensure they are delivering results and establish a transparent mechanism to track CSR fund flow from companies to implementing agencies and final beneficiaries.

The recommendations signal a push towards greater regulatory oversight, urging the MCA to go beyond mere compliance tracking and focus on actual impact assessment.

If implemented, these measures would ensure that funds are directed toward initiatives that make a tangible difference in society. The ball is now in the MCA's court to act upon these recommendations, economy watchers said.

6/5/25, 9:48 AM

Standing committee on finance calls for greater transparency in CSR spending and monitoring - The Hindu BusinessLine

SENSEX 82,330.59 NIFTY 25,019.80 CRUDEOIL 5,353.00 GOLD 92,431.00 SILVER 95,315.00
-200.15 -42.30 +82.00 -738.00 -600.00

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ACCOUNT

MENU

ECONOMY

Standing committee on finance calls for greater transparency in CSR spending and monitoring

Flags opacity around unspent CSR funds; wants Ministry to establish comprehensive CSR reporting and monitoring framework

By KR Srivats

Updated - March 24, 2025 at 12:52 PM.



<https://www.thehindubusinessline.com/economy/standing-committee-on-finance-calls-for-greater-transparency-in-csr-spending-and-monitoring/article181111111.html> 1/8

6/5/25, 9:48 AM

Standing committee on finance calls for greater transparency in CSR spending and monitoring - The Hindu BusinessLine

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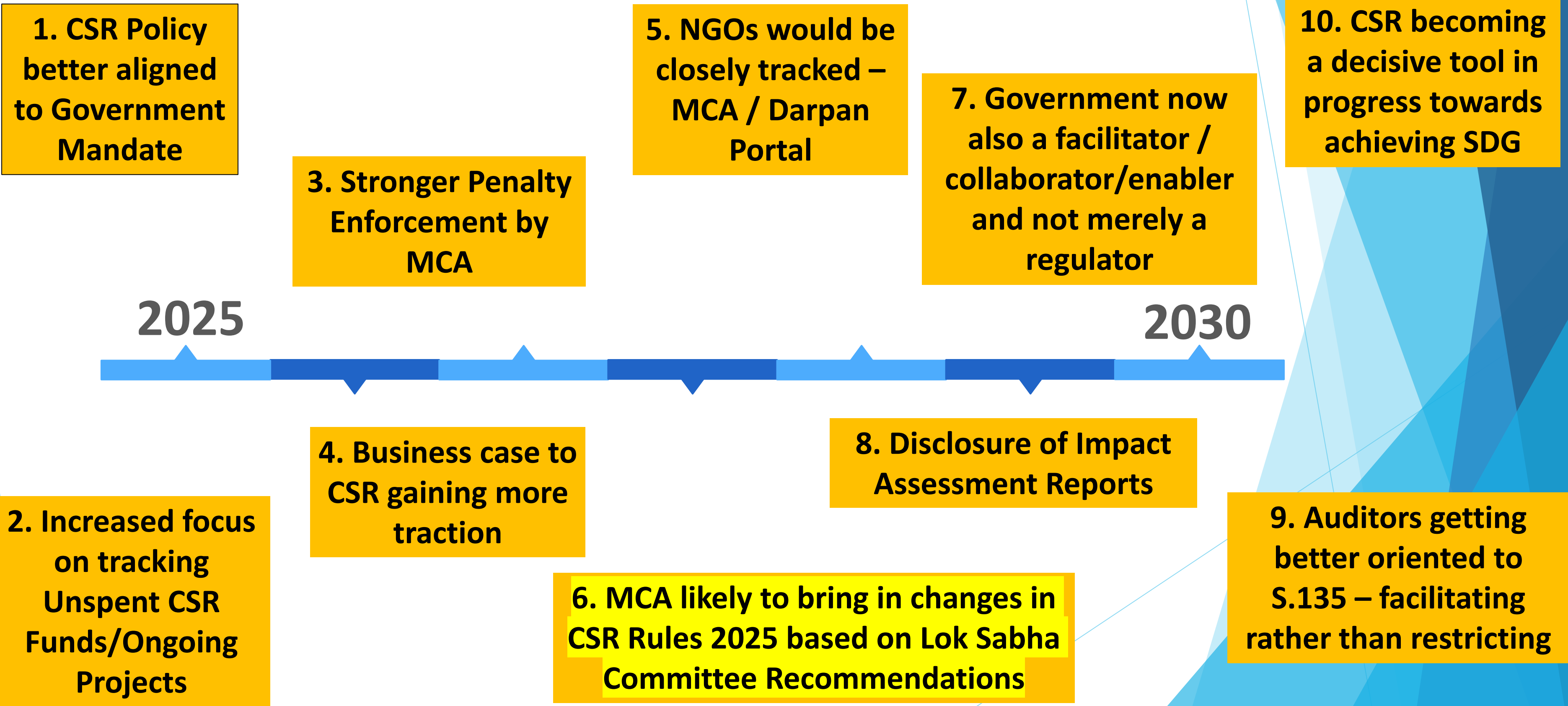
Key Concerns for MCA to take up in 2025 as per Recommendation of Standing Committee of Finance, Lok Sabha :

Main concern - Tracking and Assessing actual benefits/Outcomes of CSR Projects. Others as below:

- 1. Unspent funds tracking - there is lack of clarity on how Unspent funds are getting deployed / utilized by Corporates*
- 2. Gaps in Enforcement of Penalties by MCA*
- 3. CSR Outcomes unclear - lack of detailed analysis on CSR effectiveness by MCA*

4. *Transparency* needs to be enhanced by Corporates by publicly disclosing the status of CSR funds and their Utilization
5. Stronger *Monitoring Framework* needed from MCA side
6. *Disclosure of Impact Assessment Reports* and need for Impact Assessment to be carried out in an *independent, transparent manner*
7. *Tracking Ongoing Projects* with more rigor from MCA side
8. *Role of Implementing Agencies / NGOs. Stricter Evaluation Criteria* for NGOs may be developed by MCA to monitor how effectively, CSR compliance-wise and impactfully they are implementing CSR projects.

Evolving Trends: 10-Fold Building Blocks – **CSR Policy Framework: 2025 - 2030**



What NGOs must do in 2025-26 to fully align with MCA/CSR Mandate:

1. Darpan Portal registration and updation as on date:

- Details of Board Members with Aadhar & PAN Linked**
- Details of Work, Projects and Activities**
- Registration details**
- Etc. as asked for by the Portal**

Important Notice: For documents before **March 7, 2025**, but **did not generate a Darpan Unique ID**, must **reinitiate the signup process**, as their old credentials will no longer be valid. We sincerely apologize for any inconvenience caused.

LET'S GET YOU STARTED



Login an Account

All NPOs/NGOs registered before 07-Mar-2025 should use their **NPO/NGO PAN** as their **Login ID**. To log in, select the **"Login with OTP"** option, then reset your password and m-PIN.

☒ Login with Password ☐ Login with OTP

Login ID

Password



pT0g0q



Captcha


[Forgot Password ?](#)

Log in

Don't have an Account? [Register](#)



[View Instructions](#)

 Overview

 **Registration Profile** 

 **NPO Details**

 **Member Details**

 **Working Area**

 Update Profile 

 Settings 

 Log Out



DARPAN ID

[REDACTED]

DARPAN ID Status

Active

Registration Date

[REDACTED]



**Download
Details**

NPO Details

Name of Organization

[REDACTED]

Organization PAN Number

[REDACTED]

Date of Incorporation of PAN

[REDACTED]

Registration Number

[REDACTED]

Date of Registration

[REDACTED]

NPO Type

Registered Societies (Non-Government)

Registering Authority

Registrar of Societies

Act Name

Societies Registration Act 1860

Registration Renewed

[REDACTED]

NPO Reg Validity Available

[REDACTED]

FCRA Available

YES

FCRA Registration Number

[REDACTED]

FCRA Date of Registration

[REDACTED]

FCRA Expiry Date

[REDACTED]

NPO URL

[REDACTED]

Number of Board Members

[REDACTED]

What NGOs must do in 2025-26 to fully align with MCA/CSR Mandate:

2. Check your 12A and 80G Exemptions on Income Tax Website -

<https://incometaxindia.gov.in/Pages/utilities/exempted-institutions.aspx>



Income Tax Department

Ministry of Finance, Government of India

[Skip to main content](#) [Depart](#)

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[Income Tax Department](#) > [Tax Utilities](#) > [Tax Exempted Institutions](#)

Last Updated : 21 May 2025

Exempted Institutions

(Please provide input in any 1 field to search the relevant record)

Unique Registration Number (URN)

Name

PAN

Search

Reset



Income Tax Department

Ministry of Finance, Government of India

[Skip to main content](#) [Department](#)

[Home](#) [About Us](#) [Taxpayers' Charter](#) [Tax Laws & Rules](#) [Tax Information and Services](#) [Tax e-Services](#) [Publicity Campaigns](#) [Contact us](#) [Feedback](#)

Income Tax Department

[Taxpayers' Charter](#)
[Taxpayers' Charter Reports](#)

Unique Registration Number (URN)

Enter complete and correct URN

Name

Enter text

PAN

aaaar3375a

Section Number

All

State

All

Text Search: [i](#)

Exempted Institutions

RESEARCH &

RESEARCH &

2 Record(s) | Page [1 of 1] in 0 seconds

Disclaimer:

All information provided on this section of the website for displaying of details of exempted institutions under the Income Tax Act is subject to change without notice. Reasonable efforts are taken to ensure the validity, accuracy and integrity of all information provided here. The webmaster does not warrant, express or implied, or assumes any legal liability or responsibility for the accuracy or completeness of any information contained on this section of the website.

Date
of
status

Last Updated : 21 May 2025

2 Record(s) | Page [1 of 1]


12A and 80G status
as on date


PAN
of
NGO


What NGOs must do in 2025-26 to fully align with MCA/CSR Mandate:


3. National CSR Exchange - <https://www.csrxchange.gov.in/>

Corporate/Implementing Agency Login









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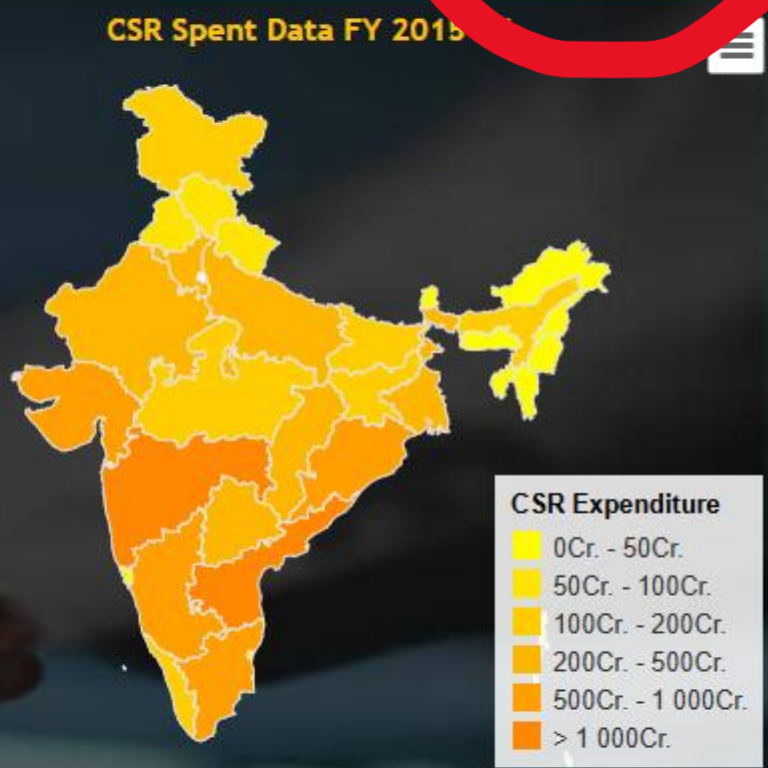
Login

[Forgot Password?](#) | [Forgot Username?](#)


Don't have an account! [Register here.](#)

-  **Register as Corporate**
-  To identify suitable Implementing Agency for your CSR Project
-  To identify suitable CSR Projects proposed by Implementing Agencies
-  To manage CSR Projects through the Portal

-  **Register as Implementing Agency**
-  To apply to Corporates CSR Project Proposal
-  To list Projects to raise funds from Corporates
-  To manage CSR Projects through the Portal



This platform will help Corporates and Implementing Agencies to strategize, implement and manage their CSR projects.



+ Add Project

List of RFPs

List of RFF

List of Applied RFPs

CSR Stats

Total Projects0

Total Budget₹ 0

No. of Companies Linked0

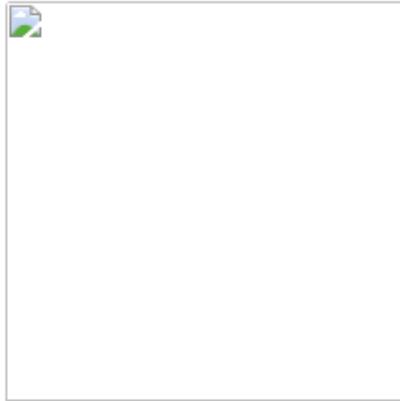
Projects

Current Projects

Bookmarked Projects

Completed Projects

PROFILE



IMPLEMENTATION AGENCIES

CSR Budget for current year

Work Location

GoaJammu and KashmirMadhya PradeshUttar PradeshUttarakhand

Cause area (CSR Sector)

Education Skill Development Livelihood Environment Women Empowerment Rural Development

Basic Details

PAN Number

E-mail

Date of Incorporation

CSR Registration Number

User Name

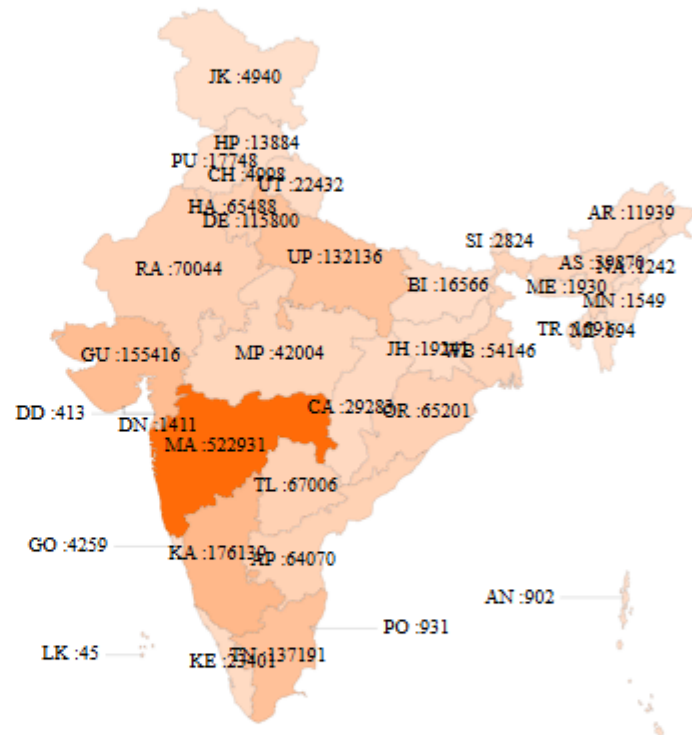
Industry Type

Society

Summary

Overall CSR Spent

As on 31st March, 2024 (FY 2022-23)



As on 31st March, 2024 (FY 2022-23)

Copyright: Nikhil Pant

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2025 Recommended NGO Checklist

Extra Due Diligence that may be taken up to mitigate Accounting & Audit Risk

Applicable to: NGO Renewal / New / Ongoing for FY 2024-25 and Onwards

(Beyond the standard docs required)

CAN BE MADE MANDATORY FOR PARTNERING / FUNDED NGOS:

1. Website disclosures –

- Annual Reports with Financials of the last 5 Financial Years (FY).
- FCRA reports if applicable of the last 5 FY.
- Details of Board Members.

2.**No pending IT / penal / statutory action underway on NGO or any Board Member.

3.**Timely filing of Form 10BD for donors for issuing 80G receipts.

4.**Timely filing of ITRs with no defaults over last 5 FY.

5.**Assessments / any scrutiny done by statutory / assessing officer has found no demand and non-compliance against the NGO.

6. Audits / Assessments:

- Any 3rd party assessment by a government approved credible agency/Big 4 Consulting Firm or any agency hired by CSR funder, undertaken in last 5 years for project of 1 Crore or more size implemented by the NGO. This is applicable for NGOs that have undertaken projects of size 1 Crore or more with CSR funder support in FY2024-25, OR
- Concerned NGOs audit and UC verification has undergone CSR Funder clearance as per Funder Policy/CAG/Govt norms for minimum of 3 FYs since association with CSR funder.
- New / less than 3 FY partner NGO with project size less than 1 Cr may be fully checked on all parameters as listed in this document along with standard documentation.

6.**No default u/s 12A regarding charitable nature of the organisation throughout its existence. No activity has been done in contravention to trust deed / Objects of Society.

7.**If having FCRA, clear disclosure of 1) Source of funds and 2) application of funds in alignment with FCRA Certificate approval and mandate of the NGO. Timely filing of FCRA Returns with no defaults over last 5 FY.

Above may be implemented with **immediate effect to ensure risk mitigation for FY 2024-25 audits and onwards to meet all IT Department, CSR and FCRA (as applicable) compliances.**

CAN BE USED TO GIVE EXTRA WEIGHTAGE FOR PARTNERING / FUNDED NGOS:

- 1.Extra due diligence** clearances - like RBI/SIDBI/Banking, CAG/PSU and Home Ministry/ FCRA.
- 2.Partnerships** with renowned Corporates for minimum 3 FY
- 3.Consistency of Board members** in terms of 1/3rd of them being part of the Board for at least 3 years at a stretch
- 4.Alignment of Board members profile** with mandate / Objects of the NGO

Note:

- 1. (**) – An Affidavit in this regard is required to be submitted by the head of the NGO. This could be one Affidavit that includes all points as mentioned.*
- 2. This document is a recommendation from Nikhil Pant (Former Chief Programme Executive, National Foundation for CSR, IICA, Ministry of Corporate Affairs, GoI, from 2012 to 2017) and is only meant as a guide for Corporates/ CSRs and NGOs to enhance their compliance to laws, rules and regulations as applicable to them. It is advised that this document may be shared with your CSR Teams, CAs, CS and Legal Deptt. for suitable incorporation in your due diligence/compliance/governance process.*

CSR POLICY TRENDS - WATERSHED MOMENT ! (2021-2022)

5 Mega trends in CSR Compliance that all MUST KNOW

1. CSR spending is now MANDATORY
2. Spending timeframes are now FINITE TIME PERIODS
3. NGOs are partners in implementation & COMPLIANCE
4. Government/Ministry of Corporate Affairs (MCA) is CLOSELY MONITORING CSR SPENDING & COMPLIANCE
5. Government is actively utilizing CSR for NATION-BUILDING and DISASTER MANAGEMENT; **Green Growth CSR will get impetus going forward**

Deeper Dive into Macro trends in CSR Compliance For Corporates

1. CSR High Level Committee (HLC) Recommendations getting implemented
2. Comply or Explain is NOW Comply & Spend. Thus, CSR spending is now mandatory
3. Higher Board Level Accountability - Transparency, Monitoring, Approvals, Reporting
4. Spending = Allocation + transfer + utilization with CA Certificate
5. Ongoing Projects defined to give elbow room to spend over a 1+3 year period
6. Annual Action Plan (AAP) made mandatory - to sync Grant Cycle to FY Cycle
7. Clarity presented on some unclear areas like Admin Overheads, Surplus, Set-off etc.
8. Role of CFO now becomes particularly important. Key collaboration must now be between CFO, CSR Head, CA and CS.
9. Treatment / Reporting of Capital Assets defined
10. Impact Assessment now part of Compliance as per stated criteria
11. Business / for-profit activities must be clearly kept away from CSR activities.
12. Non-Compliance - Civil Offence with monetary penalty on all concerned

Deeper Dive into Macro trends in CSR Compliance Implementing Agencies (NGOs)

Implementing Partners / NGOs are NOW PARTNERS IN COMPLIANCE TOO

1. Key role for NGO Leaders to be pro-active
2. Must spend/utilize in timely manner within FY/1+ 3 years for Ongoing Projects
3. Registration u/s 12A or 10 (23C), and 80G of IT Act 1961 made mandatory
4. Form 10BD is to be filed by 31st May of the next FY u/s 80G. Form 10BE must be obtained by the donor from NGO/donee to avail tax exemption.
5. Registration at Form CSR-1 helps bring donor and donee within the same umbrella of Ministry of Corporate Affairs; likely in future - NGO reporting on CSR Utilizations against allocated Form CSR-1 Registration
6. **Lack of Compliance support to Corporates = Who moved my Cheese!!**

Key Points from Ministry of Corporate Affairs Newsletter dated June 2023

Key Points:

- While **Sustainability is about** factoring the social and environmental impacts of conducting business, that is, **how sustainably profits are made**, Corporate Social Responsibility (CSR) **focuses on** what is done with the profits made and whether they are **utilized for the greater good of the society**
- CSR has evolved from a peripheral aspect of business to a **strategic imperative**.
- The **government's intention** to make CSR more **robust** is quite evident in the initiatives undertaken, such as the need to certify the **utilization** of CSR funds by a Chartered Accountant (CA)
- Education, healthcare, and rural development are the top three development sectors receiving the CSR funds



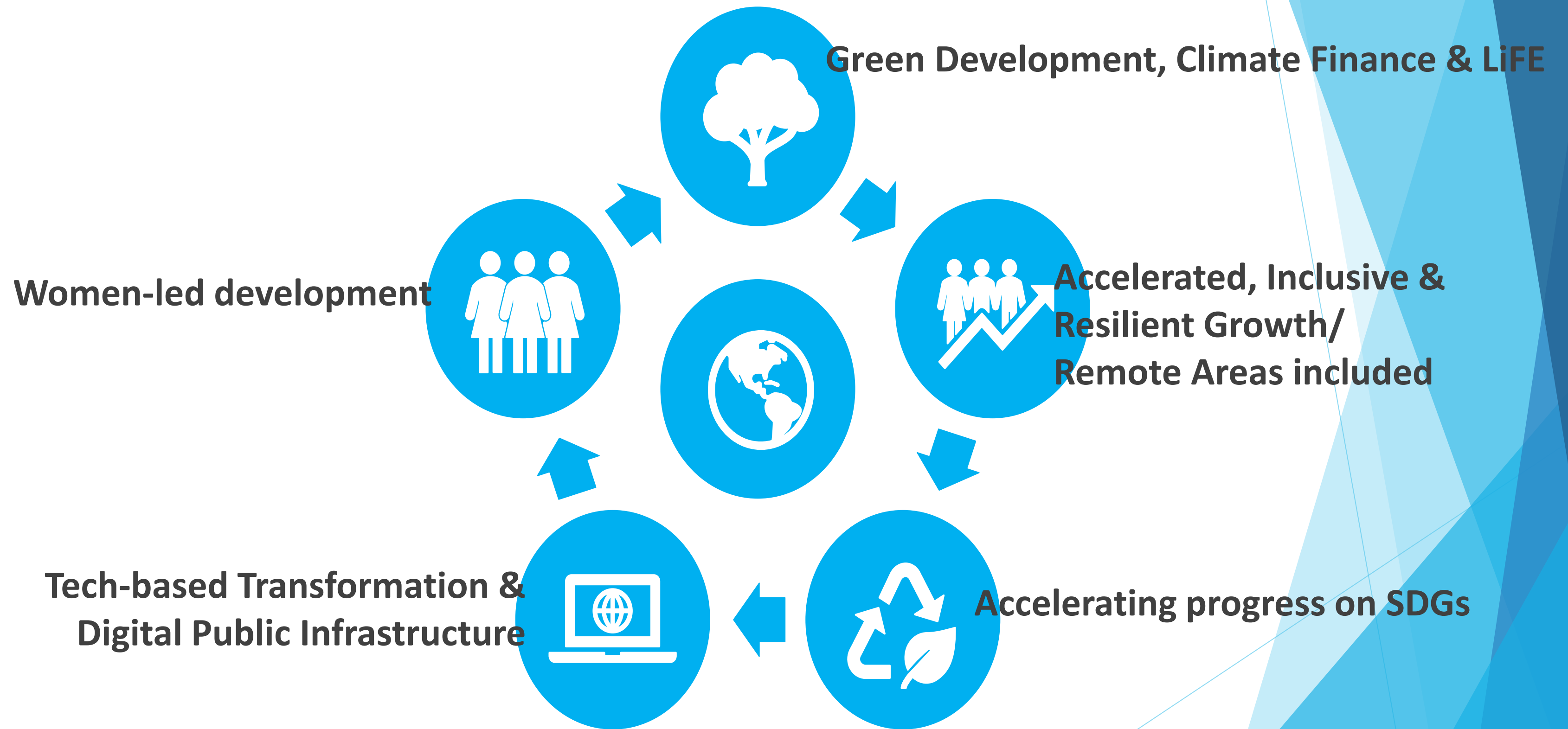
Challenges:

- In **FY 2021** the **CSR spent** was Rs. 26,210 crore which is almost **twice** in comparison to **FY 2016** where Rs. 14,542 crores were spent
- However, **the impact** of the CSR funds is **not widely felt** and there is a need to enhance the visibility as well as impact of these invested funds.
- There has been **uneven distribution** of the CSR Funds across the states of India with 10 states receiving 44% of the CSR funds
- Northeast states received a mere 0.91% of the funds in FY 2020-21
- The emphasis should be on creating an appropriate structure for CSR, ensuring that the funds go towards the well-being of the community, hence the **intent to do good for the society becomes important**

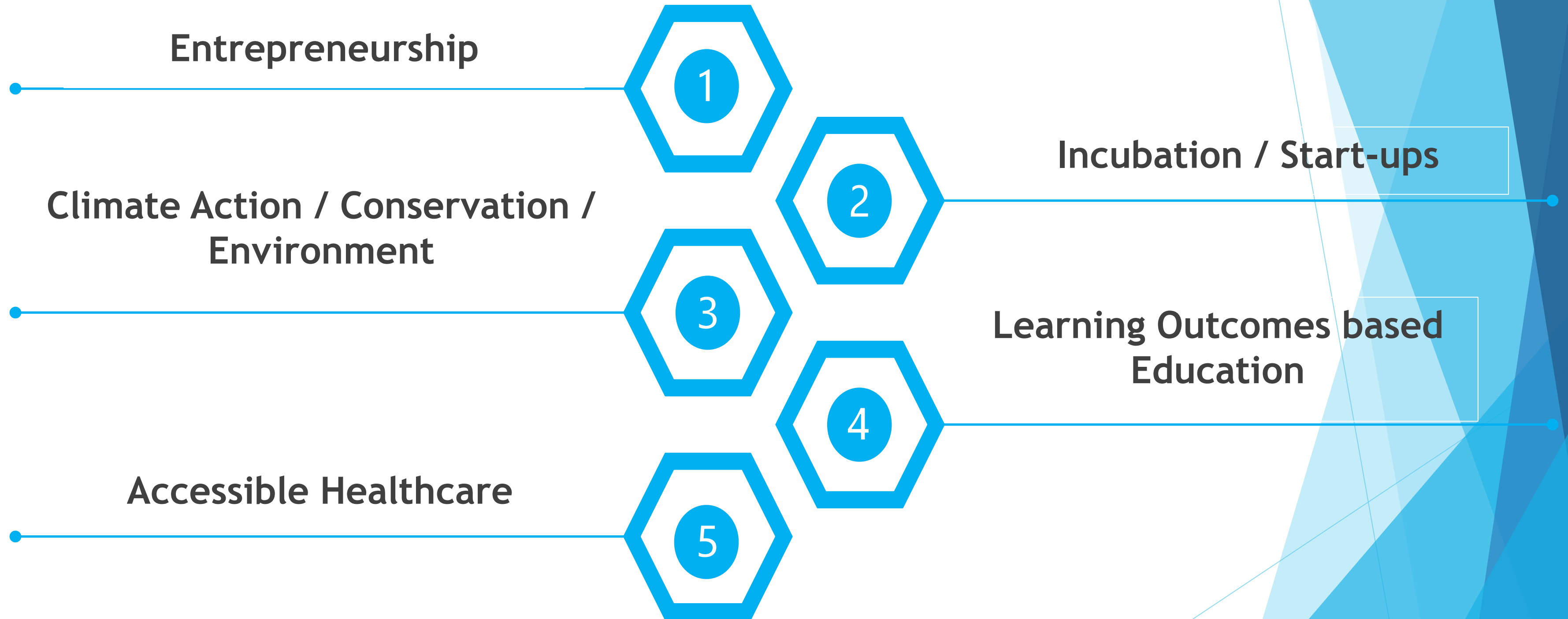
The background features abstract geometric shapes in various shades of blue and a bright yellow rectangle. The blue shapes are composed of overlapping triangles and polygons, creating a dynamic, modern look. The yellow rectangle is positioned horizontally across the middle of the image, serving as a backdrop for the text.

Looking into the future: 2025 to 2030

Leveraging CSR to Achieve SDGs - Few key **Horizontal**s to embed in CSR initiatives



Leveraging CSR to Achieve SDGs - Few key **Verticals** to drive CSR initiatives



Thank You

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