

UPSC

Candidate must adhere to the word limit specified in the question.
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1. Ambiguities in Indian CSR law is weakening its efficiency. In this context suggest measures to be taken to strengthen CSR framework in India.

CSR is the responsibility of the companies over impacts of environment and social impacts.

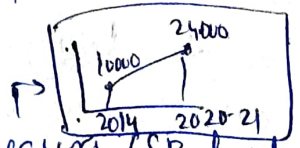
Legislation

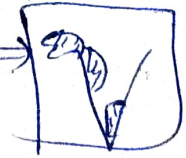
Companies Act, 2013 - provides for CSR - at least 2% of average previous 3 year profit, if companies
Net profit - ₹ 5 cr (or) Net worth ₹ 500 cr (or) Turn over - ₹ 10000 cr

Board : CSR committee → Policies
→ Monitor policies

Issues:

1. NO data to prove that increasing CSR funds is out of profit
2. Environment constitutes only 9% of CSR funds, whereas Education (37%) & Health & sanitation (29%)
3. Geographical bias.



Ashoka university's report → 53% of funds concentrated in Southern states. → 
Low funds for Madhya Pradesh, UP

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4. Monitoring.

Technical guide on Audit by IICA.

companies are mandated only ~~for~~ to note overfund, over funds under fund or note of accounts and not event auditing or qualitatively

Measures

1. Environment ^{funds} must be contributed minimum 25%.
2. Monitoring → CSR must be brought under ambit of financial audit. with mandatory 3rd party audit
3. Selection of projects with Indigenous communities as stakeholder.
4. Geographical bias can be prevented by listing CSR compliant projects of states - can be guide by Investment India → beneficial to Aspirational districts and project under Sarsad

Adesh gram yojana

IICA must involve in monitoring the reports qualitatively rather than just listing the reports, to widen the benefits and remove ambiguities in CSR system