

Seventeenth Loksabha

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Title: Regarding Corporate Social Responsibility fund utilization.

SHRI A. NARAYANA SWAMY (CHITRADURGA): Sir, I would like to speak about the Corporate Social Responsibility Fund Utilisation.

CSR is said to increase reputation of a company's brand among its customers and society. The Companies Act, 2013 has formulated Section 135, Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII which prescribes mandatory provisions for companies to fulfil their CSR activities of two per cent out of their three years average profit. The types of Corporate Social Responsibility are environment conservation, diversity and labour practices. The same is implemented even by the small businesses. One way to demonstrate your commitment to Corporate Social Responsibility is to get involved with local community, volunteers, go green, alternative transport methods, support the development of employees and to execute the decision taken by the company.

In many cases, companies have failed to utilise CSR funds as there is no proper way to inspect the same by Government controlling authorities. Companies have practiced to evade CSR funds by not showing profits or maybe, they will implement within their company premises or whatsoever. Due to this, there is no significant development in the area in which the company is located. They have to look after the environment, infrastructure, education and providing basic facilities in their local areas. But they were not doing this and they simply sponsor sports event or sponsor some other events and publish the same in their annual report. This has to be completely stopped. A new set of guidelines has to be implemented so that the people of the local area get employment opportunities

and development of environment and also to provide basic facilities only. A proper checking mechanism has to be set up under the Chairmanship of hon. Members of Parliament representing Lok Sabha. Hon. MPs can review their CSR implementation along with MPLADs. This will help the local people and local Government to converge the additional funds available with the CSR. The CSR funds accountability can be assessed locally. The CSR funds must be utilized locally so that the local people get benefit out of everything. Like this many new modifications of rules are to be implemented and the companies should be accountable to District Administration or hon. Member of Parliament.