

# Recommendations of High-Level Committee on CSR

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*Source: Press Information Bureau*

## Background

The High-Level Committee on CSR was constituted in October 2018 under the Chairmanship of Secretary (Corporate Affairs) to review the existing CSR framework and make recommendations on strengthening the CSR ecosystem, including monitoring implementation and evaluation of outcomes.

## Recommendations

The Committee has made far-reaching recommendations. The main recommendations include;

- **Making CSR expenditure tax-deductible**
- Provision for carry forward of unspent balance for a period of 3 – 5 years
- Aligning Schedule 7 with the SDGs by adopting an SDG plus framework (which would additionally include sports promotion Senior Citizens' welfare, welfare of differently-abled persons, disaster management and heritage protection)
- Balancing local area preferences with national priorities
- Introducing impact assessment studies for CSR obligation of 5 crore or more, and registration of implementation agencies on the MCA portal.
- **CSR Portal:** It recommends to develop a CSR exchange portal to connect contributors, beneficiaries and agencies, allowing CSR in social benefit bonds, promoting social impact companies, and third-party

assessment of major CSR projects.

- **CSR, not a means of resource gap funding:** The Committee has emphasized on not treating CSR as a means of resource gap funding for government schemes.
- The Committee **discourages passive contribution of CSR** into different funds included in Schedule VII of the Act. It has emphasized on CSR spending as a board-driven process to provide innovative technology-based solutions for social problems.
- **Exemption for some companies to constitute CSR Committee:** The Committee has also recommended that companies having CSR prescribed amount below Rs. 50 lakh may be exempted from constituting a CSR Committee.
- The Committee has also recommended that **violation of CSR compliance may be made a civil offence** and shifted to the penalty regime.
- The panel wants banks and limited liability partnerships also to be covered by a mandatory CSR expenditure framework.