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title: Need to spell out clear-cut policy regulations for Corporate Social Responsibility (CSR) Programme and also provide for an exclusive audit of CSR.

SHRI E.T. MOHAMMAD BASHEER (PONNANI): Our country can be proud of being formulated a legislation on Corporate Social Responsibility (CSR) for the first time anywhere in the world under Section 135 of the Companies Act.

Activities to be undertaken under CSR is specified in Schedule 7 of the Act. There is every reason to believe that there is a move to dilute the scheme through loopholes. Implementation of the scheme is done as per the provisions of the Act, Rules and the guidelines issued by the Department of Public Enterprises. Schedule 7 has been amended 3 times through the Government notification and its present form is different than the original.

Now some corporates are misusing this. Instead of doing the responsibility they just hand over the money to some projects of the Government which is against the spirit of CSR. Similarly, there is no separate audit for CSR. It is just part of company's annual audit. Similarly the Act specifies that local area preference should be reflected in spending of CSR. In several cases this principle is also not adhered to.

I, therefore, appeal to the Government to make clear-cut policy regulation with regard to the CSR. It is also suggested that the Government should make a system of an exclusive audit on CSR.