

No.10/7/2017- CSR (Pt)  
Government of India  
Ministry of Corporate Affairs

5<sup>th</sup> floor, 'A' Wing, Shastri Bhawan,  
Dr. R.P. Road, New Delhi-110001

Dated: 25.01.2018

To,  
All Registrar of Companies  
All Regional Directors

Subject: Clarification on the proposal of contribution to funds other than Central Government funds – reg.

Sir,

Clarifications have been sought by stakeholders as to whether companies can pool CSR funds into a Fund set up by an entity other than Government (which may be a company, society, etc.) with the objective of spending in areas as envisaged in Schedule VII of the Companies Act, 2013 (the 'Act') or for the purpose of conducting CSR activities, etc.

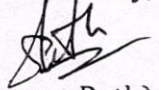
2. The matter has been examined in the Ministry and the following clarification is given:-
  - (i) It is clarified that contribution of CSR funds is allowed only to funds set-up by, or designated for such contribution by, Central Government as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) and no other fund. Contribution to private funds such as those set-up by a not-for-profit company, etc. is not allowed as per the CSR Rules.
3. It is, further, clarified that companies are allowed to, as per Rule 4(2) & (3) of the CSR Rules, to execute their CSR activities through a company established under section 8 of the Act or registered trust or a registered society, established by companies either singly or alongwith any other company provided such entity has an established track record of 3 years



in undertaking similar programmes or projects; and the company has specified the projects or programmes to be undertaken, the modalities of utilization of funds of such project & programme and the monitoring and reporting mechanism. It may also collaborate with other companies as approved by CSR committee of respective companies.

4. This issues with the approval of Secretary, CA.

Yours faithfully,



(Seema Rath)

Deputy Director

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