

STRATAGE UPDATES

CSR Policy Amendment Rules

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MCA has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014, and the key changes are set out hereunder:

- Earlier, certain companies were exempted from forming a corporate social responsibility (**CSR**) committee under the Companies Act, 2013 if the provisions thereunder ceased to apply to such companies for three consecutive financial years. Now, this exemption has been omitted.
- Companies having any amount in its unspent CSR account would now be mandatorily required to constitute a *CSR Committee*.
- In addition to the existing entities through which a company can undertake CSR activities, the following entities have now been *permitted to undertake CSR activities*, subject to certain conditionalities, including as set out under the income-tax laws:
 - fund or institution established *for charitable purposes*;
 - trust or institution *wholly for public religious* and/ or charitable purposes;
 - university or other *educational institution* existing solely for educational purposes; or
 - *hospital* or other institution for persons requiring medical attention, existing solely for philanthropic purposes.

The aforesaid changes were notified vide a notification dated September 20, 2022, which came into force on September 21, 2022 ([available here](#)).



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