

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 2444  
ANSWERED ON TUESDAY, DECEMBER 17, 2024**

**GUIDELINES AND STANDARDS FOR COMPANIES USING CSR FUNDS**

**QUESTION**

**2444 SHRI DEEPAK PRAKASH:**

Will the Minister of Corporate Affairs be pleased to state:

- (a) whether there are any guidelines and standards for companies using CSR funds;
- (b) the mechanism for monitoring and evaluation of the utilisation of CSR funds;
- (c) the training and support, incentives and provisions made for the companies utilising CSR funds in tribal and backward areas of Jharkhand for effective implementation of those programmes; and
- (d) whether there is any special scheme to ensure the utilisation of CSR funds for development of local communities in the State, if so, the details thereof?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND MINISTER  
OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**[SHRI HARSH MALHOTRA]**

(a): The guidelines and standards for companies using CSR funds provided in the legal framework for Corporate Social Responsibility (CSR under Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014. Section 135 of the Act mandates every company having net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more, or net profit of Rs. 5 crore or more during the immediately preceding financial year, to spend at least two per cent of the average net profits of the company made over immediately preceding three financial years towards CSR as per the CSR Policy of the Company.

(b): The Board of the company is required to disclose the CSR Policy implemented by the company in its Board report and the Board of the company has to satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it, and the Chief Financial Officer or the person responsible for financial management shall certify to the effect. The CSR Committee shall formulate and recommend to the Board, an annual action plans in pursuance of CSR policy, which includes the modalities of utilization for funds, monitoring and reporting mechanism for the projects or programs and details of need and impact assessment, if any, for the projects undertaken by the company.

(c) & (d): There is no provision for training and support, incentives and provisions made for the companies utilising CSR funds under CSR legal framework and also there is no special scheme to ensure the utilisation of CSR funds for development of local communities in the State.

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