

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 217
ANSWERED ON TUESDAY, JULY 22, 2025**

MONITORING THE IMPACT OF CSR PROJECTS

QUESTION

217 DR. SYED NASEER HUSSAIN:

Will the Minister of CORPORATE AFFAIRS be pleased to state:-

- (a) the specific mechanisms or agencies in place to monitor the effectiveness of CSR projects implemented by the corporations, particularly in rural and remote areas;
- (b) whether the Ministry has considered introducing a standardised evaluation framework for CSR projects to ensure consistent and transparent assessment across companies;
- (c) whether the Ministry has conducted any studies on the long-term sustainability of CSR projects after corporate funding ends; and
- (d) if so, the details thereof in a year-wise format, and if not, the details therefor?

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) to (d): The legal framework for Corporate Social Responsibility (CSR) has been provided under Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014. Schedule VII of the Act enlists areas or subjects that may be undertaken by a company as CSR. 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 immediately preceding financial year shall ensure that it spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately financial years on the activities in areas or subjects specified in Schedule VII of the Act. The CSR framework is disclosure based and CSR mandated companies are required to file details of CSR activities annually in the MCA21 registry. All data related to CSR filed by companies in MCA21 registry is available in public domain and can be accessed at www.csr.gov.in.

Under the Act, every CSR mandated company has to constitute a CSR Committee. The Committee shall formulate and recommend the CSR policy and the Board of the company plans, decides, executes and monitors the CSR activities of the company based on its recommendations. 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. Further, those companies who have their websites are required to make disclosures such as composition of CSR Committee, CSR Policy and CSR projects approved by Board on their website. The CSR framework is disclosure based and expenditure on CSR activities is required to be audited by the statutory auditors of the company. The Ministry has notified the Companies (Auditor's Report) Order, 2020, ("CARO, 2020") applicable from FY 2021-22 which requires auditors to state details of any unspent CSR amount. The Government does not issue any direction on which

activity or area Company shall spend. The details of CSR activities, Impact Assessment etc. are required to be reported by the companies in the 'Annual Report on CSR' including an annual action plan on CSR which is part of the Company's Board Report. Rule 8 of the Companies (CSR Policy) Rules, 2014 contains provisions related to impact assessment of CSR projects that every company having average CSR obligation of 10 crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. No separate studies have been conducted by the Ministry on the long-term sustainability of CSR projects after corporate funding ends.
