



PHD CHAMBER
OF COMMERCE AND INDUSTRY
VOICE OF INDUSTRY AND TRADE

IMPACT ASSESSMENT OF CSR PROJECTS



Why Impact Assessment of CSR Projects is necessary?

- Rule 8 (3) of Companies (Corporate Social Responsibility Policy) Amendment Rules, 22nd January 2021 brings new requirement of Impact Assessment.
- If the CSR target of the company, in each of the 3 preceding financial years, is Rs 10 crores or more, activity or the project has an outlay of Rs 1 crore or more then Impact assessment needs to be carried by an Independent Agency from AY 2020-21.
- The impact assessment reports shall be placed before the Board and shall be annexed to Annual Report on CSR.
- A company undertaking Impact Assessment may book the expenditure towards CSR for the financial year, which shall not exceed 5% of total CSR expenditure for that financial year or Rs. 50 lakhs, whichever is less.
- PHDCCI having competent team for conducting impact assessment of CSR project

Benefits of Impact Assessment of CSR Projects

1. CSR impact assessment can provide insight into past year's performance to current stakeholders. It can help the founder, funder, or the business owner understand how effective their CSR donation was
2. Highlights the Gaps in the Project and Ways to Improve It
3. Provides Insight into Development of the Community
4. Ease the Performance valuation for the Management
5. Assess the Relevance and Sustainability of the Project