

**Fund Utilization Certificate Format**

To

The Governing Body of the Entity (Third Party)  
(Address of the Entity)

**Independent Practitioner's Report on Utilization of Funds by (Name of the third party / NGO) for purposes of discharging the Corporate Social Responsibility requirements of (Name of the Company)**

1. This report is issued in accordance with the terms of our engagement letter dated (date).
2. The accompanying Statement contains the details of utilization of funds received from (name of the company from whom CSR amount has been received hereinafter referred as "**the Company**") by (name of the entity who received the amount hereinafter referred as "**the entity**") under XX Project (name of the Project under which the amount was received and hereinafter referred as "**the Project**") having its office at (address of the entity) for CSR activities pursuant to the requirements of spending on CSR activities by the company as per section 135 of the Companies Act 2013 (hereinafter referred as the Act) read with Schedule VII to the Act and has been initiated by us for identification purposes.

**Management's Responsibility**

3. The management of the entity is responsible for preparation of the accompanying Statement including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management is also responsible for ensuring that the [Project of] entity complies with the requirements specified by the Company at the time of providing the funds regarding end utilization to meet the CSR requirements of the company and for providing all relevant information to the Company as agreed to between the Company and the entity spending on the Project on the activities specified in Schedule VII to the Act.

**Practitioner's Responsibility**

5. Pursuant to the requirements of the "Advisory issued by the CSR Committee of ICAI on Issue of CSR Utilization Report by Auditors of Third Party", it is our responsibility to provide reasonable assurance in the form of an opinion on the Statement based on our examination of the matters in the Statement with reference to the books of account and other records of the [Project of] entity, whether the details given in the Statement have been accurately extracted from the [audited / unaudited] financial statements of the [Project of] entity produced before us for examination and the activities for which amount was utilized by the [Project of] entity are covered under CSR activities as per Schedule VII to the Companies Act, 2013. We have performed following procedures in this regard<sup>1</sup>:
  - a. Traced and agreed the amounts in the attached Statement, to the [audited / unaudited] financial statements of the entity as at and for the year ended March 31, 20XX.
  - b. Checked whether the entity has incurred amounts on the Corporate Social Responsibility (CSR) activities specified in Schedule VII of the Companies Act, 2013.
  - c. Traced the amount spent on CSR activities from the bank statements / cash book of the entity.
  - d. Checked whether amounts spent on CSR activities have been adequately disclosed in the financial statements of the [Project of] the entity.
  - e. Obtained written representation from the management of the entity on the total amount unspent and their plan to disburse the unspent amount related to the project.
  - f. Tested the arithmetical and clerical accuracy of the Statement.

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<sup>1</sup> These are indicative procedures and the practitioner should assess specific procedures to be performed for a particular engagement.

6. We audited the financial statements of the [Project] of the entity as of and for the financial year ended March 31, 20XX, on which we issued an unmodified audit opinion vide our reports dated ..... (specify date). Our audits of these financial statements were conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement<sup>2</sup>.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion<sup>3</sup>**

9. Based on our examination as above, and the information and explanations given to us, in our opinion, the details given in the Statement have been accurately extracted from the audited financial statements of the [Project of] of the entity for the year ended [March 31, 20XX] produced before us for examination. We are also of the opinion that the activities for which amount was utilized by the [Project of] entity are covered under CSR activities as per Schedule VII to the Act.

OR

### **Conclusion<sup>3</sup>**

Based on our examination as above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that the details given in the Statement have not been accurately extracted from the unaudited financial statements of the [Project of] of the entity for the year ended [March 31, 20XX] produced before us for examination or The activities for which amount was utilized by the [Project of] entity are not covered under CSR activities as per Schedule VII to the Act.

### **Restriction on Use**

10. This report is addressed to and provided to the governing body of the entity for the purpose of certifying the utilization of the funds by the [Project of] entity for CSR activities as envisaged by the CSR Committee of the Company, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.  
Chartered Accountants  
Firm's Registration Number

Place of Signature  
Date

Signature  
(Name of the Member Signing the Assurance Report)  
(Designation)  
Membership Number  
UDIN

<sup>2</sup> In case the financial statements are unaudited, instead use "The financial statements of the [Project] of the entity as of and for the financial year ended March 31, 20XX are unaudited and certified by the management of the entity"

<sup>3</sup> In case of unaudited books of account, the practitioner should provide limited assurance instead of reasonable assurance

### Statement

Details of amount received from (*name of the company from whom CSR amount has been received*) by (*name of the entity who received the amount*) and its utilization up to 31<sup>st</sup> March 20XX is as under:

S.No.	Particulars	Amount (in Rs.)	Amount (in Rs.)
1.	Amount brought forward from financial year 20XX-XX (opening balance as at .....) Out of which Amount brought forward from previous financial years from ( <i>name of the company from whom CSR amount has been received</i> ) (give dates of receipts with year)	.....	.....
2.	Add: Amount Received From ( <i>name of the company from whom CSR amount has been received</i> ) during the financial year (give dates of the receipt) Less: Program Management Fees @ XX% & interest earned from amount received	..... (.....)	.....
3.	Less: Amount Spent (detail of amount spent project wise ) during the financial year (Give no. of clause of schedule VII against each amount) i. Material expenditure (nature of spend for every material expenditure) ii. Travel and conveyance iii. Resource cost iv. Printing & Stationery v. Communication cost vi. Monitoring cost vii. <b>Interest earned from previous instalment</b>		(.....)
4.	Balance amount carried forward to financial year 20XX-XX (Next year) (Closing Balance as at .....)		.....

It may also include:

1. Title of the project / program
2. Project duration
3. Sanctioned Budget outlay of the project by Company and total money received till date
4. Total amount available for expenditure
5. Actual expenditure excluding commitments and advance, if any
6. If money is given as corpus then whether spend or lying idle with the implementing agency

For  
ABC Company Limited

Authorized Signatory