

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
STARRED QUESTION NO. 168
ANSWERED ON TUESDAY, AUGUST 05, 2025**

NON-COMPLIANCE OF CSR FUNDS

QUESTION

168 Shri Dhananjay Bhimrao Mahadik:

Will the Minister of Corporate Affairs be pleased to state:

- (a) the total Corporate Social Responsibility (CSR) expenditure reported by companies in the last three years;
- (b) whether instances of non-compliance or misuse of CSR funds have been found;
- (c) the steps taken to ensure that CSR funds are used transparently and for intended public welfare activities; and
- (d) whether Government has plans to strengthen monitoring, introduce real-time CSR tracking systems, and involve local representatives in project oversight?

ANSWER

**THE MINISTER OF FINANCE
AND CORPORATE AFFAIRS**

(SHRIMATI NIRMALA SITHARAMAN)

- (a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF RAJYA SABHA STARRED QUESTION NO. 168 (3RD POSITION) FOR 05th AUGUST, 2025 REGARDING NON-COMPLIANCE OF CSR FUNDS.

(a): 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. On the basis of annual filings made by companies in the MCA21 registry, the total CSR expenditure in Country for the last three Financial Years i.e 2021-22 to FY 2023-24 is attached at Annexure.

(b) to (d): Under the Act, CSR is a Board driven process and the Board of the company is empowered to plan, decide, execute and monitor CSR activities of the company based on the recommendation of its CSR Committee. The existing legal provisions such as formation of CSR committee, formulation of CSR policy, Annual Action Plan on CSR, identification of the project and area in which project will be implemented, certification of CSR expenditure by Chief Financial Officer (CFO), display of CSR activities on website, reporting of unspent CSR amount in the Companies (Auditor's Report) Order, 2020, ("CARO, 2020") and audit of CSR expenditure by statutory auditors etc. provide adequate mechanisms to ensure transparency and accountability. The Board has to ensure that the approved amount has been spent on the assigned activity (ies). In case any amount remains unspent then such amount shall be transferred in the designated fund(s) in Schedule VII in the prescribed time limit. The Board of the company is required to disclose the CSR Policy implemented by the company in its Board report.

As regards impact assessment of CSR projects, Rule 8 of the Companies (CSR Policy) Rules, 2014 provides 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. 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.

Penal action is initiated as per provisions of the Act, following due process of law after examination of records and /or receipt of complaint against the companies and officers-in-default. In the last three Financial Years (FY) i.e 2022-23, 2023-24 and 2024-25, 30 companies have been penalized and a penalty amount of Rs. 19.94 crore has been imposed.

ANNEXURE REFERRED TO IN REPLY TO RAJYA SABHA STARRED QUESTION NO. 168 (3rd POSITION) FOR 05.08.2025.

Sr. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24
1.	CSR Expenditure (Rs. in Cr.)	27,141.45	30,932.08	34,908.75

(Data up to 31.03.2025) [Source: Corporate Data Management Cell]
