

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
RAJYA SABHA  
UNSTARRED QUESTION NO. 215  
ANSWERED ON TUESDAY, JULY 22, 2025  
COMPLIANCE OF CSR EXPENDITURE  
QUESTION**

**215 Shri Debashish Samantaray:**

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

- (a) whether all eligible companies are complying with mandatory 2 per cent CSR rule;
- (b) if not, the number of companies that have defaulted during the last two years; and
- (c) the penal provisions invoked in such cases?

**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 (c): The legal framework for CSR is provided through Section 135 of the Companies Act, 2013, the Companies (CSR Policy) Rules, 2014 and Schedule VII of the Act. Section 135 (5) of the Act provides that CSR mandated companies shall spend at least 2% of the average net profit made during the three immediately preceding financial years in areas or subjects specified in Schedule VII of the Act. 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 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) 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.

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 two years 18 number of adjudication notices have been issued against the companies and officers-in-default, in which 18 adjudication orders have been passed and penalty amount about Rs. 6.29 crore has been imposed.

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