

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 1196
ANSWERED ON MONDAY, July 28, 2025/Sravana 6, 1947 (Saka)
COMPANIES PENALISED FOR NON-COMPLIANCE OF CSR**

QUESTION

**1196. SHRI K SUDHAKARAN:
SHRI TANUJ PUNIA:
SMT. GENIBEN NAGAJI THAKOR:
SHRI ANTO ANTONY:
SHRI TANGELLA UDAY SRINIVAS:
SHRI BENNY BEHANAN:
DR. PRASHANT YADAORAO PADOLE:
SHRI BALWANT BASWANT WANKHADE:**

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the number and total value of Corporate Social Responsibility (CSR) projects reported as unspent or non-compliance during the last three years including reasons for unspent funds and the nature of non-compliance, State-wise and year-wise;**
- (b) the number of companies penalised for non-compliance under Section 135 of the Companies Act during the above period, along with the details of penalties imposed and the size or type of companies most frequently penalised, company-wise;**
- (c) whether any specific sectors or regions have shown recurring underperformance in CSR compliance and if so, the details thereof including potential causes and trends observed;**
- (d) the measures taken by the Government or regulatory bodies to address CSR non-compliance including any policy changes or enforcement actions introduced during the last three years;**
- (e) whether the Government has undertaken any assessment of the corporate Governance framework and if so, the key findings thereof along with the steps taken by the Government to strengthen Corporate Government and transparency among registered companies in the country; and**
- (f) the steps taken by the Government to strengthen the role and accountability of Independent Directors, Audit Committees and Statutory Auditors including any recent guidelines or proposed amendments?**

contd....2/-

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 CSR mandated 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. CSR mandated company has to constitute a CSR Committee. The Committee shall formulate and recommend the CSR policy.

Under the Act, CSR is a Board driven process and the Board of the company is empowered to plan, decide, execute and monitor the CSR activities based on the recommendations 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. The Government does not issue any directions to Corporates to spend in any particular area or activity.

The Board of the company is required to disclose the CSR Policy implemented by the company in its 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. 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.

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All data related to CSR expenditure filed by companies in MCA21 registry is available in public domain at www.csr.gov.in. On the basis of annual filings made by companies in the MCA21 registry, the Development Sector-wise and State-wise CSR expenditure for the last three Financial Years i.e. FY 2021-22 to FY 2023-24 is attached at Annexure-I and Annexure-II respectively.

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 years 30 public and private companies penalised and penalty amount of Rs.19.94 crore has been imposed.

(e): The Companies Act, 2013 and rules made thereunder contain adequate provisions for ensuring good corporate governance including through accountability, transparency, independent audit and role of Independent Directors, Committees of the Board etc. It provides for accountability to the Board of directors. The Act and Rules require that the companies have to prepare and maintain the books of account, statutory returns and registers etc. in the prescribed format their registered office and to comply with the applicable accounting standards. The disclosures in the Board's report including on risk management, financial statements and annual returns have also been mandated to ensure that every relevant information is available to the stakeholders as well as in the MCA21. The companies are required to file audited Annual Financial Statements, resolutions passed and statutory returns etc. with MCA21. The Act also requires to appoint independent Directors and constitute various committees of the Board viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee etc. for class of companies. The provisions of the Act are reviewed by the Government from time to time.

(f): The Companies Act, 2013 and Rules made thereunder inter-alia, provides for role and accountability of Independent Directors, Audit Committee and Statutory Auditors. These provisions are aimed at ensuring good corporate governance through representation and participation by Independent Directors on the Board of Directors and Audit Committees. The role of the Audit Committee includes examination of financial statements, auditor's report, related party transactions etc. Further, the Companies Act, 2013 provides requirements for every company to appoint statutory auditors to carry out the audit of books of accounts of the company.

Refer to part (d) of Lok Sabha Unstarred Question no. 1196 for 28.07.2025
Development Sector-wise CSR expenditure from FY 2021-22 to FY 2023-24

(Amount in Rupees Crore)

Sl. No.	Development Sector	FY 2021-22	FY 2022-23	FY 2023-24
1.	Agro forestry	35.52	67.28	74.47
2.	Animal welfare	174.35	325.44	531.14
3.	Armed Forces, Veterans, War Widows/ Dependants	47.65	63.63	68.04
4.	Art and culture	260.39	449.21	704.04
5.	Conservation of natural resources	274.90	584.65	423.47
6.	Education	6,719.89	10,414.93	12,134.57
7.	Environmental sustainability	2,441.82	2,008.04	2,429.97
8.	Gender equality	104.97	121.15	204.17
9.	Health care	8,049.49	7,023.60	7,150.81
10.	Livelihood enhancement projects	880.50	1,703.64	2,360.09
11.	Poverty, Eradicating Hunger, Malnutrition	1,903.78	1,282.73	1,233.93
12.	Rural development projects	1,847.07	2,059.41	2,408.09
13.	Safe drinking water	192.34	252.78	327.45
14.	Sanitation	314.53	438.81	375.23
15.	Senior Citizens Welfare	80.34	153.91	159.82
16.	Setting up homes and hostels for women	101.00	49.50	41.80
17.	Setting up orphanage	27.54	44.99	31.57
18.	Slum area development	58.38	94.22	38.82
19.	Socio-economic equalities	165.30	159.19	200.81
20.	Special education	191.08	319.50	396.57
21.	Technology incubators	8.57	1.48	1.91
22.	Training to promote sports	311.71	542.53	692.09
23.	Vocational skills	1,053.80	1,206.75	1,396.55
24.	Women empowerment	264.94	417.26	454.22
25.	Other Central Government Funds	1,631.01	1,145.78	1,000.83
26.	NEC/Not mentioned*	0.59	1.65	68.32
Total		27,141.45	30,932.08	34,908.75

(Data upto 31.03.2025) (Source: Corporate Data Management Cell)

*** Companies either did not specify the names of sectors or indicated more than one sector where projects were undertaken.**

Refer to part (d) of Lok Sabha Unstarred Question no. 1196 for 28.07.2025

State-wise CSR expenditure from FY 2021-22 to FY 2023-24

(Amount in Rupees Crore)

S.No.	States/ UTs	FY 2021-22	FY 2022-23	FY 2023-24
1.	Andaman And Nicobar	9.71	2.53	3.03
2.	Andhra Pradesh	663.50	986.77	1,129.75
3.	Arunachal Pradesh	119.42	13.36	39.57
4.	Assam	406.42	474.96	488.62
5.	Bihar	178.97	241.41	260.53
6.	Chandigarh	51.19	18.44	113.31
7.	Chhattisgarh	317.70	609.08	422.73
8.	Dadra and Nagar Haveli & Daman and Diu	18.27	23.22	30.17
9.	Delhi	1,198.50	1,517.07	1,949.95
10.	Goa	45.43	60.91	85.79
11.	Gujarat	1,613.18	2,060.02	2,707.54
12.	Haryana	687.13	720.38	816.95
13.	Himachal Pradesh	140.27	141.40	148.59
14.	Jammu and Kashmir	50.68	72.19	98.54
15.	Jharkhand	243.95	389.65	414.63
16.	Karnataka	1,849.82	2,058.73	2,254.88
17.	Kerala	241.58	362.85	387.91
18.	Lakshadweep	0.97	0.02	0.36
19.	Leh & Ladakh	14.84	11.72	30.41
20.	Madhya Pradesh	427.48	668.32	600.47
21.	Maharashtra	5,407.40	5,705.54	6,065.95
22.	Manipur	15.62	53.60	83.19
23.	Meghalaya	19.63	22.94	30.94
24.	Mizoram	6.94	11.01	4.48
25.	Nagaland	12.46	13.57	15.41
26.	Odisha	752.37	994.82	1,389.39
27.	Puducherry	9.31	14.29	32.68
28.	Punjab	185.41	263.51	351.89
29.	Rajasthan	713.85	1,122.65	1,145.67
30.	Sikkim	28.24	36.18	41.87
31.	Tamil Nadu	1,441.03	1,637.12	1,968.76
32.	Telangana	688.58	1,040.61	1,054.92
33.	Tripura	15.91	19.26	9.45
34.	Uttar Pradesh	1,345.02	1,213.12	1,545.01
35.	Uttarakhand	228.09	307.60	360.76
36.	West Bengal	571.89	782.74	862.57
37.	PAN India*	5,789.58	6,104.58	6,960.21
38.	PAN India (Other Centralized Funds)	1,631.01	1,145.78	1,000.83
39.	NEC/Not Mentioned*	0.09	10.12	1.06
40.	Total	27,141.45	30,932.08	34,908.75

(Data upto 31.03.2025) (Source: Corporate Data Management Cell)

* Companies either did not specify the names of State/UT or indicated more than one State/Ut where projects were undertaken.
