

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

LOK SABHA

UNSTARRED QUESTION NO. 5970

ANSWERED ON MONDAY, MARCH 30, 2026 / Chaitra 09, 1948 (Saka)

**CSR Fund Utilisation
QUESTION**

5970. Dr. D Ravi Kumar:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government has reviewed the utilisation of Corporate Social Responsibility (CSR) funds, given that companies reported CSR spending exceeding Rs. 29,000 crore during 2022–23, if so, the details thereof;

(b) whether the Government has identified instances of unspent, delayed or misallocated CSR funds, particularly in aspirational districts and backward regions, if so, the details thereof; and

(c) the steps taken/proposed to be taken by the Government to strengthen monitoring, impact assessment and transparency mechanisms to ensure effective and outcome-based utilisation of CSR funds across priority sectors?

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): The CSR framework is disclosure based and CSR mandated companies are required to file details of CSR activities annually in the MCA21 registry. Under the Companies 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 Board of the company is required to disclose the CSR Policy implemented by the company in its Board report. The Board of the company has to satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it, and the Chief Financial Officer or the person responsible for financial management shall certify to the effect. In view of the above legal provisions, the Government has not conducted such a specific review.

(b) & (c): Rule 8 of the Companies (CSR Policy) Rules, 2014 provides that every company having average CSR obligation of 10 crore rupees or more 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 all the companies in the 'Annual Report on CSR' including annual action plan on CSR which is part of the Company's Board Report. The existing legal provisions regarding 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 first proviso to Section 135 (5) of the Act provides that the company shall give preference to the local area and areas around it where it operates. However, the emphasis on local area is only directory and not mandatory in nature and companies need to balance local area preference with national priorities.

The Board has to ensure that the approved amount has been spent on the assigned activity(ies). Whenever violation of CSR provisions is reported, action against such non-compliant Companies is initiated as per provisions of the Act after due examination of records and following due process of law. In the last three years 30 companies have been penalised and penalty amount of Rs.19.94 crore has been imposed.
