GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 50
ANSWERED ON Monday, July 20, 2026/Ashadha 29, 1948 (Saka)

Expenditure on CSR in Bihar

QUESTION

50. Shri Arun Bharti:

Will the Minister of CORPORATE AFFAIRS be pleased to state:
(a) whether the Government has systematically monitored the utilization of Corporate Social Responsibility (CSR) funds toward improving rural civic infrastructure in Bihar;
(b) if so, the total quantum of CSR expenditure successfully channelled by major corporate entities into public health and educational projects in the State during 2025-26;
(c) whether these systematic corporate contributions have measurably improved the condition of primary healthcare centers and Government schools in the State's aspirational districts, if so, the details thereof;
(d) the details of the digital monitoring frameworks established to ensure that these corporate welfare expenditures are executed with absolute transparency; and
(e) the future initiatives planned to mandate third-party social audits for major CSR projects executed in Bihar to guarantee long-term infrastructural sustainability and direct community benefit?

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). Under the Companies Act, 2013, 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 and 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 case any amount remains unspent then such amount shall be transferred in the designated fund(s) in Schedule VII in the prescribed time limit. Further, 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.

Contd.../-

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.

Whenever any violation of CSR provisions is reported, action against such non-compliant Companies is initiated as per provisions of the Companies Act, 2013 and rules made thereunder after due examination of records and following due process of law.

As per the section 137 of the Companies Act, 2013 ('Act') and Rules made thereunder, the companies are required to hold Annual General Meeting (AGM) within six months from the end of financial year. Thereafter, financial statements and board report containing disclosure about CSR are to be filed in MCA21 within 30 days of the AGM. As th:e filing date for the current financial year i.e 2025-26 is not due as yet, the information on CSR data in Bihar for the Financial Year 2025-26 is not available.

(e): There is no such proposal to mandate third-party social audits for major CSR projects to guarantee long-term infrastructural sustainability and direct community benefit.