

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
STARRED QUESTION NO. 49
ANSWERED ON TUESDAY, THE 07TH FEBRUARY, 2023**

PROVISIONS OF SCHEDULE VII OF THE COMPANIES ACT, 2013

QUESTION

***49. DR. AMAR PATNAIK:**

Will the Minister of Corporate Affairs be pleased to state:

- (a) the major components in Schedule VII of the Companies Act, 2013;
- (b) whether the Ministry is aware that the contributions to Chief Minister's Relief Fund are not being included in Schedule VII of the Companies Act, 2013 for being treated as Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013;
- (c) if so, the reasons therefor;
- (d) whether the Ministry is looking at steps to change this provision in the near future; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF FINANCE
AND CORPORATE AFFAIRS

(SHRIMATI NIRMALA SITHARAMAN)

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

**STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF RAJYA SABHA
STARRED QUESTION NO. 49 (4th POSITION) FOR 07TH FEBRUARY, 2023 REGARDING
PROVISIONS OF SCHEDULE VII OF THE COMPANIES ACT, 2013**

(a): The broad 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 indicates the eligible list of activities that can be undertaken by the companies as CSR. Presently it has 12 items which broadly relates to Health, sanitation, education, environment, sports, heritage, art and culture, rural development, slum area development, Disaster management, including relief, rehabilitation, and reconstruction activities, setting up old age homes, day care centers, measures for reducing inequalities faced by socially and economically backward groups etc. Further, the Ministry vide General Circular no. 14/2021 dated 25th August, 2021 has clarified that the items mentioned in Schedule VII are broad based and can be interpreted liberally. A copy of Schedule VII of the Act is at Annexure.

(b) & (c): The activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act, 2013. The items enlisted in the Schedule VII of the Act, are broad-based and intended to cover a wide range of activities. These items must be interpreted liberally to capture the essence of the subjects enumerated in the said Schedule. Contribution to Chief Minister's (CM) Relief Fund or any other funds set up by State Government is not an eligible CSR activity since the inception of CSR provisions of the Act. As contribution made to CM Relief Fund is not included in Schedule VII of the Companies Act, 2013 (the Act), it shall not qualify as eligible CSR activity as per extant rules.

(d) & (e): No such proposal is under consideration in the Ministry.

Activities covered in Schedule VII of the Companies Act, 2013 and Amendments made thereunder:

The indicative activities which can be undertaken by a company under CSR have been specified in Schedule VII of the Act. An amended Schedule VII was notified on 27th February 2014. The list under Schedule VII is provided below:

(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the 'Clean Ganga Fund' set-up by the Central Government for rejuvenation of river Ganga;

(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports:

(viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects.

(xi) *slum area development.*

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.