**GOVERNMENT OF INDIA**

**MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 2617**

**ANSWERED ON TUESDAY, AUGUST 11, 2026**

# CSR THROUGH ZERO COUPON ZERO PRINCIPAL INSTRUMENTS

## QUESTION

**2617 Shri Kanad Purkayastha:**
**Smt. Laxmi Verma:**

Will the Minister of Corporate Affairs be pleased to state:

(a) the salient features of the amendments made to Schedule VII to the Companies Act, 2013 to facilitate Corporate Social Responsibility (CSR) through zero coupon zero principal instruments;

(b) the framework prescribed for the implementation of CSR through zero coupon zero principal instruments;

(c) the details of the amendments made to the Companies CSR Rules, 2014 for the implementation of CSR through zero coupon zero principal instruments; and

(d) the details of limits prescribed on the expenditure incurred by companies on CSR through zero coupon zero principal instruments?

## 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 Ministry has vide notification dated 27.05.2026 widened the ambit of Schedule VII of the Companies Act, 2013 (‘Act’) by introduction of new item no. (xiii) namely “Subscription to zero coupon zero principal (ZCZP) instruments on Social Stock Exchange." The features of ZCZP framework through CSR are as under:

(i) The activities in the concerned ZCZP instrument should be aligned with the activities enumerated in Schedule VII of the Companies Act, 2013.
(ii) The CSR mandated company shall not subscribe to ZCZP instrument for more than ten percent of the total CSR expenditure for that financial year.
(iii) The Not for Profit Organisation issuing the zero coupon zero principal instrument and raising fund therefrom shall-
  - undertake a project with a duration not more than three succeeding financial years from the issue of such zero coupon zero principal instrument; and
  - on termination of listing of such zero coupon zero principal instrument, transfer the unspent amount to any fund included in Schedule VII to the Act.
(iv) The company that has subscribed in a ZCZP instrument shall be exempted from undertaking impact assessment of any project funded by such an instrument.
(v) The board of the company is not required to monitor project funded through ZCZP instrument.
(vi) The compliance report of such project viz. utilization of fund and social impact assessment will be taken up by NPO and monitored by SEBI.

This amendment is aimed at providing significant ease of compliance to the companies and will also help Not for Profit Organisations to raise funding for public welfare projects in a transparent and regulated manner.

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