

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 1274  
ANSWERED ON MONDAY, DECEMBER 6, 2021/  
AGRAHAYANA 15, 1943 (SAKA)**

**CSR CONTRIBUTION**

**QUESTION**

**1274. SHRI S. MUNISWAMY:**

**Will the Minister of CORPORATE AFFAIRS  
be pleased to state:**

- (a) whether the Companies Act stipulates that the companies falling under the Corporate Social Responsibility (CSR) funding category to contribute/donate two percent of their net profit for social works under different headings and if so, the details thereof;**
- (b) whether the Government proposes to increase the percentage contribution towards CSR to five percent in the near future and if so, the details thereof;**
- (c) whether the Government has the records of the corporates which have been going beyond the two percent bracket of CSR expenditure; and**
- (d) if so, whether the Government proposes to honour such corporates/philanthropists and if so, the details thereof?**

**ANSWER**

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS**

**[RAO INDERJIT SINGH]**

**(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. Section 135 of the Act mandates every 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 the immediately preceding financial year, to spend at least two per cent of the average net profits of the company made over immediately preceding three financial years towards CSR as per the CSR Policy of the Company. Schedule VII of the Act indicates the activities that can be undertaken as CSR which broadly relate to health, education, environment, sanitation, rural development, disaster management etc. The Ministry vide General Circular no. 21/2014 dated 18th June, 2014 and 14/2021 dated 25<sup>th</sup> August, 2021 has clarified that items mentioned in Schedule VII are broad based and can be interpreted liberally. A copy of Schedule VII of the Act is given at Annexure.**

**(b): No such proposal is under consideration of the Government.**

**(c) & (d): The CSR mandated companies are required to file their annual CSR details in the MCA21 registry. An analysis of CSR spending by the companies reveals that some companies have spent more than the mandatory requirement of two percent. It has been provided vide the Companies (Amendment) Act, 2020 and subsequent amendment to Companies (CSR Policy) Rules, 2014 for setting off the excess amount spent in a particular year against the obligated CSR amount of succeeding three financial years.**

\*\*\*\*\*

**Activities which may be included by companies in their Corporate Social Responsibility Policies**  
**Activities relating to:**

- (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 and 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 arts 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) any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled 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 purpose 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.

\*\*\*\*\*