

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA**

**UNSTARRED QUESTION NO. 1057**

**ANSWERED ON MONDAY, DECEMBER 02, 2024/ AGRAHAYANA 11, 1946**

**(SAKA)**

**CSR INITIATIVES ON ENERGY EFFICIENCY PROJECTS**

**QUESTION**

**1057. SHRI S JAGATHRATCHAKAN:**

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

- (a) whether the Government is cognizant that leveraging Corporate Social Responsibility (CSR) initiatives on energy-efficiency projects could create a large-scale impact on community-based energy-efficiency programmes, awareness campaigns and support for research and development (R&D) of new energy-efficient technologies; and**
- (b) if so, the details of the steps proposed to be taken by the Government in this regard?**

**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)&(b): The philosophy of CSR is to engage corporates as partners in the socio-economic development of the country by leveraging their managerial efficiency, best practices, technology and innovation in the delivery of public good and services. The legal 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 percent 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 lists the activities which may be included by the companies in their CSR policies. Item no. (iv) of the Schedule VII of the Act reads as *"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"***

Item no. (ix) of the Schedule VII of the Act reads as;

**(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).”**

**Every mandated company has to constitute a CSR Committee. The Committee shall formulate and recommend the CSR policy which indicates the activities to be undertaken by the company in area or subject specified in Schedule VII. CSR is a Board driven process and the Board of the company plans, decides, executes and monitors the CSR activities of the company based on the recommendations of its CSR Committee. Further, The Government does not issue any directions to Corporates to spend in any particular area or activity.**

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