

1. CSR Environmental Responsibility- Environment

Corporations have a fundamental duty to protect ecosystem, prevent species' extinction- Supreme Court . The Supreme Court ruled that Corporate Social Responsibility (CSR) inherently includes a constitutional duty to protect the environment, specifically mandating companies to fund the conservation of the critically endangered Great Indian Bustard (GIB). This judgment applies the "polluter pays" principle, requiring industries like power generation to prioritize species recovery and modify infrastructure (e.g., power lines) to prevent extinction.

Background of the Judgment

The Case- The Supreme Court delivered a landmark judgment based on petitions regarding the protection of the Great Indian Bustard (GIB), a bird species on the verge of extinction.

Core Interpretation- The Court interpreted Corporate Social Responsibility (CSR) to inherently include environmental responsibility.

Paradigm Shift- The judgment establishes that environmental spending is not merely "charity" but a fundamental obligation intertwined with business operations.

About Corporate Social Responsibility (CSR)

Definition- CSR is defined as the responsibility of companies to contribute to the welfare of society, the environment, and the economy while conducting their business operations.

Mandatory Nature- CSR is not optional for certain categories of companies; it is mandatory under Section 135 of the Companies Act, 2013.

Spending Mandate- Qualifying companies must spend at least 2% of their average net profits made during the preceding three financial years on CSR activities.

Criteria for Mandatory CSR

Companies meeting any one of the following criteria in a financial year fall under the CSR mandate-

Criteria	Threshold Limit
Net Worth	₹500 crore or more
Turnover	₹1000 crore or more
Net Profit	₹5 crore or more

Constitutional Basis of the Judgment

Applicability of Article 51A(g)- The Court expanded the scope of Article 51A(g) of the Indian Constitution to include corporations. Article 51A(g) imposes a fundamental duty to protect and improve the natural environment (including forests, lakes, rivers, and wildlife) and to have compassion for living creatures.

Constitutional Obligation- The Court stated that spending on environmental protection under CSR amounts to the fulfillment of this constitutional obligation, rather than a voluntary act.

Key Points of the Judgment

Fundamental Duty of Corporations- The Court held that a corporation, recognized as a "legal person," has a fundamental duty to protect the environment and prevent species extinction, acting as a key organ of society.

Expansion of Corporate Responsibility- The definition of corporate responsibility must evolve. It can no longer be limited to protecting the financial interests of shareholders; it must extend to protecting the ecosystem.

Limits of Social Responsibility Claims- Companies cannot claim to be socially responsible if they ignore the rights of the environment and other living beings. Ignoring environmental impact negates the claim of social responsibility.

Rejection of the Charity-Based Approach- The Court explicitly rejected the notion that using CSR funds for environmental protection is a charitable act. It is a duty.

Application of the 'Polluter Pays' Principle- If corporate activities—such as mining, power generation, or infrastructure development—threaten the habitat of endangered species, the company must bear the cost of species recovery. CSR funds must be specifically directed towards ex-situ (off-site) and in-situ (on-site) conservation efforts to prevent extinction.

The "Guest in its Abode" Analogy- In the specific context of the Great Indian Bustard, the Court noted that non-renewable power generators operating near GIB habitats share the environment with the bird. Therefore, these power generators must conduct their activities strictly as "guests in its abode."

About the Great Indian Bustard (GIB)

Scientific Name- *Ardeotis nigriceps*

Description- It is one of the heaviest flying birds in the world and serves as a flagship native species of the arid and semi-arid grasslands of the Indian subcontinent.

Ecological Importance- It acts as a key indicator species of the grassland habitat. Its survival (or decline) directly signals the health of the grassland ecosystem.

Distribution

Primary Habitat- Over 120 Bustards are found in the desert and semi-arid landscape of Rajasthan alone.

Secondary Habitats- The remaining population survives in the wild in Gujarat, Maharashtra, Karnataka, and Andhra Pradesh.

Reasons for Population Decline

Habitat Loss- The rising conversion of grasslands into farmlands in semi-arid regions (especially Rajasthan) has destroyed their natural home.

Predation- Eggs are frequently depredated (destroyed/eaten) by predators such as dogs, monitor lizards, and humans.

Collisions with Overhead Power Lines (Major Factor)- GIBs have poor frontal vision. They have a large body size which makes it difficult for them to swerve quickly while flying. Consequently, they often collide with transmission lines, leading to high mortality rates.

Conservation Status

Framework / Organization	Status Given
Indian Wildlife (Protection) Act, 1972	Schedule I (Highest Protection)
CITES	Appendix I
IUCN Red List	Critically Endangered

Recovery Programme- The species is identified for recovery under the Integrated Development of Wildlife Habitats by the Ministry of Environment and Forests, Government of India.

Other Directions Given by the Supreme Court

Revision of Priority Areas- The Supreme Court upheld the expert committee's recommendation to revise the "Priority Areas" (critical habitats identified for focused conservation).

Rajasthan Revised Priority Area- Fixed at 14,013 sq. km.

Gujarat Revised Priority Area- Fixed at 740 sq. km.

Definition of Priority Area- These are critical habitats identified for focused conservation, monitoring, and protection to ensure the survival of the GIB.

Conservation and Monitoring Directions- Immediate implementation of the committee's recommendations for both in-situ and ex-situ conservation. Strict monitoring within the revised priority areas. Initiation of long-term studies to understand the impact of climate change on the Great Indian Bustard.

Power Corridor Direction- The Court accepted the committee's recommendation to establish a power corridor.

Specifications- Up to 5 km wide.

Location- Located at least 5 km south of the southernmost enclosure of the Desert National Park in Rajasthan.

Source- <https://www.thehindu.com/news/national/corporations-have-a-fundamental-duty-to-protect-ecosystem-prevent-species-extinction-supreme-court/article70416803.ece>