

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:4500  
ANSWERED ON:03.05.2012  
CSR ACTIVITIES IN ODISHA  
Pangi Shri Jayaram

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) whether the Government has given any guidelines to companies including industries set up after acquiring land in tribal regions, regarding the fundamental elements and core principles of Corporate Social Responsibility (CSR);
- (b) if so, whether there is any monitoring mechanism to ascertain if these industries are carrying out the Corporate Social Responsibility (CSR) involving the elected public representatives and local administration;
- (c) if so, the details thereof including in respect of such industries in tribal region of Odisha;
- (d) the details of grievances redress mechanism available at the Government level and steps taken to educate people so that they can report the grievances on CSR;
- (e) whether the Government is planning to make CSR a compulsory policy for the Public Sector Companies in the country; and
- (f) if so, the details thereof?

**Answer**

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a) to (f): The Department of Public Enterprises issued guidelines on Corporate Social Responsibility (CSR) for Central Public Sector Enterprises (CPSEs) in April, 2010. These guidelines are applicable to all CPSEs including those set up and operating in Odisha irrespective of the manner in which they have been set up. As per these guidelines, CSR projects/ activities may be undertaken as far as possible in the periphery, where a company carries out its commercial activities. Where this is not possible, CPSEs may choose to locate CSR Projects anywhere in the country. These guidelines are not applicable to companies/industries set up in the private sector.

CSR is a company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. Through CSR, the organizations serve the interest of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. The thrust of CSR in public sector is on inclusive growth, sustainable development and capacity building with due attention to the socio-economic needs of the neglected and marginalized sections of the society. Under these guidelines, CPSEs have to create, mandatory, through a Board Resolution a CSR budget as a specified percentage of Net Profit of the previous year. Expenditure range for CSR in a financial year is 3- 5% of the Net Profit of previous year in case of CPSEs having profit less than Rs.100 crores; 2-3% (subject to minimum of Rs. 3.00 crores) in case the profit ranges from Rs.100 crores to Rs.500 crores and 0.5- 2% in case of CPSEs having a Net Profit of more than Rs. 500 crores in the previous year. Loss making companies are not mandated to earmark specific funding for CSR activities but may achieve this objective by integrating business processes with social processes, wherever possible. The CSR Budget has to be fixed for each financial year and the funds are non-lapsable. Special stress has been laid on the proper monitoring of the CSR projects undertaken. The performance of each CPSE with reference to its CSR activities is monitored by concerned ministries/Departments on a regular basis. The Boards of the CPSEs are responsible for the implementation of the CSR activity which forms a part of the annual Memorandum of Understanding (MoU) signed between CPSEs and the Government.