

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

UNSTARRED QUESTION NO:5571
ANSWERED ON:10.05.2012
CORPORATE SOCIAL RESPONSIBILITY OF PSUS
Agarwal Shri Rajendra

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

- (a) the salient features of Corporate Social Responsibility policy being adopted by the Maharatna/Navratna companies;
- (b) the funds earmarked for the activities under Corporate Social Responsibility by the Maharatna/Navratna companies during the last three years and the current year, company-wise and the percentage of profit accrued by these companies; and
- (c) the area or the Heads on which funds have been spent, State-wise?

Answer

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

(a), (b) & (c): A statement is laid on the Table of the House.

Statement in reply to Lok Sabha Unstarred Question No. 5571 for answer on 10.5.2011 regarding 'Corporate Social Responsibility of PSUs'.

(a) The CSR Guidelines issued by Department of Public Enterprises in April, 2010 are applicable to all Central Public Sector Enterprises (CPSEs) irrespective of any 'Ratna Status'.

Corporate Social Responsibility 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 interests 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 mandatorily, 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 crore; 2-3% (subject to minimum of Rs. 3 crore) in case the profit ranges from Rs. 100 crore to Rs. 500 crore and 0.5-2% in case of CPSEs having a net profit of more than Rs. 500 crore in the previous year. Loss making companies are not mandated to earmark specific funds 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 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.

(b) Information on total funds allocated for CSR activities and the funds utilized out of the same for the last three years upto 2011-12 (till September, 2011) in case of Maharatna and Navratna CPSEs is given in the table attached.

(c): As per the CSR guidelines, the 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, the CPSEs may choose to locate CSR projects anywhere in the country. CPSEs are also free to choose CSR activities within the frame work of DPE guidelines with the approval of their Boards. State-wise information of such projects/activities undertaken by CPSEs is not centrally maintained in the Department of Public Enterprises.