

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

STARRED QUESTION NO:282
ANSWERED ON:30.08.2012
CSR QUESTION
Dubey Shri Nishikant

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has taken note that despite guidelines on Corporate Social Responsibility (CSR), public sector companies and corporates are not spending two percent of their profit on discharging social responsibility;
- (b) if so, the details thereof especially in respect of the State of Jharkhand;
- (c) whether the Government has conducted any assessment to ascertain whether the companies are complying with the laid down CSR guidelines; and
- (d) if so, the details thereof ?

Answer

THE MINISTER OF CORPORATE AFFAIRS (DR. M. VEERAPPA MOILY)

(a) to (d): A statement is laid on the Table of the House

STATEMENT REFERRED TO IN ANSWER TO PARTS (a) to (d) of LOK SABHA STARRED QUESTION NO. 282 FOR 30.08.2012 REGARDING CSR

(a) : Government has not made it mandatory for the corporate sector to spend two per cent of companies' profit under Corporate Social Responsibility (CSR). However, Department of Public Enterprises has issued comprehensive guidelines in April, 2010 for Central Public Sector Enterprises (CPSEs) for mandatorily creating a CSR budget as a specified percentage of net profit of the previous year.

(b) Such information is not maintained at Government level.

(c) & (d) : No, Madam. Apart from the guidelines for the CPSEs, there are no mandatory guidelines/provisions for spending by Indian companies on CSR activities. However, in July, 2011 this Ministry has released the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business to be adopted by companies as part of their business practices. Moreover, in August, 2012 the Securities and Exchange Board of India has mandated inclusion of Business Responsibility (BR) Reports as part of the Annual Reports for top 100 listed entities based on market capitalisation at Bombay Stock Exchange and National Stock Exchange. Other listed entities may voluntarily disclose BR Reports as part of their Annual Report.