

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

UNSTARRED QUESTION NO:1051

ANSWERED ON:16.08.2012

CORPORATE SOCIAL RESPONSIBILITY OF PSUS

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

- (a) the works undertaken for social welfare by Public Sector Undertakings (PSUs) under Corporate Social Responsibility (CSR) during the last three years and the current year, State-wise/PSU-wise;
- (b) the amount of funds spent on different works during the said period and the number of persons benefited therefrom, location-wise and PSU-wise;
- (c) whether the Government has fixed any norms regarding utilization of funds under CSR;
- (d) if so, whether the Government proposes as to take some effective steps to ensure that funds under CSR are spent particularly in backward and scheduled caste dominated areas;
- (e) if so, the details thereof;
- (f) whether the Government has received any social audit reports conducted to keep track of CSR by these PSUs;
- (g) if so, the details of findings thereof; and
- (h) the action taken by the Government against the discrepancies found in audit reports, if any?

Answer

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

(a) & (b): As per the Guidelines on Corporate Social Responsibility (CSR) for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE) in April, 2010, the CPSEs may undertake projects/activities in the periphery where company carries out its commercial activities, as far as possible. Where this is not possible or applicable, a company may choose to locate CSR projects anywhere in the country. Information on state-wise, location-wise and activity-wise CSR projects undertaken by the CPSEs and the number of persons benefited therefrom, location-wise and CPSE-wise, is not centrally maintained in DPE. However, the available information on the funds allocated for CSR and funds utilized out of the same in case of major CPSEs i.e. Maharatna and Navratna CPSEs for the years 2010-11 and 2011-12 (till September, 2011) is given in the table attached.

(c): As per the Guidelines on Corporate Social Responsibility (CSR) for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE) in April, 2010, the CSR budget has to be mandatorily allocated through the Board Resolution as a percentage of Net Profit (previous year) in the following manner;

Type of CPSEs	Net Profit (Previous Year)	Expenditure range for CSR in a Financial Year (% of profit)
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(i) Less than Rs. 100 crore 3% - 5%

(ii) Rs 100 crore to Rs. 500 crore 2% - 3% (Subject to a Minimum of Rs. 3 crore)

(iii) Rs. 500 crore and above 0.5%-2%

The CSR Budget is to be fixed for each financial year and this fund does not lapse. The unutilized funds in a particular year have to be transferred to a CSR Fund, which will accumulate.

(d) & (e) : The CPSEs have been advised to maximize the allocation and utilization of funds for their CSR activities within the existing slabs indicated above. Promotion of livelihood for economically weaker sections through forward and backward linkages, scholarships to meritorious students belonging to SC, ST, OBC and disabled categories, adoption/construction of Hostels (especially, those for SC/ST and girls) and adoption of villages are some of the possible areas indicated for CSR activities under DPE's guidelines on the subject.

(f) & (g): As per the Guidelines on Corporate Social Responsibility (CSR) for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE) in April, 2010, the CPSEs may appoint a Social Audit Committee or a suitable and credible external agency for proper and periodic monitoring of CSR activities. The details of the reports, if any, submitted by the Social Audit Committees, which are to be appointed by the CPSEs, are not centrally maintained in DPE.

(h): Does not arise.