

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

UNSTARRED QUESTION NO:230

ANSWERED ON:22.11.2012

CORPORATE SOCIAL RESPONSIBILITY OF PSES

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

- (a)The details of the guidelines issued by the Department of Public Sector Enterprises (PSEs) on Corporate Social Responsibility (CSR);
- (b)The details of PSEs and administrative agencies under the Ministry that have not utilised any funds under CSR during the last three years and the current year, alongwith the reasons therefor;
- (c)The steps taken/being taken by the Government for utilisation of the said funds by the PSEs;
- (d)Whether the guidelines are also applicable to private corporate sector alongwith the PSEs; and
- (e)If not, the reasons therefor?

Answer

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

(a) : Department of Public Enterprises (DPE) issued guidelines on Corporate Social Responsibility (CSR) for Central Public Sector Enterprises (CPSEs) in April, 2010. As per these Guidelines, the CPSEs may undertake projects/activities in the periphery of their commercial activities, as far as possible. Where this is not possible or applicable, the CPSEs may choose to locate CSR projects anywhere in the country. A CSR budget has to be mandatorily allocated through a Board resolution as a percentage of net profit (of previous year) in the following manner:

Type of CPSEs	Expenditure range for
Net Profit	CSR in a Financial
(Previous Year)	Year (% of profit)

(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%

Loss making companies are not mandated to earmark specific funding for CSR activities. An indicative list of possible areas of activities is provided in the CSR guidelines issued by DPE to the CPSEs. Detailed guidelines on the subject are in public domain, available on DPE's website.

(b) & (c): Information with regard to funds not utilized under CSR by the CPSEs is not maintained centrally. This information is maintained by the CPSEs. The Ministries/Departments concerned monitor the implementation of CSR guidelines by the CPSEs under their administrative control. The CSR Budget is to be fixed for each financial year and in case of its non-utilization, this fund does not lapse and is transferred to a CSR Fund, which will accumulate. However, CPSEs have been advised to maximize the allocation and utilization of funds for their CSR activities within the prescribed slabs as indicated above. The performance of CPSEs under CSR is monitored through Moll system in place. In MoU guidelines issued by this Department, out of the non-financial parameters, 5 marks have been earmarked for CSR activities.

(d) & (e): CSR guidelines issued by DPE are applicable only to the Central PSEs. Ministry of Corporate Affairs has issued separate guidelines on CSR for private corporate sector.