

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3407

ANSWERED ON:18.03.2013

CORPORATE SOCIAL RESPONSIBILITY

Hazari Shri Maheshwar ;Rawat Shri Ashok Kumar;Upadhyay Seema;Vardhan Shri Harsh

Will the Minister of STEEL be pleased to state:

- (a) the criteria adopted by the public sector steel companies for allocating funds and to take up projects under the Corporate Social Responsibility (CSR) policy;
- (b) the details of the total funds allocated and projects undertaken by these companies including organizing health melas under this head during each of the last three years and the current year, State-wise;
- (c) whether the Government has laid down any specific norms regarding the utilization of funds under the CSR and if so, the details thereof;
- (d) whether the complaints of gross irregularities in the awarding of contracts and execution of the projects has been received; and
- (e) if so, the details thereof along with the action taken by the Government in this regard?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)to(c): As per the existing guidelines issued by the Department of Public Enterprises in April, 2010, all profit making Central Public Sector Enterprises (CPSEs) are required to allocate budget mandatorily as percentage of net profit in the following manner:

Type of CPSEs

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

- (i) less than ` 100 crore 3% - 5%

- (ii) ` 100 crore to ` 500 crore 2% - 3% (subject to a Minimum
of ` 3 crore)

- (iii) ` 500 crore and above 0.5% - 2%

CPSEs are mandated to spend their funds on CSR projects selected by CPSEs with the approval of their respective Boards. CPSEs are required to select CSR activities which are aligned with their Business strategy and undertake them in a project mode. They may take up CSR projects in the vicinity of the plant, factory or unit of the company, or anywhere in the country.

Under the Corporate Social Responsibility (CSR) Scheme, the steel manufacturing Public Sector Undertakings namely Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) are allocating funds for the CSR activities as per the aforesaid policy. The details of funds allocated by these companies under CSR during each of the last three years and current year are as under:

(` in Lakhs)

Year SAIL RINL

2009-10 8000 900

2010-11 9400 1540

2011-12 6400 1200

2012-13 4200 750

The projects implemented under the CSR relate to water supply arrangement, construction of school buildings, supply of educational materials in schools, electricity facility, solar lighting system, health and family welfare, irrigation facilities, sanitation and public health, relief to victims of natural calamities, imparting vocational training etc. These projects are located in the States of Chhattisgarh, Odisha, West Bengal, Jharkhand, Andhra Pradesh, Bihar etc. Funds under the scheme of CSR are not allocated state-wise.

(d)&(e): The Central Bureau of Investigation(CBI) has since initiated investigation in two cases relating to irregularities in CSR activities of SAIL. As regards RINL, no complaint is reported to have been received.