

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

UNSTARRED QUESTION NO:3175

ANSWERED ON:29.08.2013

CORPORATE SOCIAL RESPONSIBILITY OF PSUS

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

- (a) whether the profit making Public Sector Undertakings (PSUs) have contributed to Corporate Social Responsibility (CSR) during each of the last three years and the current year, if so, the details thereof;
- (b) the details of the PSUs which are not implementing their CSR along with the reasons therefor;
- (c) the norms laid down by the Government for utilization of funds contributed by the profit making PSUs under CSR;
- (d) whether the Government has received complaints of irregularities in utilization of funds contributed by the said PSUs under CSR during the said period;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the corrective steps taken/being taken by the Government in this regard?

**Answer**

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

(a) to (c) : Yes Sir. As per the new guidelines on CSR and Sustainability for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE) effective from 1st April 2013, each profit making CPSEs shall, with the approval of its Board of Directors, make a budgetary allocation for CSR and Sustainability activities/ projects every year. Similar was the provision under the earlier guidelines on CSR issued by DPE in April 2010.

As per the existing, guidelines, the budgetary allocation for CSR and Sustainability activities/projects will be based on the profitability of the company. More specifically, it is determined by the Profit After Tax (PAT) of the company in the previous year as hereunder:

PAT of CPSE      Range of Budgetary allocation for CSR  
in the previous year      and Sustainability activities  
(as % of PAT in previous year)

(i)      Less than Rs. 100 Crore      3% - 5%

(ii) Rs. 100 Crore to Rs. 500 Crore      2% - 3%

(iii) Rs. 500 Crore and above      1% - 2%

DPE guidelines on the subject provide that the budget allocated for CSR and Sustainability activities/ projects planned for each financial year is expected to be spent within that year. Unspent budget of a year would not lapse. Instead, it would be carried forward to the next year for expenditure on CSR and Sustainability activities. CPSEs will make every endeavour to spend the unutilized budget of any year within next two financial years; failure to do so would result in the unspent amount getting transferred to a 'Sustainability Fund' to be created separately for CSR and Sustainability activities. Data on budgetary allocation and spending on CSR activities by CPSEs is not maintained centrally.

(d) to (f): Implementation of CSR and Sustainability Guidelines in CPSEs is monitored by their respective administrative Ministries/ Departments and as such, any happening in the fields of CSR and Sustainability is investigated and brought to logical conclusion by them. Nevertheless, senior executives concerned with CSR in CPSEs are sensitized about the need for proper implementation of

guidelines on CSR & Sustainability through various regional workshops/ seminars conducted from time to time.