

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

UNSTARRED QUESTION NO:2687

ANSWERED ON:09.12.2014

CSR EXPENDITURE BY CPSUS

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

- (a) whether the Central Public Sector Undertakings (CPSUs) have spent/ are spending at least 2 per cent of their profits on various social and developmental activities under Corporate Social Responsibility (CSR) Rules 2014;
- (b) if so, the details of such activities in rural and backward areas and the including expenditure on CSR projects during the last three years and the current year, CPSU and area-wise;
- (c) whether complaints have been received by the Government for non-utilisation or misutilisation of funds under CSR;
- (d) if so, the details thereof and the action taken by the Government thereon; and
- (e) whether there is any mechanism to monitor the implementation of CSR by the CPSUs and if so, the details thereof?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI G.M. SIDDESHWARA)

(a): The provision of spending 2% of the average net profit of the company made during three immediately preceding years, in pursuance of its corporate social responsibility, is mentioned in Section 135 of the Companies Act, 2013. The Companies (CSR Policy) Rules notified under the Act by Ministry of Corporate Affairs are applicable to all companies, including Central Public Sector Enterprises (CPSEs) from 1.4.2014. Department of Public Enterprises (DPE) has since issued guidelines on CSR and Sustainability for CPSEs in October 2014 which supplement CSR Rules.

(b): Under the earlier DPE guidelines on CSR effective from 1.4.2010, and DPE's revised guidelines on CSR and Sustainability effective from 1.4.2013, profit making CPSEs have undertaken a range of CSR activities in areas like education, health, sanitation, skill development and income generating schemes. The budgetary allocation for CSR and selection of CSR activities is decided by Management of respective CPSEs.

(c) & (d): The implementation and monitoring of CSR activities is done by Management of respective CPSEs. Action on complaints, if any, regarding non-utilisation or misutilisation of funds under CSR is taken by the Managements of CPSEs and their respective administrative Ministries / Departments.

(e): Monitoring the implementation is with the Boards of respective CPSEs and the administrative Ministries / Departments concerned.