

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
RAJYA SABHA
QUESTION NO 09.11.2010
ANSWERED ON
GUIDELINES ON CORPORATE SOCIAL RESPONSIBILITY .

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SHRI R.C. SINGH

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

- (a) the details of guidelines issued by the Department of Public Sector Enterprises on Corporate Social Responsibility (CSR) ;
- (b) whether the guidelines are applicable to private corporate sector along with the Central Public Sector Undertakings (CPSUs); and
- (c) if not, the reasons therefor?

ANSWER

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES

(SHRI VILASRAO DESHMUKH)

(a) to (c) A statement is laid on the Table of the House.

Statement in reply to Rajya Sabha Starred Question No. 2 for answer on 9.11.2010 regarding 'Guidelines on Corporate Social Responsibility' by Hon'ble Member, Shri R. C. Singh.

(a): The Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises have issued in April, 2010 comprehensive Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises (CPSEs). The guidelines lay stress on the link of Corporate Social Responsibility with sustainable development and define Corporate Social Responsibility (CSR) as a philosophy wherein organizations serve the interest of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. Under these guidelines, the long-term CSR Plan is to match with the long-term Business Plan of the Organization. The activities under CSR are to be selected in such a manner that the benefits reach the smallest unit i.e., village, panchayat, block or district depending upon the operations and resource capability of the company.

Under these guidelines, CPSEs have to create mandatorily, through a Board Resolution, a CSR budget as a specified percentage of net profit of the previous year. Expenditure range for CSR in a financial year is 3-5% of the net profit of previous year in case of CPSEs having profit less than Rs. 100 crore; 2 - 3% (subject to minimum of 3 crore) in case the profit ranges from Rs. 100 crore to Rs. 500 crore and 0.5 - 2% in case of CPSEs having a net profit of more than Rs. 500 crore in the previous year. Loss making companies are not mandated to earmark specific funding for CSR activities but may achieve this objective by integrating business processes with social processes, wherever possible. The CSR budget has to be fixed for each financial year and the funds would be non-lapsable. Special stress has been laid on the proper monitoring of the CSR projects undertaken. The Boards of the CPSEs would be responsible for the implementation of the CSR activity which would then be a part of the annual Memorandum of Understanding (MOU) signed between CPSEs and the Government.

(b) & (c): No, Sir. Matters relating to private corporate sector are not looked after by the Department of Public Enterprises.