

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
STARRED QUESTION NO. †*118
TO BE ANSWERED ON THE 25TH JULY/ SRAVANA 3, 1944 (SAKA)
Use of CSR Funds by PSBs

†*118. SHRI ASHOK KUMAR RAWAT:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken or proposes to take any steps to ensure that various Public Sector Banks (PSBs) spend funds under Corporate Social Responsibilities (CSR) in the most backward, Scheduled Castes/Scheduled Tribes dominated areas of the country; and
- (b) if so, the details thereof?

ANSWER

The Finance Minister
(SMT. NIRMALA SITHARAMAN)

(a) and (b): A statement is laid on the Table of the House.

Statement for Lok Sabha Starred Question no. †*118 for 25th July 2022, regarding “Use of CSR of PSBs” by SHRI ASHOK KUMAR RAWAT, Member of Parliament

(a) and (b): Public Sector Banks (PSBs) are not covered by the Companies Act and hence the Corporate Social Responsibility (CSR) policy related provisions of the Companies Act are not applicable to these banks. However, RBI has issued guidelines for Scheduled Commercial Banks, including PSBs, on Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting.

Under CSR, PSBs spend funds across the country, including in the most backward, scheduled castes / scheduled tribes dominated areas of the country. The major CSR activities, *inter alia*, are the following:

- (i) Rural and slum development;
- (ii) Providing safe drinking water, sanitation, etc.;
- (iii) Enabling employment enhancing vocational skills through Rural Self Employment Training Institutes, vocational centres etc.;
- (iv) Healthcare- welfare of physically/mentally challenged persons, providing ambulances and critical care medical equipment to hospitals/health-centres, etc.;
- (v) Education- granting scholarships to students, improving the infrastructure at schools, etc.
- (vi) Ensuring environmental sustainability by initiating/supporting programmes for afforestation, rainwater harvesting, protecting forest cover; and
- (vii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

PSBs under CSR have also made expenditure on activities that are not attributable to specific locations and are spread across the country supporting pan-India projects, e.g., Swachh Bharat Kosh, National Sports Development Fund, Clean Ganga Fund, PM's National Relief Fund, etc. and therefore, the exact details with regard to CSR expenditure cannot be apportioned to specific location like most backward, Scheduled Castes / Scheduled Tribes dominated areas of the country.
