

No. 15(3)/2007-DPE(GM)-GL-101
Government of India
Ministry of Heavy Industries & Public Enterprises
(Department of Public Enterprises)

Public Enterprises Bhawan
Block No. 14, CGO Complex
Lodi Road, New Delhi-110003.

Dated the 1st November, 2011

Subject:- **Guidelines on “Corporate Social Responsibility for Central Public Sector Enterprises” issued by Department of Public Enterprises in April, 2010.**

The undersigned is directed to refer to this Department's O.M. of even number dated 9th April, 2010 on the subject mentioned above wherein as per clause 5.1 of DPE Guidelines, the slabs of CSR expenditure for CPSEs for every financial year are clearly laid down, based on their Net Profit of the previous year.

2. The subject of “Corporate Social Responsibilities of Central PSUs in Chhattisgarh” was discussed in the Committee of Secretaries meeting held on October 17, 2011 and the following decisions were taken on the manner of selection of CSR activities and CSR expenditure by CPSEs in Chhattisgarh and also elsewhere in the country.

- i) It was observed that some CPSEs have tendency to peg their CSR expenditure on the lower end of the recommended slabs.

It was decided that the Administrative Ministries/Departments should advise the CPSEs to maximise the allocations, release, and utilisation of funds for the CSR activities within the existing slabs.

- ii) Clause 3.5 of DPE Guidelines mentions that “Initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments/Agencies, Self-help Groups, etc., could be dovetailed/synergized with the initiatives taken by the CPSEs”.

Clause 3.6 of the Guidelines mentions that “Every care should be taken to ensure that there is no duplication of CSR activities undertaken by the CPSEs with that of programmes run by Central, State and Local Governments”.

It was observed that in spite of these Guidelines, the CPSEs are at times not consulting the State Governments/district administration, who are important stake holders in the CSR activities.

It was decided that the administrative Ministries/Departments may advise CPSEs under their control to consult the concerned State Governments in the finalization of their CSR plans and to have State level committees for CSR activities in each State where such activity is undertaken by that CPSE, similar to the one set up by National Mineral Development Corporation Ltd. (NMDC) in Chhattisgarh.

The administrative Ministries/Departments/CPSEs may seek the details of the successful CSR models of NMDC from the CPSE or from the administrative Ministry concerned.

- iii) In **Annexure-I** of DPE Guidelines "Health and Family Welfare" is listed as one of the areas/activities that can be taken up by a CPSE for CSR work.

Emphasising the importance of this CSR activity, it was recommended that CPSEs should consider setting up of dispensaries in remote locations, which would provide out-reach services, with referral services being provided by existing Hospitals.

3. All administrative Ministries/Departments should advise the CPSEs about the decisions taken as aforesaid.

4. This issues with the approval of the Secretary, Department of Public Enterprises.

(Rakesh Bhartiya)
Director
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All administrative Ministries/Departments concerned with CPSEs.