

F. No. 11-306/ 2014-FC
Government of India
Ministry of Environment, Forests and Climate Change
(Forest Conservation Division)

Indira Paryavaran Bhawan
Jorbagh Road
New Delhi - 110 001
Dated: 7th October, 2014

To

1. All Members of the Forest Advisory Committee
2. The Addl. Principal Chief Conservator of Forests (Central)
All Regional Offices of the Ministry of Environment, Forests and Climate Change

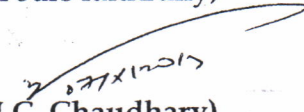
Sub: Guidelines for diversion of forest land for non-forest purpose under the Forest (Conservation) Act, 1980- Not to recommend project cost-related CSR expenditure as a condition of approval accorded under the Forest (Conservation) Act, 1980- reg.

Sir,

I am directed to say that it has been observed that this Ministry on the basis of the recommendations made by the Forest Advisory Committee and the Regional Offices has stipulated project cost-related Corporate Social responsibility (CSR) expenditure as a conditions in some of the approval accorded under Forest (Conservation) Act, 1980 (FC Act). Under the Companies Act, 2013, any company having a net worth of rupees 500 crore or more or a turnover of rupees 1,000 crore or more or a net profit of rupees 5 crore or more should mandatorily spend 2% of their net profits per fiscal on CSR activities. The rules came into effect from 1 April 2014.

After careful examination of the matter, I am directed to say that keeping in view that CSR expenditure is now a statutory requirement, which in any case is required to be incurred by all the companies having a net worth of rupees 500 crore or more or a turnover of rupees 1,000 crore or more or a net profit of rupees 5 crore or more, the Forest Advisory Committee and Regional Offices of the Ministry may not recommend stipulation of cost-related CSR expenditure as a condition of approval under the Forest (Conservation) Act, 1980 for diversion of forest land for non-forest purpose.

Yours faithfully,


(H.C. Chaudhary)
Director

Copy to:-

1. Prime Minister's Office (*Kind attn.:* Shri Santosh D. Vaidya, Director), North Block, New Delhi.