

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1702  
ANSWERED ON:22.08.2012  
IMPOSITION OF SURCHARGE  
Ajay Kumar SHRI

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government is planning to impose an additional surcharge on tobacco/alcohol companies so that 10 per cent of their profit on sale goes to separate Government account for cancer treatment as their Corporate Social Responsibility (CSR);
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to issue guidelines for tobacco companies to spend their profit on cancer treatment as their CSR?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a): No, Madam. Under direct taxes, there is no surcharge levied on the basis of the product which the business entity deals in.
- (b): Does not arise in view of (a) above.
- (c): In July, 2011, the Government has issued National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business. These guidelines have been issued to companies in general and are not product specific. Further, the Companies Bill, 2011 presently under consideration of Parliament proposes that companies, depending on their net worth, turnover and net profit, shall endeavour to spend in every financial year, at least 2% of the average net profit made during the three immediately preceding financial years towards a range of activities in pursuance of their CSR policy.