

# *An Analysis on the "Corporate Social Responsibility"*

**navneet k. arora & co.**  
COMPANY SECRETARIES

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# Proprietor 's Profile at a Glance

## Navneet K. Arora & Co., Company Secretaries

### BASIC DETAILS

- ✂ Name of the Proprietor – **CS Navneet Arora**
- ✂ Year of Passing of ICSI Final Examination – **June 1990**
- ✂ Date of becoming Associate Member of ICSI (ACS - 8421) – **3<sup>rd</sup> March 1992**
- ✂ Date of becoming Fellow Member of ICSI (FCS - 3214) – **21<sup>st</sup> July 1997**
- ✂ Date of holding Certificate of Practice (CP - 3005) – **20<sup>th</sup> November 1998**
- ✂ Experience (No. of Years) – **25 Years (15 Years in Practice)**



### EDUCATIONAL QUALIFICATION:

- ✂ Master of Commerce.
- ✂ Fellow Member of The Institute of Company Secretaries of India
- ✂ Post Graduate Diploma in Financial Management

### PROFESSIONAL ASSOCIATION / RECOGNITION / MEMBERSHIP OF CONFEDERATION BODIES:

- ✂ Member - **All India Management Association New Delhi (AIMA).**
- ✂ Professional Member - **PHD Chamber of Commerce and Industries, New Delhi.**
- ✂ Appointed as **Peer Reviewer** by ICSI to conduct peer review of Practicing Member of ICSI.
- ✂ ICSI Certified participant of **National Workshop on Diligence Report for Banks.**
- ✂ **Convener South Delhi Study Group of NIRC of the ICSI** -2011, 2012, 2013 & 2014. Also Past Governing Body Member of Kanpur Chapter of NIRC of the ICSI & Past Member of various Professional Development Committee of NIRC of the ICSI.
- ✂ Regular Participant, Speaker of Seminars / Workshop on the Professional Development Program of various Professional Management Institutes including Institute of Company Secretaries of India (ICSI), Asia Pacific Institute of Management (AIM), National Foundation for Corporate Governance (NFCG) etc.

# *An overview on Corporate Social Responsibility*

- ❑ Corporate initiative to assess and take responsibility for the Company's effects on the environment and impact on the development of social welfare. The term generally applies to Company's efforts that go beyond what may be required by regulators or environmental protection groups.
- ❑ Corporate Social Responsibility (CSR) may also be referred to as "Corporate Citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.
- ❑ "Corporate Social Responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large, to improve their lives in ways that are good for business and for development.
- ❑ **Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 specify the law and procedure regarding the Corporate Social Responsibility.**

# CSR- A New Prospective

- Extract of the relevant provisions prescribed in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as under:-

- CSR means and include but not limited to :-

- Every company having :-

(i) Net worth of Rupees Five Hundred Crore or more

OR

(ii) Turnover of Rupees One Thousand Crore or more

OR

(iii) Net Profit of Rupees Five Crore or more

during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of **three or more directors**, out of which at least **one director shall be an independent director**.

- Every Company including its Holding and Subsidiary and a Foreign Company defined under clause (42) of section 2 of the Act having its branch office or project office in India, which fulfill the criteria specified in sub-section (1) of section 135 of the Act shall comply with the provision of section 135 of the Act and Companies (Corporate Social Responsibility Policy ) Rules, 2014

## ***CSR Cont...***

- **Relevant Rules in the Companies (Corporate Social Responsibility Policy ) Rules, 2014 as under :-**
- **CSR means and include but not limited to :-**
  - (i) Projects and Programs relating to activities specified in Schedule VII to the Act
  - OR
  - (ii) Projects and Programs relating to activities undertaken by the Board of Directors of a company in pursuance of recommendation of the CSR committee of the board as per declared CSR policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

# ***CSR Activities & Reporting***

- **Relevant Rules in the Companies (Corporate Social Responsibility Policy ) Rules, 2014 as under :-**
- **CSR Activities**
  - The CSR Activity shall be undertaken by the company, as per its stated CSR policy as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
  - The Board of a company may decided to undertake its CSR activities approved by the CSR committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise.
- **CSR Reporting**
  - The board report of a company covered under these rule pertaining to a financial year commencing on or after the 1/04/2014 shall include an annual report on CSR containing particulars specified in annexure.
  - In case of a foreign company, the balance field under sub-clause (b) of sub-section (1) of section 380 shall contain an annexure regarding report on CSR.

# *CSR Committee & Expenditure*

- **Relevant Rules in the Companies (Corporate Social Responsibility Policy) Rules, 2014 as under :-**
- **Committee**
  - A Corporate Social Responsibility Committee of the Board consisting of **three or more directors**, out of which at least **one director shall be an independent director**.
  - A Private company having only two directors on its board shall constitute its CSR committee with two such directors.
  - With respect to a foreign company covered under these rule, the CSR committee shall comprise of at least two person of which one person shall be specified under clause (d) of sub-section (1) of section 380 of the Act and another person shall be nominated by the foreign company.
- **Expenditure**
  - CSR Expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the board on the recommendation of its CSR committee, but does not include any expenditure on an item not in conformity or not in the line with activities which fall within the purview of Schedule VII of the Act.

# CSR Policy

- **Relevant Rules in the Companies (Corporate Social Responsibility Policy ) Rules, 2014 as under :-**
  
- **CSR Policy**
  - The CSR Policy of the company shall, inter-alia including the following:-
    - A List of CSR projects or programs which a company plans to undertake falling within the purview of the Schedule VII of the Act, Specifying modalities of execution of such projects or programs and implementations schedule for the same
    - Monitoring process of such projects or programs

provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company

  - The CSR policy of the company shall specify that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.
  
- **CSR Activities on Company's Website**
  - The board of director of the company shall, after taking into recommendation of CSR Committee , approve the CSR policy for the company and disclosed contents of such policy in its report and the same shall be displayed on the company's website, if any,



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*Thanking you*

*&*

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