

A. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

The Ministry of Corporate Affairs had introduced CSR Voluntary Guidelines in 2009. These guidelines are now part of the 2013 Act and mandates following companies with the CSR activities:

- Every company having net worth of INR 500,00,00,000 or more, or turnover of INR 1000,00,00,000 or more or a net profit of INR 5,00,00,000 or more during any financial year shall constitute a CSR Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- CSR Committee shall formulate the policy for activities specified in Schedule VII of the 2013 Act which broadly includes:
 - i. Eradicating extreme hunger and poverty;
 - ii. Promotion of education;
 - iii. Promoting gender equality and empowering women;
 - iv. Reducing child mortality and improving maternal health;
 - v. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
 - vi. Ensuring environmental sustainability;
 - vii. Employment enhancing vocational skills;
 - viii. Social business projects.
- 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; Such other matters as may be prescribed.

The 2013 Act mandates companies to spend at least two percent of the average net-profits of immediately preceding three years on CSR activities, and if not spent, an explanation with the reasons thereof shall be required to be given in the Director's Report. [Section 135 of the 2013 Act]