



# Corporate Social Responsibility: Legal and Regulatory Framework

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# Framework

- ▶ Recent History of Corporate Social Responsibility (“**CSR**”) in India
- ▶ Section 135 of the Companies Act, 2013 (“**Act**”) +
- ▶ Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**Rules**”)
- ▶ Frequently Asked Questions (“**FAQs**”)/General Circulars/Clarifications
- ▶ Trends

# Recent History of CSR in India

- ▶ Companies Bill, 2009
- ▶ Corporate Voluntary Guidelines 2009 released
- ▶ Companies Bill, 2011
- ▶ Endorsement of United Nations Guiding Principles on Business & Human Rights by India in 2011
- ▶ National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) 2011 released
- ▶ Securities and Exchange Board of India (SEBI) mandates top 100 listed companies by market capitalization to file *Business Responsibility Reports (BRR)* based on NVGs in 2012
- ▶ Enactment of the Act in 2013
- ▶ Section 135 of the Act comes into force in 2014

# Section 135 of the Act + The Rules

- ▶ A regime in motion
- Six rounds of amendments: 2017 and 2019 for the Act; 2014, 2015, 2016 and 2018 for the Rules
- Section 135 not entirely notified for implementation
- ▶ Concepts and constructs
- Applicability
- CSR Committee
- CSR Policy
- Deployment of funds
- ▶ Portions of Section 135 that are yet to be notified

# FAQs/General Circulars/Clarifications

- ▶ FAQs notified by MCA specifically in 2016
- ▶ General Circulars/clarifications prior to as well as after this
  - Thrice in 2014 (including office memos for CPSEs)
  - Also in 2018
  - Special clarification on carry forward of unspent CSR amount
- ▶ Certain clarifications for discussion

# Trends

- ▶ CSR internationally
- ▶ Two High Level Committees on CSR: 2015 and 2018 (Reports submitted in 2016 and 2019)
- ▶ National Guidelines on Responsible Business Conduct 2019 released
- ▶ Few Indian examples of CSR

# Questions/Feedback

- ▶ View of august gathering welcome!

Thank you!