Conceptualizing a World Class University through Philanthropic Contribution

Registration U/s 80G(2)(a)(iiif) of the Income Tax Act, 1961

RAMANAND GOYAL & COMPANY

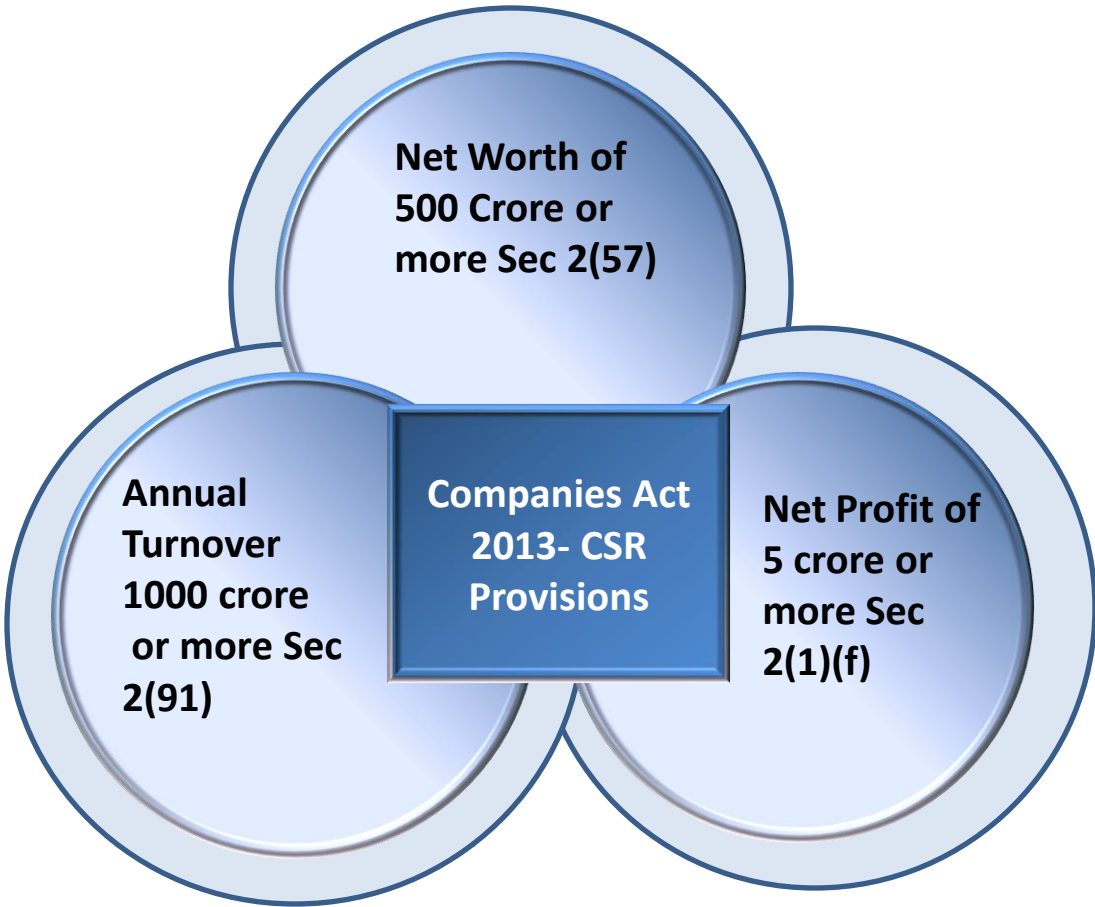CHARTERED ACCOUNTANTS

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RNGC

CORPORATE SOCIAL RESPONSIBILITY

➢ Corporate Social Responsibility is a form of corporate self-regulation integrated into business model to drive change towards sustainability.

➢ CSR initiatives, through partnerships between business organizations , the government, particularly at the local level, and not-for-profit sector, can play a vital role in enabling increased access to higher education through both demand side(e.g. provision of scholarships) and supply side measures (e.g. provision of endowments)

Corporate
Social
Responsibility

CSR PROVISIONS IN INDIA- APPLICABILITY

Net Worth of 500 Crore or more Sec 2(57)

Companies Act 2013- CSR Provisions

Annual Turnover 1000 crore or more Sec 2(91)

Net Profit of 5 crore or more Sec 2(1)(f)

If Applicable, Minimum 2% of "Average Net Profit" of the preceding three years to be spent on CSR activities

ELIGIBLE CSR ACTIVITIES

i) Eradicating hunger and poverty

ii) Promotion of **EDUCATION** , including special education and employment enhancing vocation skills.

iii) Promoting gender equality and Empowering Women.

iv)Ensuring environmental sustainability, ecological balance, protection of flaura and faunna.

v) Protection of national heritage , art and culture including restoration of buildings and sites.

vi) Measures for the benefit of armed forces veterans, war windows and their dependents.

vii) Training to promote rural sports, nationally recognised sports.

viii) Contribution to the Prime Minister Relief fund or any other fund set up by the Central Government.

ix)Contributions or funds provide to technology incubators located within academic institutions .

x) Rural Development

xi)Slum area development

(AS PER SCHDULE VII OF THE COMPANIES ACT)

CSR EXPENDITURE - ALLOWBILITY

➢ As per The Finance Act, 2014, any expenditure incurred by a company on activities relating to CSR referred in section 135 of the Companies Act 2013 shall **not be deemed to be an expenditure** incurred by the company for the purpose of business or profession, **will not be allowed as a deduction u/s 37(1) of the Income Tax Act 1961.**

Corporate
Social
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Section 80G - INCOME TAX ACT 1961

Deduction in respect of donations to certain funds…

1. In computing the total income of an assessee, there shall be deduction, in accordance with the provision of this section…

i. In a case where the aggregate of the sums specified in sub-section(2) includes any sum or sums of the nature specified in sub clause (i)or in (iiia),(iiib),(iiif),(iiig),..(iiihm)…an amount equal to the whole of the sum or as the case may be, sum of such nature plus fifty percent of the balance of such aggregate;…….

2. The sums referred to in sub section (1) shall be the following, namely :-

   (a)any sum paid by the assessee in P.Y. as donations to-

   (i)the National Defence Fund………

   (ii)the Jawaharlal Nehru Memorial……

   (iii)the Prime Minister Drought Relief Fund…

   (iiia) to (iiie)…………

   (iiif) a University or any educational institution of national eminence as may be approved by the prescribed authority in this behalf

CSR vis-à-vis CONTRIBUTION u/s 80G

➢ Donations on account of CSR made to items specified in section **80G(2)(a)(iii) are allowable as deduction** from total income.

➢ The company can make contribution to various national funds (such as Prime Minister National Relief Fund, Chief Minister Relief Fund or any other fund set up by Central or State Government) under section 80G(2)(a)(iii) which gives deduction of 100 percent of the contribution without any maximum limit including donation to a **University Notified under section 80G(2)(a)(iiif)**

Corporate
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