

Practitioner's Guide to Corporate Social Responsibility

About the Book

Texts and guidance on corporate social responsibility (CSR) are abundant, both globally, and in India. Notably, the Indian framework for CSR is marked by its focus on spending, whereas global frameworks are focused on sustainability and responsibility. However, the inspiration for this book, and therefore, its notable feature, is that it fits the Indian concept of CSR against the larger backdrop of responsible business conduct. The book is not just an analysis of law and regulations: it is a complete implementation guide, enriched by the questions that have arisen over years of the authors' consulting experience in the domain. The book also captures the subject in all its relevant dimensions – accounting and taxation included.

Additionally, the book will also be relevant for NGOs who house CSR activities, implementing agencies engaged as intermediaries, impact assessors, and the like. And above all, corporate law students will find the publication addressing their need of a lucid exposition of the subject.

Key Features

- Written with a practical approach based on authors' experience in handling client queries
- For each issue, a step-by-step guidance, including actionable, relevant formats, policy, resolutions, SOPs, etc
- FAQs in the form of illustrations, arising from practical implementation, added to each important topic
- Guidance on implementation agencies, beneficiaries, impact analysis, need analysis etc
- Global mapping with several leading and relevant standards and principles, OECD, SDGs, etc
- Guidance on tax and accounting issues- providing a holistic solution to readers
- Discussion and guidance on treatment of surplus arising out of CSR, excess spending on CSR, etc
- Comes handy with RoC adjudication orders till May 2023 passed in the context of CSR cases
- Critical analysis and discussion on core concepts like applicability, profit computation, etc.

ISBN: 978-93-84345-46-4



9 789384 345464 >

₹ 1595

LMP

CORPORATE
LAW
ADVISER

Since 1989

Practitioner's Guide to
Corporate Social Responsibility

CS Pammy Jaiswal

2023

CORPORATE
LAW
ADVISER

Since 1989

LMP

LMP

Practitioner's Guide to Corporate Social Responsibility



CS Pammy Jaiswal

Partner, Vinod Kothari and Company
Practising Company Secretaries

CORPORATE
LAW
ADVISER

Since 1989

Contents at Glance

<i>About the Author</i>	vii
<i>Acknowledgement</i>	ix
<i>Foreword</i>	xi
<i>Table of Contents</i>	xvii

Chapter 1	Understanding nexus between climate change, sustainability and business responsibility	1
Chapter 2	Introduction to the concept of CSR	21
Chapter 3	Getting Started for Complying with CSR Framework	57
Chapter 4	CSR Activities	93
Chapter 5	Understanding CSR Expenditure	149
Chapter 6	CSR through Implementing Agencies	251
Chapter 7	Monitoring and Disclosure Requirements	299
Chapter 8	Impact Assessment	353
Chapter 9	CSR Accounting Aspects	375
Chapter 10	CSR Taxation	397
Chapter 11	Penal Provisions	415

ANNEXURES

Annexure I	Section 135 of the Companies Act, 2013	477
Annexure II	Companies (Corporate Social Responsibility) Rules 2014 as amended by the Companies (Corporate Social Responsibility) Amendment Rules 2021 ..	481
Annexure III	FAQs on CSR 2021 Amendments	497
Annexure IV	FAQs on Corporate Social Responsibility	541
Annexure V	Glossary	567
Annexure VI	Subject Index	571



Table of Contents

<i>About the Author</i>	vii
<i>Acknowledgement</i>	ix
<i>Foreword</i>	xi
<i>Contents at Glance</i>	xv

Chapter 1 Understanding nexus between climate change, sustainability and business responsibility 1

1.1 Triple Bottom line	2
1.1.1 Sustainable Development Goals and Sustainability Reporting	3
1.1.2 Global Reporting Initiative and GRI Standards:	4
1.1.3 International Integrated Reporting Council (IIRC)	6
1.1.4 Task Force on Climate-related Financial Disclosures (TCFD) ...	7
1.1.5 Climate Disclosure Standards Board (CDSB)	8
1.1.6 Sustainability Accounting Standards Board (SASB)	9
1.1.7 Value Reporting Foundation (VRF).....	9
1.1.8 International Sustainability Standards Board and IFRS Standards.....	10
1.2 United Nations Framework Convention on Climate Change (UNFCCC) and COP 27	11
1.3 Mandatory ESG Reporting in countries around the world.	12
1.4 ESG Investing.	14
1.5 How does CSR align with the ESG goals?	16
<i>Annexure A Aligning CSR with global sustainability goals.....</i>	<i>19</i>

Chapter 2 Introduction to the concept of CSR21

2.1 Origin and Evolution of concept	23
2.1.1 11 five-year plan - the idea of 'inclusive growth'	23
2.1.2 Corporate Social Responsibility Voluntary Guidelines, 2009. . .	24
2.1.3 National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business, 2011	26

Practitioner's Guide to Corporate Social Responsibility

2.1.4	Companies Bill, 2011 - proposal to include CSR in law	27
2.1.5	Business Responsibility Reporting (BRR).	28
2.1.6	Inclusion of CSR in law - Section 135 notified.	28
2.1.6.1	Companies Amendment Bill, 2019.	28
2.1.6.2	Companies Amendment Bill, 2020.	29
2.1.6.3	Companies (CSR Policy) (Amendment) Rules, 2021	29
2.1.6.4	Companies (CSR Policy) (Amendment) Rules, 2022.	29
2.1.7	Business Responsibility and Sustainability Reporting (BRSR	30
2.2	International Scenario.	30
2.2.1	Emergence of the concept of CSR - global outlook.	31
2.2.1.1	Economic Responsibilities.	32
2.2.1.2	Legal Responsibilities.	33
2.2.1.3	Ethical Responsibilities	33
2.2.1.4	Philanthropic Responsibilities.	34
2.2.2	The Pyramid of CSR	35
2.2.3	Development of the concept of CSR.	35
2.3	Countries without a specific CSR spending mandate	39
2.3.1	Japan	39
2.3.1.1	Analysis/Extracts of ESG Reporting by top Japanese Companies.	40
2.3.2	Netherlands	41
2.3.2.1	Analysis/Extracts of ESG Reporting by top companies in Netherlands	42
2.3.3	Canada	42
2.3.3.1	Canada's Comprehensive Approach to CSR	43
2.3.3.2	Extractive Sector CSR Counsellor.	43
2.3.3.3	The Centre for Excellence in CSR.	43
2.3.3.4	Analysis/Extracts of ESG Reporting by top Canadian Companies	44
2.3.4	USA	46
2.3.4.1	Analysis/Extracts of ESG Reporting by top US Companies.	46
2.3.5	UK	48
2.3.5.1	Analysis/Extracts of ESG Reporting by top UK Companies	49

2.3.6	China.....	49
2.4	Countries with a specific CSR spending mandate.....	50
2.4.1	Mauritius	50
2.4.2	Indonesia	50
2.5	Is mandatory CSR spending a good idea?.....	51
2.6	Meaning of CSR.....	52
2.6.1	Indian Regulatory Framework for CSR.....	53
2.6.2	Under the Act.....	53
2.6.3	Department of Public Enterprises (DPE) Guidelines on CSR and Sustainability for CPSEs	54
2.6.4	Guidelines for CSR under the Corporate Governance Guidelines for Insurers.....	56
Chapter 3 Getting Started for Complying with CSR Framework.....		57
3.1	Introduction	58
3.2	Checking Applicability	58
3.2.1	Nature of companies on which CSR is applicable.....	59
3.2.1.1	Applicability on foreign company.....	60
3.2.2	Understanding the thresholds and its nexus with the CSR philosophy.....	60
3.2.2.1	Net worth of rupees five hundred crores or more ..	60
3.2.2.2	Turnover of rupees one thousand crores or more ..	61
3.2.2.3	Net profits of rupees five crores or more	61
3.2.2.4	Adjustment of amounts in accordance with section 198	63
3.2.2.5	Exclusion of specific amounts in accordance with the CSR Rules.....	64
3.2.3	Point of time to check applicability.....	64
3.3	Compliances to be ensured upon applicability of section 135.....	65
3.3.1	Constituting CSR Committee	66
3.3.1.1	Composition of the Committee.....	66
3.3.1.2	Role of CSR Committee	67
3.3.1.3	Companies exempted from constituting CSR Committee.....	68
3.3.2	Framing of CSR Policy.....	69
3.3.2.1	Components of CSR Policy	70

Practitioner's Guide to Corporate Social Responsibility

3.3.3	Formulation of Annual Action Plan	71
3.3.4	CSR expenditure	73
3.3.4.1	Computing the three-year average of net profits	73
3.3.5	Monitoring and review of expenditure.	76
3.3.6	Reporting and disclosures	76
3.3.7	Impact assessment	76
<i>Annexure B</i>	<i>Sample calculation for networth for checking the applicability of CSR.</i>	<i>77</i>
<i>Annexure C</i>	<i>Draft CSR Policy</i>	<i>78</i>
<i>Annexure D</i>	<i>Sample Format for an Annual Action Plan</i>	<i>89</i>
Chapter 4	CSR Activities	93
4.1	Activities that qualify as CSR	95
4.1.1	Understanding the eligible activities under Schedule VII	96
4.1.1.1	Examples of eligible CSR activities under Schedule VII	104
4.1.1.2	Liberal interpretation of items listed in Schedule VII	107
4.1.1.3	Priority sectors under CSR.	108
4.2	Evolution of Schedule VII	110
4.2.1	Exclusions from CSR activities.	111
4.2.1.1	Activities undertaken in pursuance of normal course of business of the company.	113
4.2.1.2	Any activity undertaken by the company outside India.	119
4.2.1.3	Contribution of any amount directly or indirectly to any political party.	121
4.2.1.4	Activities benefiting employees of the company	123
4.2.1.5	Activities supported by the companies on sponsorship basis for deriving marketing benefits.	126
4.2.1.6	Activities carried out for fulfillment of any other statutory obligations.	129
4.2.1.7	One-off events do not qualify as CSR activity.	130
4.3	Circulars providing clarifications on CSR.	131
4.4	Philanthropy vs CSR	131

4.4.1	Meaning of Philanthropy	132
4.4.2	Understanding the difference between Philanthropy & CSR	132
4.4.3	Illustrations on Philanthropy vs CSR	133
<i>Annexure E</i>	<i>Schedule VII</i>	<i>135</i>
<i>Annexure F</i>	<i>CSR Policies where priority sectors have been identified</i>	<i>138</i>
<i>Annexure G</i>	<i>MCA Circulars</i>	<i>146</i>
Chapter 5	Understanding CSR Expenditure	149
5.1	Introduction	151
5.2	Identify impact targets and goals.	152
5.3	Chalking out an action plan	154
5.4	CSR Budgeting and allocation thereof	154
5.4.1	Computation of CSR budget	155
5.4.1.1	Meaning of “net profits” for budget computation.	155
5.4.1.2	Exclusion of specific amounts in accordance with the rules	156
5.4.1.3	Making adjustments in terms of section 198.	158
5.4.1.4	Averaging of three-year profits and computation of 2% limit.	167
5.4.1.5	Averaging of adjusted net profits and the possibility of a double deduction of loss	168
5.4.1.6	Adjustment of surplus arising out of CSR activities of previous financial years	169
5.4.2	Meaning of ‘surplus’ arising out of CSR activities.	169
5.4.2.1	Treatment of surplus arising out of CSR	171
5.4.2.2	By when is the surplus required to be spent in CSR activities?	171
5.4.2.3	Surplus arising out of CSR projects of which financial years are required to be kept into account?	172
5.4.3	Set-off of excess CSR expenditure of previous years	172
5.4.3.1	Who can demand “set-off”?	173
5.4.3.2	Period within which set-off can be availed of excess CSR expenditure.	174
5.4.3.3	Conditions for availing set-off of excess CSR expenditure.	175

Practitioner's Guide to Corporate Social Responsibility

5.4.4	Fixing budget more than the minimum spending obligation	178
5.4.5	Allocation of CSR budget	178
5.4.5.1	Meaning of "ongoing projects"	179
5.4.5.1.1	Need for the concept of "ongoing projects"	183
5.4.5.1.2	Classification as "ongoing projects" vs "other than ongoing projects" and need thereof.	184
5.4.5.1.3	Treatment of funds allocated towards "ongoing projects"	184
5.4.5.1.4	Distinction between "ongoing" and "other than ongoing" projects	186
5.5	Incur CSR expenditure	186
5.5.1	What is expenditure?	187
5.5.2	What qualifies as CSR expenditure?	187
5.5.2.1	Limits on administrative overheads	190
5.5.2.2	Costs pertaining to impact assessment	190
5.5.3	What does not qualify as CSR expenditure?	191
5.5.3.1	Contribution in 'kind'	191
5.5.3.2	Treatment of unspent CSR amount.	195
5.5.3.3	Stage of identifying an outflow as "expenditure"	196
5.5.3.3.1	Relating to other than ongoing projects	198
5.5.3.3.2	Relating to ongoing projects.	199
5.6	Examining the CSR spending obligations in case of corporate restructuring and change in the nature of the entities	201
5.6.1	Cases where a scheme of merger is involved	201
5.6.2	Cases where a scheme of demerger is involved	208
5.6.3	Cases where an LLP or a partnership converts into a company or vice versa	208
5.7	Monitoring and reporting of CSR expenditure	209
<i>Annexure H</i>	<i>MCA FAQs on CSR</i>	210
<i>Annexure I</i>	<i>Draft resolutions relating to CSR obligations and related activities</i>	232

Chapter 6	CSR through Implementing Agencies	251
6.1	Stages involved in implementing CSR activities	254
6.2	CSR implementing agency vs Project implementing agency	256
6.3	Meaning of Implementing Agency (IA)	256
6.3.1	Meaning of implementation	258
6.3.2	Meaning of agency	259
6.4	Need for implementing agencies and recent trends	261
6.5	Entities allowed to be Implementing Agencies	263
6.6	Manner of formation of an IA	264
6.6.1	IAs formed by company(ies)	264
6.6.2	IAs established by Government	265
6.6.3	IAs established through statute	265
6.6.4	IAs established by public authority	265
6.6.4.1	Meaning of “established track record in undertaking similar activities”	266
6.7	Modes of formation	267
6.7.1	As a section 8 company	267
6.7.2	As a public trust	268
6.7.3	As a society	268
6.8	Registration requirements for an IA	268
6.8.1	Registration with tax authorities	268
6.8.2	Registration under law governing structure	270
6.8.3	Registration with MCA	270
6.9	Roles and Responsibilities of an IA	271
6.9.1	In identification/ designing of projects:	271
6.9.2	In implementation of projects:	272
6.9.3	In monitoring of projects and funds:	273
6.9.4	In reporting implementation of the projects:	273
6.10	Points to be kept in mind while choosing IA	274
6.10.1	Valid Statutory Registrations	274
6.10.2	Track record requirements	274
6.10.3	Engagement with local areas/communities	275

Practitioner's Guide to Corporate Social Responsibility

6.10.4	Conflict of interest	275
6.10.5	Other partnerships	275
6.10.6	Resources	275
6.10.7	Values and leadership	275
6.10.8	Internal impact assessment	276
6.11	Points to be kept in mind by IAs	276
6.11.1	Before approaching a company for seeking CSR contribution	276
6.11.1.1	Ensure statutory registrations	276
6.11.1.2	Develop infrastructure	276
6.11.1.3	Preliminary due diligence	276
6.11.2	Implementing CSR projects	277
6.11.2.1	Develop the implementation and disbursement schedule.	277
6.11.2.2	Gestation of CSR funds of the contributor.	277
6.11.2.3	Continuous monitoring of implementation	277
6.11.2.4	Reporting shortage in expenditure.	278
6.12	Necessary documentation between company and the IA	278
6.12.1	Setting out guidelines for agreement between a company and IA.	279
6.13	Treatment of outstanding CSR funds on discontinuance of IAs	280
6.14	Beneficiaries under CSR Activities	281
6.14.1	Meaning of Beneficiaries	281
6.14.2	Who can be a beneficiary under CSR?	281
6.14.3	Rights and responsibilities of beneficiaries	282
6.15	Difference between an IA and beneficiary	282
6.15.1	Need for distinction between an IA and a beneficiary	283
6.15.1.1	Dealing with unspent amount.	283
6.15.1.2	Classification of projects as 'ongoing' or otherwise.	283
6.15.1.3	Registration	283
6.15.1.4	Monitoring and evaluation	284
6.15.2	Points of distinction between an IA and a beneficiary	284
6.16	Concept of Crowdfunding Agencies and its growing relevance	285
6.16.1	Meaning of crowdfunding	286

6.16.2	Types Of Crowdfunding	287
6.16.3	Statistics on crowdfunding	288
6.17	Relevance of crowdfunding agencies in the context of CSR	289
6.17.1	Differentiating between crowdfunding platforms and IAs	290
6.17.2	Can a Crowdfunding Agency be an IA?	292
6.18	Other modes of implementation	292
6.18.1	Direct implementation by the company	293
6.18.2	Collaboration with other companies for undertaking CSR activities	293
6.19	Factors relevant to the choice of manner of implementation	294
<i>Annexure J</i>	<i>IA evaluation matrix</i>	296
Chapter 7 Monitoring and Disclosure Requirements		299
7.1	Meaning and relevance of monitoring in the context of CSR	301
7.1.1	Meaning of monitoring	301
7.1.2	Stages of monitoring during the life cycle of a project	303
7.1.3	Responsible Authority	303
7.2	Extent and manner of monitoring for various modes of implementation	304
7.2.1	Monitoring in case of direct expenditure	304
7.2.2	Monitoring in case of indirect expenditure	306
7.2.3	Monitoring in case of ongoing projects	307
7.3	Monitoring of overall CSR compliances of a company	309
7.3.1	Meaning of CSR audit	309
7.3.2	Applicability of CSR audit	309
7.3.3	Areas of CSR audit	310
7.3.3.1	Review of the CSR policy of the company	310
7.3.3.2	Review of the composition of CSR Committee	310
7.3.3.3	Verification of the CSR budget of the company	310
7.3.3.4	Review of the functioning of CSR Committee/ board	310
7.3.3.5	Review of the AAP and implementation thereof	311
7.3.3.6	Review of the activities against which expenditure has been incurred	311

Practitioner's Guide to Corporate Social Responsibility

7.3.3.7	Review of the disbursements against the budgeted amount	311
7.3.3.8	Review of the utilization of funds by the IA	312
7.3.3.9	Review of the implementation of the ongoing project	312
7.3.3.10	Verification of the amounts booked as administrative overheads	312
7.3.3.11	Review of the adequacy of disclosures to be provided in relation to CSR . . .	313
7.3.3.12	Review of the transfer of unspent amounts within due timelines	313
7.3.3.13	Review of the applicability of impact assessment and analysis of the report thereof . .	313
7.4	Periodicity of monitoring	314
7.5	Reporting requirements under CSR	314
7.5.1	Reporting on an annual basis	315
7.5.1.1	Annual Report on CSR	316
7.5.1.2	Filing under e-Form AOC- 4	317
7.5.1.3	Reporting under CSR-2	318
7.5.1.4	Reporting in the financial statements under profit & loss statement	319
7.5.1.5	Reporting under CARO, 2020	319
7.5.1.6	Business Responsibility and Sustainability Report	319
7.5.2	Continuous reporting	321
7.6	Decoding the Annual Report on CSR	322
7.7	Form CSR -2: Practical filing and queries thereto	329
7.8	Certification by CFO	342
7.8.1	Points and documents to be checked by CFO	342
7.8.2	Documents to be checked	343
7.8.3	Placing of certificate	344
<i>Annexure K</i>	<i>CSR Compliance certificate</i>	<i>345</i>
<i>Annexure L</i>	<i>Format of Annual Report on CSR</i>	<i>347</i>
<i>Annexure M</i>	<i>Sample format of CFO Certificate</i>	<i>350</i>

Chapter 8	Impact Assessment.....	353
8.1	Meaning of Impact Assessment.....	354
8.2	Need for impact assessment.....	355
8.3	Need assessment vs impact assessment.....	357
8.4	Applicability of Impact Assessment.....	360
8.4.1	Who Can Conduct Impact Assessment?.....	362
8.4.2	Procedure/ steps involved in impact assessment.....	363
8.4.3	Frequency of Impact Assessment.....	364
8.4.4	Can Impact Assessment be carried out for contributions to government funds?.....	364
8.4.5.	Reporting of Impact Assessment.....	364
8.5	Case Studies.....	365
8.5.1	Outlay exceeds INR 1 crore but project not completed/ less than a year from the date of spending ...	366
8.5.2	Multiple large projects.....	366
8.5.3	Multiple large projects spread across several FYs.....	366
8.5.4	Frequency for assessment for multiple past projects.....	366
8.5.5	Appointment authority for impact assessment agency ...	367
8.5.6	Format / Contents of Impact Assessment Report.....	367
8.6	Global Principles on Impact Assessment.....	367
8.6.1	Types of Impact Assessment.....	368
8.6.1.1	Environmental Impact Assessment (EIA).....	369
8.6.1.2	Social Impact Assessment (SIA).....	370
8.6.1.3	Economic Impact Assessment (EcIA).....	371
8.6.2	OECD's Guidance on Evaluation Criteria.....	372
<i>Annexure N</i>	<i>Impact Assessment Reports/ Study reports by companies in India.....</i>	<i>373</i>
Chapter 9	CSR Accounting Aspects.....	375
9.1	Recognition of CSR expenditure in financial statements.....	376
9.1.1	Accounting treatment in case of direct implementation of CSR by company.....	377
9.1.1.1	Expenditure in cash.....	377
9.1.1.2	Expenditure in kind.....	378

Practitioner's Guide to Corporate Social Responsibility

9.1.2	Accounting treatment in case of CSR through IAs	379
9.1.2.1	Contribution received in cash	379
9.1.2.2	Contribution received in kind	380
9.2	Accounting of administrative overheads and impact assessment costs	381
9.3	Recognition of capital assets created in course of CSR	382
9.4	Recognition of surplus earned from CSR projects	383
9.4.1	Meaning of the term "surplus"	383
9.4.2	Meaning of the term 'income'	383
9.4.3	Treatment of CSR Surplus as Income	384
9.5	Treatment of unspent CSR	385
9.5.1	Recognition and measurement	385
9.5.2	Unspent CSR as a liability	385
9.5.2.1	Meaning of liability	385
9.5.2.2	Features of liability	386
9.5.3	Unspent CSR as a provision	386
9.5.3.1	Meaning of provision	386
9.5.3.2	Features of provision	387
9.5.4	Unspent CSR as a contingent liability	387
9.5.4.1	Meaning of contingent liability	387
9.5.4.2	Features of contingent liability	387
9.5.5	Comparison of Unspent CSR vis-à-vis liability vis-à-vis provision vis-à-vis contingent liability	388
9.5.6	Accounting for non- ongoing projects	389
9.5.6.1	Accounting of unspent CSR as liability	390
9.5.6.2	Accounting of unspent CSR as provision	390
9.5.7	Accounting for ongoing projects	391
9.6	Accounting treatment in case of excess amount spent as CSR	392
9.6.1	Recognition as an asset	392
9.6.2	Recognition as an expenditure	393
9.6.2.1	Factors governing the mode of treatment of the excess expenditure in a FY	394
9.7	Case Study	394

Chapter 10 CSR Taxation	397
10.1 Provisions under which companies seek deduction	398
10.1.1 Admissibility of deductions under profits and gains of business or profession	398
10.1.1.1 CSR as expenditure incurred wholly and exclusively for business/ profession	399
10.1.1.2 Permissibility of deductions under Section 35 to 36 of IT Act	402
10.1.1.3 Deductions under Section 80G & 80GGA of IT Act	404
10.2 Point of deduction	408
10.2.1 Point of deduction under direct CSR	408
10.2.2 Point of deduction under CSR through IAs	408
10.3 Tax implications under GST	409
10.3.1 Entitlement to ITC	409
10.3.2 Rulings supporting claim for ITC by contributing company	410
10.3.3 Free supply of goods	410
10.4 Tax implications in the hands of the beneficiaries	412
10.5 HLC's Recommendations on tax treatment of CSR expenditure	413
Chapter 11 Penal Provisions	415
Introduction	416
11.1 Non-compliance with spending requirements attracts specific penalty	417
11.1.1 Activities attracting specific penalty	417
11.1.2 Consequences of non-compliance	417
11.2 Penalty for other non-compliances	418
11.3 Adjudication of penalties	418
11.3.1 Who can be an adjudicating authority?	418
11.3.2 When is adjudication done?	419
11.3.3 Process of adjudication	419
11.3.3.1 Receipt of Show Cause Notice (SCN)	419
11.3.3.2 Sending reply to SCN	420
11.3.3.3 Consideration of Reply by AO	420

Practitioner's Guide to Corporate Social Responsibility

11.3.4	Nature of order passed by AO	421
11.3.5	Factors considered by AO while adjudging the penalty. . .	421
11.3.6	Payment of Penalty by Company.	422
11.3.7	Appeal to Regional Director.	422
11.3.8	Consequences of non-compliance with adjudicating order.	422
<i>Annexure O</i>	<i>Adjudicating Orders by the RoC in matters connected with non-compliances with section 135 of the Act, 2013</i>	<i>423</i>

ANNEXURES

Annexure I	Section 135 of the Companies Act, 2013	477
Annexure II	Companies (Corporate Social Responsibility) Rules 2014 as amended by the Companies (Corporate Social Responsibility) Amendment Rules 2021	481
Annexure III	FAQs on CSR 2021 Amendments	497
Annexure IV	FAQs on Corporate Social Responsibility	541
Annexure V	Glossary	567
Annexure VI	Subject Index	571