



# AIC-BAMU FOUNDATION

(SECTION-8) COMPANY)

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR INCUBATORS**

Corporate social responsibility (CSR) refers to the way that businesses are managed to bring about an overall positive impact on the communities, cultures, societies and environments in which they operate. The fundamentals of CSR rest on the fact that not only public policy but even corporates should be responsible enough to address social issues. Thus companies should deal with the challenges and issues looked after to a certain extent by the states.

The section 135 of the companies act defines the type of companies which will be covered by this notification:-

### **CSR provisions are applicable to a company having:-**

- a) Net worth of Rs 500 crore or more*
- b) Turnover of Rs 1000 crore or more*
- c) A net profit of Rs 5 crore or more during any financial year*

According to the companies act, any company with the above mentioned turnover or profit will have to spend 2% of their profit on CSR activities. The government has also included INCUBATORS (approved by the government) as an approved recipient of the CSR funds under this scheme.

The incubator will take the funding from a company against some startup business plans approved by the incubator and for the startups which have been incubated. It will monitor these businesses very closely. The company will be given complete visibility regarding the progress of the startup. It can even mentor the startup on a regular basis thereby playing a much larger role in the growth and development of the startup.

For any queries regarding CSR/ funding to the startup, please contact [ceo.aic@bamu.ac.in](mailto:ceo.aic@bamu.ac.in) / [info.aic@bamu.ac.in](mailto:info.aic@bamu.ac.in)

The relevant notification issued by the ministry of corporate affairs is as below:-

### **MINISTRY OF CORPORATE AFFAIRS NOTIFICATION**

New Delhi, the 27th February, 2014

G.S.R, 130(E).-In exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central government hereby makes the following amendments to Schedule VII of the said act, namely:-

(ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central government.