



# THE INSTITUTE OF Company Secretaries of India

## भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

December 19, 2024

Dear Professional Colleague,

### Subject: Extending support to Armed Forces through CSR Contributions

For a nation striving to be a global leader, the strong and well-trained Indian armed forces are deterrence to our potential adversaries. It is because of them that, developmental activities and nation building can be progressed without external hindrance which is central to the concept of national security and paramount for all nation building activities. The Ministry of Corporate Affairs with the intent of providing adequate support to the families of Armed Forces, had included the following in Schedule VII pertaining to Activities which may be included by companies in their Corporate Social Responsibility Policies:

*“(vi) measures for the benefit of armed forces veterans, war widows and their dependents, 5 [Central Armed Police Forces (CAPE) and Central Para Military Forces (CPMF) veterans, and their dependents including windows];”*

Furthermore, the Department of Ex-Servicemen Welfare (DESW) of the Ministry of Defence has been entrusted with the role and responsibility of protecting the interests of Armed Forces by designing appropriate mechanisms for enhancing well-being of the Armed Forces Veterans, War Widows and their dependents. The Department has shared statistics with the ICSI pertaining to the contributions under the ambit of CSR towards the cause of veterans of Armed Forces and it is quite alarming to note that only 0.25% of the total CSR Expenditure has been made for the cause.

It goes beyond words that the secure environment provided by the Armed Forces, ensuring the path to prosperity and development for the country as a whole, is only a part of the larger and ubiquitous role played by the Indian Armed Forces in nation building.

In view of the same, we would urge you to kindly take the matter with your respective Boards and consulting clients, motivating them to undertake CSR in the areas pointed above.

It may be noted that these contributions are exempt from Income Tax under Section 80G(5)(vi) of Income Tax Act, 1961 vide letter No. NQDIT(E)|2010-11/DEL-AE 22280004012011/2186 dated 04 January 2011. These contributions are to be made in a special fund called Armed Forces Flag Day Fund (AFFDF). Special welfare schemes for the veterans are implemented out of this Fund across the Nation through the Kendriya Sainik Board, a network of 34 Rajya Sainik Boards (RSBs) and 414 Zilla Sainik Boards (ZSBs) at the State and District level respectively. During 2023-24, 1.71 lakhs Ex-Servicemen (ESM) and their dependents were benefitted from these Schemes all over the country. The benefits covered assistance for education, medical care, housing and financial aid for Veer Naaris (War Widows), Veterans and their dependents.

The contributions are received and used in a transparent manner. Kendriya Sainik Board has a web portal for AFFDF wherein all information is readily available. The contributions to the AFFDF can be made by Cheque/Demand Draft drawn in favour of Armed Forces Flag Day Fund payable at New Delhi or deposited directly in the Saving Bank A/c No.34420400623 maintained at State Bank of India at R.K.Puram, New Delhi (IFSC Code: SBIN0001076). On utilization of the Fund, Kendriya Sainik Board provides the requisite report containing details of manner of use of your contribution.

As torchbearers of good governance, your dedicated attempts in this matter will go a long way taking forward the ultimate goal of leading the nation on the path of becoming Viksit Bharat backed by strong and resilient Armed Forces.

Regards

(CS B. Narasimhan)

President

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