

An Analysis of Section 08 Companies in India (A move towards better survive of CSR Practices)

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ABSTRACT

With the ever changing scenario of business environment, the way of business firms are also supposed to be changed. Corporations cannot avoid the change happens in the business environment that is an external factor, due to the fast patching up of diverse countries' economy and their corporate body. It is not only providing sufficient opportunities to corporate world, but it is also creating a lot of challenges for the corporate world as well, especially on the legalization aspect. With such a changing environment, it can be the best concern of the country, to keep on incorporating various governance aspects arising in terms of challenges due to several changes taking place in corporate world. This paper would be an attempt to understand the changing face of companies' law in India by analyzing the status of non-profit organizations, registered under Section 8, of Company Act 2013.

Key Words: Non-Profit Organization, Companies Act 2013, Section 08, Business Environment, Corporate Social Responsibility.

INTRODUCTION

The history of corporate Law is very mature in India. It dates back to the time of Chola & Patliputra, who were clients of trade. This paper will explain the development of corporate law from time to time in India and will also investigate the status of non-profit organization in India, registered under section 8, Companies Act 2013. To make the paper more clear, the difference among Trust, Societies and Non-Profit Organization is explained, it is also explained the historical developments of company act in Indian.

Near the beginning, Non-Profit Organization was the concept, when many corporate were donating the funds to trust or NGO, are working for communities, but it was having some problem with those trust, because after one time donation business firm was not funding them again, due to that either trust shut down or divert to do some illegal work, which is not acceptable to the community. But now this is appreciating step has taken by government to make the CSR compulsory by introducing the section 135, company act 2013. A country cannot do well without strong corporate governance, to make sure that the spirit of the corporate culture are balanced, government has to make various Law & regulations that not only keep a watch on various activities of corporate but also to provide provisions for their

better exercises & effective management as well as functioning. India has recently gone throughout an essential change in terms of corporate governance and also in terms of its Corporate Law with the introduction of Company Act 2013, which is not only replace the old Company Act 1956, but also involves many unheard concept such as Corporate Social Responsibility, Section 8 Company, Non-Profit Organization, One Person Company, Incorporations of NPO etc. To make sure that good governance succeed the Law & regulations, it needs to be amended from time to time and it may be an illustration that what Indian government has done by introducing Company Act 2013.

OBJECTIVES

This research is depending on literature review and secondary data. The study is intended to achieve the following objectives:

- 1) To explore the historical background of Company Act in India.
- 2) To examine the incorporation process of Non Profit Organization in India (Special reference to Section 8 Company)
- 3) The purpose of the study is also to analyze the Social activities carried out by Indian Non-Profit Organizations.

HISTORICAL BACKGROUND OF COMPANY ACT IN INDIA

India has the independence since 1947 from British control, but the process of making and strengthening to the corporate Law had begin before 1947. With the arrival of various enactment in England, various Law were getting enacted in India that result in acts such as Joint Stock Companies Act 1850 of India, Joint Stock Companies Act 1857 of India, Companies Act 1866 of India, Indian Companies Act 1913, but the biggest of all procedural act of independent India came into force in 1956 to be called as Company Act 1956, which is recently replaced with the Company Act 2013. A brief historical background of companies act is given below.

Joint Stock Companies act 1850: Companies legislation in India owes from its origin to the English Company law. The companies' acts passed from time to time in India have been following the English companies' acts with certain modifications to suit Indian conditions. The first legislative enactment for "Registration of Joint stock companies" was passed in the year 1850. This Act was based on the English company Act, 1844 (known as the Joint stock Company Act 1844) which recognized company as a distinct legal entity, but did not grant to its privilege of limited liability.

Joint Stock Companies act of 1857: The Joint stock companies' act of 1850 was replaced by the Joint stock companies' act of 1857. This act of 1857 conferred, for the first time in India the benefit of limited liability on the members of companies. But this act did not extend the benefit of limited liability to the members of banking companies and insurance companies.

Joint Stock Companies Act or 1860: The Joint stock companies' act of 1857 was replaced by the Joint stock companies' act of 1866. The Joint stock companies Act of 1860 extended the benefit of limited liability to the members of Banking companies and insurance companies.

The companies Act or 1866: The Joint stock companies Act of 1860 was replaced by the companies Act of 1866. The companies Act of 1866 was the first comprehensive companies Act passed in India. The companies Act of 1866 was based on the English companies Act of 1862. The companies Act of 1866 was intended to consolidate and amend the law relating to the incorporation, regulation and winding up of trading companies and other associations.

Companies Act of 1913: The Indian Companies Act, 1913 did not take into account the peculiar features of the Indian trade and commerce and some peculiar institution such as "Managing Agency." The Act was, therefore, found to be highly unsatisfactory in the course of its operation. As such, this Act was subjected to a large number of amendments from time to time.

Companies Act of 1956: After the end of World War II, the need for a further revision of the company law was felt. Many changes had taken place in the organization and management of Joint stock companies. The government of India, therefore, appointed on 25th October, 1950. A committee of 12 members representing various fields under the chairmanship of Shri H. C. Bhabha for a comprehensive review of the Indian companies Act 1913. The committee submitted its report on all aspects of company law in April 1952. Based on the recommendation of the Bhabha Committee companies Act of 1956 was passed. The companies Act of 1956 was based on the English companies Act of 1948, with some modifications to suit the Indian conditions. The companies Act of 1956 came into force from 1st April, 1956. This act contains 658 sections and 14 schedules. Section 25 of Company Act 1956 is well known for incorporation of section 25 companies which is consider as non profit Organization.

The objectives of the companies Act 1956:

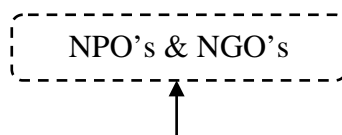
- ❖ To protect the interests of the investors by furnishing fair and accurate information in the prospectus.
- ❖ To recognize the rights of the shareholders to receive reasonable information for making an intelligent judgment with reference to the management.
- ❖ To ensure full and fair disclosure of the affairs of the companies in their published annual accounts.
- ❖ To protect the interests of the Share holders by ensuring the holding of general body meeting and ensuring effective participation and control by the share holders and providing for prevention of oppression of minority and mismanagement.
- ❖ To protect the interest of the creditors by preventing reduction of capital, by convening the meeting of creditors and appointment of liquidators, and taking over the companies in case of mismanagement.

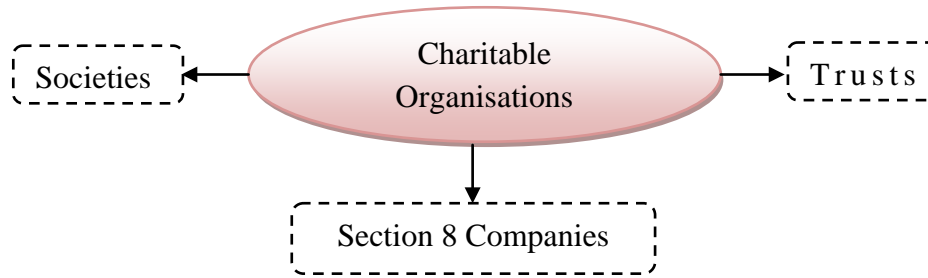
- ❖ To enforce proper performance of duties by persons responsible for the management of Companies.
- ❖ To prevent misconduct and malpractices on the part of company's management and abuse of power vested in them.
- ❖ To promote the healthy growth of companies by ensuring integrity in the conduct and management of the company by the board of directors, placing restrictions on the borrowing powers of the board of directors and preventing any act which is prejudicial to the interest of the shareholders, the public and the companies.
- ❖ To ensure that the activities of the company are carried on not only in the interests of those directly concerned with them but also in furtherance of the economic and social policy (i.e., the socialistic pattern of society) of the country.
- ❖ To empower the government to interfere and investigate into the affairs of the Company and to take over the Company when the business of the Company is carried on in a manner prejudicial to the interests of the Shareholders, the Company or the general public.
- ❖ To provide for the establishment of an appropriate authority for the administration of the Companies Act.

Companies Act, 2013: Based on the recommendations of J. J. Irani committee, companies' bill came into existence in the year 2008 that went through critical evaluations and after due considerations took the shape of Companies' Act 2013. The bill was passed on 18th of December, 2013 by Lok Sabha. Rajya Sabha passed the same bill on 8th of August, 2013. The bill then got presidential assent & was gazetted to become an act. Companies' Act 2013 not only repealed the Company Act 1956, but also provides resolution for many unheard concepts. The act comprise of 29 chapters, 470 clauses & 7 schedules.

INCORPORATION PROCESS OF NON PROFIT ORGANIZATIONS IN INDIA :(Special reference to Section 8 Company)

The concept of non-profit making organization is quite old in India. Early on non-profit organization was being governed under Company Act 1956, it was regulated by Section 25 and that is the reason it is popular as **Section 25 Company**. Now in Company Act 2013, provisions related to non-profit making organizations are given in Section 8, with Rules 19 and 20 of Companies' Incorporation Rules, 2014. There may be 3-4 forms of a Charitable Organization in India and such organization can be registered Under Indian law. 3 legal forms exist for Non-Profit Organizations as:





(Fig No: 1 “Types of Non Profit Organization in India”)

Meaning of Non-Profit making Organization: A Non-profit making Company is a Company which:

- Has in its objects to the promotion of Commerce, Art, Science, Sports, Education, Research, Social Welfare and Religion, Charity, Protection of environment or any such other objects.
- Intends to apply its profits or other income in promoting its objects.
- Intends to prohibit the payment of any dividend to its members.

1) **Trusts:** A public charitable trust is usually floated when there is property involved, especially in terms of land and building. Different states in India have different Trusts Acts in force, which govern the trusts in the state; in the absence of a Trusts Act in any particular state or territory the general principles of the Indian Trusts Act 1882 are applied.

Main Instrument: The main instrument of any public charitable trust is the trust deed, wherein the aims, objects and mode of management should be enshrined. In every trust deed, the minimum and maximum number of trustees has to be specified. The trust deed should clearly spell out the aims and objects of the trust, how the trust should be managed, how other trustees may be appointed or removed etc. The trust deed should be signed by both the settler and trustee in the presence of two witnesses. The trust deed should be executed on non-judicial stamp paper, the value of which would depend on the valuation of the trust property.

Trustees: A trust needs a minimum of two trustees; there is no upper limit to the number of trustees. The Board of Management comprises the trustees. The application for registration should be made to the official having jurisdiction over the region in which the trust is sought to be registered. After providing details in the form regarding designation by which the public trust shall be known, names of trustees, mode of succession etc., the applicant has to affix a court fee to the form and pay a registration fee which may range differently, depending on the location and value of the trust office and trust property. The application form should be signed by the applicant before the registrar, sub-registrar, deputy registrar, regional officer or superintendent

of the regional office of the charity commissioner or authorized registrar. The application form should be submitted, together with a copy of the trust deed. Two other documents which should be submitted at the time of making an application for registration are affidavit and consent letter.

- 2) **Society:** According to section 20 of the Societies Registration Act 1860, the following societies can be registered under the Act: ‘charitable societies, military orphan funds or societies established at the several presidencies of India, societies established for the promotion of science, literature, or the fine arts, for instruction, the diffusion of useful knowledge, the diffusion of political education, the foundation or maintenance of libraries or reading rooms for general use among the members or open to the public, or public museums and galleries of paintings and other works of art, collection of natural history, mechanical and philosophical inventions, instruments or designs.

Legislation: Societies are registered under the Societies Registration Act 1860, which is a federal act. In certain states, which have a charity commissioner, the society must not only be registered under the Societies Registration Act, but also additionally, under the Bombay Public Trusts Act. The main instrument of any society is the memorandum of association and rules and regulations (no stamp paper required), wherein the aims and objects and mode of management of the society should be enshrined.

Trustees: A Society needs a minimum of seven managing committee members; there is no upper limit for the number of managing committee members. The board of management act in the form of a governing body or council or a managing or executive committee. Registration of society can be done either at the state level i.e. in the office of the Registrar of Societies or at the district level in the office of the District Magistrate or the local office of the Registrar of Societies. And the procedure varies from state to state. However generally the application should be submitted together with: (a) memorandum of association and rules and regulations; (b) consent letters of all the members of the managing committee; (c) authority letter duly signed by all the members of the managing committee; (d) an affidavit sworn by the president or secretary of the society on non-judicial stamp paper, together with a court fee stamp; and (e) a declaration by the members of the managing committee that the funds of the society will be used only for the purpose of furthering the aims and objects of the society. All the aforesaid documents which are required for the application for registration should be submitted in duplicate, together with the required registration fee. Unlike the trust deed, the memorandum of association and rules and regulations need not be executed on stamp paper.

- 3) **Section-8 Company (Old Section-25):** According to Section - 8 of Indian Companies Act, 2013 (Old section 25(1)(a) and (b) of the Indian Companies Act, 1956, a section - 25) a section 8 company can be established for promoting Commerce, Art, Science, Religion, Charity or any other useful object, provide the profits or other income is

applied for promoting only the objects of the company and no dividend is paid to its members.

Legislation: Section -8 companies are registered under section 8 of Indian Companies Act 2013 (Old section -25 of the Indian Companies Act, 1956). Main instrument for a section-8 company is a Memorandum (MoA) and articles of association (AoA) no stamp paper required. **Board Members:** A section-8 Company needs a minimum of three members; there is no upper limit to the number of members. The Board of Management is in the form of a Board of directors or managing committee.

Application for Registration: Procedure for getting license under section 8 for new companies with charitable objects is given in rule 19 of Companies Incorporation Rules 2014. Below is the process for registration of non-profit making organization under Companies Act 2013:

- **Obtain Digital Signatures:** Nowadays various document prescribed under the Companies Act 2013, are required to be filed with the digital signature of the Managing Director or Director or Manager or Secretary of the Company, therefore, it is compulsorily required to Obtain a Class II Digital Signature Certificate from authorized DSC issuing Company for at least one director to sign the E-forms related to incorporate like form INC 1 and other documents.
- **Obtain Director Identification Number [Section 153]:** As per 153 of the Companies Act 2013, every individual intending to be appointed as director of a company shall make an application for allotment of Director Identification Number in form DIR 3 to the Central Government in such form and manner and along with such fees as may be prescribed. Therefore, before submission of e-Form INC 1 for availability of name, all the directors of the proposed company must ensure that they are having DIN and if they are not having DIN, it should be first obtained.
- **Name availability for proposed company:** As per section 4(4) given with Rule-9 of Companies Incorporation Rules 2014, application for the reservation/availability of name shall be in Form number INC 1 along with prescribed fee of Rs. 1000/-. In selection of Company name should be in accordance with name guidelines given in Rule-8 of Companies Incorporation Rules 2014. The name will be valid for a period of 60 Days from the date on which the application for Reservation was made. After approval of name, ROC will issue a name availability letter against the company applied for reservation/availability of name for a proposed company. **Note:** MCA has prescribed certain rules for name availability so it is advisable to check guidelines for the same before applying for name. Refer Rule-8 of Companies Incorporation Rules, 2014.

- **Preparation of the Memorandum of Association (MOA) and Articles of Association (AOA):** Drafting of the MOA and AOA is generally a step subsequent to the availability of name made by the Registrar. It should be noted that the main objects should match with the objects shown in e-Form INC 1. These two documents are basically the charter and internal rules and regulations of the company. Therefore, it must be drafted with utmost care and with the advice of the experts and the other object clause should be drafted in a very broader sense. The memorandum of association of the proposed company shall be in form number INC 13.

- **License under section 8 for new companies with charitable objects:** A person or an association of persons desirous of incorporating a company with limited liability under sub-section (1) of section 8 without the addition to its name of the word “Limited”, or as the case may be, the words “Private Limited”, shall make an application in form number INC 12, along with the prescribed fee, to the Registrar for a license under sub-section (1) of section 8.

- **Main attachments of Form INC 12 would be as follows:**
 - ❖ The draft Memorandum of Association as per-form number INC13 of the proposed company.
 - ❖ The draft Articles of Association of the proposed company.
 - ❖ The declaration in form number INC 14 by an Advocate, a Chartered Accountant, Cost Accountant or Company Secretary in practice, that the draft memorandum and articles of association have been drawn up in conformity with the provisions of section 8 and rules made there under and that all the requirements of the Act and the rules made there under relating to registration of the company under section 8 and matters incidental or supplemental thereto have been complied with.
 - ❖ The declaration by each of the persons making the application in form number INC 15.
 - ❖ An estimate of the future annual income and expenditure of the company for next three years, specifying the sources of the income and the objects of the expenditure.

There are few other attachments for form INC 12 but they are not compulsory. However the above 5 attachments are compulsory to incorporate a Non-profit making company.

Duty of Registrar to Scrutinize the Documents: If after filling the Requisite forms for incorporation with the Registrar of Companies along with fees, ROC is satisfied with the contents of the documents filed, ROC will issue the License in form number INC 16 under section 8(1) stated with rule 19 of Companies Incorporation Rules, 2014. Such company registered under section 8 shall enjoy all the privileges and be subject to all the obligations of limited companies.

Other statutory provisions related to Non-Profit making Organization:

- ❖ **Firm as a member of Non-Profit Making Company:** As per section 8(3) a partnership firm may become a member of the non-profit making company registered under section 8. Membership of such firm shall cease upon dissolution of the firm. However, partners of the dissolved firm may continue to be the members of such company in their individual capacity.
- ❖ **License for existing companies under Section 8:** There is also a provision for conversion of existing Companies into a Non-profit making company under section 8 given with Rule 20 of Companies Incorporation Rules 2014. Likewise a Non-profit making company can also be converted into any other Company by following the procedure given in Rule 21 and 22 of Companies Incorporation Rules 2014.
- ❖ **No Change in AOA and MOA:** A company registered under this section shall not change alter the provisions of its memorandum or articles except with the previous approval of the Central Government.
- ❖ **Revocation of License by Central Government:** As per section 8(6), the Central Government may by order, after giving the company a reasonable opportunity of being heard, revoke the license granted to a company registered under this section if the company contravenes any of the requirements of this section or any of the conditions subject to which a license is issued or the affairs of the company are conducted fraudulently or in a manner violative of the objects of the company or prejudicial to public interest, and direct the company to convert its status and change its name to add the word “Limited” or the words “Private Limited”, as the case may be, to its name and thereupon the Registrar shall, without prejudice to any action that may be taken under sub-section (7), on application, in the prescribed form, register the company accordingly.
- ❖ **Winding up of Company:** As per section 8(7), where a license is revoked under sub-section (6), the Central Government may by order, after giving the company a reasonable opportunity of being heard, if it is satisfied that it is essential in the public interest, direct that the company be wound up under this Act or amalgamated with another company registered under this section.
- ❖ **Penalty for violation of Section 8:** If a company makes any default in complying with any of the requirements laid down in section 8, the company shall without prejudice to any other action under the provisions of this section, be punishable with fine which shall not be less than ten lakh (10,00,000) rupees but which may extend to one crore (1,00,00,000) rupees and the directors and every officer of the company who is in default shall be

punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than twenty-five (25,000) thousand rupees but which may extend to twenty-five (25,00,000) lakh rupees, or with both.

NOTABLE WORK BY NPO TOWARDS SOCIAL ACTIVITIES IN INDIAN

There are many Non Profit organizations are working in India with object to eliminate the bad evils of society in India:

Adani Foundation: Company Profile: Adani Foundation was started by Adani Group of companies in 1996. It contributes to education, community health, sustainable livelihood development and rural infrastructure development programs.

Initiatives taken by Adani Foundation:

- ❖ **Education:** On February 13, 2012 Adani Foundation partnered with India Skills, a Joint Venture in vocational training from Manipal Global Education Services and City & Guilds, a provider of work-related assessment and qualifications, to set up a skills training centre in Gujarat. The Ahmedabad-based centre will offer skill-related courses in retail, hospitality, security, construction and engineering.
- ❖ **Sustainable Livelihood Development:** On May 8, 2013 Gautam Adani announced that Adani group will set up a hospital and medical college worth Rs 700 crore to help the poor at Adani's Shantigram Township. The hospital will work on a model of "Providing the latest medical treatment to both who can afford to pay and those who can't" Adani Foundation is committed to help fisher folk. The Foundation started a special scheme for people belonging to Mundra taluka in Kutch district that envisages providing financial assistance to 500 fishermen of the coastal taluka for purchasing fishing equipment. The children of the fishermen are also provided with educational facilities including a sport school for them. Similar facilities will be developed at Luni village and two other villages.

Adhya Educational Society (AES): Company Profile: Adhya Educational Society is an education non-profit organization based in Hyderabad, Telangana in India. Through Adhya Academy and Project Gift Compassion, AES supports and educates underprivileged children through innovative pedagogy in Science Education, Mathematics Education and Language development. Adhya participated in The Story of Light Festival in Goa from 15-18 January 2015

Initiatives taken by Adhya Educational Society:

- ❖ **Project Gift Compassion:** Project Gift Compassion is an outreach program of Adhya Educational Society. The project engages schools children, teachers and parents in exchanging a small gift prepared by a child from one strata of

the society with another from a different community and background to build a bridge of compassion, hope, and trust for each other. As part of the project, 10,000 children participated in 2012 and 15,000 in 2013. For the year 2014 Project Gift Compassion is planning to reach 25,000 school children. Adhya has introduced 'Public Installation' as pedagogy through 'The Story of Light - A Spectacle' in Hyderabad on 31 January 2015.

Advitya: Company Profile: Advitya is a non-profit organization in India that works for providing a better lifestyle for disabled adults. It was established in the year 2000. Their main aim is to create awareness about the disabled adults and increase their levels of socialization. It was established by Mrs. Anjali Shah who is also the founder trustee.

Initiatives taken by Advitya:

- ❖ Advitya's main challenge lies in the fact that they accept students who can no longer continue in other special schools. Since most of the students suffer from major behavioral disorders or are too old, the volunteers at the centre make use of colors and music as therapeutic ways of helping them overcome their problem. They are provided constructive occupation of adding value to a range of gift items like bags, envelopes, purses, stationery, upholstery and their likes.
- ❖ In the past, Advitya has had associations with corporate giants like GlaxoSmithKline, Asian Paints, Air India, ONGC and Computer Associates. Advitya has also actively been a part of various student activity programs where students from Dhirubhai Ambani International School and American School of Bombay come for their community service. It has regularly been a part of Kala Ghoda festivals, Concern India Mela and other prominent exhibitions. Fest-o-Advitya 2008 was a star-studded event that attracted a lot of media coverage and gave an opportunity to these disabled adults to showcase their talents.

Dove Foundation: Company Profile: The Dove Foundation is the largest youth led Non-Profit Organization based in the Uttar Pradesh the most populous state of India. Founded in the year 2010, it is registered with the Government of India under the Societies Registration Act of India. It is "driven by the interests and passions of the Youth". The primary aims of the foundation are, nationally to provide quality healthcare and reduce extreme poverty, to expand educational and employment opportunities to the youth and young people. The foundation based in Varanasi, Uttar Pradesh. The founding member of the Dove include Mr. Abhinav Singh who is also the first ever recipient of the prestigious United Nations 'Special Youth Fellowship'

Initiatives taken by Advitya:

- ❖ The Dove aims at empowering the community to take the ownership of the programs which are being run for them. This also helps in sustaining the program once the program is completed. The Dove Foundation received the MTV Staying Alive Foundation Award of December 2010 for Project Aarambh. Aarambh is being supported by MTV and Staying Alive Foundation, UK. Project 'Aarambh' is dedicated towards building the knowledge and capacity on HIV/AIDS & Reproductive Health of highly marginalized and socially excluded community of bi-cycle rickshaw pullers in India. It is estimated that there are around 8 million rickshaw pullers are in India.
- ❖ The Dove Foundation started "**Youth Education Program**" in January 2011 which is an initiative by The Dove Foundation to strengthen the national health status of India. YEP-2011 is aimed towards building the knowledge and capacities of the adolescent and the youth towards Life Style Diseases and HIV/AIDS. The foundation has been also actively working International platforms and was part of the 11th International Congress on AIDS in Asia & Pacific, beside country level advocacy in India the foundation worked as a part of the Youth Committee of the congress for holding the youth events. The Foundation is also part of the Melbourne Youth Force which will be overseeing the youth program for the International AIDS Conference 2014, Melbourne, Australia.
- ❖ The Dove is also working towards provision of equitable and quality healthcare across rural India with a high emphasis on urban slums population in the country.
- ❖ Dove also contributed in the development of UNAIDS 'New Generation Leadership Strategy' through holding offline discussion forums with youth and young people across India. The Dove Foundation has been awarded the Best Social Entrepreneurship award by The Christ University, Bangalore, India for the year 2013 at the 12th Annual Entrepreneurship meet of Christ University.

Educate Girls: Company Profile: Educate Girls is a non-profit organization in India that aims to tackle issues at the root cause of gender inequality in India's education system. Founded in 2007, the non-governmental organization has its management and outreach office in Mumbai and operations in the Pali, Jalore, Sirohi, Ajmer, Bundi, and Rajsamand districts of Rajasthan. Since 2007, Educate Girls has worked with over 7,000 government schools, where the introduction of creative learning and teaching techniques is claimed to have increased learning outcomes by 35-60 per cent. Since 2007, the organization has reached over 1,000,000 total beneficiaries, and enrolled close to 80,000 out of school girls in school. Educate Girls was founded by Safeena Husain.

Initiatives taken by Educate Girls:

- ❖ Team Balika consists of over 4500 community volunteers who work as champions for girls' education and catalysts for school reform. Team Balika members work in the schools as well as village communities spreading awareness on girl child education. They boost enrollment, retention and learning outcomes for all girls. Team Balika is trained in community mobilization & outreach, CLT techniques, leadership, and motivation. They are often between the ages of 16-25 and are among the most educated members of their communities.
- ❖ Community Based Enrollment Plans After identifying out of school girls in the area, village meetings is organized to prepare community based enrollment plans. Responsibility is distributed between the village leaders, elders, school administrations, Team Balika (Community Volunteers) and Educate Girls' staff to bring the girls back to school.
- ❖ School Management Committees At village meetings, a 12-15 member council is elected to for a School Management Committee (SMC). This consists of parents, teachers and village leaders and is responsible for school governance and administrations. Educate Girls trains the SMC and provides them with the support to prepare and execute School Improvement Plans (SIP's) and conduct school assessments
- ❖ Creative Learning and Teaching Techniques & Classroom Support Educate Girls trains one teacher per school in Creative Learning & Teaching (CLT) techniques. Test is conducted before and after training to assess learning levels. Classroom hand-holding support is provided by Educate Girls staff and trained Team Balika. As a result of Educate Girls CLT interventions, students saw a 15-35% improvement in Hindi, 9-29% in English, and 11-29% in Math.
- ❖ Creation of Girl Leaders Educate Girls facilitates the election of BAL Sabhas (Girls' Councils) in every upper primary school. This 13-member council gives girls a leadership position within the school and training in life skills to boost communication, leadership and problem solving skills.

Entrepreneurship Development Institute of India (EDI): Company Profile: The Entrepreneurship Development Institute of India (EDI), an autonomous and not-for-profit institute, set up in 1983, is sponsored by the IDBI Bank Ltd., IFCI Ltd., ICICI Bank Ltd. and State Bank of India (SBI). The government of Gujarat pledged twenty-three acres of land on which stands the EDI campus. EDI has helped set up twelve state-level exclusive entrepreneurship development centres and institutes. Entrepreneurship has been taken to schools, colleges, science and technology institutions and management schools in the water performance sector by including entrepreneurship in their curricula. The University Grants Commission appointed the EDI as an expert agency to develop a curriculum on Entrepreneurship. In the international arena, the development of entrepreneurship by sharing resources and organizing training programmes, have helped the EDI earn support from the World Bank, Commonwealth Secretariat, UNIDO, ILO, FNSI, British Council, Ford Foundation, European Union and other agencies. The institute has carried out the task

assigned by the Ministry of External Affairs (India), to set up Entrepreneurship Development Centres in Cambodia, Lao PDR, Myanmar and Vietnam. The institute is working towards creating ED Centres in Uzbekistan and Kazakhstan.

Initiatives taken by EDI:

- ❖ Post Graduate Diploma in Management - Development Studies (PGDM-DS) Post Graduate Diploma in Management - Development Studies is designed as a broad and multi-disciplinary focused programme to equip students with knowledge, analytical and conceptual skills of social and economic development.
- ❖ Post Graduate Diploma in Management - Business Entrepreneurship (PGDM-BE) the PGDM -BE two-year, full-time, residential programme at the EDI, has been designed for entrepreneurs and entrepreneurial managers.

CONCLUSION

At the end, it can be explored that the companies' act has modified many time since 1947. As the time gets ahead, the corporate sectors are integrating more with the social concern. The government has made improvements in Indian corporate law, which is governing to the companies in country; finally it is a good startup of government by introducing a very wide ranging Companies Act 2013. But still it needs to emphasize those areas of community which is really needs to encourage, in schedule VI of company act 2013. The most recognized step of company act is sections 135, which is stating the CSR as mandatory and introduce the section 8 for use the CSR funds in right way, it might be a milestone, but the most important concern is about its execution, of Company Act's regulations on section 8 companies because it is fact that no act can be helpful until it is implemented with its full strength. Company Act 2013 had overcomes of some of the major ambiguities of Company Act 1956, but there might be some loopholes with companies Act 2013 as well, especially when CSR has become mandatory in India, it might be treated as Tax by industrialist, and it can affect to those companies, are doing CSR enthusiastically, it might be one of the big loopholes of mandatory concept of Company Act 2013. It also might be a loophole in the case of Section 8 companies where it does not provide punitive actions. So there is a need to have a relook at some of the parts of the newly introduced Act.

REFERENCES

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