

Handbook on Certification of Form CSR - 1



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

Handbook on Certification of Form CSR-1



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First Edition : February, 2021

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Website : www.icai.org

ISBN : 978-93-90668-09-0

Price : ₹ 75/-

Published by : The Publication Directorate on behalf of
The Institute of Chartered Accountants of India,
ICAI Bhawan, Post Box No. 7100,
Indraprastha Marg, New Delhi – 110 002 (India)

Printed by : Sahitya Bhawan Publications,
Hospital Road, Agra – 282 003
February | 2021 | P2786 (New)

Foreword

Corporate Social Responsibility (CSR) is a fast developing area with frequent new developments. During the Covid-19 pandemic and thereafter, regular notifications have been issued by the Ministry of Corporate Affairs, advising corporates on what expenditures are eligible CSR spend. By doing so, the Government has tried to build a private-public partnership so as to streamline the CSR funds into tackling the pandemic and to bring the society out from the aftereffects of the pandemic and to bring the economy in the growth trajectory. One of the latest such announcements advised that CSR funds could be utilized for creation of awareness and for public outreach on Covid-19 vaccination programme.

Further, the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 has been issued which have tried to bring more monitoring and reporting aspects of the CSR Funds spend. The Amendment Policy has directed that practicing Chartered Accountant along with other professionals can certify e-Form CSR-1 as given in the Amendment Policy.

I complement the CSR Committee and its Chairman CA. Pramod Jain, Vice Chairman CA. Charanjot Singh Nanda and all committee members for their active support in timely bringing out this Handbook on Certification of Form CSR-1. I also compliment the Committee Secretariat in providing active support in the release of the same.

CA Atul Kumar Gupta
President

Date: 01.02.2021

Preface

The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 has been notified by the Ministry of Corporate Affairs, Government of India on 22nd of January, 2021. With the announcement of the Amendment Policy, the Government has sought to bring in more monitoring and reporting of CSR Funds spend. Organisations engaging in implementation of CSR projects will now be required to get themselves registered. Also, CSR spending at 2% of average net profit of previous three years have now been made mandatory and Corporates are allowed to carry forward excess spending up to three succeeding financial years. Certain amendments have also been made in the CSR Rules relating to carry forward and setoff of excess spending, and introduction of Impact Assessment Report. Additional responsibilities have been cast on Companies, Boards, CFOs, CSR Committee and Implementing Agencies.

The Amendment Rules has now made it mandatory on the part of the company to include an annual report on CSR containing particulars as specified in Annexure I or Annexure II, as applicable, as a part of the Board's Report. Annexure I is applicable to entities for whom the CSR projects or programs have been approved prior to 1st April, 2021. Every entity who intends to undertake CSR activity shall register itself with the Central Government by filing the form CSR -1, electronically with the Registrar, w.e.f. 1st April, 2021. Form CSR -1 is to be certified by a Chartered Accountant / Company Secretary / Cost Accountant.

Therefore, a need was felt to guide the members on the requirements for verifying and certifying Form CSR-1. This *Handbook on Certification of Form CSR-1* is an effort towards the same.

I am thankful to CA. Atul Kumar Gupta, President and CA. Nihar Niranjana Jambusaria, Vice President ICAI, for their valuable guidance and support in bringing out this handbook. I would also like to place on record my deep appreciation for the guidance and support of the members of the CSR Committee. I appreciate the efforts of CA. Sonali Das Halder, Secretary CSR Committee alongwith other officers of the CSR Committee, for her contribution in drafting and timely releasing of the Handbook. I place on record my sincere

thanks to CA. Rajesh Mittal and CA. Charmi Shah for their valuable inputs in drafting of the Handbook.

Place : New Delhi
Date : 01.02.2021

CA. Pramod Jain
Chairman
CSR Committee

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Introduction

1. In exercise of the powers conferred by section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government has issued rules to further amend the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"). The Rules may be called the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The extract of the amended Rules is annexed as Annexure to this handbook.
2. The objective of this handbook is to provide guidance to members on the Certification of Form CSR-1, as mandated by the above amendment Rules, to be obtained by the entity who intends to undertake CSR activities.

Scope

3. What constitutes CSR activity is specified in Schedule VII to the Act and reference is also invited to the circulars issued by the Ministry of Corporate Affairs (MCA). This handbook provides guidance on issuance of Certification by members as per Form CSR-1 and does not deal with identification of activities that constitute CSR or the activities of the entities intended to carry out CSR activities.

CSR Compliance

4. Rule 3 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 provides that every company including its holding or subsidiary, and a foreign company defined under clause (42) of [Section 2](#) of the Act, having its branch office or project office in India, which fulfils the criteria specified in sub-section (1) of [Section 135](#) of the Act, shall comply with the provisions of [Section 135](#) of the Act and CSR Rules.

CSR Implementation

5. As per Rule 4(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended by Companies (CSR Policy) Rules, 2021), the Board of Company shall ensure that the CSR activities are undertaken by the company itself or through third parties.
6. The third parties as defined in above sub-rule (1) are as under:-
 - A. **A company established under Sec. 8 of the Act, a Registered Public Trust or a Registered Society, which are registered u/s 12A and 80G of the Income Tax Act, 1961, established by the company, either singly or along-with any other company.**
 - B. **A company established under Sec. 8 of the Act, a Registered Trust or a Registered Society established by Central Government or State Government.**
 - C. **Any entity established under an Act of Parliament or a State legislature.**
 - D. **A company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.**
7. In cases where the Board of Company is not carrying out CSR activities itself and undertakes the same through third parties as prescribed in Rule 4(1) above, till now there was no platform for identification and registration of such entities. In such cases, presently a company has to follow a thorough and stringent selection process so as to ensure that the organizational goals towards CSR are achieved in the most transparent, effective and efficient manner. Further, the companies interested in engaging third parties for implementation of CSR activities had to scout for the appropriate entities on its own. The database of registered implementation agencies would become a handy tool for the companies looking for implementation entities.

The amended Rule 4(2)(a) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 makes it mandatory for every such entity (as mentioned in clauses A to D above) and who intends to

undertake any CSR activity, to register itself with the Central Government. The entity has to file Form CSR-1 electronically with the Registrar. This provision is made applicable with effect from the 01st day of April 2021. The format of Form CSR-1 is provided as annexure to this handbook.

8. The proviso to Rule 4(2)(a) provides that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021.
9. Rule 4(2)(b) mandates that Form CSR-1 shall be signed and submitted electronically by the entity on the MCA portal and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice.
10. As per Rule 4(2)(c) on the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.

Filling and verification of Form CSR-1

11. The Form CSR-1 is termed as Form for “Registration of Entities for undertaking CSR Activities”. The Form mainly consists of two parts, first part is relating to the information about the entity who intends to undertake CSR activities. Second part of Form CSR-1 is certification by practicing professional.

A brief discussion on each of the clauses of Form CSR-1 and the guidance for members are discussed as under:-

12. **Clause no. 1 of Form CSR-1 is reproduced as under:-**

“1. Nature of the Entity

- ☐ *Company established under section 8 of the Companies Act, 2013 with section 12A and section 80G registrations under the Income Tax Act, 1961.*
- ☐ *Registered Public Trust with section 12A and section 80G registrations under the Income Tax Act, 1961.*

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- ☐ *Registered Society with section 12A and section 80G registrations under the Income Tax Act, 1961.*
 - ☐ *Company established under section 8 of the Companies Act, 2013 or Registered Trust or Registered Society established by the Central Government or State Government.*
 - ☐ *Entity established under an Act of Parliament or State Legislature.”*
13. Clause 1 of Form CSR-1 requires the nature of entity which intends to undertake CSR activities. The entities are bifurcated into five categories as per Rule 4(1) of Companies (CSR Policy) Rules, 2014. While filling the form, the entity has to select its nature by ticking one of the option. The information is basically the type of entity i.e. whether it is a section 8 company, or a registered public trust or a registered society etc.
14. The role of member with regard to this clause is to verify the particulars of such entity. The following documents, wherever applicable, can be obtained and verified by the practicing professionals:-
- a. Trust deed of the entity.
 - b. Certificate of Incorporation in case of Section 8 Company.
 - c. Society Registration certificate in case of Society.
 - d. Registration with State Public Trust Act, if any.
 - e. Certificate u/s 12A issued by the Director of Income Tax (Exemption) and the validity of the same. It may be pertinent to note that currently entities registered u/s 10(23C) are not eligible to get registered in Form CSR-1
 - f. Certificate u/s 80G issued by the Commissioner of Income Tax (Exemption) and the validity of the same.

15. **Clause no. 2 of Form CSR-1 is reproduced as under:-**

"2. (a) Whether the Entity is established by any company or group of companies:

☐

Yes

☐

No

(b)(i) If yes, then provide the details of such company (s)

CIN of Company	Pre-fill	Add
-----------------------	-----------------	------------

Name of Company

(ii) If no, whether the entity has an established track record of three years in undertaking similar activities:

☐

Yes

☐

No

16. Clause 2 of Form CSR-1 requires the information about the establishment of the entity. As per Rule 4(1), the company may carry out CSR activities by establishing, either singly or along with any other company, such entities or through such entities (not established by the company) having track record of minimum three years in undertaking similar activities.

Clause 2(a) of the Form CSR-1 requires whether the entity is established by any company or group companies, if option "Yes" is selected, then as per clause 2(b)(i), the details of such company / group company needs to be filled.

If "No", then as per clause 2(b)(ii), it is to be informed whether the entity has an established track record of three years in undertaking such activities. If here the answer is "No", then, since the entity is not fulfilling the condition as mentioned in Rule 4(1)(d), the entity may not get registered by the MCA.

17. The role of member with regard to this clause is to:-

- Verify the details of company and also take on record the documents how the entity is established by the company. An

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undertaking from the entity and confirmation from the company may be taken on record by the practicing professionals.

- b. In case the entity is not established by company or group companies, the members may verify the following documents to verify the track record of three years of such entities:-
- Audited financials of entity for last three financial years
 - Date of registration u/s 12A and u/s 80G
 - Form 10B of the entity for last three financial years.
 - Note of nature of activities carried out by the entity in the earlier years.
 - Return of income and computation of income for the past three years.
 - Details of CSR projects already undertaken by the entity.
 - Assessment orders, if any, to verify the activities accepted by the department.

18. **Clause no. 3 and 4 of Form CSR-1 are reproduced as under:-**

3(a) * Type of existing entity

*CIN/ Registration Number:

Pre-fill

(In case of a section 8 company, enter CIN. Else, enter registration number)

(b) *Name of the entity

*Date of incorporation of the entity

(DD/MM/YYYY)

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**Address of the entity:*

Line 1

Line 2

City

State/ Union territory

District Pin Code

* E-Mail ID of the entity

*Enter OTP for email ID

*PAN of the entity

4. **Details of Directors/ Board of Trustees/ Chairman/ CEO/ Secretary/ Authorised Representatives of the entity:*

Sl. No.	Name	Designation	DIN/PAN	Email ID

19. Clause 3 & 4 of Form CSR-1 requires the factual information about the entity e.g. name, date of incorporation, address, email id, PAN, details of Directors/ Board of Trustees/ Chairman/ CEO/ Secretary/ Authorised Representatives of the entity etc. which can be verified by the members

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with the corresponding documents. It is pertinent to note that PAN of all such persons may be necessary as per section 139A(1)(vi) of the Income Tax Act, 1961.

20. After filling of information in clause 1 to 4 of Form CSR-1, a declaration is to be given by the entity that the particulars given in the form herein above are true and also are in agreement with the documents maintained by the entity and the same will be digitally signed on behalf of the entity.
21. Second part of Form CSR-1 is certification by the Practicing Professional. The extracts of the certification from the Form CSR-1 is reproduced as under:-

“Certificate by Practicing Professional

I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and Rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/ applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that:

- 1. The said records have been properly prepared, signed by the required officers/ authorised representatives of the entity and were found to be in order;*
 - 2. All the required attachments have been completely and legibly attached to this form;*
 - 3. It is understood that I shall be liable for action under Section 448 of the Companies Act, 2013 for wrong certification, if any found at any stage.”*
22. First paragraph of certification suggests that the member should obtain an engagement letter for the certification of Form CSR-1 from the entity. The other documents as discussed above should be verified thoroughly and the attachments should be checked before affixing the digital signature certifying the CSR-1 Form.

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23. Members should follow appropriate assurance procedure and obtain representation in terms of Guidance Note on Reports or Certificates for Special Purposes issued by ICAI and generate UDIN at the time of issue of the online certificate in Form CSR-1.

Annexures

- A. Section 135 of the Companies Act, 2013
- B. Companies (CSR Policy) Rules, 2014
- C. Form CSR-1
- D. Annexure I to Annual Report on CSR
- E. Annexure II to Annual Report on CSR

A. Section 135 of the Companies Act, 2013

135.(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.

- (2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
- (3) The Corporate Social Responsibility Committee shall,—
 - (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
 - (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
 - (c) monitor the Corporate Social Responsibility Policy of the company from time to time.
- (4) The Board of every company referred to in sub-section (1) shall,—
 - (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and

disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and

- (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

- (5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years ¹[or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years], in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount ²[and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year].

⁴[Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed].

Explanation.—For the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.

- ³[(6) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a

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period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year].

- ⁴[(7) If a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.
- ³[(8) The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions.
- ⁵[(9) Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company].

-
1. Inserted by The Companies (Amendment) Act, 2019- Yet to be Notified
 2. Inserted by The Companies (Amendment) Act, 2019- Yet to be notified
 3. Inserted by The Companies (Amendment) Act, 2019- Yet to be Notified
 4. Inserted by the Companies (Amendment) Act, 2020. Yet to be notified
 5. Inserted by The Companies (Amendment) Act, 2020. Yet to be notified

B. Companies (Corporate Social Responsibility Policy) Rules, 2014

RULE 1 Short Title and Commencement

- (1) These rules may be called the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (2) They shall come into force on the 1st day of April, 2014.

RULE 2 Definitions

- (1) In these rules, unless the context otherwise requires,-
 - (a) "Act" means the Companies Act, 2013 (18 of 2013);
 - (b) "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
 - (c) "Annexure" means the Annexure appended to these rules;
 - (d) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - (i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

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- (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
 - (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- (e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- (f) "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- (g) "International Organisation" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
- (h) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
 - (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;
- (i) “Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
- (j) “Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);
- (k) “section” means a section of the Act.
- (2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act. ”.

RULE 3 Corporate Social Responsibility.

- (1) Every company including its holding or subsidiary, and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, which fulfills the criteria specified in sub-section (1) of section 135 of the Act shall comply with the provisions of section 135 of the Act and these rules:

Provided that net worth, turnover or net profit. of a foreign company of the Act shall be computed in accordance with balance sheet and Profit and loss account of such company prepared in accordance .with the provisions of clause (a) of sub-section (1) of section 381 and section 198 of the Act

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- (2) Every company which ceases to be a company covered under subsection (1) of section 135 of the Act for three consecutive financial years shall not be required to -
- (a) constitute a CSR Committee; and
 - (b) comply with the provisions contained in sub-section (2) to (6) of the said section,
- till such time it meets the criteria specified in sub-section (1) of section 135.

RULE 4 CSR Implementation

- (1) The Board shall ensure that the CSR activities are undertaken by the company itself or through -
- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - (c) any entity established under an Act of Parliament or a State legislature; or
 - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- (2) (a) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021:

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Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021.

- (b) Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice.
 - (c) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.
- (3) A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
- (4) A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
- (5) The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- (6) In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period. ”.

RULE 5 CSR Committees.

- (1) The companies mentioned in the rule 3 shall constitute CSR Committee as under.-
 - (i) [a company] covered under subsection (1) of section 135 which is not required to appoint an independent director

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pursuant to sub-section (4) of section 149 of the Act, shall have its CSR Committee without such director ;

- (ii) a private company having only two directors on its Board shall constitute its CSR Committee with two such directors;
 - (iii) with respect to a foreign company covered under these rules, the CSR Committee shall comprise of at least two persons of which one person shall be as specified under clause (d) of sub-section (1) of section 380 of the Act and another person shall be nominated by the foreign company.
- “(2) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect. ”.

RULE 6 CSR Policy – Omitted w.e.f. 22.01.2021

RULE 7 CSR Expenditure

- (1) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

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- (2) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- (3) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - (ii) the Board of the company shall pass a resolution to that effect.
- (4) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
 - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification”.

RULE 8 CSR Reporting

- “8. CSR Reporting .- (1) The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.
- (2) In case of a foreign company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.
- (3) (a) Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- (b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- (c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less. ”.

RULE 9 Display of CSR Activities on its Website

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

10 - Transfer of unspent CSR amount

Until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.”.

C. Form CSR-1

CSR-1	Registration of Entities for undertaking CSR Activities
(Pursuant to section 135 of the Companies Act, 2013 and rule 4(1) and (2) of the Companies (CSR Policy) Rules, 2014)	 सत्यमेव जयते
Form language ☐ English ☐ Hindi	
Refer the instruction kit for filing the form.	
1. *Nature of the Entity:	☐ Company established under section 8 of the Companies Act, 2013 with section 12A and section 80G registrations under the Income Tax Act, 1961.
	☐ Registered Public Trust with section 12A and section 80G registrations under the Income Tax Act, 1961.
	☐ Registered Society with section 12A and section 80G registrations under the Income Tax Act, 1961.
	☐ Company established under section 8 of the Companies Act, 2013 or Registered Trust or Registered Society established by the Central Government or State Government.
	☐ Entity established under an Act of Parliament or State Legislature.
2. (a) Whether the Entity is established by any company or group of companies:	☐ Yes ☐ No

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(b)(i) If yes, then provide the details of such company (s):

CIN of Company	Pre-fill	Add
Name of Company		

(ii) If no, whether the entity has an established track record of three years in undertaking similar activities : ☐ Yes ☐ No

3. (a) * Type of existing entity:

*CIN/ Registration Number: Pre-fill

(In case of a section 8 company, enter CIN. Else, enter registration number)

(b) *Name of the entity

(c) *Date of incorporation of the entity (DD/MM/YYYY)

(d) *Address of the entity:

Line I

Line II

City

State/ Union territory

District Pin Code

(e) * E-Mail ID of the entity Send OTP

(f) *Enter OTP for email ID Verify OTP

(g) *PAN of the entity

4. *Details of Directors/ Board of Trustees/ Chairman/ CEO/ Secretary/ Authorised Representatives of the entity:

Sl. No.	Name	Designation	DIN/PAN	Email ID

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Attachments: 1.* Copy of Certificate of Registration; 2.*Copy of PAN of entity ;	List of Attachments Attach Attach Remove Attachment
*Declaration	
I am authorized by the Entity vide *resolution number *dated to sign this form and declare that the particulars given in the form herein above are true and also are in agreement with the documents maintained by the Entity.	
To be digitally signed by one director in case of Section 8 company To be digitally signed by one of the Trustee/ CEO in case of Registered Public Trust To be digitally signed by Chairperson/ CEO/ Secretary in case of Registered Society To be digitally signed by Authorised Representative in case of Entity established under an Act of Parliament or State Legislature	
*To be digitally signed by *Designation *DIN of the director; or DIN or PAN of the Trustee or CEO or Chairperson or Chief functionary or authorised representative of the Entity;	DSC Box
*Certificate by Practicing Professional	
I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and Rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/ applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that:	
1. The said records have been properly prepared, signed by the required officers/ authorised representatives of the entity and were found to be in order; 2. All the required attachments have been completely and legibly attached to this form; 3. It is understood that I shall be liable for action under Section 448 of the Companies Act, 2013 for wrong certification, if any found at any stage.	
*To be digitally signed by ☐ Chartered accountant (in whole-time practice)	DSC Box ☐ Company secretary (in whole-time practice)

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☐ Cost accountant (in whole-time practice)			
*Whether associate or fellow ☐ Associate ☐ Fellow			
*Membership number			
Certificate of practice number			
Note: Attention is drawn to provisions of Section 448 and 449 of the Companies Act, 2013 which provide for punishment for false statement/ certificate and punishment for false evidence respectively.			
Modify	Check form	Pre Scrutiny	Submit
This e-form has been taken on file maintained by the registrar of companies through electronic mode on the basis of statement of correctness given by the authorised person and professional."			

[E-F. No. CSR-05/3/2020-CSR-MCA]

GYANESHWAR KUMAR SINGH, Jt. Secy.

Note:— The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 129(E), dated the 27th February, 2014 and were subsequently amended by notification number G.S.R. 644(E), dated the 12th September, 2014, notification number G.S.R. 43(E), dated the 19th January, 2015, notification number G.S.R. 540 (E), dated the 23rd May, 2016, notification number G.S.R. 895(E), dated the 19th September, 2018 and notification number G.S.R. 526(E), dated the 24th August, 2020.

Annexure I

FORMAT OF THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCED PRIOR TO 01.04.2020

S.No.	Particulars	Remarks
1	<i>A Brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.</i>	
2	<i>The Composition of the CSR Committee.</i>	
3	<i>Average net profit of the company for last three financial years.</i>	
4	<i>Prescribed CSR Expenditure (two percent of the amount as in item 3 above).</i>	
5	<i>Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below</i>	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
1							
2							
	TOTAL						

Handbook on Certification of Form CSR-1

**Give details of implementing agency:*

1. *In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board's Report.*
2. *A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.*

<i>(Chief Executive Officer or Managing Director)</i>	<i>(Chairman CSR Committee)</i>	<i>Person specified under clause (d) of sub-section (1) of section 380 of the Act) (Where applicable)</i>

Annexure II

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES
TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL
YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate

5. Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1			
2			
3			
	TOTAL		

6. Average net profit of the company as per section 135(5).

7. (a) Two percent of average net profit of the company as per section 135(5)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year,

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if any

(d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the financial year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Agency	Implementing Agency
				State.	District.						Name	CSR registration number.
1.												
2.												
3.												
	TOTAL											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	TOTAL								

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year
(8b+8c+8d+8e)

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(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.								
2.								
3.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

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- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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