

How To File CSR 2

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DIVESH GOYAL
Practicing Company Secretary
GOYAL DIVESH & ASSOCIATES

Mob: +918130757966
csdiveshgoyal@gmail.com

INTRODUCTION

- 1) MCA has issued notification on 11th February 2022 called as Companies (Account) Amendment Rules 2022.
- 2) Ministry has introduced a new form CSR-2 by insertion of Sub Rule 1B in Rule 12.
- 3) These rules will be applicable from immediate effect i.e., 11th February 2022.

Following companies need to file CSR 2

- 1) All companies falling under Section 135(1) shall comply with these amendment rules.
- 2) Following companies are covered u/s 135(1) –

Every company having -

- i) net worth of rupees five hundred crore or more, or
- ii) turnover of rupees one thousand crore or more or
- iii) a net profit of rupees five crore or more

during the immediately preceding financial year

Purpose of Introduction of E-Form

CSR 2

- ❖ CSR is a means by which company seeks to give back to the society and integrate social and environmental concerns in their business operations and interactions with their stakeholders.
- ❖ In accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020, company can undertake CSR activities either itself or through entities defined under Rule 4 sub rule (1).

Reporting of CSR 2

Every company covered under the provisions of sub-section (1) to section 135 shall furnish a report on Corporate Social Responsibility in Form CSR-2 to the Registrar

1) For FY 2020-21:

- i) As a Separate form on or before 31st March 2022.
- ii) It shall be file only after filing of AOC-4.

2) For FY 2021-22 & onwards:

As an addendum to Form AOC-4 or AOC -4 XBRL or AOC -4 NBFC (Ind AS), as the case may be.

List of Documents Required to prepare CSR-2

- 1) Copies of Audited Financial Statement of last 3 Financial years.
 - a) Net Profit
 - b) Net Worth
 - c) Turnover
 - d) Details of CSR expenditure

- 2) Form AOC 4 filed for that financial year.

(To mention Net Profit, Net worth and Turnover at Point 2(b))

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3) Form MGT – 7 filed for the financial year.

(Details of CSR Meeting Like: No. of Meeting, Date of Meeting, Attendance etc.)

4) Minutes of CSR Committee Meetings held during the financial year [FY 2020-21]

5) Paid Challan for Form AOC – 4 filed for the financial year.

(To mention information at Point No 2(a))

6) Latest Board Resolution constituting CSR Committee

7) Company Website with Compliance menu and CSR Tab thereunder

(To check publication of information, as mentioned below)

INFORMATION TO BE MENTIONED IN **CSR 2**

(1) CIN No. of the Company.

Then click the Prefill Button, Name, Registered office address and Email Id of the company will be automatically filled up by the system.

2) (a) Financial Year to which the CSR Activity relates.

- i. Mention the start and end date.
- ii. Filing of form allowed only for the financial years starting on or after 1st April 2020.

(b) SRN of form AOC-4/AOC-4 XBRL/AOC-4 NBFC filed by the company for its standalone financial statements.

This field is only applicable for filling of FY 20-21.

(3) (i) Net Worth –

means the aggregate value of

- the paid-up share capital and
- all reserves created out of the profits
- securities premium account and
- debit or credit balance of profit and loss account,

after deducting the aggregate value of the

- accumulated losses, deferred expenditure and
- miscellaneous expenditure not written off,

as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;

(ii) Turnover –

means the aggregate value of the realization of amount made from the

- sale,
- supply or
- distribution of goods or
- on account of services rendered, or
- both,
- by the company during a financial year.]

(iii) Net Profit –

As per Section 198 of Companies Act, 2013

(iv) Criteria that triggered CSR Applicability –

Criteria as mentioned in Section 135(1) of Companies Act, 2013

Note: Criteria that triggered CSR applicability shall be auto populated based on the criteria above. **Else 'Report for unspent CSR amount' shall be auto populated.**

(4) (a) Details of CSR committee

- (i) If CSR Committee has been constituted,
 - (a) then number of meetings constituted, and
 - (b) details related to directors who have attended the meetings have to be entered.

- (ii) Meeting details should confirm the details from the latest Board Resolution constituting the CSR Committee and Minutes of the meeting of CSR Committee held during last Financial Year.

(b) Company's Website, if any

IF 'Yes' is selected in this field, then it is mandatory to enter below information:

- i. Web link of company website
- ii. Composition of CSR committee
- iii. CSR Policy
- iv. CSR Projects approved by the board

(c) Impact Assessment carried out, if applicable

If 'Yes' has been selected in this field then, it is mandatory to inform whether the same has been disclosed in Board Report and provide the web link for the same.

(d) Amount available for set off in pursuance of Rule 7(3) of Companies (CSR Policy) Rules, 2014

- 1) If there is any amount available for set off in Financial Year, then following details needs to be provided in table for previous three financial years.
 - i. Amount available for set-off (in Rs.)
 - ii. Amount set-off in the financial year, if any (in Rs)
- 2) The set-off amount should be taken from the balance sheet or confirmed by your auditor.

Note: Field shall be disabled in case CSR applicability criterion is 'Report for Unspent CSR amount' is selected in field 3(iv).

- (5) (a) Whether the company has completed the period of three financial years since its incorporation.
- i) Select 'Yes' if company has completed the period of three financial years since its incorporation.
 - ii) **In case of 'Report for unspent CSR amount', this field 5 shall be disabled.**
 - iii) In case 'No' is selected in this field, then provide the number of financial years completed since incorporation in field 5(b).

(c) Net Profit & other details for the preceding financial years

For various Financial Years, provide the following details –

- 1) Profit before tax
- 2) Net Profit computed u/s 198
- 3) Total amount adjusted as per rule 2(1)(h) of the CSR Policy Rules 2014

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

Field shall be Auto calculated by computing Total Net Profit for section 135 divided by 3 or 2 or 1 as per the columns enabled for Years 1/2/3.

(6) (a) 2% of Average net profit of the company as per section 135(5)

Field shall be auto calculated and shall be disabled in cases of ‘Report for unspent CSR amount’

(b) Surplus arising out of the CSR projects/ programs or activities of the previous financial year, if any

- i) Enter the Surplus amount arising out of the CSR projects/ programs or activities of the previous financial year
- ii) **Field shall be disabled is case of ‘Report for unspent CSR amount’.**

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

- i. Amount shall be **prefilled** as per amount entered in Total of 'Amount set-off in the financial year, if any.
- ii. Field shall be disabled in case CSR applicability criterion is 'Report for Unspent CSR amount' is selected in field 3(iv).

(d) Total CSR obligation for the financial year

- i. Amount shall be Auto-calculated as sum of fields 6a+6b-6c.
- i. Zero shall be prefilled in case 'Report for unspent CSR amount

(7) (a) Whether CSR amount for the financial year has been spent .

- i. Select 'Yes' or 'No' based on whether CSR amount has been spent for the financial year.
- ii. **Field 7 shall be disabled in case CSR applicability criterion is 'Report for Unspent CSR amount' is selected in field 3(iv).**

(b) CSR amount spent,

If CSR amount has been spent, then select one of the following options:

- i. Ongoing projects (Discussed in Slide 25, 26 and 27)
- ii. Other than ongoing projects (Discussed in Slides 28, 29 and 30)
- iii. Both (Ongoing and other than ongoing projects)

Based on the radio button selected, relevant tables related to Ongoing Projects and Other than Ongoing Projects shall be enabled.

Details of CSR Amount spent against Ongoing Projects for the financial year

- 1) Enter the number of Ongoing Projects for the financial year.
- 2) Following details need to be provided:
 - 1) Item from the list of activities in schedule VII : Activity can be selected as per Annexure A.
 - 2) Name of the Project
 - 3) Local Area

- 4) Location of the project – State, District: Multiple values can be selected
- 5) Project duration (in months): Cannot exceed 48 months
- 6) Amount spent in the Financial Year (in Rs.)
- 7) Mode of Implementation - Direct (Yes/No)

8) Mode of Implementation –

Through Implementing Agency –

- i. CSR Registration No.,
- ii. Name:

shall be enabled and optional only in case ‘No’ selected in ‘Mode of Implementation – Direct’. It should be a valid CSR Registration number. Name of Implementing agency shall be prefilled based on CSR Registration No, if not then it needs to be entered.

Note: Project shall be system generated on click of Generate Project ID button after Pre-scrutiny is successful

Details of CSR amount spent against other than ongoing projects for the financial year

- ❖ Enter the number of Other than Ongoing Projects for the financial year.
- ❖ Following details need to be provided:
 - 1) Item from the list of activities in schedule VII: activity can be selected as per Annexure A. In case highlighted items are selected from the list then column 4,5,7 and 8 will be disabled.
 - 2) Name of the Project

3. Local Area
4. Location of the project – State, District: Multiple values can be selected
5. Project duration (in months): Cannot exceed 48 months
6. Amount spent in the Financial Year (in Rs.)
7. Mode of Implementation - Direct (Yes/No)

8. Mode of Implementation –

Through Implementing Agency –

- i. CSR Registration No.,
- ii. Name,

shall be enabled and optional only in case ‘No’ selected in ‘Mode of Implementation – Direct’. It should be a valid CSR Registration number. Name of Implementing agency shall be prefilled based on CSR Registration No, if not then it needs to be entered.

(7) (c) Amount spent in Administrative Overheads

- i) Enter the Amount spent in Administrative Overheads.
- ii) Shall be prefilled as zero case 'No is selected in field 7(a).
- iii) In case 'Yes' is selected in 7(a), either of below values should be greater than zero:
Total in 7(b)(i), Total in 7(b)(ii), 7(c), 7(d).

(d) Amount spent on Impact Assessment, if applicable

- i. Enter the Amount spent on Impact Assessment
- ii. Shall be prefilled as zero case 'No is selected in field 7(a).
- iii. In case 'Yes' is selected in 7(a), either of below values should be greater than zero:
Total in 7(b)(i), Total in 7(b)(ii), 7(c), 7(d).

(e) Total Amount Spent for the Financial Year

The field shall be auto calculated as sum of Total of Amount spent in Financial Year on Ongoing and Other than Ongoing project, Amount spent in administrative overhead and Amount spent on Impact Assessment.

(f) Amount unspent/ (excess) spent for the Financial Year

The field shall be auto calculated as difference in Total CSR obligation for the financial year and Total amount spent for the Financial Year.

Note: If derived value is in positive, it implies unspent. If derived value is negative, it implies excess spend

(g) Amount eligible for transfer to Unspent CSR Account for the Financial Year as per Section 135(6) (before adjustments)

The field shall be enabled only if there is amount unspent for the financial year (7(f)) and amount should be less than or equal to Total amount unspent for the Financial Year.

(h) Amount to be transferred to Fund specified in Schedule VII for the Financial Year (if total unspent for the Financial Year is greater than unspent for Ongoing projects)

The field shall be auto calculated as difference between Total amount unspent and amount eligible for transfer to Unspent CSR Account for the Financial Year as per Section 135(6) (before adjustments).

(8) Details of transfer of Unspent CSR amount for the financial year:

1. This section shall be applicable only if there is amount unspent for the financial year.
2. Field shall be disabled in case 'Report for Unspent CSR Amount' is selected in field 3(iv).

(a) Transfer to Unspent CSR account as per Section 135(6)

Following details shall be filled –

1. Amount to be transferred to Unspent CSR account: shall be prefilled based on field 7(g).
2. Amount actually transferred to Unspent CSR account
3. Date of Transfer: Multiple dates can be entered. Field shall be optional if Amount actually transferred to Unspent CSR account' is zero
4. Deficiency, if any: Shall be auto-calculated as 'Amount to be transferred to Unspent CSR account' – 'Amount actually transferred to Unspent CSR account'.

(8) (b) Transfer to Fund specified in Schedule VII as per second proviso to Section 135(5) for the Financial Year:

Enter below details in the table:

- 1) Amount to be transferred to Fund specified in Schedule VII: Shall be prefilled based on field 7(h)
- 2) Amount actually transferred to Fund specified in Schedule VII

- 3) Date of Transfer: Multiple dates can be entered. Field shall be optional if ‘Amount actually transferred to Fund specified in Schedule VII’ is zero.
- 4) Deficiency, if any: Shall be auto-calculated as ‘Amount to be transferred to Fund specified in Schedule VII’ – ‘Amount actually transferred to Fund specified in Schedule VII’

(9) Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per section 135(5) -

- i. Shall be mandatory to enter the reason only if amount unspent is calculated in field 7(f).
- ii. Field shall be disabled in case 'Report for Unspent CSR Amount' is selected in field 3(iv)

(10) Whether any unspent amount of preceding three financial years (financial year ending after 22nd January 2021) has been spent in the financial year:

This field is not applicable for fillings of FY 2020-21 (as independent form).

(11) Whether any unspent amount pertaining to FY 2014-15 to FY 2019-20 has been spent in the financial year

- i. Select 'Yes' if there is any unspent amount pertaining to FY 2014-15 to FY 2019-20 has been spent in the financial year, otherwise select 'No'
- ii. If 'Yes' is selected then provide Details of amount spent against CSR projects in the financial year:
 - a) Enter the number of CSR projects on which amount was spent.
 - b) Following details shall be entered related to the projects:

- 1) Financial year to which the new project pertains: Select relevant financial year from drop down
- 2) Name of the Project
- 3) Item from the list of activities in schedule VII: activity can be selected as per Annexure A
- 4) Local Area
- 5) Location of the project – State, District
- 6) Amount spent in the Financial Year (in Rs.)
- 7) Mode of Implementation - Direct (Yes/No)
- 8) Mode of Implementation - Through Implementing Agency - CSR Registration No., Name: shall be enabled and optional only in case ‘No’ selected in ‘Mode of Implementation – Direct’. It should be a valid CSR Registration number. Name of Implementing agency shall be prefilled based on CSR Registration No, if not then it needs to be entered.

(12) Whether any capital assets have been created or acquired through CSR spent in the financial year

1. Select 'Yes' if there are any capital assets have been created or acquired through CSR spent in the financial year and enter the number of capital assets created/ acquired.
2. Following details needs to be furnished relating to such asset(s) so created or acquired through CSR spent in the financial year:

- 1) Short particulars of the property or asset(s)
[including complete address and location of the property]
- 2) Pin code of the property or asset(s)
- 3) Date of creation
- 4) Amount of CSR spent
- 5) Details of entity/ Authority/ beneficiary of the registered owner – CSR Registration Number, if applicable, Name, Registered Address - CSR Registration number if entered should be valid. Name and Address of the agency shall be prefilled based on CSR number, if not then the same needs to be entered.

Field shall be disabled in case 'Report for Unspent CSR Amount' is selected in field

3(iv)

Declaration

1) Designation –

Shall be prefilled as ‘Director’. The person signing the form should be associated with the company as on the date of filing the form.

2) DIN of the director –

Enter the approved DIN

3) DSC –

Ensure the e-Form is digitally signed by the Director

Project ID

- 1) After Pre scrutiny is successful, click **Generate Project ID button**.
System generates project ID for each Ongoing Projects mentioned in field 7 in below format -
FY<Financial year end date>_ Sr. No
- 2) If Project ID is generated successfully, message is displayed “Project ID is generated successfully.”
- 3) Check the generated project ID displayed on screen in field 7.

SRN Generation



On successful submission of the web Form CSR-2, SRN will be generated and shown to the user which will be used for future correspondence with MCA.