CSR-1 Registration Process: All You Need to Know

Corporate Social Responsibility (CSR) plays a significant role in ensuring businesses contribute to societal and environmental development. CSR-1 Registration is a crucial step for entities that wish to implement CSR activities in compliance with Indian law. This article explores the CSR-1 registration process, its requirements, and associated benefits, while delving into key aspects like <u>CSR Meaning</u>, CSR Applicability, and its impact on businesses.

What is CSR?

CSR Full Form: Corporate Social Responsibility.

CSR Meaning: It refers to the commitment of businesses to conduct activities that benefit society, such as promoting education, healthcare, rural development, and environmental sustainability. CSR is a legal obligation for certain businesses, as mandated by the Companies Act, 2013.

CSR Definition

CSR is a business approach that aligns profit-making with societal goals. Companies eligible under the CSR provisions are required to spend a percentage of their profits on activities that improve societal well-being.

CSR Applicability in India

CSR provisions apply to companies that meet the following criteria:

- Net Worth: ₹500 crore or more.
- **Turnover**: ₹1,000 crore or more.
- Net Profit: ₹5 crore or more.

Eligible companies must allocate at least 2% of their average net profits (over the preceding three years) toward CSR activities.

CSR Activities

<u>CSR activities</u> must focus on areas outlined in Schedule VII of the Companies Act, 2013, such as:

- Promoting education and skill development.
- Healthcare initiatives and sanitation projects.
- Rural development and poverty alleviation.
- Environmental sustainability and renewable energy.
- Protecting heritage, art, and culture.

What is CSR-1 Registration?

CSR-1 Registration is a mandatory process for NGOs, trusts, and Section 8 companies intending to implement CSR projects on behalf of companies. It serves as an approval mechanism, ensuring that entities receiving CSR funds are credible and adhere to regulatory standards.

Upon successful registration, entities are issued a unique CSR Registration Number, enabling them to receive and execute CSR contributions legally.

Steps for CSR-1 Registration

Follow these steps to complete CSR-1 registration:

1. Prepare Essential Documents: Ensure you have the following documents ready:

- PAN card of the organization.
- Registration certificate of the NGO, trust, or Section 8 company.
- Digital Signature Certificate (DSC) of the authorized signatory.

2. Access the MCA Portal: Visit the Ministry of Corporate Affairs (MCA) website and log in to the portal.

3. Fill the CSR-1 Form

- Go to the e-forms section and select Form CSR-1 Registration.
- Fill in the details of the organization, including its registration details and PAN.

4. Attach Supporting Documents: Attach the registration certificate and other required documents to the form.

5. Submit with DSC: Submit the form online using the Digital Signature Certificate of the authorized signatory.

6. Verification and Approval: The form is verified by the Registrar of Companies (RoC). Upon approval, the entity is assigned a unique CSR registration number.

Benefits of CSR-1 Registration

1. Eligibility to Receive CSR Funds: Registered entities can legally receive contributions from companies obligated under CSR laws.

2. Credibility and Trust: CSR-1 registration enhances the credibility of NGOs and other entities, fostering trust among donors and stakeholders.

3. Compliance with Legal Norms: Registration ensures adherence to the Companies Act, 2013 and prevents any legal hurdles in receiving <u>CSR funds</u>.

4. Facilitates Collaboration: Entities can collaborate with companies more effectively, accessing resources to scale their projects.

CSR Funds: What Are They?

CSR Funds refer to the monetary contributions made by eligible companies to implement CSR activities. These funds are directed toward projects that align with the company's CSR policy and are executed by CSR-1 registered entities.

Role of Niti Aayog Registration

<u>Niti Aayog Registration</u> is essential for entities seeking government funding or grants for CSR-related projects. It adds an additional layer of credibility, helping entities access financial support from both private and public sectors.

GeM (Government e-Marketplace)

The <u>Government e-Marketplace</u> (GeM) is a platform where CSR-1 registered entities can register to procure goods and services required for their projects. It ensures transparency and efficiency in public procurement processes.

What About CSR Racing and CSR Racing 2?

CSR Racing and <u>CSR Racing 2</u> are popular mobile games and not related to Corporate Social Responsibility. However, companies in the gaming industry can contribute to CSR by engaging in community development programs or funding educational initiatives related to gaming and technology.

Conclusion

CSR-1 Registration is a vital process for entities aiming to implement <u>CSR activities</u> on behalf of companies. It ensures compliance with the Companies Act, 2013, while providing numerous benefits, including access to CSR funds, credibility, and opportunities for collaboration.

By understanding the registration process and using platforms like Niti Aayog and the GeM portal, entities can effectively contribute to societal development and build long-term partnerships with corporates.

If you're an NGO, trust, or Section 8 company looking to make a difference through CSR, getting CSR-1 registered is your first step toward impactful contributions.

Frequently Asked Questions

1. What is CSR-1 Registration?

Ans. CSR-1 Registration is a mandatory process for entities implementing CSR activities to receive CSR funds legally.

Q2. Who needs CSR-1 Registration?

Ans. NGOs, trusts, and Section 8 companies intending to implement CSR projects for eligible businesses must register.

Q3. Is Niti Aayog Registration mandatory for CSR-1?

Ans. While not mandatory, <u>Niti Aayog Registration</u> enhances credibility and access to government grants.

4. What is the benefit of CSR-1 Registration?

Ans. It ensures compliance, credibility, and eligibility to receive CSR funds from companies.

Q5. How can CSR-1 Registration benefit businesses?

Ans. Registered entities can collaborate with companies to execute impactful CSR projects, fostering societal development.

Q6. What is CSR Racing?

Ans. CSR Racing and CSR Racing 2 are mobile games unrelated to Corporate Social Responsibility.