

CSR - Over 17K 'NGOs' registered with MCA21 registry till Oct-end

By TIOL News Service

NEW DELHI, NOV 30, 2021: THE

Government provides the broad framework for Corporate Social Responsibility (CSR) through Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014. This was stated by the Union Minister of State for Corporate Affairs Rao Inderjit Singh in reply to a question in Lok Sabha yesterday.

The Minister stated that in the CSR Legal framework, the word 'Non-governmental Organisations (NGO)' has nowhere been defined, however, Section 135 of the Act read with Rule 4 of the Companies (CSR Policy) Rules, 2014 prescribes that the Board of the company is empowered to undertake its CSR activities either by itself or through Implementing Agencies as mentioned in the said rule. The Companies (CSR Policy) Rules, 2014 was amended on 22nd January, 2021 and registration of Implementing Agencies with the Central Government is mandatory with effect from 1st April, 2021, the Minister added.

Giving more details, the Minister stated that till 31.10.2021, total 17,130 Implementing Agencies are registered with MCA21 registry.

The Minister further stated that the CSR architecture is disclosure based and only CSR mandated companies are required to file details of CSR spent annually in the MCA21 registry. On the basis of filings made by the companies in the MCA21 registry, companies have spent a cumulative amount of Rs 20,150.27 Crore in FY 2018-19, Rs 24,688.66 Crore in FY 2019-20 and Rs 8828.11 Crore in FY 2020-21 respectively. An analysis of CSR filings made by the companies reveals that of the total annual CSR spent, approximately 60% of the CSR expenditure has been done through implementing agencies, the Minister added.

The Minister stated that as per the Act, companies are required to hold Annual General Meeting (AGM) within six months from the end of financial year. Thereafter, financial statements and board report containing disclosure about CSR, are to be filed in MCA21 within 30 days of the AGM. Ministry vide General Circular No. 17/2021 dated 29.10.2021 relaxed the levying of additional fees till 31.12.2021 for the filing of financial statement in respect of the financial year 2020-21. Further, filings for financial year 2021-22 are required to be made only after the end of current financial year.