



MCA's Clarification on offsetting the excess CSR spent for FY 2019-20

On account of an appeal dated 30.03.2020 made to MDs/CEOs of top 1000 companies in terms of market capitalization for donating to PM CARES Fund', MCA has clarified that where a company has contributed any amount to 'PM CARES Fund' on 31.03.2020, which is over and above the minimum amount as prescribed under section 135(5) of the Companies Act, 2013 for FY 2019-20, and such excess amount or part thereof is offset against the requirement to spend under section 135(5) for FY 2020-21, then the same shall not be viewed as a violation subject to the conditions that:-

- The amount offset as such shall have factored the unspent CSR amount for previous financial years, if any;
- The Chief Financial Officer shall certify that the contribution to "PM-CARES Fund" was indeed made on 31st March 2020 in pursuance of the appeal and the same shall also be so certified by the statutory auditor of the company; and
- The details of such contribution shall be disclosed separately in the Annual Report on CSR as well as in the Board's Report for FY 2020-21.

Source: MCA circular dated May 20, 2021

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