

**E-file no. CSR-01/4/2021-CSR-MCA  
Government of India  
Ministry of Corporate Affairs**

**5th Floor, 'A' Wing, Shastri Bhawan,  
Dr. R. P. Marg, New Delhi-110001  
Dated: 20th May 2021**

**Circular**

To,

All concerned stakeholders.

**Subject: Clarification on offsetting the excess CSR spent for FY 2019-20 - reg.**

Madam/ Sir,

Keeping in view the spread of COVID-19 in India, an appeal dated 30.03.2020 was made to MDs/CEOs of top 1000 companies in terms of market capitalization, to contribute generously to "Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund" (PM CARES Fund). In the appeal, it was mentioned that such contribution may, inter-alia, include the unspent CSR amount, if any, and an amount over and above the minimum prescribed CSR amount for FY 2019-20, which can later be offset against the CSR obligation arising in subsequent financial years. The said appeal was uploaded on the website of the Ministry and sent to e-mails of the aforementioned corporates on 31.03.2020.

2. In pursuance to the said appeal, certain companies claimed to have contributed CSR funds to the 'PM CARES Fund' over and above their prescribed CSR amount for FY 2019-20. Several representations have been received in the Ministry for setting off the excess CSR amount spent by the companies in FY 2019-20 by way of contribution to 'PM CARES Fund' against the mandatory CSR obligation for FY 2020-21.

3. The issues raised in the said representations have been examined in the Ministry and accordingly, it is hereby 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 ("Act") 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 in terms of the aforementioned appeal, then the same shall not be viewed as a violation subject to the conditions that:

- i. the amount offset as such shall have factored the unspent CSR amount for previous financial years, if any;
- ii. 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
- iii. 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 in terms of section 134 (3) (o) of the Act.

4. This issues with the approval of the competent authority.

Yours faithfully,

(Shobhit Srivastava)  
Deputy Director (CSR Cell)  
Tel: 011-23070216

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