

# STRATAGE UPDATES



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MCA had made an appeal on March 30, 2020 to the top 1000 companies in terms of market capitalization, to **contribute generously** to 'PM CARES Fund' and fulfil its Corporate Social Responsibility (CSR) obligations. Pursuant to the appeal and the contributions made thereof, MCA has issued a clarification that:

If a company contributed any amount to 'PM CARES Fund' on March 31, 2020 for FY 2019-20, exceeding the minimum amount required to be spent for CSR activities under section 135(5) of the Companies Act, 2013, such excess amount spent or a part thereof may be set off against the requirement to spend the minimum CSR amount for FY 2020-21, on the following conditions, and would not be considered as a violation of the applicable laws:

- The unspent CSR amount for preceding financial years, if any, must be **factored**;
- The chief financial officer and statutory auditor of the company are **required to certify** that the contribution made to 'PM CARES Fund' was made on March 31, 2020 in pursuance of the appeal; and
- **Separate disclosure** for such CSR contribution is required to be made in the annual report of the company for FY 2020-21.

The aforementioned was clarified by MCA vide circular dated May 20, 2021 ([available here](#)).

## *Clarification on excess CSR contributions made for FY 2019-20*

*This Update is meant for general information and shall not be deemed to be a legal advice or opinion. This Update is neither intended to be an advertisement or solicitation.*

Communications: [Contact@stratage.in](mailto:Contact@stratage.in)