



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

MCA: 2021

April 28, 2021

Shri Rajesh Verma, IAS
Secretary
Ministry of Corporate Affairs
Government of India
Shastri Bhawan
Dr.Rajendra Prasad Road
New Delhi -110001

Subject: Request for extension of timelines for depositing unspent amount of ongoing CSR project in separate bank account under Section 135 of the Companies Act, 2013 due to the second wave of COVID-19-reg.

Respected Sir,

As your goodself is aware that second wave of COVID- 19 pandemic in India is worrisome. Due to such situation, the State Governments and local authorities have imposed various restrictions in the major cities to tackle this unprecedented crisis. In these challenging times, stakeholders are finding it difficult to comply with some of the legal provisions within the given timelines.

In this regard, we would like to draw your kind attention towards the provisions of Sub-Section (5) of Section 135 of the Companies Act, 2013 which requires the Board of every Company on which CSR provisions are applicable to ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its CSR Policy.

It further provides that if the Company fails to spend such amount, pursuant to any ongoing project, the amount remaining unspent shall be transferred by the Company, within a period of thirty days from the end of the financial year, to a Special Account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and which thereafter to be spent by the Company within a specified time period from the date of such transfer.

Now, such period of thirty days, for the financial year ended on March 31, 2021 i.e. April 30, 2021, is approaching fast for transferring the unspent amount to the Unspent Corporate Social Responsibility Account by the Companies. The Companies are finding it difficult to do such legal compliance within the given timelines due to COVID-19 pandemic and restrictions / lockdown / curfews being imposed by the State Governments / local authorities in their respective States / cities.

Considering the current crisis, we request your esteemed office to consider relaxation by providing extension of timelines upto June 30, 2021 for depositing unspent amount of ongoing CSR project in separate bank account.

: 2 :

Further, many Branches of the Scheduled Bank have also raised concerns over the nomenclature of the proposed separate Bank Account and looking for some clarification to be issued by the Ministry of Corporate Affairs with respect to the following :

1. Whether the name of the company is also required to be added with the Unspent Corporate Social Responsibility Account or it has to be named as Unspent Corporate Social Responsibility Account.
2. Whether Unspent Corporate Social Responsibility Account are to be opened for every project separately or one account can be opened for all project collectively.

We hope that the above submission would be considered favourably and necessary clarification / relaxation will be considered by your goodself.

We shall be pleased to provide any further information in this regard on hearing from your goodself.

Thanking You,

Yours faithfully,



(CS Asish Mohan)
Secretary