



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

Corporate Laws & Corporate Governance Committee

The Institute of Chartered Accountants of India

5th May, 2021

ANNOUNCEMENT

Sub: Clarification by Ministry of Corporate Affairs (MCA) regarding spending of CSR funds for 'creating health infrastructure for COVID care', 'establishment of medical oxygen generation and storage plants' etc

In view of the rapidly rising cases and the worrisome situation of COVID-19 in India, the Ministry of Corporate Affairs (MCA) vide its general circular no 09/2021 dated 05th May 2021 has clarified that spending of CSR funds for the following activities will be considered as eligible CSR activities under item nos. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care, and, disaster management respectively:

- Creating health infrastructure for COVID care
- Establishment of medical oxygen generation and storage plants
- Manufacturing and supply of Oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19 or
- Similar such activities.

Further, it has been clarified that contribution for the said purpose(s) to specified research and development (R&D) projects as well as contribution to public funded universities and certain Organisations engaged in conducting research in science, technology, engineering, and medicine is considered as eligible CSR activities as per item no. (ix) of Schedule VII of the Companies Act, 2013.

Clause (ix) is given below:

- (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

Accordingly, the companies including Government companies may undertake the activities or projects or programmes using CSR funds, directly by themselves or in collaboration as shared responsibility with other companies, subject to fulfillment of Companies (CSR Policy) Rules, 2014 and the guidelines issued by the Ministry from time to time.

Circular is available at the link-

https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo9_05052021.pdf

Members may take note of the above and plan accordingly.

Sincerely Yours,

Chairman and Vice Chairman
Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India