



Ministry of Corporate Affairs to count funds spent to tackle COVID-19 under CSR Activity

Certain classes of profitable entities have to shell out at least two per cent of their net profit towards Corporate Social Responsibility (CSR) activities.

Ministry of Corporate Affairs (MCA) vide general circular no. 10/220 on Monday 23.03.2020 said that funds spent by companies to combat the Novel Coronavirus will be eligible to be classified as corporate social responsibility (CSR) activity.

The MCA said that funds spent on promotion of healthcare, including preventive healthcare and sanitation and on disaster management would be within the definition of a company's CSR obligations.

The circular clarified that the broad based items as per Schedule 7 of the CSR policy, which deals with the activities that constitute CSR activity, may be interpreted liberally for this purpose.

[Detailed circular of MCA can be found at the following link.](#)

Sources: MCA home page notice dated 23.03.2020

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