



MCA's clarification on CSR due to the resurgence of COVID-19 pandemic | Setting up of medical oxygen generation/storage plants, creation of health infrastructure, similar activities, notified as eligible CSR activity

INSIGHTS

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Dear All:

MCA has clarified that spending of corporate social responsibility (CSR) funds for the following activities will be eligible CSR activities under Schedule VII of the Companies Act, 2013 (CA2013):

- 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;
- other similar such activities.

MCA has also clarified that companies, including Government companies, may undertake the activities or projects or programmes using CSR funds, either directly by themselves or in collaboration with other companies as shared responsibility, subject to fulfillment of Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules).

Presently, Rule 4(4) of CSR Rules permits companies to collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the CSR Rules.

The above clarifications will help the industry to join hands together and utilize their CSR funds for the improvement of health infrastructure in the wake of resurgence of COVID-19 pandemic.

The clarifications have been issued vide MCA Circular dated May 5, 2021 ([available here](#)).

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at insights@elp-in.com

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