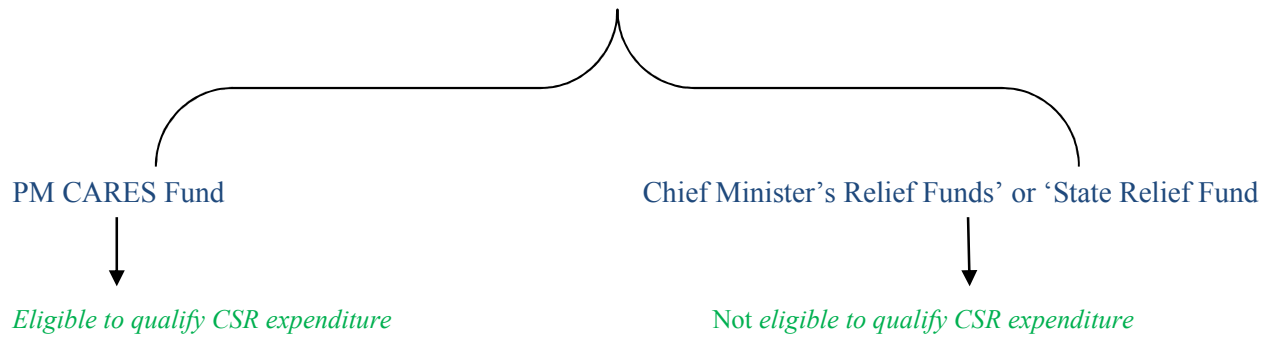


HAVE YOU MADE CONTRIBUTION TO PM CARES FUND OR CHIEF MINISTER'S RELIEF FUND OR STATE RELIEF FUND FOR COVID-19?

All you need to know.....



Contribution made to



Pursuant to Office memorandum F. No. CSR-05/1/2020-CSR-MCA dated 28th March, 2020 issued by Ministry of Corporate Affairs (“MCA”) contribution made to ‘**PM CARES Fund**’ shall qualify as CSR expenditure under item no (viii) of Schedule VII of the Companies Act, 2013.

IS ANY OTHER CONTRIBUTION EXCEPT PM CARES FUND ELIGIBLE TO QUALIFY AS CSR EXPENDITURE?

- ❖ Contribution made to State Disaster Management Authority to combat COVID-19;
- ❖ CSR expenditure including promotion of health care including preventive health care and sanitation and disaster management.

WHETHER PAYMENT OF SALARY/WAGES TO EMPLOYEES AND WORKERS, INCLUDING CONTRACT LABOUR, DURING THE LOCKDOWN PERIOD CAN BE ADJUSTED AGAINST THE CSR EXPENDITURE OF THE COMPANIES?

Payment of salary/wages as CSR expenditure of the companies

Salary/wages to employees and workers



Payment of salary/ wages being *contractual and statutory obligation* of the employer, and during Lockdown its **moral obligation** of the employer to pay salary/wages, it *does not amounts to contribution in CSR expenditure.*

Salary/wages to Contract Labour



Payment of wages to temporary or casual or daily wage workers during the lockdown period is part of the *moral/ humanitarian/ contractual obligations* of the company and is ***not admissible as CSR expenditure.***

Payment of ex-gratia to temporary /casual /daily wage workers as CSR expenditure



- ❖ The ex-gratia payment made to temporary / casual workers/ daily wage workers over and above the disbursement of wages, specifically for the purpose of fighting COVID 19 is **admissible towards CSR expenditure as a onetime exception;**
- ❖ The declaration is to be made by the company for the same;
- ❖ The declaration is to be duly certified by the Statutory Auditor.

Contribution by – CS Nimisha Purohit and CS Sneha Puri

Please feel free to reach out to us to know more.

E-mail us at	➤ kbaglacs@gmail.com ➤ maheshgbagla@gmail.com
Call us on	➤ +91-9049000431 ➤ +91-7249136913 ➤ +91-7875795779

Thanks and Regards
Team ~ K. Bagla & Associates
Your Compliance Partner

Disclaimer:-

Views, opinions expressed herein this Note is for educational purpose only and shall not be considered as legal advice or guidance under any circumstances of whatsoever nature. Users are recommended to seek appropriate legal advice before acting further and the author takes no responsibility about his/her/its views stated herein.