



## PM - CARES Fund

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### Why in News

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The government has set up the **Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM-CARES Fund)** to **deal with any kind of emergency or distress situation like posed by the COVID-19 pandemic**.

This Fund has been set up owing to a number of requests made by the people to support the government in the wake of the COVID-19 emergency.

### Key Points

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- **About the Fund**
  - The Fund is a **public charitable trust** with the **Prime Minister** as its **Chairman**. Other Members include Defence Minister, Home Minister and Finance Minister.
  - The Fund **enables micro-donations** as a result of which a large number of people will be able to contribute with the smallest of denominations.
  - The Fund will strengthen disaster management capacities and encourage research on protecting citizens.
- **Contribution to PM - CARES Fund will Qualify as CSR Expenditure**
  - The Ministry of Corporate Affairs has clarified that contributions by companies towards the PM-CARES Fund **will count towards** mandatory **Corporate Social Responsibility (CSR)** expenditure.
  - Under the Companies Act, 2013, companies with a **minimum net worth of Rs 500 crore** or **turnover of Rs 1,000 crore**, or **net profit of Rs 5 crore** are required to spend at **least 2% of their average profit for the previous three years** on CSR activities **every year**.
  - The term "Corporate Social Responsibility" in general can be referred to as a corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare.

- **Existing Similar Fund: Prime Minister's National Relief Fund (PMNRF)**
  - This fund was **instituted in 1948** by then Prime Minister Jawaharlal Nehru, to assist displaced persons from Pakistan. The fund is **currently used primarily to tackle natural calamities** like floods, cyclones and earthquakes. The fund is also used **to help with medical treatment** like kidney transplantation, cancer treatment and acid attack.
  - The fund **consists entirely of public contributions and does not get any budgetary support**. It accepts voluntary contributions from Individuals, Organizations, Trusts, Companies and Institutions etc.
  - The corpus of the fund is also invested in various forms with scheduled commercial banks and other agencies. **Disbursements are made with the approval of the Prime Minister.**
  - The **fund is recognized as a Trust under the Income Tax Act** and the same is managed by the Prime Minister or multiple delegates for national causes.
  - Contributions towards PMNRF are notified for **100% deduction from taxable income under section 80(G) of the Income Tax Act, 1961.**

**Source: TH**