



**BANGALORE CHAMBER OF INDUSTRY AND COMMERCE**  
No.3/4, 3<sup>rd</sup> Floor, C Block, Unity Buildings, JC Road, Bangalore 560002  
Phone: 080 22223321, 24/25, Fax: 080 22232233  
Email: [info@bcic.in](mailto:info@bcic.in); Website: [www.bcic.in](http://www.bcic.in)

**March 20, 2020**

**Sri Jagadish Shettar**

Hon'ble Minister for Large and  
Medium Scale Industry  
Government of Karnataka  
Vidhana Soudha  
Bengaluru 560001

**Respected Sir,**

**Sub: BCIC Representation to the State Government to constitute "CORONA FUND"**

On behalf of the Bangalore Chamber of Industry and Commerce (BCIC), we express our sincere thanks for meeting us this evening despite your busy schedule.

In continuation to the discussions had on the subject during the meeting, we are submitting herewith the Chamber's Representation on the proposal to the State Government to constitute "CORONA FUND".

The undersigned along with the other Office Bearers look forward to providing further clarifications, if required, and are hopeful that you will consider these suggestions.

Thanking you and we remain,

### **1) Introduction**

Global is witnessing increase in COVID victims and the impact of COVID on People and Economies are higher. Further the people below poverty line would be impacted severely due to absence of proper infrastructure, lack of awareness and lack of access to preventive tools like Sanitizers, Tissue papers and Soaps to maintain cleanliness. India is in Grade 2 stage due to various pro-active measures taken by Central Government and State Governments. It is important that we should maintain at same level and we should aim to reduce or minimize the impact of COVID to State of Karnataka.

Going forward if the situation worsens many small and big organizations are likely to shut down and we should be prepared for a possible lockdown situation. In the process daily wage earners, casual workers, daily bread winners will be severely impacted. In addition to this they lack monetary resources to take cautious steps and also possible medical help in the event of being infected by COVID virus.

### **2) Corona Fund**

The State of Karnataka has taken major initiatives to protect the interest of people and first of the states to announce Shutting of Malls, Cinema theatres, Educational Institutions etc. On the same lines the Government of Karnataka should also lead an important initiative in the interest of people and in the interest of larger community, by creating "CORONA FUND" which would help the government to mobilize resources to protect the

- Loss of daily wage earners
- To provide medical kits/Soaps/Sanitizers/face masks for poor people, health workers and Sanitation Workers etc.
- To meet the increased cost of medical aid for COVID Victims
- To give support for Increased Cost of Insurance
- To subsidize PM Ayushman Bhava Insurance
- To support the families of COVID victims
- To supply food products at subsidized rates to poor and common people

### **3) Corona Fund and CSR**

The Government of Karnataka can request each of the Corporate Tax Payer to contribute to "Corona Fund" as a part of Contribution under Corporate Social Responsibility. (CSR) Under the Companies Act 2013, every Company can contribute 2% of profits under CSR scheme to permitted activities under Schedule VII. The Companies are required to contribute by 31<sup>st</sup> of March of 2020 for the current fiscal year. If the unspent amount is not relates to an ongoing activity, it should be transferred by the company to the fund specified in schedule vii, within a 6 months of the expiry of the Financial year.



Further under Schedule VII of the Companies Act 2013, prescribes following activities as eligible for CSR.

*Activities relating to:—*

- i. Eradicating extreme hunger and poverty;*
- ii. Promotion of education;*
- iii. Promoting gender equality and empowering women;*
- iv. Reducing child mortality and improving maternal health;*
- v. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;*
- vii. Ensuring environmental sustainability;*
- viii. Employment enhancing vocational skills;*
- ix. Social business projects;*
- x. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and*
- xi. Such other matters as may be prescribed.*

Under the provisions of Schedule VII, any fund set up by State Government is eligible for CSR under Schedule VII. Hence “Corona Fund” proposed to be set up by State Government is eligible for CSR and Companies can contribute to the proposed fund.

#### **4) How to apply Corona fund**

The Government of Karnataka can form regulations and rules to make sure that Corona Fund is being utilized for right reasons and the people at the root is getting benefitted. For this purpose the GOK may take the help/support of Nodal Agencies like BCIC or other chamber of commerce or NGOs to ensure that funds are being distributed to right cause and not being misused.

Apart from CSR fund, the Government welcomes generous contribution from Corporates and Individual Tax Payers and such contribution should be eligible for 100% Tax Exemption.