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MANGALORE

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**ಕೆನರಾ ವಾಣಿಜ್ಯ ಮತ್ತು ಕೈಗಾರಿಕಾ ಸಂಸ್ಥೆ**

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**KANARA CHAMBER OF COMMERCE & INDUSTRY**

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CIN : U91990KA1940PLC001135

**Ref. No.: 2020-21/0028**

**14<sup>th</sup> June, 2021**

The Prime Minister's Office,  
South Block,  
Raisina Hill,  
New Delhi -110011

Respected Sir,

**Sub.: Payment of wages to the employees of MSMEs from the ESI corpus.**

While Covid19 has created unexpected health challenges, the inevitable lockdown has affected the economy drastically. MSMEs are facing a very difficult time due to the extended lockdown. The lockdown in Karnataka was started on 23<sup>rd</sup> April, 2021 and is extended till 14<sup>th</sup> June. These are trying times for all. Small Industries are hugely burdened with the fixed costs like paying rent, security, salaries, electricity while the revenues are hit hard and in some cases no revenues during this period.

Many MSMEs industries are not able to pay salaries to their employees. Though these employers have been always remitting the statutory contributions of EPF, ESI and also the EMI contributions; the pandemic and subsequent lockdown has hit them hard resulting in default of payment of salaries too.

During these tough times, there is a need to implement a suitable solution to raise the sinking industries. We understand that the ESI (Employees' State Insurance) Corporation has a surplus corpus of Rs. 60,000/- crore collected over the period. These funds primarily belong to employers and employees who have been contributing over the period.

**Prayer:**

We would appeal to you to kindly consider payment of wages from ESI corpus to the employees of all MSMEs. This would greatly benefit employees in earning their livelihood during the lockdown period as the employers are finding it difficult to pay them. You may consider paying 50% of the wages during the lockdown period from the corpus. This would also help the industries to retain the manpower against migrating to other places or hometown in search of livelihood.

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## **KANARA CHAMBER OF COMMERCE & INDUSTRY**

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MSMEs are the backbone of our economy and provider of huge employment to our citizens. They need this support during the current difficult times.

Thanking you.

With warm regards,

Yours sincerely,  
**For Kanara Chamber of Commerce and Industry**

**ISAAC VAS  
PRESIDENT  
DIN 00712781**

CC: Affiliated Bodies of KCCI.

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Affiliated to :

Federation of Indian Chambers of Commerce & Industry, New Delhi,  
Federation of Karnataka Chambers of Commerce & Industry, Bangalore,  
Confederation of Indian Industry, (Southern Region), Bangalore/Chennai,  
Bangalore Chamber of Industry & Commerce, Bangalore &  
Indian Merchants' Chamber, Mumbai.