



KCCI
MANGALORE

empowering enterprise, facilitating growth...Since 1940

ಕೆನರಾ ವಾಣಿಜ್ಯ ಮತ್ತು ಕೈಗಾರಿಕಾ ಸಂಸ್ಥೆ

ಚೇಂಬರ್ ಬಿಲ್ಡಿಂಗ್, ಬಂದರು, ಪಿ.ಬಿ. ನಂ. 116, ಮಂಗಳೂರು, ಭಾರತ - 575 001.

KANARA CHAMBER OF COMMERCE & INDUSTRY

Chamber Building, Bunder, P.B. No.: 116, Mangaluru, India - 575 001.

Telephone : (0824) 2420128, 2441859, 4260128 (O) & +91 94835 10669 (M)

Fax : (0824) 2420669, E-mail : office@kanarachamber.com

Website : www.kanarachamber.com

CIN : U91990KA1940PLC001135

Ref. No.: 2021-22/0253

22nd January, 2022

Shri Basavaraj Bommai
Hon'ble Chief Minister,
Govt. of Karnataka,
Vidhana Soudha,
Bengaluru - 560 001

Respected Sir,

Sub: Request not increase Power tariff for MSME sector.

At the outset we congratulate you on taking over the mantle of Chief Minister of Karnataka. Your experience and dynamism will take our state to the top position in terms of Industrial Investments.

We at KCCI a District level Chamber engaged in promoting trade, commerce, industry and the general welfare of the people in the erstwhile Dakshina Kannada District for the past 8 decades.

Meanwhile we bring it to your kind notice towards the shocking decision of Escoms proposing to increase Power tariff by Re. 2/- per unit. In this connection we submit the following :

1. MSME sector in India is the second largest employment generator after agriculture, and acts as a breeding ground for entrepreneurs and innovators with considerable support in strengthening the business ecosystem. MSME sector contributed 29% to overall GDP.
2. With the Covid 19 pandemic and Lockdowns impacting their cash cycles, MSMEs, who are the backbone of India's inclusive growth story, have felt a significant impact and faced severe disruptions. As an important part of the domestic and global value chains, the plight of MSMEs is of deep concern.
3. The announcement of country wide lockdown dragged MSME owners, employers and external stakeholders in unexpected times, where no one had experience to handle this kind of situation. Extended lockdown had a negative impact on supply of finished goods, procurement of raw material and availability of employees to work in production and supply processes. Post Lockdown MSME is facing challenges related to debt repayments, wages/salaries, statutory dues, etc.

Contd...2.



4. It is not only the MSME units which faced challenges; even consumers are left with lower disposable income. Many enterprises laid-off their workers because of inability to pay salaries, vacated their offices due to incurring expenses and halted their production due to stopped demand

We wish to inform you that the MSME sector will completely collapse if the power tariff is hiked. We request that Escoms should reduce their distribution losses and overheads instead of putting additional burden on the consumers.

The impact of the hike will be particularly disastrous for the MSMEs as they struggle to revive operations from the COVID pandemic and severe slowdown in the economy

We therefore request you to kindly instruct the Escoms to withdraw the proposal and save msme from closedown.

With best regards,

Yours Sincerely,
For **KANARA CHAMBER OF COMMERCE & INDUSTRY**

SHASHIDHAR PAI MAROOR
DIRECTOR / PRESIDENT
DIN 07613534

Cc:

1. Shri P. Ravi Kumar, Chief Secretary to Government, Govt. of Karnataka, Room No. 320, 3rd Floor, Vidhanasoudha, Bengaluru - 560 001.
2. Sri G. Kumar Naik, I.A.S., Additional Chief Secretary to Government, Govt. of Karnataka, Room No. 236, 2nd Floor, Vikasa Soudha, Dr]. B.R Ambedkar Street, Bangalore - 560 001.
3. Affiliated bodies of KCCI

Affiliated to:

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

For Mediation, Arbitration, Conciliation contact:



KCCI
ADR CENTRE
In Pursuit of Resolution

Telephone: (0824) 2420128, 2441859 / 9483510669.

Email: adr@kanarachamber.com.

Website: www.adr.kanarachamber.com