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**ಕೆನರಾ ವಾಣಿಜ್ಯ ಮತ್ತು ಕೈಗಾರಿಕಾ ಸಂಸ್ಥೆ**

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

**KANARA CHAMBER OF COMMERCE & INDUSTRY**

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**E-mail confirmation copy**

**Ref. No.: 2022-23/0165**

**10<sup>th</sup> October, 2022**

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

Respected Sir,

Sub: Request not to increase power tariff as FAC

We bring it to your kind notice towards the shocking decision of Karnataka Electricity Regulatory Commission (KERC) proposing to increase power tariff towards the Fuel Cost Adjustment Charges (FAC) by 43 paise per unit across all ESCOMs w.e.f 1<sup>st</sup> October 2022. In this connection we submit the following:

1. MSME sector in India is 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. Post Lockdown MSME is facing challenges related to debt repayments, wages/salaries, statutory dues, etc.
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 lack of demand

We wish to inform you that the MSME sector will completely collapse if the power tariff is hiked again. This is the third time this year that the KEREC has hiked electricity charges. In April, it hiked 35 paise per unit on average and 25-30 paise per unit in June.

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We therefore request you to kindly reject the KERC proposal to increase power tariff again and save the small scale industries from collapse.

With best regards.

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

**M. GANESH KAMATH**  
**DIRECTOR / PRESIDENT**  
**DIN 07941510**

**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:**



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