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KANARA CHAMBER OF COMMERCE & INDUSTRY

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CIN : U91990KA1940PLC001135

Ref. No.: 2022-23/0166

10th October, 2022

Shri Sunil Kumar,
Hon'ble Minister for Power & Energy,
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 1st 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 lot of challenges related to debt repayments, wages/salaries, statutory dues, etc.
4. It is not only the MSME units which are facing 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 believe that you have understood the plight of MSME and promised to consider the reversal of tariff hike. We humbly request you to reject the KERC proposal to increase power tariff again and save the small scale industries from collapsing.

Your timely intervention in this matter will have a positive impact on the MSME sectors.

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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