

Haryana SMEs hit by erratic power supply

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Over 76,000 small and medium enterprises (SMEs) in Haryana are operating below capacity due to erratic and inadequate power supply.

There has been a consistent increase in the number of micro, small and medium enterprises in the state, from 70,326 in 2004-05 to 72,509 in 2006-07 and 76,639 in 2008-09, according to data available with the department of industries. But the state has not been able to provide them with the required infrastructure.

The SME clusters in Karnal, Ambala, Gurgaon, Panipat and Panchkula are in a shambles.

The Panipat cluster, whose annual exports amount to Rs

4,000 crore, is more or less dependent on captive power, said Ramesh Verma, the president of the Handloom Manufacturers' Association.

"The fluctuating dollar, escalating euro and labour shortage created a huge dent in our business and the power shortage is like the last straw on the camel's back," he said.

The Karnal cluster, known for agricultural implements, gets the bulk of its business during this part of the year. Farmers are paid for the *rabi* crop at this time and make purchases for sowing the *kharif* crop.

Due to power shortages, most units are operating single shifts. Captive power (Rs 12-13 per unit) is about three times as

expensive as that provided by state utilities (Rs 4.50 per unit).

Exporters are the worst-hit. There was a dearth of orders last year due to the downturn. The resurgence of the market helped them in getting big orders, and they built up stocks of inputs to enable them to meet export orders.

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"The government, under the Market Development Clause of the new Foreign Trade Policy rolled out in August 2009, took initiatives for small exporters. But without power we cannot meet our orders," said Ashok Rajpal of Agri Impex Karnal.

Entrepreneurs are worried that insufficient power would undermine production and they would lose overseas buyers.

The state ensures eight

hours of power for industry. But most clusters complain about inconsistent and inadequate power supply. The Gurgaon cluster of automobile ancillaries has been getting power for a mere three to four hours a day, says Raj Singla, president of the Chamber of Industries of Gurgaon's Udyog Vihar.

Supply is disrupted either due to frequency drops or load-shedding, with all sub-station transformers being overloaded.

The state utilities charge peak-load charges between 6 pm and 10.30 pm, said C B Goyal of Panchkula Industrial Area, and industry has to pay Rs 2 per unit extra for such usage. Levies like municipal committee tax, excise duty and fuel surcharge adjustment on power tariff push up power costs by 20 per cent, he added.