

R. Rajagopalan
President

P.S Ponnappa & B. Senthilnathan
Vice-Presidents

Arvind M Adhi
Treasurer

P. Arulanandan
Secretary

Ref: HIA/Repretn – CM TN/007/20-21

Date: 09.04.2020

To

Through E-mail

Thiru Edappadi K. Palaniswami
The Hon'ble Chief Minister of Tamil Nadu,
Government of Tamil Nadu,
Namakkal Kavignar Maaligai,
Fort St. George,
Chennai 600 009 { cmcell@tn.gov.in }

Respected Sir,

Sub: Memorandum to the State government on Covid-19 related relief measures for Industries in Hosur affected by the Lockdown declared under the Disaster management act and its aftereffects.

Hosur Industries Association (HIA) is the apex body representing the interests of Industries in Hosur. There are over 2500 small, medium and large industrial units in Hosur covering a range of Industries such as Granite, Automobiles, Pharma, Watches and Jewellery, Garments, FMCG etc. These units provide employment to over Rs.2.50 lakh people. Some of the large Industries in Hosur include – Ashok Leyland, TVS Motors, Titan, Nerolac, Terex Corporation, TTK Prestige, VST Motors, Hindustan Lever, BATA etc. The presence of a well-developed Automobile Industry has also led to an eco-system of small and ancillary units like Component suppliers, sheet metal fabrication units, Tool rooms, job work units in the small and medium sector. SIPCOT Hosur is the third largest Industrial estate after Sri Perumbudur and Perundurai. GST Collections of Hosur range (Central, State and IGST) amounted to approximately Rs.1500 crores for the financial year 2018-19. The Annual turnover of the Industries in Hosur is more than Rs.15000 crores.

Member industries (Except in the pharma and certain other notified sectors) have been forced to shut down their plants because of the current lockdown till 14th April 2020. Most sectors have witnessed a slowdown during the financial year 2019 – 20 and the current lockdown worsened the situation. There is urgent need for a relief package for the industry so that they can manage their cash flows during the current lockdown and the subsequent disruptions that would follow. It is anticipated that it would take at least six months for operations to stabilize, provided the epidemic is contained and factories could be opened after the lockdown ends on 14th April 2020. The GDP growth forecast for the current fiscal year 2020-21 is not very bright with most agencies pegging the growth at 4.0 – 4.5%

The reliefs must address not only the cash flow cash flow problems that Industries will face because of the Lockdown and Industrial slowdown, but must also ensure reasonable margin so that promoters are not forced to shut operations because of unviability arising from reduced demand. MSMEs have been put to hardship by the abrupt closure and many have not been able to pay their workers the wages for the lockdown period in March. It is feared that without support from the government, MSMEs will be in no position to pay the wages for the month of April 2020 in line with the directions from the central and

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Nature of Relief	Description	Period for which it must extend	Govt providing the relief
Electricity tariff:	<ol style="list-style-type: none"> Waiver of Demand charges for the period of the lock down and 50% of the current rate for the period from April to Sept 2020. Rs.1.00 per unit reduction in tariff rate across all consumers for 6 months. 	<ol style="list-style-type: none"> April to Sept 2020. April to Sept 2020 Payments due from April to June 2020. 	State Govt
Local state taxes and levies:	<ol style="list-style-type: none"> 25% Reduction in property tax and running licence fee for the current financial year. Capping of state VAT levies on Diesel, Petrol and furnace oil at current levels. 	<ol style="list-style-type: none"> Financial year 2020-21 Financial year 2020-21. 	State govt
Labour laws	<ol style="list-style-type: none"> Relaxation in the maximum daily and weekly working hours as well as overtime limits under the factories act in order to cope up with the anticipated labor shortage, since 	Financial year 2020-21	Central Govt

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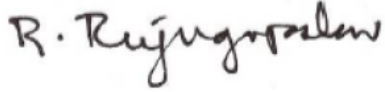
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	migrant workers have all left. 2. Defer implementation of increase in minimum wages for the current financial year for a period of 6 months up to Oct 2020.		
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We are aware that the government finances would be under strain because of the current situation. But unless the relief measures are considered and sanctioned on a war footing, many industries would be forced to close and there would be widespread unemployment. These reliefs would enable the Industries in Hosur to withstand the current difficulties and make a significant contribution to nation building through industrial output and revenues to the government from the next financial year.

Yours truly,

For **HOSUR INDUSTRIES ASSOCIATION,**



R. Rajagopalan,
President -HIA &
CMO, Titan Company Ltd.

Cc to

1. Thiru M.C. Sampath, Hon. Minister for Industries, Steel Control and Special Initiatives, TN Govt, Chennai.
2. Thiru Benjamin, Hon. Minister for Rural Industries, TN Govt, Chennai.
3. The chief Secretary to Govt. of Tamil Nadu, Thiru. Shanmugam IAS.
4. Thiru. S. Krishnan, IAS, Additional Chief Secretary to Government, Finance Department
5. Shri. N. Muruganandam, IAS., (Principal Secretary to Government) Dept. Of Industries, Govt. Tamil Nadu {Email: indsec@tn.gov.in}
6. Dr Rajendra Kumar, IAS (Principal Secretary to Government)Micro , Small and Medium Enterprises Department. {sindsec@tn.gov.in }
7. Dr. NEERAJ MITTAL IAS, MD & CEO, Tamil Nadu Industrial Guidance & Export Promotion Bureau {Md@Investtn.In}