

# Struggling to keep its head above water, Ambattur counts its losses

## South Asia's largest small-scale industrial hub lost ₹2,000 cr due to Chennai floods

SHINE JACOB

Ambattur (Chennai), 7 December

The clash of metals and the aroma of welding fire and chemicals typically welcome visitors to the Ambattur region, housing South Asia's most extensive small-scale industrial estate, on an ordinary day.

However, a day after the deluge on Thursday, the atmosphere underwent a drastic change. Instead of the usual sounds of metalwork, the hum of motors flushing out water and an unpleasant odour of mud and dirty water greeted outsiders to this industrial hub.

What makes the region even more critical is that the floods directly and indirectly affected over 300,000 workers. Locating an owner of a unit on a flooded day was equally challenging, as the majority were occupied with assessing losses and cleaning their units.

According to state Minister for School Education Anbil Mahesh Poyyamozhi overseeing relief and

rescue operations at Ambattur, the region suffered losses amounting to ₹2,000 crore. The north phase of the Ambattur Industrial Estate, completely submerged, is home to about 1,500 micro, small and medium enterprises (MSMEs).

Established in 1964, the Ambattur Industrial Estate houses mainly automotive (auto) ancillary units catering to numerous large industries in Chennai and beyond.

When *Business Standard* spoke with Sathya Narayanan, owner of Udhayam Industries, in front of his flooded manufacturing unit, he was surrounded by at least 10 employees.

"Water stood at around 4 feet high for the past two days. All our equipment was immersed in water," Narayanan said.

Udhayam Industries, operational since the early 2000s, relies heavily on a TVS family company as its major buyer.

"We have informed them about the losses, and they are substantial. It may take at least two



**Floods directly and indirectly affected over 300,000 workers while most of the factory owners are occupied with assessing losses and cleaning their units**

PHOTO: SHINE JACOB

days to restart operations," Narayanan added. A major concern for him is a loan of around ₹40 lakh, prompting him to urge the government to intervene and provide relief on equated monthly instalment for at least a month. Major consumers of this industrial estate are auto companies like TVS Motor, Ashok Leyland, and Hyundai Motor

India, among others.

An industry source assured that they would not face any supply issues, as an alternative supply chain is in place for these larger players.

### Why was Ambattur badly hit?

Balachandran Muthiah, chief executive officer of Delta Control Systems, an auto component

## PM directed release of ₹450 cr to TN: Rajnath

Prime Minister Narendra Modi has directed the Union home ministry to release ₹450 crore, the second instalment to Tamil Nadu for cyclone relief, Defence Minister Rajnath Singh said on Thursday. Following an aerial survey and a hi-level meeting with Chief Minister M K Stalin at the Secretariat, Singh said the first instalment of ₹450 crore had been released earlier to the state. The release of two instalments to Tamil Nadu is the Centre's share in the State Disaster Response Fund. **PTI**

manufacturer based out of Chennai, kick-started operations in 1989. Since then, he witnessed the 2015 floods and several minor floods resulting in waterlogging. However, for the first time, water rose to over 4 feet in several areas of this industrial estate, followed by the highest rainfall in over four decades.

According to Muthiah,

Ambattur Lake carried two to three times more water from Ambattur, Avadi, and neighbouring areas, leading to an overflow of the lake and subsequent flooding in the region. "Water is being drained using pumps in most of the units. The repair works may take an average of eight to 10 days," Muthiah added.

Half a kilometre closer to Narayanan's factory, another group of workers was busy draining water from a company called Iyappan Engineering Industries (IEIPL).

They were least concerned about a stranger taking photographs of their manufacturing unit. After a few minutes, Vasanth Kumar K, manager of IEPL, opened up.

"We are a supplier of equipment to the power sector. We are trying to clean this unit, but we never know how many days it will take. The rise in water has damaged several of our machines. All that adds to the loss of our company. This is crucial for the livelihood of around 70 workers," Kumar added.

On the other hand, V Vijayakumaran, overseeing

industrial relief works at Ambattur and a leader of Chennai Auto Ancillary Industrial Infrastructure Upgradation Company, was yet to emerge from the panic.

"Water is receding now. The stormwater capacity of the area is around 200 cusecs, and around 500 cusecs of water inundated the area, causing the flood. Several factories were submerged in 4 feet of water. Around 1,000 factories are directly affected, and 90 per cent of them are from the auto sector," Vijayakumaran added. The unfortunate part is that only around 50 per cent of these units are insured.

"These are MSMEs and not insured," he added. Based on the initial assessment by Vijayakumaran and the team, the worst affected companies included KKR Metal Components, Mercury Precision Products, and Sri Balaji Castings, among others.

As the reporter was leaving, work proceeded as usual in one factory in the southern phase of Ambattur. When asked the security officer about the floods, he had only one answer: "The show must go on."

This indicates signs of a resilient return to normalcy.