

HPL Electric associates with Haryana Steelers as official LED partner

HPL Electric & Power has strengthened its presence in North India by associating with Haryana Steelers as their official LED partner. To celebrate this partnership HPL recently organized a meet and greet session with the Haryana Steelers players with the top distributors and dealers. The event witnessed the presence of team captain Dharmaraj Cheralathan along with team coach Rakesh Kumar, Raider Vikas Kandola and Naveen, and was held at Panchkula.

Gautam Seth, Joint Managing Director, HPL Electric & Power along with top distributors and dealers had a memorable time taking photographs and autographs of the players. The players and the coach of Haryana Steelers also had an interactive



session with audience and later on cake ceremony was performed to celebrate the occasion.

Seth said, "Being the official LED Lighting partner will help in strengthen our visibility and popularise our brand with the potential and existing consumers especially, in tier-II & tier-III cities. Through this association with Kabaddi League, HPL intends to enhance its brand outreach in these markets."



Wires & Cables Industry All Set to Pick Up

The industry seems to pick up in near future on account of development of infrastructure projects, investments in transmission and distribution network, renewable energy generation etc.

- Supriya A Oundhakar,
Associate Editor

Asian Development Bank Outlook expects India's gross domestic product (GDP) to rebound to 7.2 per cent in fiscal 2020. Electricity demand is forecast to rise over this period. This has generated the need for the development of quality electrical infrastructure supporting its growth for several years to come. This augurs well for Indian wires and cables industry.

India's wires and cables industry is expected to witness burgeoning demand owing to due to strengthening

of the transmission and distribution infrastructure. Hike in investments in T&D generates demand for EHV and HV cables. CRISIL research expects the industry to grow by a CAGR of approximately 15 per cent and reach an estimated Rs 1,03,300 crore by 2023.

Indian wire and cable market in India, which consists of nearly 40 per cent of the electrical industry, is growing at a CAGR of 15 per cent, due to the growth in the power and infrastructure sectors.

The sector has been witnessing a buoyancy on account of the recent government schemes like Ujwal Discom Assurance Yojana (UDAY), Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana.

What's new on cards

Electricity demand in the country is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required. This will create the demand for wires and cables industry.

Indian Electrical & Electronics Manufacturers' Association (IEEMA) estimates that during 2018-19, Indian cables and wires industry has grown from Rs 49,000 crore to Rs 56,000 crore at an annual growth rate of 14 per cent.

The government's thrust on generation of 175 GW of renewable energy will power an upswing in wires and cables market. Further, transition to electric vehicles (EV) is estimated to drive expansion for cables and wires industry. "There will be an enhanced demand for wires and cables when the acceptability of EV is increased in India. Wires will also be required to set up EV charging infrastructure," informs Gautam Seth, Joint Managing Director, HPL Electric & Power Ltd.

He further foresees tremendous growth and development in coming years with growing demand, attractive opportunities, ample of resources, government support and higher investments in the form of FDI. At the same time the

Government's initiative on building the infrastructure sectors such as railways, power and roads will in turn create demand for more power, and hence there will be more demand for power cables in Indian market.

Shashi Amin, President and SBU Head for Cables, Polycab India mentions that in the current fiscal, we are experiencing a sluggishness in demand and the industry outlook for 2019-20 does not seem to be very encouraging. Private investments have dried up due to poor consumer demand and government projects have been hampered by the general elections initially and now due to liquidity crunch.

He is optimistic about the government's recent move on cut in corporate tax rate and states, "The latest announcement of corporate tax rate cut will take some time to translate into real benefits with demand picking up only by the fourth quarter of 2019-20."

Amin envisages future growth of the industry from railways, oil & gas, steel, metro rail, defence, renewable energy etc. He adds, "I remain positive on the industry outlook over medium to long term once the

economy finally starts showing signs of recovery."

Vijay Shankar, Vice President Operations, Dynamic Cables recognises the growth in renewable power generation to be one of the primary factors for the growth of the electric cable and wire market. According to Shankar, the focus of several countries across world to commercialise renewable power generation will create a significant demand for electrical wires and cables. This is mainly due to the lack of a transmission and distribution (T&D) infrastructure at locations where renewable energy resources are set up. Moreover, the expansion of the existing renewable power generation plants, in the emerging countries, will also result in the increasing demand for electrical wires and cables sector.

Future Growth

The cables and wires industry is expected to witness growth owing to the development of infrastructure in near future as Rs 45 lakh crore of investment is envisaged in construction infrastructure during the period 2019-2023. Apart from this, addition of 44 GW in



I remain positive on the industry outlook over medium to long term once the economy finally starts showing signs of recovery.

Shashi Amin,
PRESIDENT & SBU HEAD FOR
CABLES, POLYCAR INDIA

Wires & Cables

transmission capacity along with existing government schemes in distribution such as DDUGJY and IPDS will attract huge investments in this sector. Moreover, 41 GW commitment of solar energy and wind energy by 2022 will escalate the demand specially for solar cables and power cables. Affordable housing, healthcare and education are the three segments which are expected to drive building construction leading to increased demand for wires and cables. Urban infrastructure development projects like 100 smart cities with approximate investment of Rs 48000 crore will enhance the demand for building wires, power and telecom cables.

The government's plans of investments of Rs 4 lakh crore of investments for railways during the period 2019-2023 for rail network expansion including electrification and high-speed rail will give an impetus to elastomeric control cables and railway signalling cables.

According to Amin from Polycab, more than 24 cities are expected to get metro services in coming years.

Investment in industrial segment will go in line with the overall GDP growth led by investments in oil and gas and automobile sectors.

High Voltage Direct Current Transmission (HVDC) power cables will gain traction in the industry with enhanced network of transmission and distribution network across the country due to its benefits such as reduced transmission losses. Lightweight HVDC cables such as HVDC underground cables and HVDC light cables will play a significant role in long-distance and high-voltage power transfer and in submarine power transmission. Also, according to the Indian cable industry overview, HVDC power systems are mostly preferred for long-distance power bulk power delivery and will be used in numerous energy projects to build cross-border infrastructure, in turn contributing to the wire industry in India.

In the past, most of the global companies didn't see any the potential in Indian market due to lack of resources, outdated technology, shortage of skilled manpower and

economic stability. However, the scenario has changed for the better during the past few years. India attracted total FDI inflow of USD 14.22 billion during 2000-2018 in the power sector.

International investors have started preferring India as a potential market for high voltage (HV) and extra high voltage (EHV) cables. These investors amplify their investments through technical association with Indian cable manufacturers for the production of EHV cables.

"Apart from FDIs, the government regulatory schemes have also been a ground reason for the vast growth in the industry. Digitalisation, adoption of newer technologies and increasing market potential will furthermore enhance the growth path of Indian wire and cable industry," informs Gautam Seth.

Shankar from Dynamic Cables expects that the future growth of wires and cables will arise from renewable energy segment. Elaborating, he adds, "Future expansion of existing networks worldwide is also expected. These expansion activities are fuelled by emerging economies such as India, which are on the verge of integrating regional grids to form a nationwide electric grid network to allow a seamless flow of electricity. All this calls for extensive T&D infrastructure development activities." He further anticipates momentum in medium and low voltage cable field due to enhanced investments in power, industrial, real estate and infrastructure sector.

Challenges

One of the biggest challenges for cables and wires industry is input price volatility. "Volatility in raw



The government regulatory schemes have also been a ground reason for the vast growth in the industry. Digitalisation, adoption of newer technologies and increasing market potential will furthermore enhance the growth path of Indian wire and cable industry.

Gautam Seth,
JOINT MANAGING DIRECTOR,
HPL ELECTRIC & POWER



The expansion of the existing renewable power generation plants, in the emerging countries, will result in the increasing demand for electrical wires and cables sector.

Vijay Shankar,
VICE PRESIDENT OPERATIONS,
DYNAMIC CABLES

material prices is one of the industry's major and pertinent problems which has a huge impact on the bottom line considering high percentage of raw material cost in our business," opines Shashi Amin from Polycab.

There is a lack of a level playing field in the cable and wires industry. Lack of standardisation of the end product is also a challenge for the sector. The cables market is largely unorganised, as a result of which several manufacturers do not comply with product guidelines and the end result is non-homogeneous product quality.

Due to lack of awareness, wires and cables are perceived as commodity products by many consumers with little or less focus on quality parameters. "Due to this, we face a lot of challenges to win a customer wherever we are competing against unorganised players who offer sub-standard quality products at a much lower price," he adds.

Further, the industry is facing impediments related to pricing and delay in payments from institutional customers. "As a result of this, many manufacturers have consciously increased their focus on the retail segment and have been expanding

their dealer or distributor network. Further many have taken the route of diversification by adding retail products such as Fast Moving Electric Goods (FMEG) to their portfolio and strive to become a one stop solution for electrical goods," informs Amin.

Plans for future

The outlook for wires and cables industry is optimistic on account of development of infrastructure development projects, 100 smart cities project, enhancement in transmission and distribution network in India, renewable energy generation, electrification projects of railways etc.

HPL is well geared up to tap the futuristic growth in the industry. HPL Cables has ISO 9001, ISO 14001, ISO 18001 ROHS compliant cable manufacturing facility at Karnal in Haryana. In order to tap envisaged growth opportunity in renewable energy sector, HPL has already introduced solar DC cables and wind power cables in the market. "This single core DC cable comes with flexible electroplated tinned copper conductor insulated with special cross-linked halogen free Elastomer, low smoke zero halogen sheathed, UV and ozone resistant. Our

consistent efforts for excellence and providing the best, we have curated exhaustive range of domestic wires and cables suitable for Indian homes and varied conditions," informs Gautam Seth.

Dynamic Cables, one of the leading cable manufacturers in India, is well poised to cater to the ever-growing demand of HV (high voltage) and MV (medium voltage) cables in various sectors in India. The company has expanded its operations with new 2,00,000 square feet state-of-the-art manufacturing facility under construction at the Shree Khatushyamji Industrial Area, Reengus. The manufacturing facility is fully-equipped with modern and top of the line machines and testing equipment.

"The new plant has introduced 66 KV HV cables into our existing range of products. We have also enhanced our copper control (Industrial) and instrumentation cable capacity by another 6,000 kms per Annum at our Reengus plant to meet the increasing demand across various sectors," states Shankar of Dynamic Cables. Further, in order to tap the immense growth potential in Railways, the company has planned to manufacture railway signalling cables for RDSO (Research Designs & Standards Organisation) division of Indian railways.

Conclusion

Despite sluggishness in demand for cables and wires industry for this fiscal, the industry seems poised to pick up in near future on account of development of infrastructure projects, investments in transmission and distribution network in India, renewable energy generation, etc. ❶