

CMI to grow at a CAGR of 50% in the next 4-5 years

The demand for cables and wires has been increasing consistently from each and every segment, says **AMIT JAIN**, Managing Director, CMI



The last four years has been exciting for the wires & cables and switchgears industry with a slew of initiatives taken for the power, telecom, railways and other industries. How has CMI performed in the last four years and what sets it apart from your peers?

Yes, it's true last four years we have done a wonderful job. The demand for cables and wires has been increasing consistently from each and every segment due to various initiatives/clearances of the present government, gives Cables and Wire industry to grow at faster rate. While CMI turnover has increased by a CAGR of 50% over the last 4 Years, with a new plant at Baddi – Himachal Pradesh being acquired by CMI in Q-4/ FY-16. We are expecting CMI to grow at the same CAGR rate in the next 4-5 years.

What is the total market size of wires & cables and switchgears industry in India? What is its growth rate and what will be the growth rate for the next three years?

The market size of cable industry as of now is around 40,000 crore, which is also increasing at a CAGR of almost 20%, We believe that this trend will grow further with the increasing network of Railways, Smart City Concept, Industrialization, etc

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AMIT JAIN
Managing Director
CMI

Which are the likely sectors that will propel the wires & cables and switchgears industry for the next three years?

While power industry takes the lead, with the thrust on non-conventional & Nuclear energy sectors, we believe the trend will continue for next 4-5 years or even more. With the government focus to provide “Power to All”, urbanization and Industrialization further boost this.

Being a leading player in wires, cables and switchgears, what are the challenges you face from unorganized and MNC players?

Gone are the days, when unorganised players used to take the lead, with the GST in place, almost every player has to come in to the mainstream. There are still few players in the unorganized sector in Building wire segment, but with GST and approvals required in the trade, even they are finding it difficult. MNC players, are more focused on the specialties.

Dumping of cheap wires, cables and switchgears by foreign countries has eroded the profits of the industry. What steps can be taken to safeguard India's wires, cables and switchgears industry from dumping?

Cable is one product, which is difficult to



dump, based on the project there are different specifications are marked by the end user. By and large, the demand and supply equation along with the Indian manufacturer's capacities and capabilities, expect very specialized projects such as "bullet Trains" do not encourage these to be dumped by foreign countries.

What are the latest trends and technology in wires, cables and switchgears?

With the latest arrival of electron Beam Cross – linking technology into the wires and cables- there would be a bigger jump on manufacturing techniques, raw materials, testing methodologies, which will give a wider opportunity to enhance capabilities.

What are the policy and regulatory changes needed for the growth of the wires, cables and switchgears industry in India?

Quicker decisions for reducing transmission losses itself pay a path for growth along with revival of thermal power plants/refineries which are more polluted can further enhance the cable need.

What are the 'Green' products CMI has launched in the last two years?

Our Baddi- Himachal Pradesh plant is a state-of-the-art manufacturing Green certified first facility in India. This facility was designed and built in compliant with Indian Green Building Council standards thus reduces their overall impact on the environment, and in all non- conventional sectors, our products are well accepted.

What are your offerings for Smart Cities?

For the Smart Cities we offer HT cable, EHV cable, LT power cable, Fire survival cable, LSZH cable and other special cable.

There is a shortage of skilled manpower in wires, cables and switchgears industry, what are the steps you have taken to increase skilled power?

Training a technical person is not a difficult process, and people get trained

in 8-10 months of training. It is a continuous process which our younger team can take on mantle regularly with due technical trainings.

Dealers and distributors are the vital link between the organization and the consumer. Please share with us you dealers' network and the retention and skill programmes you conduct for them?

We are in the B2B domain, and not in B2C currently, yes we will be entering into B2C in the near future. We will do the required home work, and will also take required actions at that time.

How has the recent tax revamp (demonetisation/GST) affected/benefited your business?

Yes it has benefitted a lot, with GST coming we have a single tax structure, the problems related to octroi tax have also solved . Now it's much easier to maintain our books of accounts.

What are you growth plans including investments and expansion for CMI?

As mentioned earlier we have acquired Baddi Plant in February 2016, which is a state of art manufacturing facility having huge capacity to manufacture LT, HT and EHV Cables upto 132 KV. This facility was set up by a Fortune 500 US based Company General Cables in 2012. This plant is currently operating at 22- 25% capacity utilization; we are planning a Capex in getting balancing equipments for this plant, once it's done the plant will be a fungible plant and will help us operating at optimum level. Moreover the client base for this will also increase.

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