

MCBs trip Punjab's switchgear industry

Stiff competition from MNCs, high certification cost hit SMEs

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Despite India being one of the fastest-growing markets in the world for Fast Moving Electrical Goods (FMEG), Punjab-based switchgear industry is finding it difficult to grow. Competition from MNCs and high testing fee for product certification are proving stumbling blocks for the industry, a majority of which falls in the micro, small and medium enterprises (MSME) category.

According to industry, many units manufacturing conventional switchgears (rewireable switch fuse units) have already closed operations. Those who have diversified from conventional switchgear to products such as miniature circuit breakers (MCBs), moulded case circuit breakers (MCCBs), residual current circuit breakers (RCCBs) are finding it difficult to compete in the extremely competitive environment dominated by MNCs.

Protection devices such as MCBs and RCCBs are essential parts of electrical installation circuit to safeguard from any short circuit and overload. While MCB cuts off the main power supply preventing overload, the RCCB provides protection against earth leakage in the circuit.

There are around 50



ILLUSTRATION: SANDEEP JOSHI

FMEG INDUSTRY

- Market size: ₹15,000 cr
- Annual growth: 15-20%
- North India's share: 10%

working units in Jalandhar. According to insiders, around 25% of the units have already closed operations because of paucity of capital to diversify and innovate. Besides Punjab, FMEG manufacturing industries exist in Tamil Nadu, Bengaluru, Uttarakhand, Delhi and NCR.

"Majority of the units based in Punjab, especially Jalandhar, are in the MSME category. Because of capital crunch in the MSME sector, the industry finds it difficult to

diversify. Even those who have diversified are facing problems of high charges by testing labs. The certification fee (mandatory for electrical equipment) charged by testing laboratories ranges from Rs 7 to Rs 10 lakh and this amount is too big for the MSMEs," Ship Switchgears MD Naresh Sharma said.

Echoing similar sentiments, Geco Electrical Corporation director GS Sandhu said, "High certification charges besides the time taken to get the products certified are detrimental to the industry. The northern region doesn't have any testing lab and they have to either send the product to Central Power Research Institute, Bhopal, or Electric

Research and Development Association, Vadodara, for certification."

The industry has demanded setting up of a government agency in the North which can issue certification at low charges.

"The North region contributes 10% of the total production which is mainly concentrated in Punjab, HP, Uttarakhand, Delhi and NCR region. Besides high testing cost, the industry is also facing stiff competition from China," said Anup Talwar, chief executive (Marketing), NEC. The company manufactures a range of MCBs, RCCBs, distribution boxes and wires and cables and plans to invest Rs 200 crore in Noida facility.