



# Banking on Budget for steps to boost realty and ancillary segments: HPL Electric

## Electricals segment hit particularly hard, but demand for meters picking up: Gautam Seth

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The Centre will have to do some more heavy-lifting to support the real estate sector and boost demand for ancillary segments such as electricals, according to Gautam Seth, Joint Managing Director of HPL Electric & Power Ltd.

“There have been a few announcements in the last couple of months for the real estate sector. I expect something to be coming in Budget 2020-21 to enhance that. And measures to create more disposable income will also help. The good thing is that the government is coming up with measures,” Seth told *BusinessLine* on the sidelines of the ELECRAMA 2020 event.

### ‘Needs to come back’

“As an industry, real estate really needs to come back because it is one of the very large employers in India. It may take two-three years or more depending on the direction the government takes,” he said.

As a spillover effect of the

troubles of the real estate sector, the demand for electricals has slumped. “The building segment has been low and the overall trade demand for switch gear has also been low,” said Seth. “We were looking for the market to pick up but it appears that it will take some more time. I don’t see the demand for switchgears going up much. Although efforts are on, and government purchasing has come back a little bit, there is still slackening demand overall.”

With tightened liquidity, the trade market is also seeing low demand, he added. “So our switchgear (sales) has been slow and it will remain like that for at least the next two quarters,” he said.

### Growth potential

“The lighting part of the trade has picked up, and we see continuous growth happening. It could be higher single digit or maybe even double digit growth,” he further said. The demand for metering from utilities is rising, he noted. “Somewhere in the medium term, we see very good demand for metering coming in. This may grow exponentially when smart meters come in. Right now, although certain tenders for smart meters have started coming in, it will take time for the larger tenders to come in.”

