

# Gautam Seth, Joint Managing Director, HPL Electric Power

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**Gautam Seth, Joint Managing Director, HPL Electric Power**, aged 43 years, is the Joint Managing Director of our Company. He holds a bachelor's degree in commerce from Sri Sathya Sai Institute of Higher Learning, Vidyagiri, Prasathilayam, Puttaparthi and he is a qualified chartered accountant. He has over 15 years of experience in the electric equipment manufacturing industry. Prior to joining our Board on February 15, 2008, he was on the board of directors of Socomec-HPL Private Limited (now Socomec India Private Limited).

**HPL Electric Power** manufactures a diverse portfolio of electric equipment, including, metering solutions, switchgears, lighting equipment and wires and cables, catering to consumer and



institutional customers in the electrical equipment industry. HPL's product range is divided into four verticals – Metering Solutions, Switchgears, Lighting Equipment and Wires & Cables. HPL has over 90 branch offices and representative offices spread across India with over 2,000 authorized dealers who sell our products to over 12,000 retailers. HPL has a manpower team comprising 1,943 people and also has presence overseas. The company currently manufacture and sell products under the umbrella brand 'HPL', which has been registered in India since 1975.

In an interaction with **Anil Mascarenhas** and **Yash Ved** of **IIFL**, Gautam Seth says, "We are planning to raise Rs. 450 crore through an initial public offering (IPO). The proceeds of the issue will be utilised towards repayment of loans, funding working capital requirements and for other general corporate purposes."

## Give us a brief overview of the segments you operate in.

Our umbrella brand 'HPL', which has been registered in India since 1975 and we are an established electric equipment manufacturing company in India. Our portfolio includes metering solutions, switchgears, lighting equipment and wires and cables. In FY15, we were market leaders for electricity energy meters in India. In LED lamps, we are among the top 5. Our manufacturing capabilities are supported by a large sales and distribution network with a pan-India presence.

We have invested in upgrading existing six factories. We expect maximum growth coming in LED segment going forward. We have introduced advanced technology products that can be used in smart cities. Smart metering is an integral part of smart city projects.

About 44% of our revenue comes from metering solutions, 22% of our revenue comes from LED segment and 17% from Switchgear.

## Brief us about your manufacturing facilities and R&D Centres?

We have successfully developed a street lighting system to save manpower through automatic settings for sunset and sunrise timings and remote energy metering and dimming of such lights during off-peak hours to save energy. We currently own and operate six manufacturing facilities located across the states of Haryana and Himachal Pradesh, having in-house testing capabilities. All our manufacturing facilities have been accredited with management system certificates for compliance with ISO 9001 requirements.

We also operate two tool rooms at Gurgaon (Haryana) and Kundli (Haryana), within our R&D Centres ("Tool Rooms"), where we have in-house component designing and tool designing facilities. We have established two in-house research and development centres, one each at Kundli (Haryana) and Gurgaon (Haryana).

We have two in-house research and development centres, one each at Kundli and Gurgaon. Our R&D efforts include design and development of all types of energy metering solutions, including interactive communication between metering devices and metering infrastructure that includes automatic meter reading ("AMR") and advanced metering infrastructure ("AMI"), prepayment metering solutions, solar net metering solutions, smart meters with two way communication and a complete range DLMS compliant meters, amongst others, and technologies and solutions that allow for active monitoring of energy consumption for electric equipment.

## Technology changes are bringing in a disruption in the market. How do you view the situation for the industry?

We are at the forefront of technology and keep ourselves updated. The anti-tamper proof features in our metering devices are a case in point. There are multiple utilities, which come up with different specifications. The specs keep changing continuously and we are geared for such upgrades. With smart meters itself there is a huge opportunity because the cost and time of collecting data, feeding in the same and avoiding any data entry errors is eliminated as now accurate data will be available on a real-time basis.

## Brief us about your IPO plans?

We are planning to raise Rs. 450 crore through an initial public offering (IPO). The proceeds of the issue will be utilised towards repayment of loans, funding working capital requirements and for other general corporate purposes.

## What are your expansion plans?

We plan to expand our business and capture growth opportunities through initiatives of the Government of India such as private participation in the transmission segment and development of the National Power Grid to boost growth in the T&D industry and various plans, including recasting 100 cities in India, the 'Housing for all' initiative and by facilitating the domestic production in the Indian electric equipment industry. We believe that these initiatives of the Government will drive the demand for domestic and industrial electric equipment, including for electric equipment that we manufacture.

We propose to increase our geographical reach through expanding our network of authorized dealers or distributors, presence with institutional and corporate customers including OEMs and developers of high end residential and commercial project developers in India. We also plan to create a niche customer base for our products by increasing our focus on increasing our visibility with such institutional customers including panel builders and developers of such residential and commercial projects.

We also plan to introduce products at different price points to increase the attractiveness of our products to end-consumers across market segments.

## What will be your focus area going forward?

We are looking at gas and water metering solution going forward. We have a strong focus on consistently upgrading the technology that is used in our products and the processes used in manufacturing thereof, through our continuing research and development efforts.

We export products to the Middle East, SAARC and European Countries and will look at increasing our focus here..

## What is your market share in metering solutions and switchgears?

We have a 5% market share each in metering solutions and switchgears.

## What is your revenue mix?

About 3% of our revenue comes from exports and remaining 97% of our revenue comes from domestic business.

## What opportunities do you see for the electrical industry?

We are exploring opportunities for products and services related to renewable energy, particularly solar energy. The 'Housing for all' initiative by the government will push the electrical equipment industry and affordable housing will boost innovation into low cost and affordable electrical solutions. City gas distribution network expansion will help project developers, pipeline manufacturers, technology providers, consultants and regulators and meter manufacturers.