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A New Direction

This switchgear major is investing heavily in its lighting business, and is likely to emerge as a name to reckon with



FOCUSED ON LIGHTING: According to joint managing director Gautam Seth, HPL's next level of growth will come from the lighting business

HPL INDIA LTD, THE ₹750-crore electronic energy meter and switchgear company, is eyeing the lighting sector for its next round of growth. While it has already emerged as a serious contender in the CFL market, its 2010-11 product catalogue reveals that it is focusing strongly on LEDs and other lamps as well as lighting solutions for industrial, office and domestic applications. Its products for indoor applications have already been launched, and outdoor products will become available from the company by year end.

"Now, with a wide luminaire range for CFLs, MHLs and LEDs added to our portfolio recently, our lighting segment is pretty much complete," says Gautam Seth (gautamseth@hplindia.com), joint

managing director of the company. According to him, HPL has around 100 luminaries in its range, which will be expanded and revamped continuously by a team of experienced engineers who are keeping pace with the rapidly emerging trends in lighting. "Our state of the art luminaires are suitable for energy-efficient T5 lamps, CFLs and LEDs. All these luminaires have been designed for reliability, safety and high optical efficiencies and for different application needs."

The company marked its entry into the lighting sector four years ago when it set up a 25-lakh-units per month CFL plant at Sonipat in Haryana. Incidentally, Philips has a capacity to produce 33 lakh units per month and Havells 40 lakh units, and both are in the process

of doubling this. As luck would have it, by the time HPL had decided to invest in CFL production, the government had mandated that only power factor (PF) 0.85 lamps could be sold in the market. This was done to block the entry of poor quality lamps, most of which were originating from Asia and giving the CFL industry a bad name. So, HPL's plant probably became the first with the capability to produce the more efficient version of CFLs.

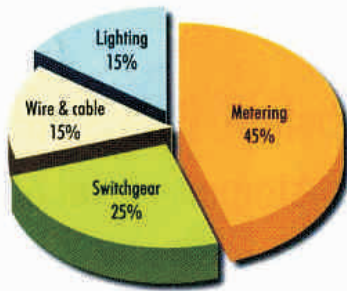
"We are one of the pioneers in developing CFLs with PF 0.85. Our CFL unit has a BIS license for PF 0.85 and PF 0.50," avers Seth. He informs that the company has supplied over 40 lakh lamps in Himachal Pradesh as part of the state's energy-saving Atal Biji Bachat Yojna scheme, wherein 16 lakh households were provided a pack of four CFLs free of cost. "There are plans now to set up a new line for spiral CFLs soon," says Seth.

Riding on the surge in demand for CFLs, HPL is diversifying further into the lighting segment, as growth here is estimated at well over 20% per annum for the entire industry. Seth opines that there is a huge untapped market for lighting products across the country, which is being driven by rapid urbanisation as well as construction of public infrastructure that is impacting the lives of sub-urban and rural inhabitants. "In this fiscal we have invested ₹100 crore, of which a better part has gone into setting up of a plant at Kundli in Haryana for lighting fixtures," he informs. This facility, according to him, will also house a switchgears unit.

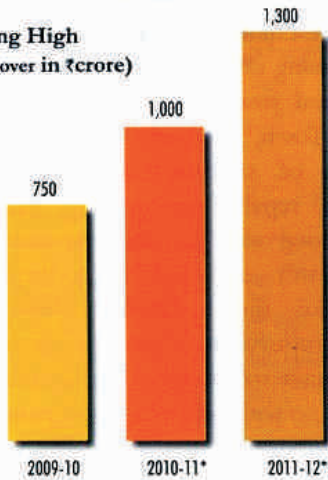
While HPL's lighting product range includes a variety of lamps and the appropriate fixtures, its attention is on the fast emerging LED market. It already has a LED-based solution for street lighting. Besides, according to Seth, the company has commenced manufacturing a 0.5W LED bulb in five different colours, which can replace the conventional night bulb as well as bulbs for decorative applications. "We plan to create a bigger manufacturing base for LED lamps and fixtures in the near future."

Streetlights is probably the most flourishing segment of lighting, due to

Look who's contributing



Aiming High
(Turnover in ₹crore)



*Estimated

the government's increasing concern for saving power that is consumed by lighting. Seth informs that there is a flurry of tenders being called for by state and central governments, and most of them are specifying the use of LEDs. At the same time, even business houses and residences are converting at least some of their existing as well as new lighting to LED-based. This indicates that a very broad based market for this category is set to emerge across the country in the near future. "We are already participating in many of the tenders and studying the specifications. It's a learning time for manufacturers as well as the government."

Seth is anticipating big success in LEDs as well as CFLs. "We have a strong base in electronics by virtue of our electronic meters business, where we are pioneers. And both LED as well as CFLs are based on electronics. Therefore, our competence will enable us to develop better products." HPL manufactures 20,000 meters per day which it supplies to major state electricity boards, as well as under the RGGVY and APRDP schemes through NTPC, NHPC, PGCIL and DVC. According to Seth, specifications of each electricity board

Branding Matters

Never before has HPL indulged in such heavy brand building as it is engaged in now. Though its ₹10 crore budget is rather modest by industry standards, spending on countrywide promotion is quite unlike a conservative company that is largely oriented towards projects, and goes to indicate that there's a change in thinking. In all possibility, the company now wants to build a customer base that recognises its brand, has a favourable impression about it, and readily accepts the products it has started to offer.

"Today, we are visible on several hoardings in UP. Similarly, around eight hoardings have been placed in Kerala. We are in fact developing a state-wise brand presence, that too in their respective regional languages. For instance, we have recently signed a contract with DD-Oriya for promotion during the telecast of Bal Ganesha, a TV serial. This is similar to what we did with Sahara India recently, a campaign that lasted for three months. Our strategy is to remind people about brand HPL every three months by getting engaged in major activities in a particular state. Eventually, next year we will look more towards the national media," Seth elaborates.

In addition, for outdoor publicity HPL has signed a contract for the display of its message on 4,000 autos, and bus panels, in different cities across the country.

are different. "It is completely a technology driven market and our R&D team needs to be very strong. Our R&D centre is approved by the Ministry of Science & Technology. Some of our technologically advanced products are AMR meters, trivector meters, unique split metering concept and pre-paid meters."

While the company already derives around 15% of its revenue from lighting, Seth says this ratio will increase once the entire range becomes available. Besides, he says HPL has traditionally been a projects player, but now with more off-the-shelf products in its portfolio it will gradually orient itself more towards the trade channel.

Syed Md. Ehteshamul Hasan



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