

Switching gears: HPL India wants to balance consolidation & growth

INDU BHAN

IT'S a one-stop shop for a whole range of energy management systems. Today, HPL India has collaborations with three EU companies: Socomec S.A. (France) for manufacturing switchgears, electronic energy meters (single phase & three phase) and complete range of UPS, with Elektra Tailfingen (Germany) for rotary switches, and LK Denmark for manufacture of compact space-saving switch disconnectors.

With an average growth rate of 20%, HPL claims to have almost 5% share in the Rs 1,000-

crore switchgear market, and 17% in the Rs 600-crore metering market. "While we are market leaders in metering, in the last year-and-a-half we have graduated as entrants in the manufacturing of UPS. Besides, we are over-booked in the domestic market and are busy creating capacities within the group," says HPL India managing director Lalit Seth.

The company has got bulk orders for one million pieces of electronic meters from Andhra Pradesh and six lakh pieces from Maharash-

tra. "Now we will be approaching private power companies in Delhi," he adds.

Manufacturing facility



The company has got bulk orders from AP and Maharashtra. Now it plans to approach private power companies in Delhi

Lalit Seth, MD, HPL India

The company is investing around Rs 20 crore initially in its new add-on facility plant in Himachal Pradesh. At present, its six state-of-the-art ISO-9002

certified plants located in NCR are equipped to handle R&D activities, conceptualisation and development of new products according to latest designs and technologies.

Overseas ventures

Though HPL has its presence overseas in Sri Lanka, Bangladesh, Malaysia, the UAE, Kuwait and other South-East Asian and European countries, its exports contribute just 2-3% to its turnover. "At present, we are running short of supply in the domestic market. In metering, we are

paying a penalty of Rs 3 crore this year for delay in supplies in spite of the fact that we are manufacturing 8,000 meters per day. As of now we can't think of exports," says the MD.

Competitive edge

The company sees no threat from its competitors like LG, Havells, L&T, Siemens, GE Power etc. "While the 'A' class product range is quite expensive, people now don't want to compromise on unbranded products. Our quality-driven approach and competitive pricing has given us an edge to be a market leader in our own segment," Mr Seth adds.

However, to remain competitive HPL is laying much more emphasis on training staff for aggressive marketing and after-sales services.

With its new plant coming up by September this year, HPL is targeting a Rs 250-crore turnover for this fiscal. It has no plans to diversify further as of now. "Consolidation is important for the next two years. During the last couple of years, we were handicapped due to lack of infrastructure and lost some good opportunities. Focus is going to be more on metering systems and UPS this year," according to Mr Seth.