

ELECTRICAL MIRROR

An outlook of the electrical & power industry

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Founded in 1956, the HPL Group is an established player in Indian electrical industry with a commitment to modern technology for manufacturing electric equipments. HPL Group has been serving the nation for the last 59 years modern & trusted products. The HPL range of products are quality products that are technologically upgraded and enjoys significant brand recall and customer loyalty in the LV switchgear market, increasing its presence across other switchgear products in the industrial and residential segments.

Ab roshan ho khushiyaan

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The next generation of lighting systems is anticipated to observe a total replacement of incandescent filament bulbs with new generation LED lighting systems that seek to provide more energy efficiency, low operational cost and longer lifetimes.

Gautam Seth || JMD || HPL Electric & Power Ltd.

Q. How has been the last financial year for HPL India? What were the major activities done by HPL during this year?

We are an established manufacturer of electric equipment in India and we manufacture and sell our products under the umbrella brand 'HPL'. We had the largest market share in the market for electricity energy meters in India, with one of the widest portfolios of meters in India, in fiscal 2015 (Source: Frost & Sullivan Report). We believe that our focus on maintaining quality across our product verticals and on continuous technological upgradation of our electric equipment offerings, together with our extensive sales and marketing efforts have enabled us to develop a strong brand recognition in the electric equipment industry. We enjoy significant brand recall and customer loyalty, particularly in the market for LV switchgear, allowing us to expand our presence across other ranges of domestic and industrial switchgear products (Source: Frost & Sullivan Report). Further, we believe that the pre-qualifications and approvals we have obtained from various Governmental Agencies that include central and state public works departments, municipal corporations and public sector undertakings,

amongst others, reinforce the trust that our customers have in our products and their quality.

We are the oldest manufacturers of LV switchgears in India with nearly 50% market share in changeover switches in fiscal 2015, and have an established presence in the market for CFLs, with increasing focus on manufacture and supply of LED lamps, and wires and cables (Source: Frost & Sullivan Report). We supply our products to a diverse range of industries in the public and private sectors, including power generation, transmission and distribution industry, airports, petrochemical, chemical and fertilizers industry, metals, textiles, cement manufacturing industry, hotels, software and electronics industry, sugar industry and the automobile industry, amongst others. We also supply our electric equipment offerings to various Government Agencies and universities. We sell our products to institutional, non-institutional and corporate customers, including to developers of residential, commercial and industrial building projects, panel builders and OEMs, primarily through a network of over 2,000 authorized dealers or distributors who further sell our products to over 12,000 retailers, as on December 31, 2015, present throughout India. Additionally, we supply our products to Power Utilities, through direct contractual arrangements. For fiscal 2015, our revenue from sales to

Power Utilities contributed to 31.81% of our net consolidated revenue from operations and the balance revenue from operations was from sales through our authorized dealer network. Further, we have over 90 branch offices and representative offices across India, which carry out marketing activities. Since we invoice our products to our authorized dealers and recover the value of products sold directly from them prior to onward sales to the end-customer, we believe that this makes our revenue recovery process more efficient and reduces our credit cycle.

Distribution to our authorized dealers is facilitated by carrying and forwarding agents appointed by us for several state and union territories in India, who are responsible for storing, billing and delivering the electric equipment to various authorized dealers. The presence of such carrying and forwarding agents in our distribution chain minimizes the need for us to maintain storage facilities for our finished products and simplifies our billing and invoicing process.

In addition to our authorized dealer network, our sales and marketing team, comprising 628 full time employees, as of December 31, 2015, is responsible for carrying out promotional and brand building activities for our products, including through print and social media and conducting

Technology of Measurement...

defined



Our Metering Product Range

- Digital Panel Meters
- Multi Function Meters
- Load Mangers & Demand Controllers
- Single / Three Phase, Whole current counter/LCD type meters
- LT Trivector Meters
- Prepaid Metering Solution
- LPR (Zigbee) Metering Solution
- Data Acquisition & Billing Solutions



HPL serves wide range of metering solution with the commitment to modern technology. Offers range of meters with its Digital Panel Meters, Digital Energy meters, Multifunction Meters, Load Managers, Demand Controllers, Power Quality Meters with Metering solutions based on the wired and wireless technology such as Zigbee, GSM/GPRS etc.

Other Product Range



ébrit Range of Digital Panel Meter



Dual Source Multi-function Load Manager



Emfis range of Multi-function Meter



Power Factor Control Relays



LCD Mini



Trivector Meter



ISO-27001:2005



ISO-9001:2008
ISO-14000:2004



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seminars, electrician meets to create awareness amongst our products amongst electricians, retailer meets, dealer meets, direct mailers to create awareness amongst institutional customers, exhibitions and one-to-one customer interactions.

Q. What were the biggest challenges for the industry during this year?

The power sector in India continues to face several challenges, including:

1. Aggregate technical and commercial losses ("AT&C Losses");
2. Power theft and pilferage;
3. High dependency on coal as part of India's fuel mix for power generation; and

Q. How do you see the current trend of LED market in India?

A light-emitting diode (LED) is a two-lead semiconductor light source. It is a p-n junction diode, which emits light when activated. When suitable voltage is applied to the leads, electrons are able to recombine with electron holes within the device, releasing energy in the form of photons. This effect is called electroluminescence, and the color of the light (corresponding to the energy of the photon) is determined by the energy band gap of the semiconductor. Recent developments in LEDs permit them to be used in environmental and task lighting. LEDs have many advantages over incandescent light sources including lower energy consumption, longer lifetimes, improved physical robustness, smaller sizes, and faster switching. LEDs are now used in applications as diverse as aviation lighting, automotive headlamps, advertising, general lighting, traffic signals, camera flashes, and even LED wallpaper. As of 2015, LEDs powerful enough for room lighting remain relatively more expensive and require more precise current and heat management than compact fluorescent lamp sources of comparable output.

Types of LEDs: Miniature (used as indicators), Mid-range (used in light

panels, emergency lighting, auto tail lights), and High-Power LEDs (used for lighting purposes).

LEDs for lighting applications constitute the major market. However, LEDs also find applications in various forms across industries, including automotive lighting, Railway Signals, Backlighting, Displays and Signage, and Medical appliances.

Q. What are your estimations for the LED market in coming 6 or 7 years?

The next generation of lighting systems is anticipated to observe a total replacement of incandescent filament bulbs with new generation LED lighting systems that seek to provide more energy efficiency, low operational cost and longer lifetimes. Frost & Sullivan projections suggest that the global LED lighting market is likely to grow at a CAGR of over 40 percent until 2020. GDP of India is forecasted to be 7.62 percent between 2016 and 2020, driving economic growth and improving spending capacity of consumers.

Growing interest in newer technologies and solutions, increasing awareness created by LED suppliers through product promotion and advertising will lead to higher adoption of LEDs. Growth of the Hospitality, Industrial, Commercial, and Real Estate sectors as well as Government initiatives and programs such as Union Budget Allocation, MSIPS (Modified Special Incentive Package Scheme), rural electrification programs, etc. were taken into consideration while estimating the LED Lighting market forecasts.



Q. What are your expectations from the smart city mission of the government for your company?

The Government of India has announced various schemes and plans, including for the establishment of 'smart cities' in India in a phased manner and by facilitating growth of the electric equipment industry, including pursuant to the Mission Plan 2012-2022. Based on the 'smart cities' initiative, the Government of India aims at revamping the urban infrastructure of India. The Mission Plan 2012-2022 sets the guidelines for making India the choice for production of electrical equipment. This would drive for domestic production of electrical equipment within the country. The major areas focused on under the Mission Plan 2012-2022 include achieving industry competitiveness, technology upgradation, skill development and promotion of exports. Further, Government of India initiatives such as the 'Make in India' campaign, which has plans to create a brand image of India as one of the leading manufacturers of electrical equipment globally, will help the sector to become a key participant in the global industry. Under the 'Make in India' policy, 100% FDI through the automatic route has been permitted in construction, operation, and maintenance in specified rail infrastructure projects,

which is expected to necessitate demand for LED lamps for domestic consumption. We believe that these initiatives of the Government of India will drive the



We enjoy significant brand recall and customer loyalty, particularly in the market for LV switchgear, allowing us to expand our presence across other ranges of domestic and industrial switchgear products (Source: Frost & Sullivan Report).

demand for domestic and industrial electric equipment, including for electric equipment that we manufacture. Further, increasing urbanization in India coupled with rising income levels have resulted in progressively increasing demand for housing, particularly quality housing, across Indian cities.

develop a strong brand recognition in the electric equipment industry. We enjoy significant brand recall and customer loyalty, particularly in the market for LV switchgear, allowing us to expand our presence across other ranges of domestic and industrial switchgear products (Source: Frost & Sullivan Report). Further, we believe that the pre-qualifications and approvals we have obtained from various Governmental Agencies that include central and state public works departments, municipal corporations and public sector undertakings, amongst others, reinforce the trust that our customers have in our products and their quality.



Lighting Product

Q. There is no doubt that HPL India is one of the leading companies in electrical industry in India. How do you keep a consistent leadership in such a competitive market of India?

OUR STRENGTHS

Established brand in the electric equipment industry

We are an established manufacturer of electric equipment in India and we manufacture and sell our products under the umbrella brand 'HPL'. We had the largest market share in the market for electricity energy meters in India, with one of the widest portfolios of meters in India, in fiscal 2015 (Source: Frost & Sullivan Report). We believe that our focus on maintaining quality across our product verticals and on continuous technological upgradation of our electric equipment offerings, together with our extensive sales and marketing efforts have enabled us to

We are the oldest manufacturers of LV switchgears in India with nearly 50% market share in changeover switches in fiscal 2015, and have an established presence in the market for CFLs, with increasing focus on manufacture and supply of LED lamps, and wires and cables (Source: Frost & Sullivan Report). We supply our products to a diverse range of industries in the public and private sectors, including power generation, transmission and distribution industry, airports, petrochemical, chemical and fertilizers industry, metals, textiles, cement manufacturing industry, hotels, software and electronics industry, sugar

industry and the automobile industry, amongst others. We also supply our electric equipment offerings to various Government Agencies and universities.

Large product portfolio

Since our incorporation in 1992 as a B2B focused manufacturer of switchgears and allied electrical accessories, we have significantly expanded our product portfolio. Our product portfolio comprises industrial and commercial electric equipment as well as domestic electric equipment, catering to requirements of a diversified customer base.

Key products under our four product verticals include a range of air circuit breakers, MCCBs, MCBs, on-load changeover switches, control gear, modular switches, LED and non-LED bulbs and tubes, LED luminaires for domestic, commercial and industrial



use, single and three phase meters, LTCT meters, prepayment meters, net metering, smart metering and transformer metering solutions with remote communication capabilities, domestic and industrial wires and specialty cables.

Although the technical specifications for our products are largely standardized, we may undertake certain customization of certain products for our institutional and corporate customers. For instance, we manufacture meters in accordance with specifications prescribed by the Power Utilities. We also undertake modifications to our products for certain OEMs. We believe our dedicated efforts towards expanding our product portfolio and our ability to identify our customers' requirements contribute significantly to our position in the electric equipment industry and has resulted in us becoming a one-stop shop for low voltage electric equipment. Further, we believe that our ability to adapt our electric equipment offerings to match the needs of our consumers across a wide range of industries gives us a competitive advantage in the market for electric equipment.

Our products are presently sold across price ranges in the premium,



mid-premium and economy segments. We believe that our large product offerings help us in attracting large corporate and institutional customers, including project contractors. Further, the complementary nature of our product offerings allow us to achieve synergies within our existing product portfolio and enable cross selling of our products across product verticals and customers. We believe that our diversified product range, coupled with focus on consistent product upgradation in terms of their design, technology, features and quality have allowed us to develop a wider customer base and contributed towards expanding into more premium market segments.

Robust manufacturing facilities with a focus on technology upgradation We manufacture all our products within dedicated manufacturing facilities for each product vertical, as well as several components used in our products, with product customization capabilities for our institutional and corporate customers. We also undertake testing of our products at our in-house testing facilities to ensure their quality. All our manufacturing facilities have been accredited with management system certificates for compliance with ISO 9001 requirements. Further,

certain of our manufacturing facilities have been accredited with environmental system certificates for compliance with ISO 14000 requirements and with OHSAS 18001 certifications for implementing occupational health and safety



Meters Factory Gurgaon

management systems at such facilities. Presently, we have six manufacturing facilities located across the states of Haryana and Himachal Pradesh. Our manufacturing process capabilities include design and product development, component design, tool making and commercial production. As on March 31, 2015, our aggregate installed capacity for manufacture of meters was six million, switchgears was 16.51 million, for lighting equipment was 26 million and wires and cables was 194.40 meters. We have consistently undertaken expansion of our manufacturing facilities in the past with a view to capture increasing demand in the future. We believe that our manufacturing facilities enable us to expand our operations with ease to meet future demand at minimized cost of expansion. Additionally, our manufacturing facilities are equipped to manufacture customized products for our institutional customers and undertake modifications in our products for OEMs and other corporate customers. Certain products manufactured at our manufacturing facilities are certified with the ISI mark by the BIS, and tested by various independent testing laboratories that have been accredited by the National Accreditation Board for Testing and Calibration Laboratories, DSIR ("NABL"), including the CPRI and the laboratory of the Electrical Research and Development Association ("ERDA").



Meter

Further, certain of our products have been accredited with the 'CE' mark as well as by KEMA Quality B.V., for compliance with standards prescribed for electric equipment under European law. For instance, our MCBs manufactured under the sub-brand 'HPL Techno' have been certified to be compliant with the IEC System for Mutual Recognition of Test Certificates for Electrical Equipment (IECEE) CB Scheme by KEMA Quality B.V.

Additionally, our R&D Centres are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India ("DSIR") have in-house Tool Rooms and testing facilities. Our testing facility at Gurgaon Facility I has been accredited by the NABL, to be in compliance with ISO/IEC 17025:2005 in respect of general requirements for the competence of testing and calibration laboratories for electrical testing. We believe that we are able to achieve greater efficiency due to our in-house testing process, reducing the time taken for and the cost of manufacturing our products, from design to commercial production, resulting in higher profit margins. Further, our manufacturing facilities allow us to effectively meet any expanded demand for our products.

Pan-India sales and distribution network
We sell our products to institutional, non-institutional and corporate customers, including to developers of residential, commercial and industrial building projects, panel builders and OEMs, primarily through a network of over 2,000 authorized dealers or distributors who further sell our products to over 12,000 retailers, as on December 31, 2015, present throughout India. Additionally, we supply our products to Power Utilities, through direct contractual arrangements. For fiscal 2015, our revenue from sales to Power Utilities contributed to 31.81% of our net consolidated revenue from operations and the balance revenue from operations was from sales through our authorized dealer network. Further, we have over 90 branch offices and representative offices across India, which carry out marketing activities. Since we invoice our products to our authorized

dealers and recover the value of products sold directly from them prior to onward sales to the end-customer, we believe that this makes our revenue recovery process more efficient and reduces our credit cycle.

Distribution to our authorized dealers is facilitated by carrying and forwarding agents appointed by us for several state and union territories in India, who are responsible for storing, billing and delivering the electric equipment to various authorized dealers. The presence of such carrying and forwarding agents in our distribution chain minimizes the need for us to maintain storage facilities for our finished products and simplifies our billing and invoicing process.

In addition to our authorized dealer network, our sales and marketing team, comprising 628 full time employees, as of December 31, 2015, is responsible for carrying out promotional and brand building activities for our products, including through print and social media and conducting seminars, electrician meets to create awareness amongst our products amongst electricians, retailer meets, dealer meets, direct mailers to create awareness amongst institutional customers, exhibitions and one-to-one customer interactions.

Established relationship with institutional customers and strong pre-qualification credentials

We believe that we have an established relationship with several institutional customers and we supply our products to various Governmental Agencies. For instance, we executed several contracts from various Governmental Agencies for supply of lighting products. For instance, we executed LED street lighting turnkey projects in Srikakulam, Prakasam and east Godavari (Andhra Pradesh), various municipalities in Rajasthan and at Varansi Ganga Ghat and Varanasi Nagar Nigam, in Varanasi (Uttar Pradesh), involving supply and installation of LED streetlights and supplied LED tube lights for installation at the office of the electricity department in Delhi during the six months ended September 30, 2015. We believe that the supply of technologically advanced products enables us to maintain such established relationships with these State Utilities and Governmental Agencies. As on September 30, 2015 and March 31, 2015, we had confirmed orders amounting ₹ 2,534.24 million and ₹ 1,934.55 million, respectively.

We supply our electric equipment offerings to State Utilities pursuant to direct contractual arrangements, obtained through a bidding process, which may specify certain pre-qualification requirements. Further, we also supply our products to various Governmental Agencies, based on a pre-qualification process and grant of approval by these Governmental Agencies. Pre-qualification requirements



Wire & Cables - Production



include past experience in supply to such entities, ability to meet specific technical requirements, reputation for quality and safety features present in our products, financial strength and the price competitiveness of our electric equipment offerings. We believe that our pre-qualified status with Power Utilities and such Governmental Agencies

strengthens our position in the market.

Experienced management team and skilled workforce

We have an experienced management team led by our Promoter and Chairman, Mr. Lalit Seth, who has over 40 years of experience in the industry and we benefit significantly from his expertise. Our senior management team comprises our joint Managing Directors, Mr. Rishi Seth and Mr. Gautam Seth and our executive Director, Mr. Chandra Prakash Jain. The average experience

of our senior management is over 20 years. Our senior management team is supported by other skilled, semi-skilled and


contractual workers, including over 105 engineers employed at our R&D Centres. We believe that the experience and relationships of our senior management team have significantly contributed to the growth of our manufacturing capabilities and towards developing our brand. (DRHP 127)



Wire & Cable

Q. Share your vision for your company as well as the industry in the upcoming years.

Our mission is to provide the latest and the best technology product in the field of Switchgears, Metering solutions, Lighting and Wires & Cables.



Upto 20W
LOW HEAT
generation
energy saver


HPL GLO

LED Bulb


Extra long brightness
to illuminate every corner of your life!

Founded in 1956, the HPL Group is an established player in Indian electrical industry with a commitment to modern technology for manufacturing electric equipments. HPL Group has been serving the nation for the last 59 years modern & trusted products. The HPL range of products are quality products that are technologically upgraded and enjoys significant brand recall and customer loyalty in the LV switchgear market, increasing its presence across other switchgear products in the industrial and residential segments.


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