

HPL ELECTRIC: Cutting Edge Agenda for Future Growth



Moving forward leading manufacturer in the electric equipment space, HPL Electric and Power Ltd is steadily increasing its geographical footprint and engagement with the consumer market. JT Managing Director Gautam Seth in an exclusive interview with Fortune India Exchange shares his insights on the firm's four verticals, the enhancement of the brand's basket of products with present-day technology and increased visibility through an expanded retail network.



As a market driver in the LED and CFL lighting space please comment on how the market has changed since you first introduced this technology. Also tell us a bit about the area of luminaires that the company is looking at in a bigger way to explore.

We have seen the LED market grow exponentially over the past three or four years, and moving forward we really see this market growing. A couple of factors that have really helped this happen. The inherent nature of the technology where a minimum of 70-80% of saving has come to the earlier technology of CFL and incandescent lamps. Every consumer, be it a residential or a commercial customer, sees a big benefit happening simply by using LED.

When it comes to HPL, we were making CFL lamps, and although we are only a recent player in the area of lighting, but as industry moved from CFL to the energy-efficient LEDs we were very quick to jump into the fray. A major reason for this is that LED technology is mainly

electronics— and the older technology has moved to electronics (HPL's forte because of its meters), which has really helped us to go for a total backward integration. So almost right from the start (that's over four years now) we have been manufacturing all LED drivers and the MCPCBs, the main components in any LED, whether it's the lamp or the fixtures.

We have a strong R&D unit for our LED business whereby we stay in control of our designs, so we do not have to resort to buying the components from outside. As we are fully backward integrated we are doing our own electronics and the complete design. In the last four years we have done an overhaul twice of the entire product range by grafting the new elements coming into the LED business, and that has brought down costs substantially, which we have then passed on to the consumer. As you are aware the cost of LEDs has come down considerably since they were first launched, which is why consumers go for

them. Reduction in the cost and the reduction in the price are resultant from the tremendous efforts being put into R&D and companies like us, who are able to protect their pricing as well as retain a portion of the margins.

What about the range on offer from HPL?

We have the entire product basket, right from the LED bulb to the street light— so all the consumer's illuminants, whether they are batons...panels, every kind of consumer luminaire, commercial luminaire, industrial luminaire, the outside fixtures, street lights, area lights, we have it all. We also have the solutions attached to them.

You are one of the oldest companies in India making low voltage switchgears. What have been the changes in the past 5-6 years in this field?

In terms of the trends of products we are seeing a better compliance with what's happening in terms of international standards and at HPL every product is tested in third party labs on both domestic and international standards. Moreover, because we are also exporting most of our switchgears to other countries in East Africa, SAARC, Middle East and SE Asia, there are always requirements by the customers that we need to meet. We have the kind of technology which is adaptive so we can handle this. We have also seen the use of electronics increase in the switchgear business. Now what's happening is a single manufacturer is going out with a complete basket— from an air circuit breaker, to the final modular switch.

What about your wire and cable business?

Our latest vertical has been wire and cables in which we are focusing on the domestic side, as well as the specialty cable segment. Wire and cables would complete the product basket for all our customer segments. We have set up an excellent state-of-the-art factory where we are using high speed imported machines for this. It's also the reason why we are so confident about the quality of our wires and cables. Wires today are closely associated with safety and that is our priority. Our specialty range includes zero halogen, low-smoke, fire resistant, oil resistant wires. We also make data networking cables, cables for CCTV, cables for telecom applications and



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now for elevators. With the government's focus on energy saving and emphasis on solar power we are bringing out solar cables.

Please share the workings of your R&D centres with us.

Our R&D is highly motivated to stay on the top of the game in terms of innovation and quality in all our verticals. These R&D centres have the approval of the Ministry of Space and Technology. Our R&D division is focused on developing products for all four verticals, based on the requirements of the company. Its other job is to help upgrade the existing products, which needs to be done every two to three years to meet the new standards or to replace them with feedback from the market.

Tell us about your manufacturing units.

HPL is also ISO 9001 and ISO 1401 and ISO 1801-certified, which makes us compliant with various international standards. Each factory focuses specifically on our individual product range. We have three tool rooms and the assembly line. All of this helps us keep our quality at the highest level. It also brings consistency to our manufacturing across all product lines. This also helps keep our costs at a reasonable level and gives us the flexibility to adopt new technologies at a very quick pace.

What are the initiatives and incentives for your retail network?

We have over 2000 dealers and distributors and 2700 retailers as of now. We plan on expanding our retail network in a big way. Our focus over the last one year has been to bring in new distributors who have a large retail network and integrate those networks into our system and send out our consumer products— the LED bulbs, the consumer luminaires, wires and MCB switches etc to a wider geographic setting. We do organize a lot of retail meets and engagement programmes, initiatives for nukkad meets and retailer melas. We are pretty active on social media and the internet for awareness creation. Our overall marketing and sales budget has doubled over that of last year, with the idea of focusing on visibility in point of sales outlets of Brand HPL and also on various promotional schemes.