

Bullish on Lighting, Orient Electric to Enter LED Street Lighting EPC Biz

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Orient Electric is betting big on the burgeoning domestic LED lighting market. It is intensifying its focus on the lamps, tubes, and street lighting project segments by foraying into street lighting EPC business; increasing over three-fold street lighting assembly capacity in next two years; rolling out a plethora of LED, smart and automation solutions, as well as rapidly augmenting distribution network in 100 cities across the country in 2017.

"The major growth drivers for our lighting business are the LED products, especially LED lamps, tubes, and LED street lighting projects. We are the third largest manufacturer of LED lamps in the country and own a market share of 11%. We are focusing on increasing our market share considerably year after year with an aim to establish ourselves as a leading player in the LED lighting segment in India," says Puneet Dhawan, senior VP and business head for lighting at Orient Electric.



The company is set to foray into EPC (Engineering, Procurement & Construction) business of LED street lighting projects – often a pre-requisite for bidding in public sector tenders in the segment – very soon. Also, it will increase the assembly of streetlight capacity three-fold in next two years. “The street lighting segment holds a great potential. There is the potential of approximately Rs 30,000 crore over next three years for changing current streetlights into LED. The demand in street lighting initially is because of the government-backed initiatives. We are assembling over 30,000 streetlights per month and plan to take it to one lakh per month in two years’ time. Our important strategic move will be getting into the EPC business of LED street lighting on a large scale,” he adds. “We are right now executing automated street lighting project in New Delhi through EESL, which is one of its kind and will pave the way for our entry into Smart City lighting projects.”

According to Dhawan, tubelights is another segment which has “humungous” potential owing to its vast applications, including homes, offices and industries. “We have capacity to manufacture one lakh tubes while the current demand is around 30,000 only but it is expected to go up significantly in 2017-18.”

Orient Electric, Dhawan informs, is also focusing “strongly” on strengthening its distribution network and increasing market penetration. “In 2017, we plan to expand fast in 100 top cities by adding more distributors and retailers. As of now, we reach out to around 35,000 retail points. We are planning to add 100 new distributors and 10,000 new retailers in the top 100 cities across the country as per the population strata.”

Also, he informs that the company will soon launch LED drivers and LED tubes, various types of downlighters and panels, smart lamps, energy-efficient LED street lighting, both direct and solar, along with the provision of automation to develop the company’s innovative offerings and provide end-to-end solutions across categories and sectors.

On the revenue front, Dhawan informs, “We are growing fast in the LED segment with a CAGR of around 60%. In four to five years, we are targeting a CAGR growth of around 40%. If we talk about lamps, the trade demand alone has grown significantly. To give a better picture, we are currently selling around 18 to 20 lakh lamps every month, which was earlier 1-2 lakh a month.”
