

Behold the Indian LED-revolution

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Indian LED lighting market has witnessed impressive growth in the last few years and is likely to grow at a CAGR for over 30% over the next 4-5 years. As of today, Indian LED lighting market is estimated at approximately Rs. 5700 crores and accounts for almost 50% of total lighting market which sits at about Rs. 12,000 crores. This shift from GLS, FTL and CFL to LED has been triggered by decreasing costs, increasing energy demand, rising energy awareness and government's LED push.

- PUNEET DHAWAN

With the growing demand for LED lighting across sectors and the Government's policy push of making LED products mainstream, the lighting industry in India is today witnessing a churn. The LED adoption rate has increased drastically in the last couple of years and we are fast nearing the day when LEDs will gain complete acceptance in urban as well as rural India. One of the major growth drivers behind this all is the FFSI's UJALA scheme which has completely

transformed the energy efficiency market in India. The scheme, which aims to replace conventional lights with affordable

success. It has also triggered investment, technological innovation and indigenous manufacturing in line with the "Make in India" initiative. As the demand increases and the manufacturing technology continues to advance, we can expect LED lighting to become even more affordable in the coming years.

With LEDs offering an array of benefits including energy efficiency, cost effectiveness, longevity and greater design flexibility, lighting is now no more a necessity but a lifestyle requirement. Consumers today are more informed and more involved, they no more look at lighting as some product but as a complete package while considering varied factors such as design, aesthetics, functionality, efficiency, output and longevity. While key influencers in this category for increasing LED awareness include government, architects, designers and electricians, brands also can be instrumental in educating the consumers about the multiple benefits of switching to LED lighting. In the recent times, the Indian lighting industry has also started to focus on delivering customised lighting solutions besides the basic fixture with an aim to cater to varied aesthetic preferences, needs and usage environments.

Of late, the demand for high quality programmable and customized LED lighting solutions has grown significantly. The modern Indian consumers are seeking LED lighting fixtures in different shapes and sizes in order to complement the design and décor of their spaces. LEDs come in an array of colours which gives interior decorators the freedom to think outside the box and use the changing colours to pep up the décor. Indian lighting brands are acknowledging this shift by investing more in R&D and manufacturing with an objective to deliver aesthetically pleasing lighting products to the new age consumers. An interesting shift has also been seen in the retailing process, especially in case of decorative lighting, wherein brands are turning to experience led purchasing models.

A major development in the Indian lighting landscape is that the manufacturing today is not limited to lighting companies only, instead, many other small players that excel in electronics and LED sources have jumped on the bandwagon. The market has opened up and the organised sector is facing the heat as these new entrants are offering technologically advanced LED solutions at very competitive prices. The trends have made it clear that the lighting companies need to decide whether they want to focus on electronics competence or change their capabilities to LED assembly.

Amongst the lighting majors that have tuned themselves to the shift in view of the changing customer preferences and expectations is Orient Electric. Having ventured into the lighting arena in 2008, Orient has progressively set its national footprint and has emerged as the third largest manufacturer of LED bulbs in India. It is also the first lighting brand in India to have been awarded BEE star rating for its LED bulbs. We have supplied more than 12.5 million LED bulbs under the government's UJALA programme and have emerged as a respected brand when it comes to B2G business. The major growth drivers for our lighting business are the LED products especially LED bulbs, LED Batten, and LED street lighting products. Our strength is our in-house R&D and manufacturing which helps us to provide differentiation needed

for the Indian market. We have an established competence centre which has helped us to improve our product reliability and cost efficiency while also enabling us to develop tailor-made products to meet specific requirements. Over the last couple of years, we have made significant investments towards new product development, quality enhancement and automation, indigenizing components and expanding production capacities.

Future Outlook

The LED bulbs revolution that started two years back has become a success story. LED bulb industry is going strong, we now have an exhaustive range in the category covering all possible wattages and applications like high-wattage bulbs for commercial and industrial use and decorative and candle shaped lamps for residential applications. Key challenge for the industry remains the import of cheap and low-quality LED products and the dependency on import of LED chips. However, the growing demand for made-in-India LED products, ramping up of indigenous manufacturing capacities, stringent import requirements and implementation of standardized norms will gradually put the brakes on the import of inferior quality imported counterparts.

I believe that the next phase of growth will be triggered by LED streetlights and LED battens and tubes. Speaking of LED battens, a modest assumption brings out the fact if all 24.8 crore households in India use two LED battens for a year, there will be annual cost saving of approx. Rs. 24000 crore and annual energy saving of about 4000 crore kWh.

The government has already rolled out energy efficiency initiatives to transform the markets for street lighting and tube lights. Retrofitting market is also shaping up strong as modern consumers do not want to be stuck with the same lighting for 10-12 years and this will further boost the demand for LED lighting solutions.

Without doubt, the future looks bright for the LED lighting industry and I am confident that the Indian companies will be able to address the challenges facing product quality and customization, technological competence and taxation policies.



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