

Orient Electric – Aims to Lead Indian LED Drive



Puneet Dhawan, Senior VP-Lighting BU, Orient Electric



Orient Electric is one of the leading consumer electrical brands in India with a diverse portfolio of fans, lighting, home appliances and switchgears. The erstwhile Calcutta Electrical Manufacturing Company became a part of the CK Birla Group in 1954 and was subsequently rechristened Orient Electric. The company takes pride in its R&D capabilities, spirit of continuous innovation and commitment to manufacturing cutting-edge lifestyle electrical products that meet the needs and expectations of modern consumers.

Besides being a leading brand in fans, home appliances and switchgear, Orient Electric also claims to be the third largest manufacturer of LED lamps in India and is also one of the first few brands to receive BEE rating in LED bulbs and the only brand to have 3-Star rating in LED. It's gamut of lighting products include LED lights, Professional Luminaries (PLUM), CFLs, FTL or GLS. The company boasts of its wide range of down lighters, floor lights, strip lights, and coloured LED bulbs - best suited for interior décor. Range of professional lighting includes LED wall lights and LED panel lights, which cater to the illumination requirements of offices and commercial buildings as emit high lumen with less power consumption.

To know more on Orient Electric's Lighting BU, we, at LED World, got in touch with Puneet Dhawan, Senior Vice President and Business Head for Lighting Business at Orient Electric - part of the growing US \$1.6 billion, CK Birla Group. He is member of senior management team of the company and actively involved in formulating and implementation various business strategies for the company. Under his leadership, Lighting Business of Orient Electric has progressively set its national footprint in a short span of time and has emerged as one of the fastest growing manufacturer and seller of LED lamps and Luminaires in India. Excerpts are here to follow:

How do you see GST – a boon or a bane – for Indian economy as whole? Why?

GST is a historic tax reform and a game changer for the growing Indian economy. Now we have a big common market aided by seamless and easier transfer of goods and services across the nation. GST implementation is going to benefit the manufacturing industry in the long run, as it has led to lesser tax load and lower logistics and inventory costs while allowing faster movement of goods. It will help boost India's economic growth by streamlining domestic supply chains and improving ease of doing business, thereby giving an impetus to 'Make in India initiative' and establishing India's global competitiveness.

How is it going to impact India Inc. with special reference to the country's LED lighting industry?

Estimated at approximately Rs. 5700 crores,

Indian LED lighting market accounts for almost 50% of the total lighting market which sits at about Rs. 12,000 crores. GST implementation will make unorganised players to shift to organised form of doing business, while adhering to the taxation policy and quality standards. This in turn would strengthen the organised sector and the LED lighting industry as a whole. Nonetheless, it's too early to comment much on the changing scenario and we should wait for at least a couple of more months for things to settle down. There might be initial hiccups before supply chain gets tuned to the new norms but I am confident that the market will bounce back in a few months' time.

How has it forced to change the future course of action regarding investment and production at Orient Electric?

Going forward, most of the investments will be made towards new product development,

quality enhancement and automation, indigenizing components and expanding production capacities. Also, we will be analyzing the transportation scenario and if required, make necessary investments in logistics and warehousing infrastructure. We will review our plan of action after some months in view of the overall impact of GST on the industry which I think will be positive.

How is the introduction of GST going to boost Make-In-India, if anyway? Please discuss.

GST is going to give a huge impetus to indigenous manufacturing and exports. The replacement of various taxes with one single tax has led to creation of a single national market. Logistics will improve significantly in the face of "one country, one market, one tax" system which would greatly boost the manufacturing sector. The same will enable made-in-India products to become globally competitive.



What steps, if any, has the company been taking to combat the impact on its day-to-day operations?

First and foremost, we have made ourselves ready with respect to IT enablement required for the new tax structure so that we are within the compliance window and also are able to take full benefit of the new tax structure in terms of reduction in input costs. Also, we have activated resources to address the issues of our channel partners and vendors for easy transition into the new structure. We are providing regular training with interaction with tax experts so as to remove day-to-day bottlenecks.

How is Orient Electric being benefitted from 'Make In India' drive of the central government? Please share some instances.

We have always been firm supporter of Make in India drive. We have emerged as one of the fastest growing lighting companies in the last 2-3 years. Today we are the third largest manufacturer of LED bulbs in India and the first Indian lighting brand to get BEE star rating for LED bulbs. 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. I feel proud to say that today our LED bulb cost is globally competitive and we are able to compete with Chinese players in exports. Further, Government has been insisting on Make in India products for its various tenders and purchases and has thus motivated players like us to expand the existing capacities.

It's been around two years now to the Central Government's initiatives DELP & SNLP followed by Smart City Projects. To what extent these initiatives have paved the way for Orient Electric to materialise the opportunities?

The impetus for the burgeoning LED lighting market in India comes largely from government-backed initiatives especially EESL's UJALA scheme and Smart Cities mission. I feel proud to share that have also supplied more than 12.5 million LED bulbs

under the government's UJALA programme and have become a preferred supplier when it comes to B2G business. We have also ventured into the field of street lighting and consequently we have been able to bag good orders for 2017-18. We have made timely investments in R&D and production capacities to benefit from the Government's LED drive.

As you know, customers' requirements have changed significantly due to the arrival of LED technology. Especially in the lighting, electronics is getting more complex. How are you coming up with this transition/development in the industry?

Today people do not look at lighting as a commodity, it is not just a product which emits light a wholesome package where various factors like design, aesthetics, functionality, efficiency, output and longevity are taken into account. Current trends in LED interior lighting designs include making LED lights smart which means the LED lighting solutions should be programmable so that they can work through apps and Wi-Fi for switching on/off, dimming, colour change etc. Another trend being seen is the increasing demand for LED lights housed in various shapes and sizes of luminaires. We do not see much differentiation in brand communication as of now but going forward, you will see niches evolving. Organized players in the LED segment are investing more in R&D and manufacturing to provide a diverse selection of high quality, innovative LED lighting products for the Indian consumers.

At Orient, we have an established competence centre for electronics and design of drivers and PCB for LED products, which has helped it to improve on product reliability and cost efficiency.

LEDs are known to have immense energy saving potential wherein electronics play a vital role. How is Orient Electric selecting LEDs and the electronics to ensure longevity, given the erratic power conditions in India?

We have an established competence centre

which works on various elements but largely focuses on electronics and design of drivers and PCB for LED products. In India where voltage fluctuations and other variables factor in, it is important to develop products that meet market requirements. Orient Electric's LED products are designed to withstand power supply variations in a much better way, which ensures maintenance-free longer product lifespan. We are constantly engaging with LED chip manufacturers so that our electronics drivers are able to provide maximum possible efficiency and assured life for the LEDs being used in the Bulbs and luminaires. In fact, many a times we have been able to convince the LED chip manufacturers to tune and design their chips in line with Indian requirements due to prevailing power conditions.

There is always the talk of new technology absorption in this industry. What according to you are the latest technological advancements in this sector that the industry can see from Orient Electric's banner?

It has always been our goal to develop innovative offerings and provide end-to-end solutions across categories and sectors. We will be soon launching 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.

What are the major growth drivers for Orient Electric's LED lighting business in the country? Where do you see the brand in the next five years?

The major growth drivers for our Lighting business are the LED products especially LED lamps, LED battens and LED street lighting projects. Today, we are the third largest manufacturer of LED lamps in India. We have a strong Pan India distribution network of more than 500 distributors and 30,000 retail points which enable us to serve the consumers effectively. 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.

