

Havells to pull plug on CFL, focus spotlight on LEDs

LEDs contribute 75% to its lighting division's turnover of ₹1,000 crore

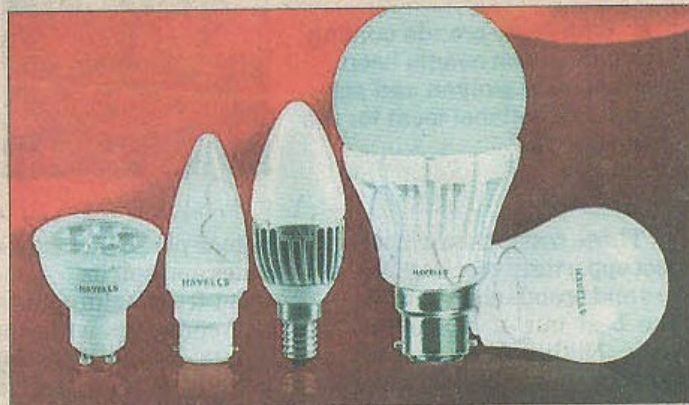
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Mumbai: Fast-moving electrical goods (FMEG) maker Havells will soon stop manufacturing and selling compact fluorescent lamp (CFL) products as it wants to focus on light-emitting diode (LED) lights that contribute 75% to the lighting division's turnover of Rs 1,000 crore as of March 2017.

Besides, the government is also promoting the use of energy-efficient LED products and encouraging people to shift from CFL. This, senior company executives said, will gradually lead to phase out of CFL lighting products from the market.

Anil Bhasin, executive vice president, Havells India Ltd, told DNA Money, "We will discontinue production of conventional and CFL lighting products. By the end of the current calendar year, conventional and CFL products will cease to exist from our bouquet of offerings. In fact, we have already started the process of phasing out these products and converting existing CFL users to LED lighting products."

Bhasin added that the government has levied 28%



CLEAN SWITCH

■ The government is also promoting the use of energy-efficient LED products

■ It has levied 28% GST on CFL lighting products as against 12% on the LEDs

goods and services tax (GST) on CFL lighting products as against 12% on the LED. "The government's focus is also promoting usage of LED products across the country, be it for street light, flood light, industrial, office light or for that matter usage by household consumer point of view. Lighting industry in the near future will continue

to grow faster because there is a huge untapped opportunity in the market. Every household using a conventional fixture is moving to LED as everyone wants to save money. There are many corporates who are our clients and we are aggressively pursuing them to change to LED purely for energy and money saving reasons."

Currently, the lighting industry is dominated by players like Philips, Havells, Bajaj, Crompton Greaves and Wipro. Some of the recent entrants in this space include Eveready, Orient, Usha, Syska, etc.

Growing at a rate of 12-13% annually, lighting industry in India is estimated at around Rs 9,000 crore. A late entrant in the lighting business, Havells claims to have

captured 14% market share growing at a compounded annual growth rate (CAGR) of 25% over the last five years.

Having enhanced its manufacturing capabilities from five lakh lamps to 25 lakh lamps per month, the company is eyeing a leadership position in next couple of years. This, Ajay Saraf, business head - lighting, Havells India Ltd, said, will be achieved by offering an array of innovative products and strategic alliances.

"Our manufacturing, research and development (R&D), and distribution capabilities give us an edge over the competition and we will extensively leveraging on these strengths. We are spearheading various innovations including the power of ethernet (POE) in which all lighting amenities can be brought together with other facilities such as - telephony, internet, electricity, HVAC integration, etc, through a single ethernet cable. This will not only do away with hassles of multiple dangling wires but also go a long way in terms of getting data related to energy saving, space optimisation, CO2 emission, daylight harvesting, etc," said Saraf.