



NTL began its journey in the lighting world in 2002 with the manufacturing of CFL ballasts. Today, NTL is possibly the world's largest lighting electronics company outside China. NTL supplies components to almost all Indian makers of CFLs. Now, through a collaboration with Lemnis of The Netherlands, NTL has also diversified into LED lighting. **Arun Gupta** charts the course ahead for the NTL Group. Gupta is confident that LED lighting will gain popularity as the cost barriers get gradually dissolved and there is better appreciation of their efficiency.

## LED will soon command a major share in the lighting industry

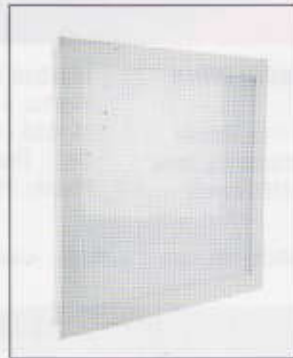
— Arun Gupta,  
MD, NTL Electronics India Ltd & Global CEO, NTL Lemnis

**NTL has made significant contribution to the CFL and LED lighting industry through high-value engineering. Tell us more.** From the very beginning, our focus has been on value addition and offering robust solutions to our customers. Lighting electronics industry has very peculiar requirements, based on voltage and outage issues. Since we have been pioneers in the segment and the largest player in the organized sector, we have studied the market closely. We believe that the key mantra to success here is to focus on innovation and investment in R&D. Right from the beginning we challenged existing norms in our endeavour to provide better solutions and quality lighting electronics and we have been pretty happy to have notched up successes on the way. We have 50 member-strong R&D team at Noida.

Since our venture into LED Lighting solutions has taken off, there is a huge need for high-value engineering. We are already planning to add another 60-70 people in our R&D team over the next one year.

**We understand that NTL Electronics today has combined annual production capacity of 15 million units per month. Tell us about your short-term expansion plans.**

What we are proposing is increasing our offerings, especially in the LED segment, where we are already producing over 100 types of products, targeted at all categories—home lighting, industrial lighting, professional lighting, street lighting, etc. The product portfolio for LEDs is likely to increase by leaps and bounds over the next few years and we are hopeful that we will







be able to meet any LED lighting requirement of any institutional or retail buyer, over the next few years.

The company has already laid out plans to expand the capacity of its LED lights to 15-20 million units annually in the next five years, from the current 7 million. We hope that we will capture 5 per cent market share in the next five years.

Yes, our eight facilities today have an installed capacity of 15 million units per year for CFL. We propose to optimally utilize our existing production capabilities and will look at increasing capacity only if there is a market demand.

**Tell us about the various brands that you work with as OEM suppliers of lighting drivers.**

NTL Electronics is a B2B company and a preferred OEM to all lighting companies—Indian and global. Today, our product portfolio comprises of electronic control gears, ballasts, luminaires, retrofit CFLs, LED drivers etc are made for the who's who of the sector like Crompton Greaves, Philips, Osram, Havells, GE Lighting, Halonix, Wipro, Bajaj, Samsung, Surya Roshni, Sylvania, Orient, and Eveready. Both the manufacturing and development activities for clients are undertaken at NTL.

**We understand that the tie-up with Lemnis of Netherlands will mark NTL's entry in the LED lighting industry, more importantly as a B2C player. Tell us about the collaboration and the current status.**

NTL Lemnis, a JV company between NTL Electronics and Netherlands-based Lemnis Lighting, a pioneer in LED

technology and product design, was set up in April 2012. However, our relationship with Lemnis Lighting began a few years before the formal JV. During the course of our interaction, we realized that both NTL and Lemnis had a single-minded approach in providing sustainable lighting solutions. We were looking for synergistic strengths to make a strong statement in this domain and mutually decided to form a joint venture.

Our JV had all the traits that were required to succeed in LED market; from being pioneer in product design and development to being one of the largest manufacturers of lighting electronics in the world. The most critical part of an LED product is its electronic driver and we have already kept our focus on enhancing driver development capabilities, thus developing products even for areas with unfavourable power conditions. We have sold 7 million LED bulbs till now!

NTL Lemnis primarily focuses on the geographical markets of Europe, Africa and India with company offices in Barneveld, Netherlands, and Noida in India. We launched our brand "Pharox" in India and have already gained recognition in institutional segment. For a new player, with just over one full year of presence in India, this means a lot.

**Over the recent years, do you see the Indian customer appreciating the cost-efficiency of CFL lighting?**

CFLs have found mass acceptance in the Indian market. The price points have also come down drastically adding necessary impetus to their adoption by the masses. It is not just the cost





efficiency but also the fact that CFLs have a longer life than incandescent bulbs that is being appreciated.

**Given that LED lighting would be more efficient than CFL, but costlier as well, how do you see the market in India for LED?**

LED-based lighting is a new technology and consumers are yet to understand its benefits and adopt them. In near future, with evolving technology, LEDs will take a major share in the lighting industry. Today, in general lighting, the percentage of home buyers for LEDs is still low due to high costs but this is changing rapidly. The prices are high as the volumes are not there. We believe that with mass adoption, prices will come down significantly, as it happened with CFLs.

**Despite the high capital costs, which segments would be early and aggressive adopters of LED lighting solutions?**

Currently, the conversion is driven by amount of usage. Due to the immediate returns on investment, 24-hour applications are most preferred. The LED lighting is still very expensive and therefore ROIs will come in from typical energy guzzlers like commercial spaces, retail, hospitality and healthcare sector as well as outdoor lighting. The streetlights sector has also seen a major movement in this space.

Today, the percentage of home buyers for LEDs is still low due to high costs but according to a report by McKinsey, 70 per cent of lighting will become LED based by 2020, so we are hopeful of adoption by this category as well.

**Though a proponent of energy-efficient lighting, at least in principle, India has not shown enough aggression in phasing out inefficient incandescent lighting. What is your view?**

Government is doing its bit to try and phase out inefficient lighting. However, given the mammoth size of the country and the fact that electrification is still an issue in the rural areas, expecting laws to phase out inefficient lighting like in the west, is too much to expect and too soon.

However with severe energy crisis looming, where not many new energy sources are created and energy consumption increasing day by day, a serious rethink on energy efficient sources is needed. The Government, by offering subsidies, is trying to get people to convert to efficient sources of lighting

like the CFLs as well as LEDs. And people are starting to make the effort to change and when the time comes, Indian Government, I am sure, will also look at passing laws to ensure that energy is optimally utilized.

**We understand that LED lighting can be made even more efficient by complementing it with solar energy, for instance in street lighting. What is your opinion?**

LEDs are energy efficient but currently expensive. Solar is a new technology, but again, installation and panels are expensive currently. We firmly believe that together, they can make an unbeatable combination. But this is possible for only areas where there is ample sunlight throughout. This is why solar is so popular in Africa. We at NTL Lemnis offer several products that have a combination of both, and this range has seen wide acceptance in Africa.

In India, the government and corporate bodies are experimenting with both, with mixed successes. We firmly believe that street lighting is one area that can optimally utilize both LEDs and solar combinations. Delhi Government has even installed solar panels in

several stretches of street lighting, but these have been known to fail during winters and rainy seasons. I believe than a combination of conventional electricity sources and solar will work better rather LEDs running purely on solar energy.

**Tell us about NTL's goals considering both aspects – lighting drivers as well as complete lighting solutions – over the next five years.**

We propose to continue focusing on the B2B category where we are the leaders and keep providing our OEM customers with the best lighting electronics for their requirements.

In the lighting solutions category, NTL Lemnis will focus on creating newer and more innovative products for every lighting need and emerge as a substantial player over the next 3-5 year timeframe.

From our current turnover of Rs.700 crore, we are expecting that our sales turnover will reach around Rs.1,700 crore in the next five years. We expect that NTL Lemnis will contribute almost 35 per cent of this through lighting solutions. We will also expand our annual capacity of LED lights to 15-20 million units in the next five years, from the current 7 million.