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Solar power segment to grow due to economic reasons: Sameer Gupta

Interview with Managing Director, Jakson Power Solutions

Sudheer Pal Singh | New Delhi

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Sameer Gupta

Noida- based Jakson Power Solutions, with a revenue of Rs 1,350 crore in the past financial year, recently launched India's first mobile solar-powered generators. Still, the company, among the largest makers of [diesel generators](#) in the country, sees the diesel segment contributing a bulk of the revenues, Managing Director **Sameer Gupta** tells *Sudheer Pal Singh*. Edited excerpts:

What makes you so bullish on the demand for the mobile solar-power generator you just launched?

Solar power was a good field to venture into, as its cost has been inching towards grid parity, improving its acceptability. Solar-power independent power projects are land-based megawatt-scale plants, whereas solar-powered generators are "plug and play" solutions for rural applications in areas like telecom. Today, the cost of solar power is competitive and in certain states lower than the cost of conventional power.

What is the company's current revenue mix? How do you see it changing in the next few years?

We had total revenues of around Rs 1,350 crore last financial year. Of this, around Rs 1,000 crore came from sales of diesel generator (DG) sets. The power distribution and engineering, procurement & construction (EPC) segments contributed Rs 250 crore. The solar segment contributed around Rs 100 crore. Our focus is to maintain and grow the high market share in the DG set business. In other areas, we are relatively new and envisage higher growth rates. In the next three years, we plan to become a close to Rs 2,500-crore (by revenue) group, of which DG sets could be around Rs 1,500

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crore, power distribution and EPC Rs 500 crore, and the solar segment Rs 500 crore.

Do you have the manufacturing capacity to support these plans?

We currently manufacture and sell 9,000 DG sets (a year). We have made investments in our new plant at Jammu that has taken our installed capacity to 15,000 sets (annually).

For power distribution and the solar segment, we have made investments in our Greater Noida plant, which has enough installed capacity to churn out revenue of Rs 500 crore. We have sufficient manpower, infrastructure and financial resources to take projects of upto Rs 1,000 crore.

How will you fund this expansion plan? What is the overall capital expenditure you are looking at over the next four-five years? Do you see any acquisition opportunity in India or abroad?

For our latest 20 megawatt (Mw) independent power project, we have taken loan from Standard Chartered Bank, Singapore. For the new 10 Mw project under execution, we are in the final stage of discussions with three financial institutions and the talks should close soon. We have strong credentials and enjoy a CRISIL rating of A+. We plan to have portfolio of 100 Mw of solar-power projects in the next four years. Banks are willing to fund our proposed projects, in principle. As for our foreign plans, we are planning to venture into sales of solar-powered generators in West Asia and Africa through a dealer marketing network.

What is your outlook for the diesel and solar power markets?

As has been seen in the developed economies, demand for diesel gensets increases with higher availability of grid power. This is the main choice for emergency or back-up power. India is planning to add 85,000 Mw of grid power in the current Plan (12th) period. This means increasing demand for diesel gensets. The solar power business is bound to grow not only for environmental reasons but for economic reasons too. Still, we forecast our diesel business growing at an average 10 per cent year-on-year over the next 10 years or more.

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