

Riding on clean power



Guptas: moving with the time

Jakson group, the energy & engineering solutions conglomerate, was an early mover in the solar power segment, in 2011. Entering into solar power from genset manufacturing was a natural choice and the move paid off for the company. Of the group's turnover of ₹2,900 crore in 2016-17, the solar segment constituted ₹1,550 crore; gensets, ₹1,000 crore; and electrical EPC, defence and hospitality, ₹350 crore.

However, the market for the ₹6,500 crore genset industry is gradually improving and Sameer Gupta, CMD, Jakson group, believes that, while they are used less often, gensets will always remain as a power back-up. The company is the third largest OEM partner of engine major Cummins India for gensets.

Jakson, a closely held group, has consolidated its position in the solar segment over the last few years. It has integrated solar portfolio-generation (IPP), EPC & manufacturing. Jakson owns and operates 60 MW solar power plants in Rajasthan and Uttar Pradesh that sell power to state utilities under long-term agreements. In solar EPC, the company has a strong engineering & execution team for both land and rooftop based solar power projects. The EPC arm currently executes several large projects in India and overseas – such as 165 MW for NLC in Tamil Nadu, 65 MW for NTPC in Rajasthan and 40 MW in Chad, Africa. It has at present an order book of ₹1,000 crore. “Jakson provides the unique blend of innovative engineering and execution skills, which are essential for success in the solar EPC space,” says R.K. Jain, AGM, Solar Energy Corporation of India, under MNRE. “We offer complete solutions in solar,” says Sundeep Gupta, vice-chairman & MD, Jakson

group. “As the Central and several state governments are taking initiatives to increase solar power capacities, we see a tremendous opportunity for growth”.

Last year, the company had successfully commissioned its first 75 MW solar modules manufacturing facility at Greater Noida at a cost of ₹45 crore, as part of its backward integration. It produces photovoltaic modules ranging from 3-300 WP with high efficiency. To meet the growing demand of the PV modules, Jakson is scaling up its module production capacity and also foraying into solar cell manufacturing, advised by PwC. It is first setting up a greenfield unit for 500 MW modules in Gujarat, at an investment of ₹150 crore, which will be ready by June next year. “As much as 50 per cent of our production will be used for our EPC projects,” says Sameer. “Gujarat is the ultimate choice for us, because of its proximity to the port for exports. Jakson is also strengthening opportunities for IPP and EPC projects in countries in Africa as well as Bangladesh.”

The 250 MW solar cells manufacturing plant in Gujarat will come up in 2019 as part of the second phase expansion, along with another 500 MW module unit with a capex of ₹500 crore. India imports 80 per cent of the solar cells used in PV modules from China. “The solar cell production cost may go up by 2 per cent over imports. But, keeping with the long term view, it is wise to concentrate on indigenous production, looking at the huge potential of government's ‘Make in India’ programme,” claims Sameer. The Indian solar segment is growing at 20 per cent and the government has set a target to install 100 GW solar power capacity by 2022. “Jakson commands respect in the solar industry,” says Ashish Khanna, CEO, Tata Solar Power. “Their focus on export market is an indication of the company's confidence and desire for growth”.

The group is now set to diversify into the field of the education in a 50:50 JV partnership with Ravi Goyal of Delhi International School group. With an investment of ₹150 crore, it is building a residential school for girls at Neemrana, Rajasthan, which will be a franchisee of Mussoorie International School. It is expected to commence in 2018. The Guptas are looking to double the growth in solar energy next year and setting a target to take the group public in three years.

♦ SAJAL BOSE

sajal.bose@businessindiagroup.com

In March 2014, Business India had written about Jakson group's plans to strengthen the solar segment. Today, the company is one of the largest solar players, busy setting up new facilities and diversifying into the recession-proof education business