

This Energy Company is Set to Triple its Revenues Riding on Indian Power Giants



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When Jai Kishan Gupta migrated from Lahore to India in 1947, he set up a trading house in electrical goods. Little did he know that this trading house would evolve into an energy and engineering solutions business which is today worth over INR 2,700 crores. Over three generations, **Jakson Group** has diversified to grow into a consolidated business that is into generating sets, electrical contracting and solar industry.

Entrepreneur India caught up with **Sundeep Gupta**, Vice Chairman & Managing Director, Jakson about how the business has grown over the years and how they are revolutionizing the energy industry in India.

The Jakson Growth Story

While the business was established in 1947, they got into the generating sets business only in 1980. Soon, genset became their primary business, which they built from scratch and by 2008, they were an INR 1,000 crore company. “The main growth came after 2000 (until then they were a 50-60 crore company),” he said.

However, with the global economic meltdown in 2008 and within a span of two years, their revenues fell by over 30 per cent. This is when they thought of getting into new businesses to diversify their company. “We hired PwC as a consultant to identify new businesses for us. They came up with three choices, one of which was the solar industry. So, we got into electrical contracting and solar industry at the same time,” said Gupta.

Today, they have three independent lines of businesses – the gensets business which is worth INR 1100 crore, electrical contracting which clocks in a revenue of INR 400 crore and their solar business which is over INR 1000 crore.

For the Gupta brothers, there are no pressures of being a third-gen entrepreneur. Instead, it is their self-drive and passion that sees them set targets for themselves and achieve them as well.

Soaking up the sun for revenues

According to Gupta, the solar industry has three different value streams for companies – first in which companies play the role of developers where they generate power and sell the same to grids, second is as an EPC where they provide solutions to developers and the third is where they manufacture cells and modules for developers. Seeing the potential in all three streams, Jakson has established itself in the three segments. They handle big turnkey jobs for NTPC and NLC, and recently finished a project for Hero Group.

The solar industry in India is worth over INR 30,000 crores but it also faces its own set of challenges. “Currently, the biggest challenge is the total confusion around the customs duty, anti-dumping duty, and safeguard duty. The confusion has made the business very uncertain. Moreover, if you look at it from the product perspective, almost 85 per cent of the solar modules are imported from China which is not a good sign,” he said.

Gupta believes that in order to really benefit from the Make in India campaign, domestic manufacturing has to come up and the government needs to facilitate the same. “Today, over 3 billion dollar worth of modules is imported from China. If we replace them with cells and modules made in India, we are saving a lot,” he said.

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Joining Hands with Technology for Growth

While the company has seen decades go by in its record books, Sundeep along with his brother Sameer (Chairman and Managing Director), have managed to incorporate technology to change the way they work. With each passing day, they are striving to automate the processes. “We have been investing in automation and have also hired consulting firms for complete corporate restructuring. On the product side, our plants are completely automated while the product itself is evolving in an incremental manner,” said Sundeep.

At Jakson, they are also partnering with start-ups that have a good concept and potential. They are already working with a start-up that makes it easier for the maintenance and monitoring of solar plants.

The 5-Year Plan

From having three employees when their grandfather started out today they have 2,000 employees. For every industry too, they see massive growth. The solar industry, Gupta believes, will continue to grow for the next 15-20 years at 50-60 per cent per year. While the Genset business is saturated, it’s still a stable business and the EPC industry is a huge market, as there is so much investment taking place in infrastructure in India. “We aim to be a 1 billion dollar company in the next 5 years,” said Gupta.



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