

Third-generation entrepreneur transforms genset business into a Rs 2,500 Cr energy company

Sameer Gupta has led Noida-based Jakson Group's transformation from a small genset manufacturing business into a diversified energy company that's betting big on solar power.

What started off as an electrical goods trading shop in 1947 in Delhi's Kamala Market is today a pioneer in the energy sector. The seeds of the Jakson Group business were sown by Jai Kishan Gupta, who migrated to India from Pakistan during the Partition.

In the late 1960s, Jai Kishan Gupta's son, Satish Kumar Gupta, joined the business and took it to a new level. He set up a small genset manufacturing plant in Delhi in the year 1979, when the generator business was still untapped in the Indian market. Satish recalls that the company manufactured 60 gensets in the first year, and they were all sold.

Sameer Gupta, current Chairman and Managing Director of Jakson Group, says: "The quality of the gensets created a buzz in the market and drew the attention of global genset market leader Cummins, which offered Jakson the opportunity to be one of its OEMs in India."

In 1982, Jakson became an OEM for Cummins in India, which helped the brand in getting exposure and creating a niche in the Indian genset market.

Building on the foundation

Jai Kishan Gupta and Satish Kumar Gupta laid a solid foundation for the third generation of entrepreneurs to build on.

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Today, the organisation is spearheaded by brothers Sameer and Sundeep Gupta, the sons of Satish Kumar Gupta. They aim to transform the company into one of India's leading energy and engineering company diversified into four new business areas in the power sector – Powergen and Distribution, Solar, EPC, and Defence.

Sameer is an electronic engineer for whom the family legacy was not a compulsion but an obvious choice. Apart from leading the Rs 2,500 crore energy company, Sameer is deeply committed to the cause of environment protection, community service and improving the quality of life of people from marginalised sections of society. He is keenly involved in all CSR activities of Jakson Group in the areas of education, community services, and environment. He is also an active member of various industry associations and institutions.



L-R: Sameer Gupta, Satish Kumar Gupta, and Sundeep Gupta

Sundeep spearheads Jakson's solar business and is currently driving the company's foray into international markets and scaling up its solar manufacturing capacities.

Sundeep set up Jakson's solar manufacturing plant in Noida, Sameer says.

An integrated solar company

The company's powergen and distribution business comprise manufacturing and sales of diesel gensets, construction of diesel power plants, distribution of Cummins spare parts and country distributorship of Cummins products in Bangladesh. The solar business includes ownership of independent solar power plants, delivering EPC solutions for both land-based and rooftop solar power plants, and manufacturing of solar modules and solar products.

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Creating a niche in the energy sector, Jakson Group is one the few integrated solar companies in India with a presence in both B2B and B2C solar segments. Jakson Electrical EPC business delivers turnkey engineering solutions for rural and urban electrification, metro electrification, building electrification, substation and transmission, and civil construction among others.

In addition to these core businesses, Jakson has investments in the hospitality and education sector. The company owns and operates a business hotel in Phaltan, Pune, and is currently building two educational institutes in Haryana and Rajasthan.

Overcoming the challenges

Sameer says: "In the late 1990s, the genset market in India was dominated by close to 20 major organised players. High competition among the players, lower margins, and rising overhead costs led to several big players shutting shop in 1998-2000."

To overcome the challenge, the company focused on a lean management structure by reducing overhead costs and moving up the value chain with added assembly line products for genset manufacturing like control panels and switchgears among others. This backward integration helped Jakson retain a healthy margin and tide over the crisis faced by other players.

The company faced another crisis during the 2008 worldwide meltdown due to the collapse of the Lehman Brothers. Revenues dropped considerably and the company decided to diversify into aligned business areas like solar and electrical EPC (engineering, procurement, and construction) for growth. This delivered excellent results for Jakson Group.

A company with many firsts

"Technology always has been core to our business, and we have always been at the forefront in investing and adoption of new technologies across our lines of business," Sameer says.

Jakson Group has been a pioneer of the silent genset technology in India; it developed them in 1998. It is also the first genset manufacturing company in India to adopt CNC technology-led machinery at its manufacturing plants.

Sundeep reveals that the group's manufacturing plants are equipped with state-of-the-art machinery and that its solar module manufacturing plant in Greater Noida has fully automated assembly lines. The brand also offers customised innovative engineering solutions as per clients' project requirements and has delivered several innovative EPC (engineering, procurement, and construction) projects for government and corporate customers.

Plans for the future

Based in Noida, the Jakson Group has a robust presence across India with 2,000 employees, four manufacturing facilities, one global training centre, 22 sales offices, 14 service centres and a wide network of distributors and system integrators. It has an international presence in Bangladesh, Nepal, Singapore, Dubai, and several countries in Africa.

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Till 2012, Jakson Group was primarily a power solutions company with revenues of approximately Rs 1,000 crore.

"Post 2012, we diversified into new business areas like solar and electrical EPC. Our diversification from a power solution to an energy and engineering solutions company has been highly successful for our business. In 2016, our revenues were Rs 2,650 crore," Sameer says.

The family business has not raised any external funding so far.

Going ahead, Jakson Group plans to invest in setting up a new solar module manufacturing plant in India with an annual capacity of 1 GW. A solar cell manufacturing facility with annual capacity of 250 MW is also in the works.