

# The making of a million lights

Quality and innovation help this local enterprise's lamp creations find favour with more and more buyers abroad



Quality is a conviction for Kapoor and his company

"The serpentine queue outside the Delhi employment exchange drove my father to business," recalls Deepak Kapoor, 56, MD of Kapoor Enterprises. His outfit, popularly known as Kapoor Lamp Shades, makes lighting fixtures for residential, commercial, hospitality, and decorative ventures. Kapoor's father, Om Prakash, had fled Peshawar in 1947, during Partition. He stood outside the Delhi employment exchange for three hours before turning away in despair to a craft he had learned back at school: making lampshades out of paper.

Kapoor Lamp Shades now, which runs a chain of stores and is the number one exporter of luminaires in the country with a projected turnover of Rs80 crore in 2001-2 compared to Rs50 crore in 2000-1, had humble beginnings in the oppressive summer of 1948 on the pavements of Connaught Place in Delhi. Since then the company has added factories in Delhi, Faridabad, and Noida, a large export house in Noida's Export Processing Zone, 25 ancillary units for outsourcing, and 12 major outlets in most Indian metros and franchisee outlets

abroad, including one in Sri Lanka.

The company's USP was spelt out by the late Om Prakash himself. According to Kapoor, his father used to say: "Did you know that how an ordinary light can make your home beautiful in the most extraordinary way? Actually lighting can change the look of a room in a hundred different ways.

Kapoor is the domestic market leader because of the quality of its designs and service. Shahid Balwa, MD of Le Meridien Hotel, Mumbai, says, "In a fragmented industry like the luminaires, the Kapoors are very organised. Their prices are high, but they are extremely quality-conscious," he says. Kapoor has pocketed almost all the major hotel chains in the country such as the Oberois, Welcomgroup, Taj, Hyatt, Leela, and Park, and even quite a few abroad and all these have remained loyal clients during the past three decades.

"To maintain the quality and durability of our products the costs of production are high. As a result, even our own profit margins hover around 10-12 per cent," says Deepak. But he admits making higher margins from

Kapoor's sprawling retail outlets than from the hospitality industry and corporates, where there is stiff competition. Last year exports were worth Rs25 crore to the US, UK, and several other European countries, mainly Scandinavian, Australia, and China. The company has also been exporting huge volumes of bulbholders to these countries, and China, interestingly, happens to be one of the larger importers. Within India it realised nearly Rs8 crore from sales to hotels and resorts and Rs17 crore from sales through showrooms and franchisees in India and abroad.

Kapoor says that his chandeliers tastefully done up table lamps, wall sconces, uplighters, and exterior lighting have created a niche market in the US and UK. "In the European market: an aesthetic touch is more important than technical precision. For instance British buyers prefer products in the classical mould, whereas the Americans go for concealed functional lighting, and we have to cater for all kinds of tastes." This is most likely where the company's success lies. In the recent times it has also received trade enquiries from Latin American countries such as Venezuela, Brazil and Argentina.

To capture larger markets abroad Kapoor has established a number of teams to produce a range of new designs almost daily. The idea is to develop exports while augmenting the retail chain within the country and its neighbours. But not every Kapoor product is 'designer'. To serve such markets as the US, the company is set to collaborate with a German concern to produce functional lighting.

The Chinese threat doesn't perturb Kapoor. "That's because we will continue to enjoy a special status in the export market because our exclusivity in designs, workmanship, craftsmanship, and longevity of our wares," says Deepak. "The Chinese impact already being nullified by the introduction of new designs based on India handicrafts — our trump card."

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