

THE TEXTILE MAGAZINE

Volume: 58 Issue: 5
March 2017, Rs. 50

INDIA'S LEADING TEXTILE INDUSTRY MAGAZINE

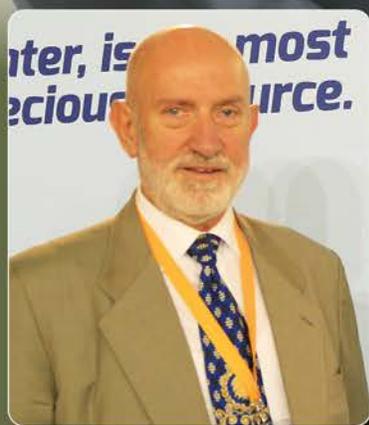
This edition presented by

PRECITEX

*Textile industry
investing in efficient power
management systems*

**Consul
Neowatt**
offers end-to-end
solutions

Mr. Sriram Ramakrishnan, CEO & Managing Director



EUROPROGETTI

sets up new Indian company



KIRLOSKAR TOYOTA

sells one million spindles of RX 300



ARVIND-INVISTA

successful partnership

Textile Industry increasingly investing in

Consul Neowatt offers end-to-end solutions

By K. Gopalakrishnan and M.K. Prabhakar

With growing emphasis on sustainability, one of the primary focus areas of the textile industry, or for that matter any industry these days, is on cutting down on energy costs. Not a single day seems to pass by without a new product or solution in the energy saving domain being launched nowadays. However, it is only a select few companies that have been able to make a distinct mark for themselves in this space. Consul Neowatt is one of them.

The company is today considered the industry leader in the country when it comes to power electronic products. It designs, manufactures and supplies a full range of power conditioning, power back-up products, services and solutions, including online UPS, industrial inverters, solar inverters, industrial systems, stabilizers, isolation transformers, active harmonic filters, static transfer switches and customized power electronic solutions in India for the domestic and export markets.

In a detailed one-on-one Mr. Sriram Ramakrishnan, the company's CEO & Managing Director, threw light on aspects such as the company's key product offerings to the textile industry, the key differentiating factors of its product range, technology behind its products, and future plans, among others.

Here are the edited excerpts of the interview:

The interaction began with Mr. Sriram giving a brief outline of the background of Consul Neowatt. Interestingly the company started off catering to the textile industry. "Our heritage dates back to 35 years. Initially we were making stabilizers for the textile segment, primarily catering to the mills in the Coimbatore region. For the first decade this was the focus area. Then the company went on from stabilizers to UPS products. Subsequently we started manufacturing larger 3 phase UPS systems. The company also began spreading its footprint, from being a South India-based company to having a pan-India presence, and in 2012 it

grew to a little less than a Rs. 100-crore company," said Mr. Sriram.

Mr. Sriram further stated that it was the time that new investors came into the company. It was also around this time that Mr. Sriram took over the reins as CEO and MD. "We really wanted to see how we can build this business to be the No.1 Indian power electronics company. In consequence to that we started looking at how we can improve our product offering."

Widening product base

The search led to a phase of mergers and acquisitions (M&A). The company acquired the Pune-based Megatech in 2013. It then merged with another Pune-based company, Neowatt, in 2014. The company name was changed from Consul Consolidated Pvt. Ltd. to Consul Neowatt Power Solutions Pvt. Ltd. in 2014.

The acquisition of Megatech helped the company get into the solar inverters domain, the merger with Neowatt helped it get easier access to some cutting-edge technology. Adding further on these developments, Mr. Sriram said: "After the merger with Neowatt we got access to their complete range of UPS products, as well as harmonic filters and higher-end solar inverters. We already had a strong pan-India sales and service network. Leveraging the advantages of the M&A today we have become the No.1 Indian company in this space and the fastest growing UPS company in India. In fact, we have grown 200% in the last 4 years."

efficient power management systems



Mr. Sriram Ramakrishnan, CEO & Managing Director

COVER STORY

It was also during this phase that the company began to take steps to improve its operations capabilities. Explaining the initiatives taken, Mr. Sriram mentioned: "We moved to a new factory in Chennai and upgraded our Pune facility. We also implemented an end-to-end SAP CRM system. We started a 4 language-based IVR call centre and all our service engineers have smart phones with a Mobile App



from which they are directed to customer calls and generate real time electronic service reports. Basically we created a strong foundation for scaling up the business."

According to Mr. Sriram the company had been traditionally strong in the engineering and healthcare industry and is looking to strengthen its position in other industries, starting with textiles, plastic processing, food processing, pharma, chemicals as well as in the IT and ITES sectors.

Going into details about the solutions that Consul Neowatt offers specifically to the textile industry, Mr. Sriram observed: "Most of the equipment that are used across the value chain in the textile industry are imported. Now, these equipment are sensitive to power issues. If there are voltage fluctuations beyond the point to which they were designed for, these machines stop. The traditional solution for this problem has always been servo-stabilizers, an area where Consul Neowatt is the undisputed No.1 in the country."

Machine stoppage means loss of productivity and material. More importantly, inefficient power management systems can affect the performance and reduce the life of the expensive imported machines. This is where efficient power management as a topic is becoming increasingly important in the textile industry.

Mr. Sriram felt that the mindset of customers is gradually changing and they are becoming more open to embracing new concepts and technology. He explained how typically in an open-ended spinning system there would be damages such as spindle threads snapping due to voltage fluctuation. In such a situation the entire system had to be stopped, re-threading had to take place, all of which leads to a lots of wastage of material and time.

"This also affects the quality of the threads. So now customers are willing to use UPS systems, which while being a more expensive option as a power protection equipment



Highlighting the technology which makes the UPS stand out from the crowd, Mr. Sriram said: "What a traditional UPS does is it takes input AC power and converts it into DC power. This DC power is in turn again converted into AC power using an inverter. While this ensures clean power, the double conversion process means less efficiency. Most of the latest high end textile equipment can handle some amount of voltage fluctuation. So our UPS typically supplies power through a highly efficient 'Static Switch'. This ensures power supply with 98% efficiency to the equipment. Whenever the fluctuation is beyond the limit that the equipment

is designed for, the system switches to the inverter. This way there is no conversion of power twice."

when compared to a stabilizer, offers you uninterrupted operation. This is an area where people are now willing to make investment to improve quality and productivity," added Mr. Sriram.

Giving examples of some recent major projects successfully executed by the company, Mr. Sriram pointed to a project in Tiruppur for a dyeing and finishing unit where it had supplied an UPS system. Similarly it has supplied a 500 KV UPS for Subba Lakshmi Polyesters. Ramraj is another top name which uses UPS systems from Consul Neowatt in its mills.

Higher efficiency factor

What is that differentiates UPS systems offered by Consul Neowatt from others? "Higher efficiency" is the answer, according to Mr. Sriram. Highlighting the key features of the company's UPS products, he elaborated: "When a UPS is running there is also a loss happening. Supposing I have a 500 KVA UPS running at 93% efficiency, I am losing 7% power for the benefit of getting uninterrupted power supply. We have come up with a UPS solution which can give you 98% efficiency. We have installed a 300 KVA system in Kalaimagal Textiles."

Going into further details about Consul Neowatt's UPS' specialty Mr. Sriram explained: "It is what we call a bi-directional inverter that we offer in a range upto 600 KVA. It is a UPS which features a unique technology and gives high efficiency. It is yet another feather on the cap of our Department of Scientific and Industrial Research (DSIR) approved R&D facility."

is designed for, the system switches to the inverter. This way there is no conversion of power twice."

No air-conditioning required

Another unique advantage with the UPS and inverter solution offered by the company is the fact that they can work without air-conditioning, which results in enormous savings. Throwing light on this feature, Mr. Sriram said: "Typically the UPS systems that we find from MNCs are designed for the European and American conditions, i.e., for working at ambient temperature in the range of 30 degrees celsius. Our UPS is designed for working in the 45 degrees celsius range. It is the perfect solution for the typical Indian working conditions."

According to Mr. Sriram, the company offers the perfect solution for every customer's need. For those wanting complete protection it offers the 'Falcon' range of UPS systems, which it has successfully supplied to over 1,500 customers over the last three years. Similarly for those wanting higher efficiency it has the 'Pelican' bi-directional inverter range.



COVER STORY**Unprecedented 5-year warranty**

Mr. Sriram further said that the company supplies Servo Controlled voltage stabilizer with both air cooled and oil-cooled options. It offers a 5-year warranty for its servo-stabilizers. Going into details on the offer, he added: "We are probably the first in the industry to offer such a warranty. We are continuously making improvements in our product reliability. The failure rate of our servo-stabilizers has been going down. We thought why not pass on the benefit to our customers. That's why this 5-year warranty."

When queried as to whether textile mills go in for a centralized solution or preferred a distributed kind of system, Mr. Sriram opined that traditionally when they expand over a period of time, mills start adding individual power protection system. However, when it came to large-scale projects, Mr. Sriram stated: "With a large project we would not recommend going for a complete centralized distribution. Instead we recommend a 'zone-wise' distribution system, i.e., you can for example divide the factory into 4 zones and have a voltage stabilizer or UPS unit in each of the zone."

Adding further on the topic, Mr. Sriram said: "The advantages with a distributed system is that even if something goes wrong with one unit, the rest of the units will not be affected. However, with the reliability factor improving, today I would recommend a zone-wise system which will give optimal power protection at lowest cost of ownership when compared to a fully distributed or a centralized approach."

Active harmonic filters

Apart from stabilizers, UPS and inverters, the company has also carved a niche for itself in the field of harmonic filters. But what are these harmonic filters in the first place? Giving an overview Mr. Sriram said: "Across the textile

value chain- whether it is spinning, dyeing, printing, or weaving, what you are ultimately doing is running motors. These motor are driven by variable frequency drives (VFD). These drives cause 'electrical pollution' because they draw current in a chopped manner thereby giving rise to harmonic currents. Not many know that the harmonic currents not only affect other equipment in the factory premises, but also affects those in the neighboring factories."

Harmonic currents can cause several types of damage such as increased losses, cables burnout, tripping of break-



COVER STORY

ers, premature failures of power factor correction capacitors and can cause unexplained VFD and PLC electronics to fail.

Consul Neowatt offers its 'IORA' which, according to Mr. Sriram, is the country's leading harmonic filter. The state-of-the-art active harmonic filter works by measuring the level of current harmonic in the supply line and eliminating it by generating counter harmonics in real time. Loyal Textiles, a top name in the textile domain, uses harmonic filters from Consul Neowatt.

Regarding awareness levels about the kind of harm that harmonic current can cause Mr. Sriram felt that much needed to be done. In States such as Tamil Nadu Electricity Board slaps a penalty for generating harmonics beyond a set level. The authorities have put limitations on harmonics produced by each consumer, in line with the Central Electrical Authority (CEA) guidelines, which is in turn in line with IEEE 519 International Standards on harmonic regulations. In other States too similar steps are being taken to curb the problem.

Mr. Sriram, however, felt that a gradual change in the mindset of customers is taking place. "Some progressive mills are buying harmonic filters, not only to avoid the penalty but for getting the benefits of improved uptime and better life of electrical components; they also want to be good corporate citizens by ensuring any electrical pollution produced by the VFD in their facility does not affect the grid or the neighboring consumers on the same utility line. This heartening trend is picking up pace and augurs well for the future."

Competitive edge

The Indian market is flooded with UPS, stabilizer and inverter products, across various price points. While a good majority of the market is catered to by large corporate entities, there are scores of small players too in the fray, offering their products at a much cheaper price than the former.

Asked as to what gives Consul Neowatt's product offerings the competitive edge in such a market, Mr. Sriram replied: "When it comes to servo stabilizers, yes there are several local players. However, we are very confident about the quality that we offer. Remember we offer a 5-year warranty. We have a 250-strong team of factory-trained direct service engineer spread across the nook and corner of the

country to provide service support. We have a mobile app using which customers can register complaints, for which they get immediate response through the app, as well as SMS. They are even sent the service engineers name and mobile number in real time, seeing to it that the issue is resolved. So, in terms of service support too we guarantee a better experience that local players cannot match. This is apart from the 5-year warranty."

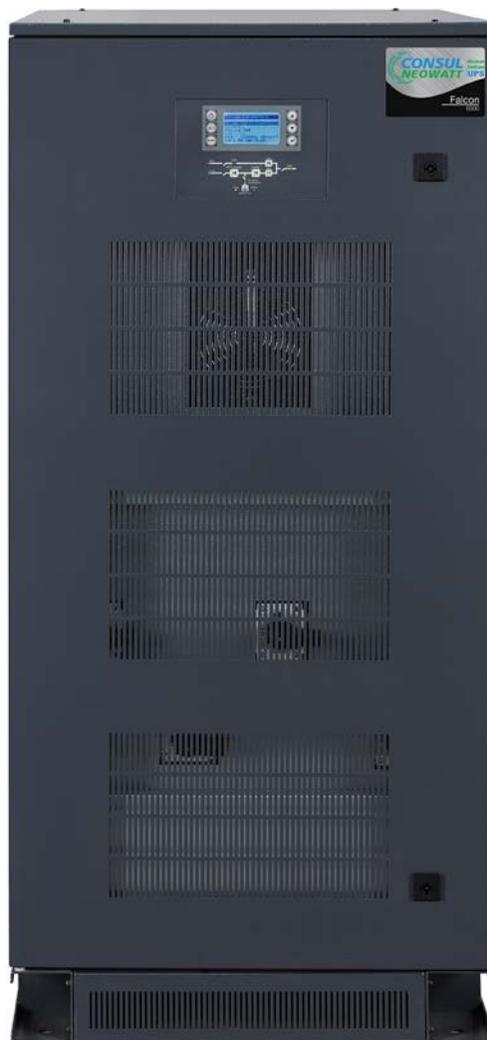
Commenting further on the competitive edge factor, Mr. Sriram observed: "There are several very small players too in the servo stabilizer market segment, those that offer their products without excise duty. Now, with the GST coming, they will find it tough. For a client today these players may offer a product which costs less, the price difference being mainly driven by the taxation front. However, with GST this advantage may go away. Adding to that is our 5-year warranty and comprehensive after-sales service support back-up, which very small players cannot imagine offering their customers."

While this was the case with stabilizers, in the UPS, inverters and active harmonic filters space, Mr. Sriram felt that the competition was more from MNCs, along with a few large-sized local players. "In this market segment you don't have small players, since it is technology driven. Here too we have a clear advantage for we offer technology that is on par or superior to MNCs. Plus, as mentioned before we offer excellent after sales service support. There have been instances in the textile industry where customers have suffered due to poor service support. Add to this the fact that as our products can work without air-conditioning, we definitely offer a lower cost of ownership when compared to the MNCs," he said.

Responding to a query on the kind of market share that the company's products enjoy, Mr. Sriram stated: "In stabilizers we have about 20% market share and are the No.1 in the country. With respect to UPS in the industrial space, we probably have a 5% market share. But we have been growing at a rate of 50% a year for the last few years with the 'Falcon' and 'Pelican' UPS products."

Optimistic outlook

Speaking about the challenges for the textile industry in terms of power management, Mr. Sriram said: "Energy is probably the second most important variable



COVER STORY

cost after labour for industries. So, people will look to reduce energy costs. This is what our products help them to do. There is rising awareness to increase productivity and improve quality. Those in exports already know the value of these efforts. There may be some who may say 'since there is no power I will shut down. Why should I invest when I am already in loss'. Hopefully with the economy improving and businesses growing, clients will no longer want any interruptions due to power related issues."

Mr. Sriram felt that there is increasing awareness among various industries that here is an Indian company that offers world-class power back up solutions. "With the second generation of entrepreneurs taking over in several industries, one can sense a drive



to become more professional and focus on aspects such as productivity and quality. All these factors mean that Consul Neowatt is well positioned to take advantages of the changes in the market."

Speaking about the company's export plans, Mr. Sriram responded: "As of now we are primarily focussed on the Indian market. We have recently started exporting to Sri Lanka. We also recently participated in a trade show in Bangladesh and have already got a good number of enquiries from textile mills in that country. We also have a presence in Africa. Nigeria is a big market for us. Countries like Tanzania and Kenya are also being served by us, albeit at a small scale. The focus for now remains on further increasing our reach and penetration across the Indian market."

Trusted power partner

The company whose turnover touched approximately Rs. 300 crores this year (up from approximately Rs. 250 crores last year) has plans to further expand and upgrade its manufacturing facility in Pune in the near future.

Consul Neowatt is a preferred partner for hundreds of textile mills across the country and also for a number of OEMs from the textile industry today, namely, LMW, Muratec, Savio, Schlafhorst, Truetzschler Carding, Lakshmi Kaipo, Skaat in spinning; in knitting, Mayer & Cie. and Pailung; and in weaving Toyota, Picanol, Itema also Karl Mayer for sizing.

Sharing his message to the textile industry, Mr. Sriram felt that people in the industry still had a wrong perception about the company as being a stabilizer company.

As a parting shot he added: "We want to highlight the fact that we offer a comprehensive range of solutions consisting of not only stabilizers but also UPS, inverters and active harmonic filters, all of which can make a world of difference to the textile industry. This is the message that we want to drive to the textile industry – there is an Indian company that is as good as the MNCs. It is a company with which they can work as its trusted power partner."

