

# INTERFACE

**KATLAX ENTERPRISES PVT. LTD.**  
*Facing Challenges through  
Impressive Performance*

**MR. L.R. KATRAT**  
*Managing Director,  
Katlax Enterprises Pvt. Ltd.*

**Q & A** **Key factors responsible in establishing your industry in Gujarat.**

We decided to set up our facilities in Gujarat after due diligence. Gujarat has distinct advantages of Infrastructure which is much better than any other Indian State. The Power Conditions are better or you can say almost uninterrupted. The Law and Order situation is better except distortion by some wasted groups' campaign and Media hype created post Godhra violence and misrepresentations of facts. Gujarat has business friendly Government and efficient bureaucracy and people are natural entrepreneurs who do not cause interruptions and there are no labour troubles which are faced by most of Industries in rest of the country. Gujarat has international linkages to the whole world through network of Non Residents Gujarati (NRGs) who provide excellent platform for international trade.



**Q & A** **Elaborate on your manufacturing locations, location of plants, investments, technology and human resources.**

We have set up our manufacturing facilities in Santej village which is just 5 KM from Ahmedabad Municipal Corporation Limits and falls in Capital District - Gandhinagar. Our facilities are spread on 35000 sq.ft. land with approximately 20000 sq.ft built-up Area. We have integrated manufacturing set up which is unique feature of type of our industry and size. We have 3 SBUs viz.

1. Sensors & Field Devices
2. Interface Products (Connectors & Cable Assembly)
3. Controllers & Instrumentation

With in-house Tool Room, Injection Moulding, Prototype Shop, Design & Development and Full line of Electronics manufacturing facilities, we have achieved all Bench marks that qualify for International Business standards.

Again we are a unique company as we have chosen a path for our own developments and all our products are designed, developed and manufactured by our own Team. When the entire industry was seeking route of collaboration to get into market by encasing collaborators reputation, we created our own brand by heavily investing into Brand Equity, Infrastructure, Product Innovations, National and Global Bench Marks & Certifications, Accreditations and Systems and Show Casing our Strengths in National & International Exhibitions & Trade Shows.

We endorse our philosophy of respecting Intellectual Property (IP) Regime, we have filled patents for few of our products and are published by Indian Patent Office and European Patent Office. We are happy that we have retained our market share and strengthen our position with each passing day in highly competitive Indian Market which is on top of world's Emerging Market where every major player wants to enter and grab the market share.

Since we have strategically invested in building our own strengths we are less vulnerable to Raids & take-overs by international giants.

Our Growth Engine is financed by our internal accruals and we are profit making and dividend paying Company from inception and our financial rating is carried out on regular basis by Dun & Bradstreet (D&B) through their associate SMERA.

As regards to our Human capital, we have Team of competent professional which includes PGs from Management (MBAs) & Embedded Designers. Due to our constant training we keep our Team well informed and the highest level professional like CEO is not exception to this exercise.

## Q & A

### Q & A Significant achievements in company's history

When Katlax entered into Business, India was facing serious crisis of BOP and with 20 Tonne Gold pledged with Bank of England, Forex was critical and the Indian Govt. had no option but to ban import and by putting heavy restrictions such as 200% Margin on LCs. There was an anti-import climate and then began Globalization and liberalization of Indian Economy. Since India is an Emerging Market, all European and US Companies, either Giant or Midsized, wanted to tap the Indian market and it added another threat to Indian companies as they had to face tough competition from resourceful overseas companies. Katlax has experienced two extreme situations with Market conditions from anti import to pro import regime and has courageously faced and grew at CAGR 25% plus. This made Katlax face challenges from all corners and eventually made national brand with small limited exposure to Export market which it has penetrated in more than 25 countries which are all developed economies. This itself is fuelling Katlax's ambitious plans for growth and poised to grow at 50% Y-o-Y for next 5 years. Now Katlax is associated with number of International Brands as alliance partner and preferred partner for Private Labeling. These are achievements because number of Mid and Small Sized Indian entities have either lost their identities and fallen into Merger & Acquisition (M&A) game plans of mighty MNCs and resourceful brands.



### Q & A Growth prospects for your industry in the state and in India

Our Industry has growth potential in the State as well as in whole of India. With Infrastructure as a major agenda of the Govt. and for fast growing Economy, the future of Automation Industry, in general, is bright and Indian Companies are fast in the learning game of globalization will make major difference in Export markets too. As more and more foreign companies setting their manufacturing facilities in State and in other part of India there are tremendous opportunities waiting for Quality manufactures of India and we are more than optimistic to share these opportunities.

Automation Industry has growing market segments from Machine Automation to Factory Automation, from Logistics to Security, from Asset Tracking to Weather Forecast. Automation is everywhere so also Sensors and Field Devices, Inteface and Controllers. I see the growth trajectory to continue for the next decade. Indian companies will immensely benefit from overseas companies in areas of technologies and they will provide big volume business to retain their market share by outsourcing and private label. Indian companies will have access to globally accepted practices and bring best out of them.

### Q & A Challenges towards development in the state and solutions for the same

Every development is associated with challenges and Gujarat cannot be an exception. The industrialization will lead to exodus from Rural/Moffusil Towns to Cities causing large scale migration putting heavy pressure on civic infrastructure and Law and Order machinery. The imbalance of incomes and disparities in socio-economical activities will create friction amongst various stake holders. Manpower crisis will lead to expensive labour cost and low cost manufacturing will become a myth and advantages of competitive



manufacturing will face a test which some of Chinese provinces are facing now.

The SEZ concept will lead to frustrate farm sector and may lead to situation like Singur which cannot be ruled out in near or distant future. The role of State administration is taken over by CEOs of Private Companies whose sole purpose is profiteering and hypocrisy of Corporate Social Responsibilities (CSR) and the poor and weak are at their receiving ends without proper machinery to address their grievances. Gujarat has poor record of activists with Social cause like fighting for the right of the poor. Environment and Bio-diversity damage is another serious issue.

As it is knowledge of Public domain that Mega Projects like Narmada Dam or Nano will displace many families and with a one-party strong government and weak opposition many Human Right issues will be swept under the carpet as Legislation will be biased in favour of the privileged class and all this may lead to unrest.

Frankly small and midsized industry have limited resources and power to fight these devils.



### **Q & A** A Brief on your products and applications.

We are manufacturing basic Automation components like Sensors of all types viz. Inductive, Capacitive, Photoelectric, Hall, Magneto Restrictive, Magnetic, Level Proximity Witches for Textiles, Plastic, Pharma, CNC and all type of Machine and Factory automation. We have also wide range of Field Devices like Intrinsically Safe Zener Barrier /Isolators, Namur Amplifiers, Controllers and High end Automation Transmitters for Pressure, Humidity, Temperature, Flow using different Protocol such as Digital, 0-10V, 4-20 mA, using RS232/485 Communication and MODBUS. These Controllers are used in High end Automation like Clean Rooms for Pharma, Space Electronics, AHU, Chip facilities and varied application where Air Pressure, Temperature and Humidity with Foreign Particles are critical parameters.

We have also developed expertise in Areas of Cargo Tracking, Asset Management, City Fuel (Gas & Liquid) Distribution Data Acquisition System (DAS) for SCADA and Turn Key automation involving all types of Industries and Applications.

We have backward integration wherein we manufacture full range of Interface Products (Connector & Cable Assembly) for Sensors & Field Devices Communicating to Intelligent Controllers. These products are widely received by leading Indian and overseas Automation Brands some of them in Private Label form.

We have client base extended all over India and 25 overseas markets and engaged in every activity of manufacturing, service, security, safety, energy, health care and the list is endless.

### **Q & A** For engineering innovations - outline your company's focus on R & D activities

We have strong R&D Team engaged in development of Hardware and Software. Our Patent for Smart Sensor & Electronic Seal Monitoring System (ESMS) published by Indian Patent Office & Austrian Patent office is Testimony of our original R&D work. We have executed prestigious projects of Oil cargo Tracking using ESMS Solution for HPCL, ONGC, OIL with leading Channel partners like Micro Technology India Ltd and Micro Secure Solutions Ltd for 5500 Tankers and now executing another project for 6000 Tankers..

We have built DAS for CNG-PNG for Ahmedabad City and executed this prestigious project with Honeywell for Adani energy Ltd. We have been chosen as dependable vendor for developing import substitution components and systems by number of European manufacturers for



## Q & A

their OE requirements.

We have been chosen as potential Exporter to EU by Dutch govt. through their Initiative for Imports from developing Countries; program funded by Dutch Govt (CBI) and is actively participating in various training in Europe and India and participation in Hannover and Interkama Trade Fairs in Germany.



**Q & A** **Your comments on the energy scenario in the state and your vision for powering progress**

Gujarat is well placed on Energy Map either Electricity or Natural Gas. The privatization of this sector was done long back and numbers of Power Plants by Private Sector Operators are operating for more than decade has clearly demonstrated that Gujarat has well received the concept. With major Refineries of Reliance, Essar & IOC and major Piping Projects either completed or on verge of completion will provide entire state with clean domestic, automobile and industrial Fuel (CNG,PNG,LPG).

Gujarat Govt. under able leadership Hon. Chief Minister Narendra Modi, has initiated number of initiatives and the State is headed towards Power House not only in Indian contest but the State Domestic Product (SDP) will touch close to some of Emerging EU Markets from eastern Europe.

**Q & A** **Do you see enhanced opportunities for greater investments in the state? Elaborate on recent ventures and future forays.**

I think there are tremendous potential for Investment in Gujarat which is demonstrated by "Vibrant Gujarat - 2009" where the bigshots of the Indian Industry shared common platform with Gujarat CM and signed number of MoUs. Few Captains of Industry could not stop praising the CM and calling him the best CEO for



national development which later became major Media debate. The recent investment is clear chit to Gujarat's good governance where few MNCs decided to invest shading post Godhra image of violent Gujarat. The natural advantages like 1600 KM costal line providing opportunities for Port building, Infrastructure like Power, Road, Rail Links connecting entire country and State with maximum operational Airports (Ahmedabad, Baroda, Rajkot, Surat, Jamnagar, Bhuj, Bhavnagar, Diu, Keshod) makes Gujarat truly investment friendly state and with aggressive political leadership and home grown entrepreneurship has made world business leaders from this state whether US,UK or Africa you will find Gujarati everywhere which is added advantage in networking and cluster development. Precisely this has made Gujarat much stronger as most of investment has come from Indian community with Gujarat link and it has minimum tag of conditionality.

**Q & A** **Your views on the present industrial climate in the state.**

Having said so much, it is translated into a big number of projects coming Gujarat's way. One good thing happened for Gujarat as it has insignificant PSU investment, it has nothing to loose when PSU became sick and lot of downturn industry became sick. Gujarat Investment is consistent with its policy and there are limited irritants which generally happen with FDI. Gujarat will grow at the same or even at a higher than it did in last decade.

