

Indo Phil and Meralco put Philippine textile manufacturing back on world stage



Indo Phil Textile Mills Senior Executive Amitabha Basu stands in front of the company's machines. With Meralco's business solutions, the mill is once again on top of the world.

Indo Phil Textile Mills is the largest textile yarn manufacturer in the Philippines. But not too long ago it was being dragged down by regional competitors' lower costs. A partnership with Meralco helped Indo Phil get back on its feet.

The common practice then was that mills operated their own diesel-powered generators and produced 100 percent of their mill's energy requirements. Then crude prices inched up and Asian countries Indonesia, Thailand, Vietnam, and China undercut prices and poached the country's customers.

The Philippine textile industry suffered and Indo Phil Textile Mills was no exception.

Meralco offered to look into Indo Phil's operations and reviewed its energy sourcing model.

The study revealed that operational expenses (OPEX) had to be curbed.

A Meralco pricing scheme was the solution.

"The use of gensets can be a burden to manufacturers as they have to attend to the operations and maintenance of these facilities on a daily basis. Moreover, its use impacts the operations of enterprises especially those with power-sensitive equipment. Given the volatility of fuel prices lately, gensets are actually a higher cost alternative versus sourcing from Meralco," said Meralco Vice President and Head of Corporate Business Group, Victor S. Genuino.

The Meralco Proposition

Indo Phil consulted with Meralco, which came back with a novel proposition with special rate programs which best matches their time of consumption and power quality solutions.

Indo Phil initially enrolled in the Time-of-Use (TOU) program, which weaned them away from their previous dependency on self-generating electricity.

Around December of 2012, as the TOU scheme was about to expire, Meralco advised Indo Phil to segue into another rate program called the Meralco Peak/Off-Peak Program (POP). This program provides customers the option to consume more power in the evenings when the cost of electricity is lower.

"In order to survive in a highly competitive environment, we had to produce the best quality product at the lowest possible cost. Meralco's rate programs provide us with just that. It became our mantra for surviving," said Amitabha Basu, Indo Phil's Senior Executive who has been in the Philippines for 20 years.

Basu further explains, "The POP became an advantage for us because in the night time the power cost is lower. We run the plant 24 hours a day, 350 days in a year, in three shifts."

When Indo Phil relinquished its power requirements to Meralco's hands, the mill was able to concentrate on its core competency.

With Meralco in tow Indo Phil once again found its footing. The partnership proved critical in saving the business.

From limping to leaping

With efforts refocused and OPEX reduced, the mill was ushered back onto the world stage. In the course of saving thousands of jobs Indo Phil also became solvent enough for their successes to become contributory to the Philippine economy and the local community.

Through the years, Indo Phil has been a driving force behind the Mahaveer Philippines Foundation (MPFI), which aims to make a qualitative difference to the lives of the physically impaired by providing artificial limbs to amputees.

Indo Phil bears much of the production cost of the prosthetic legs, called the "Jaipur Foot," which are manufactured and distributed by MPFI. The company also made a donation to the Philippine National Red Cross after last year's typhoons to give back to the community, especially in Manila and Bulacan.



Indo Phil President Kishan Singhania (holding trophy) and Indo Indo Phil Senior Executive Amitabha Basu (2nd right) pose with Meralco President & CEO Oscar Reyes (extreme left) and Meralco Chairman Manuel Pangilinan (2nd left) during the 2013 Meralco Luminary Awards.

Indo Phil also instituted regulations to maintain a healthy and safe environment for workers, and made commitments to employee training and development.

These efforts became a company-wide acknowledgment that doing good for the community contributes to doing well for the business.

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**- Amitabha Basu,
Indo Phil Senior Executive**

And it is now a business that has done well enough to be awarded as the most outstanding 2012 Meralco Corporate Industrial Luminary during the 2013 Luminaries awards night, a customer appreciation program which recognizes top customers from the private and public sectors that share Meralco's vision of a brighter Philippines.

Top of the heap

From the brink of failure, Indo Phil Textile Mills now operates 91,000 spindles at three plants and a dye house, with approximately 1,400 permanent employees. It produces about 68 tons of quality yarn per day such as TC (Teteron Cotton), CVC (Chief Value Cotton), Rayon, and acrylic high bulk, and acrylic non-bulk dyed yarn, for both the local and export markets from its Marilao, Bulacan facilities.

But it was the timely advice from Meralco that saved the textile manufacturer from closing shop when contemporary factories have failed.

By allowing Meralco to practice their expertise, Indo Phil was freed to practice theirs.

These good practices now go beyond the workplace, improving not just the lives of the workers, but the society in which they conduct business. For this, Indo Phil has now shines as a 2012 Meralco Corporate Commercial Luminary.