

# smart CEO

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Where the old & new co-exist

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A portrait of Gyanesh Chaudhary, a man with a beard and mustache, wearing a dark blue checkered suit jacket over a white shirt and a dark vest. He is standing in front of a gold tufted leather wall. The text 'The Rise Of VIKRAM SOLAR' is overlaid on the bottom right of the image.

## *The Rise Of* **VIKRAM SOLAR**

Gyanesh Chaudhary has spearheaded the growth of one of India's leading solar solutions companies, Vikram Solar



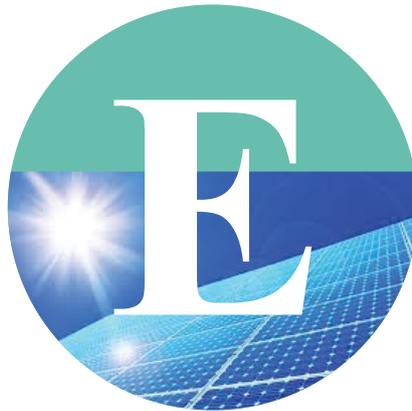
# THE RISE OF VIKRAM SOLAR

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Gyanesh Chaudhary has spearheaded the growth of one of India's leading solar companies, Vikram Solar. The company touched revenues of Rs. 1,659 crore in FY 2016-17, delivering a 5-year CAGR of 53.91 per cent. The key to its success, Gyanesh believes, lies in the firm's deep focus on technology, innovation and emphasis on engineering excellence.

## BY TEAM SMART CEO

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Earlier this month, the editorial team of Smart CEO caught up with Gyanesh Chaudhary, Managing Director and CEO of Vikram Solar, a globally recognized solar energy solutions provider, specializing in high efficiency PV Module manufacturing and EPC solutions. As with most of our stories, the mandate was simple: to capture the growth journey of Vikram Solar and present a first-hand account of Gyanesh's experience in building the foundation and scale for the company, understanding his vision for Vikram Solar over the next five years, and tracing his own evolution as a leader.

Founded in 2006, Vikram Solar operates four SBUs (Strategic Business Units) – Manufacturing of Solar PV modules, EPC solutions, Rooftop Solar implementation and Operations & Maintenance (O&M). Over the last five years, Gyanesh and his team delivered a phase of accelerated, profitable growth and scaled revenues to Rs. 1,659 crore in FY 2016-17.

We kickstarted the interview with a simple question to Gyanesh; what is his No. 1 priority today? "Staying relevant and sustainable," he says, explaining further that "Today, we have a capacity of 1 GW (in the PV Module manufacturing business), and it is crucial for us to stay innovative. There is a deep focus on embracing Industry 4.0 techniques, using data analytics for decision making and enhancing our focus on robotics and automation." The leader believes that this technology-centric approach is critical, as the market opportunity is tremendous and for the company to keep pace with the opportunity, innovation has to be at the core.

### ***The early days***

At the time of founding the company, the Indian solar industry was very nascent. Mr. Hari Krishna Chaudhary, Gyanesh's father and the Chairman of Vikram Group felt the need to step into the energy industry, keeping in mind the international energy

Over the years, I have realized the importance of maintaining wonderful relationships with our various stakeholders - employees, vendors, customers and the government. It is important to focus on the grander mission and be selfless in nurturing these relationships



crisis, need for a cleaner energy source and Vikram Group's international mindset. Manufacturing was in the DNA of Vikram Group and the senior Chaudhary felt that there was a revolution waiting to happen in the solar space. Gyanesh travelled to several trade expos world over to identify an entry point – a specific opportunity to tap into in the overall solar market. Within a short span of time, the family realized that while EPC solutions and solar implementation would be good businesses to get into, it was crucial for Vikram Group to look at PV module manufacturing.

Without wasting much time, Mr. Hari Krishna Chaudhary along with his two sons evaluated the opportunity of setting up a small Solar PV Modules manufacturing facility. "We started small." reminisces Gyanesh. The focus always though, was to ensure rapid scaling once the foundation was built. Vikram Solar also took the call of building this into a global play, tapping into the export market, especially in Europe. The company imported machines from Germany, US, Japan and Switzerland to ensure total quality management (TQM) and high-efficiency production. By 2009, the company opened an office in Germany and, as India's only Tier-1 module manufacturer (a titled rewarded by BNEF), in 2015 its manufacturing capacity was up to 500 MW. Vikram Solar achieved

a 1 GW capacity in 2017 and is one of the largest PV module manufacturers in the country today.

Here, Gyanesh shares a crucial insight about PV modules as a product. He says, "We were very clear that what we're manufacturing is a product that will last 25-27 years. There are very few products that last so long; so quality was the cornerstone of everything we did." From a market opportunity perspective, in 2006, the company certainly had to be export oriented. At the time, there was only about 10 MW of solar installations in India. According to research by Bloomberg, this number has already touched 20 GW in FY 2017-18, with the Government having issued a goal of touching 100 GW by 2022. "Today, the euphoria around solar is phenomenal. I was at COP21 (the climate change summit) and it was very clear that the investment climate for Solar will remain very

Rs. **1,656** crore  
REVENUES in FY 2016-17

Rs. **53.91%** crore  
CAGR

# Timeline of Vikram Solar's PV Module Manufacturing Business

2006

Incorporation of Vikram Solar with a deep focus on building a Solar PV Module Manufacturing business

2009

Office setup in Germany to tap into export markets in Europe

2012

Crosses 120 MW in annual manufacturing capacity

2014

Became India's only Tier-1 module manufacturer (BNEF)

2017

Achieved 1 GW manufacturing capacity

## Highlights from Vikram Solar's EPC & rooftop business

**01** First company to build Solar PV rooftop array at the Kolkata airport, among the world's first airport to be 100% solar powered

Completed or in the process of commissioning around 1000 MW of EPC projects Built and installed India's first Floating Solar Power Plant

**02**

**03** LCOE-based EPC approach instead of CAPEX based

robust. India is inching towards becoming the top country for solar installations (we're currently at No. 3)," he says.

### ***The EPC & Rooftop Business***

While a major chunk of Vikram Solar's revenue comes from manufacturing, the company has also built a robust EPC business, again with a focused effort on engineering excellence. It has delivered EPC solutions for both private and public sector clients across India, including a 130 MW implementation for NTPC in Rajasthan and 80 MW for GIPCL in Gujarat. The company was the first to commission a floating solar plant in the country and has completed or is in the process of commissioning around 1000 MW of EPC projects.

On the engineering front, the company has built a robust process, right from operations planning and financing to engineering, procurement, delivery, construction and finally O&M. It has established Quality Circles (QC) comprising of leaders from engineering, procurement and project management backgrounds to ensure the highest level of client satisfaction. Additionally, the company embraces emerging and proven technologies like single axis tracker, battery energy storage system (BESS), string and micro inverters and floating solar systems. Its engineering team also prepares a

risk analysis and mitigation matrix to spot key challenges ahead of time.

Touching upon the growth in the rooftop solar segment, Gyanesh adds that this SBU has completed 250 projects, including a 2,000 KW solar installation project for Airport Authority of India (Kolkata).

### ***Going forward***

While Gyanesh is careful about sharing forward looking statements, he subtly mentions his goal of touching a billion dollars in revenue by 2022. From a manufacturing perspective, he is looking to double the manufacturing capacity to 2 GW by 2020, and wants to drive growth across all four SBUs. He adds, "For us to meet these goals, staying hi-tech and innovation-centric will be the key." The company is also exploring joint ventures, both for technical collaborations as well as market access.

When quizzed on policy-level suggestions, Gyanesh suggests that it would augur well for India if the Government launches ecosystem-level initiatives that would look at the Solar industry as a whole. "We had the telecom revolution for sure; but I would say, we missed out on the manufacturing ecosystem for telecom. Most of the electronics is actually manufactured in China. In the solar



industry, I would urge our policy makers to think of deeper solutions that would favor the Indian industry as whole, especially from a manufacturing standpoint. It'll make sense from an economic perspective as well as in terms of job creation, and will make the ecosystem more sustainable.”

As this interview draws to a close, we ask him to decode for us his leadership style. “You should ask the people who work with me,” he says with a laugh. “I would like to think I have evolved as a leader. In the early days, I used to be impatient and just couldn't accept inefficiencies. Through the years, I have evolved and developed a sense of empathy and understanding.”

Gyanesh believes that his biggest mentor has been his father, who taught him, what he believes, is the best lesson he's learnt – to manage relationships with all his key stakeholders – including employees, customers, vendors and even the Government – with the larger goal in mind. “It has to be a give and take. One has to be selfless, keeping the larger vision in mind.” He even recounts for us an anecdote from observing his father. “There was a big challenge with a vendor and it was on the verge of going into a litigation. But my father was very clear – we're not in business to fight or litigate. He simply picked up the phone and sorted the problem amicably. I'd say that's the best lesson I have learnt,” he says and wraps up.