

# Orient Electric forays into inverter air-cooler segment

Inverter air coolers help cut electricity consumption by almost 50 percent, though they are 15 percent more expensive than regular coolers.

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Consumer electricals firm Orient Electric has entered the inverter air-cooler category. The company has launched products in this category ahead of the summer season, which accounts for a majority of air-cooler sales in India.

Though these products are pricier than regular air-coolers, the technology cuts electricity consumption by half.

In an interaction with Moneycontrol, Rakesh Khanna, MD, Orient Electric, said that while the company was present in categories like Internet-of-

Things air-cooler, the idea was to promote energy efficiency.



**Orient Electric**

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"The product range we have launched is priced between Rs 15,000 to Rs 20,000 depending on the size. While these are 15-18 percent more expensive than the traditional air-coolers, the products will help save electricity costs by almost 50 percent," he added.

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Unlike a traditional air-cooler, inverter-technology models converts alternating current to direct current through a variable frequency drive. The device is also able to test the air temperature and adjust the speed of the compressor.

This eliminates sharp fluctuations in the load and saves costs of operations. Part break-downs are also minimal. Due to the automatic functions, inverter air-coolers are quieter than the regular ones.

In Q3FY20, Orient Electric saw a 14 percent growth on a year-on-year basis in its electric consumer durables at Rs 325 crore. Khanna explained that air-coolers would constitute almost 10 percent of their business.

The organised air-cooler market in India is estimated to be around Rs 2,500 crore. Industry estimates show that size of air-cooler market would touch Rs 9,000 crore by the end of 2021.

The organised players operating in this segment are Symphony (largest player in air-coolers), Bajaj Electricals, Voltas, Crompton Consumer and Orient Electric among others.

Unorganised players still dominate the market. However, Khanna said that the company has seen a shift of customers to branded players since there is more accountability and value for money.

"Air coolers are among the fastest growing categories in the appliances segment. But since it is a seasonal product, business varies from one year to the other depending on the weather," he added.

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Though North India contributes almost half of the business for the air-cooler industry as a whole, Khanna explained that there is a country-wide acceptance of products.

"You have desert coolers for extreme dry heat but in places like Mumbai personal coolers are getting popular," said Khanna.

Apart from fans which is a product category synonymous with Orient Electric, the company sells lights, kitchen appliances, air-coolers, water heaters as well as switchgear.

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