

HAVELL'S INDIA LIMITED

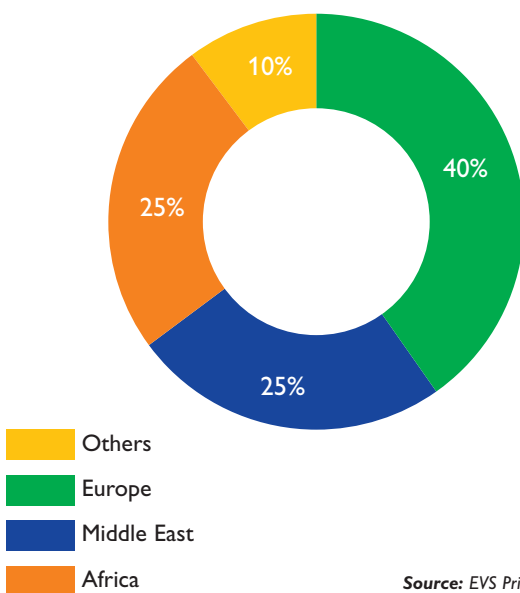


Company Background

Havell's India Limited was established in 1958 and is a part of the QRG group, a leading solution provider in the power distribution-equipment industry in India. The company is one of the foremost manufacturers and suppliers of low-voltage electrical equipment in the country. It manages its operations through its three divisions – switchgear, cable and wire, and electrical consumer durable.

Havell's has entered manufacturing alliances with several leading electrical companies such as Electrium, Geyer AG, DZG, etc., which has helped it to develop technical expertise in the electrical products segment. It has manufacturing plants in India and the EU and ranks among the top 10 manufacturers of miniature circuit breakers worldwide.

Havell's Export Break-up by Geography: 2005-06



Source: EVS Primary Research

Havell's exports its products to approximately 55 countries across the globe and has marketing offices in the EU, the Middle East and the USA. The company is listed on the Bombay Stock Exchange and the National Stock Exchange. Its consolidated revenues amounted to EUR 207 million in 2005. Europe is critical to the company's business, contributing approximately 40 per cent to its total revenues, generated by exports in 2005.

Havell's in the EU

Havell's has an international business division that specifically caters to its international business. The division provides sales, marketing and technical support to its clients across the globe. IBD caters to product requirements of the leading clients in approximately 55 countries across the globe. The company has been increasing its focus in the EU and has witnessed exponential growth through the inorganic route in the region.

Havell's has increased its presence in the EU in low voltage appliances and other power distribution products through increased marketing activities. The company has obtained a leading contract from the UK based company to supply miniature circuit breakers. The company has also successfully completed order from DZG, Germany for supplying electro-mechanical meters. It has been able to leverage on the strong brand name, diversified product portfolio and the partnerships to gain market and develop its presence.

Havell's along with its alliances and partnerships has

been able to achieve approximately 62 per cent growth in its export revenues. The company has obtained many international approvals such as CSA, KEMA, CB, CE, ASTA, SEMKO, SIRIUM (Malaysia), AENOR (Spain), etc. for its various products. This has facilitated the company in gaining access to many markets and tapping the potential available. These certifications assist the company in opening new opportunities and increasing its reach in the international markets.

Factors for Success

Strategic Alliances

The company has formed strategic alliances and partnerships with many leading players operating in the end-to-end solutions in the power distribution equipment industry. Havell's has entered manufacturing alliances with several leading electrical companies such as Electrium, Geyer AG, DZG, etc., which has assisted the company to leverage the technical expertise and developing quality products in the electrical products segment.

Havell's has efficiently leveraged alliances to gain an entry into global markets, developing a strong product portfolio to capture them. The company has developed efficient partnerships to increase its market penetration in the EU.

Leading the Way through Innovation

Havell's has focussed on research and development to produce novel products, at the same time, reducing cost and upgrading the quality of its products. The company has a skilled workforce that works on its R&D projects. It has also entered into alliances with several companies, thereby facilitating sharing of technology. It has developed a good brand name by introducing innovative products in the market, which has enabled it to penetrate the market.

Future Plans

As a part of its growth strategy, Havell's is taking initiatives to tap potential markets in the EU. The company has developed a strong brand presence through alliances with and the acquisition of leading electrical equipment manufacturers in the region. It has also initiated various segment-wise growth plans to drive growth in its overall operations. The company has identified the housing and power sectors as future growth drivers and plans to tap these spheres.

Havell's has plans to diversify its product portfolio by venturing into the electrical motors and power capacitors space. It also aims to leverage its established brand presence in these segments. The company expects to increase its exports by approximately 100 per cent from 2005-07. Havell's also plans to increase its capacity to ward off cost pressures and reduce development costs.

The company has plans to increase its brand presence and reach in the EU through strong acquisitions. It has plans to expand its operations in the EU in-organically and enhance its international presence.

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