

Havells to set up Rs 50-cr manufacturing unit in Rajasthan



Satish Chaudhary

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Havells India Ltd is setting up its first home appliances manufacturing unit at Neemrana in Rajasthan at an estimated cost of Rs 50 crore.

According to Satish Chaudhary, Associate Vice-President, Appliances Division, the facility, having an annual production capacity of 400,000 water heaters (geyser), is expected to be operational in February 2014.

The Rs 7,000-crore Delhi-based electrical goods and power distribution equipment maker currently outsources its entire range of domestic appliances.

Havells forayed into home appliance segment two years ago. Products such as mixer grinder, juicer and irons are outsourced from contract manufacturers in India. Kitchen appliances such as toasters, air-fryers, sandwich makers and induction cookers are imported from China.

The company is also mulling using a part of its fan manufacturing facility at Haridwar

for manufacturing domestic appliances, in future.

"Once we have the required volumes, we might use a part of our facility in Haridwar for domestic appliances. But it will take another two to three years for the plan to materialise," he added.

The home appliances segment contributed Rs 200 crore to the company's topline last fiscal. The company expects the business to contribute around Rs 350 crore this fiscal and Rs 500 crore by the end FY-15.

Havells currently has 14 facilities for manufacturing electrical goods and power distribution equipment in Haridwar, Baddi, Noida, Faridabad, Alwar and Neemrana.

It has six other units in Europe, Latin America and Africa recording a turnover of approximately Rs 3,000 crore. Majority of the overseas business is generated by Sylvania, a brand that has been acquired by Havells in end 2007.

FRESH INVESTMENTS

According to Y.K. Gupta, Associate Director, Havells would also invest another Rs 100 crore to ramp up capacities across its various units.

It will also leverage the motor production unit at Neemrana in Rajasthan to produce domestic pumps.

Domestic pumps are expected to be launched in a phase-wise manner by end-October.

The facility will have an initial capacity of 10,000 units per month and will later be scaled up to 25,000 units a month.

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