

# Havells to expand dealer network in smaller towns



**Anil Rai Gupta**  
Joint MD, Havells India  
talks to Sanjeev Sharma



Havells India is a \$1.3-bn fast-moving electrical goods (FMEG) company and a major power distribution equipment manufacturer with a global footprint. Anil Rai Gupta, joint managing director, Havells India, talks about the expanding rural strategy of the company and how it has focused on manufacturing to reduce dependence on imports and new investment plans.

**Q: What is the rural growth strategy for your company?**

**A:** Rural market holds strategic importance to our growth. We have been focusing on this area for some time now and have launched few products. Our research shows that our brand awareness is very strong in the rural areas and small towns and we expect to cater to our consumers directly with our vast range of products. Over the years, we have expanded our reach to almost all towns with over 1 lakh population and have covered a significant number of towns between 50,000 and 1 lakh population. We are now looking to expand our dealer and distribution network to towns with population less than 50,000. By the end of this fiscal, we should be able to cover a large number of these towns.

**Q: Last year Havells**

**“We expect a growth of about 13-14% in the current financial year. We are not actively looking for any acquisition at present. However, if we come across an opportunity that is strategic to our business, we are open to that.”**

West Bengal and Bihar but the product is now available across the country. The launch of Reo is part of our long-term growth strategy and a vehicle to penetrate into tier-2 and tier-3 towns where so far we don't have direct presence. We are witnessing a huge demand of this product since it provides quality, safety and innovative design at an affordable price.

**Q: What are your plans for expanding the manufacturing base?**

**A:** We have been continuously investing in upgrading our facilities. In the last fiscal, we introduced India's first large-scale lighting fixtures plant at Neemrana, Rajasthan, with an investment of around Rs 100 crore. Recently, we started our pumps plant and in the next few months we will commission water heater plant. Both these plants are located at Neemrana and will entail a total investment of Rs 100 crore. The overall strategy is to expand our

**ket across segments. Do you think Havells has successfully countered the Chinese challenge?**

**A:** Today, we have a strong manufacturing base offering world-class products, backed by strong R&D. We manufacture quality products that have been well received by our customers. Reduced dependence on imports has helped us during current times of rising dollar and yuan prices. Also, for example, till 2010, the Indian lighting fixtures industry was dependent on imports and small-scale industry as it was reserved by the government. As soon as the government de-reserved this category, we set up our own and India's first large-scale lighting fixtures plant at Neemrana. The plant has given us the capability to manufacture world-class fixtures with high precision and eliminated our dependence on imports. Similarly, the new pumps and water heater plants will reduce our dependence on imports.

**Q: What is your strategy to compete with key players who already have strong presence in areas like motor pumps and economical switches where you have recently entered?**

**A:** Havells has always entered into new categories despite competition and still created a mark for itself. This was feasible with our value-for-money products. For us, value for money is a combination of quality, value, features and service.

**Q: What are the revenue projections for the company and any update on overseas acquisitions?**

**A:** We expect a growth of