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'We see Havells India becoming more dominant in the consumer durables category'

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Havells India is sharply focusing on bolstering its presence in the overall consumer durables space backed by expansion of its manufacturing capabilities. The company's washing machine plant in Rajasthan is now on stream and it expects to launch 20 models of its made-in-India washing machines under the brand Lloyd in 2022. Anil Rai Gupta, Chairman & Managing Director, Havells India, told BusinessLine that with recent strategic moves, the company sees Lloyd becoming a dominant brand in the consumer durables space. Excerpts:

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INTERVIEW

What kind of investments have gone into the washing machine-manufacturing capacity and how strategic is the move?

Post acquisition of the Lloyd brand, we have been focusing on cutting back on imports in-line with Havell's philosophy of manufacturing everything in-house. We started with setting up the AC plant (at Ghiloth, Rajasthan) which came up just before the pandemic outbreak. At the same location, we have now set up the washing machine factory. We are initially targeting an output of 3 lakh units annually but the vision is to expand it further. With these two facilities, we are now completely self-reliant. Overall we have invested close to ₹500 crore in this

composite facility with about ₹400 crore in the AC unit and another ₹100 crore in the washing machine plant. The other key aspect is that this is an industry 4.0 compliant consumer durable manufacturing facility. It also has a management execution system (MES) from Dassault, France, which helps in real-time monitoring of processes to improve productivity and reduce loss-time and wastage. It is equipped with technologically advanced robotic machines and AGVs

(automated guided vehicle) for a fully integrated material management system.

How will this help grow the company's presence in consumer durables space?

We see ourselves becoming more dominant in the consumer durable category with our in-house manufacturing facilities for ACs and washing

machines. We also launched refrigerators last year. With this, Lloyd now becomes a full-fledged consumer durables brand with a comprehensive presence in various segments and is no more just an AC brand. Our made-in-India products will improve the brand's positioning and distribution penetration in various markets. We expect to see huge growth in the washing machine segment

matter of concern as they have led to unprecedented cost hike for companies. We have had to go for price hikes and some more are on the way in the fourth quarter. Ultimately, one can pass on only a certain part of the increase in costs to consumers, otherwise, sales growth can get affected. While the price hike varies from category to category, consumer durables will definitely see 57 per cent increase in price.

ing up well. Post-Covid, general consumer demand for real estate has picked up and so, infrastructure spending has gone up. The festival season was good for the company.

In recent times, consumers may have delayed certain purchases due to inflation but we are hopeful of doing good in the upcoming quarters.

How is the focus on Tier 2 and Tier 3 towns panning out?

Our strong focus on distribution expansion in the Tier 2 and Tier 3 markets really helped us grow during the pandemic, especially when demand was impacted in the metros. After the second wave, we have seen demand coming back strongly in metros and big cities too. Our fo-

cus on distribution expansion in smaller cities and towns will continue.

How is the online channel picking up for Havells?

It has been growing significantly in the past two years and is now close to 6-7 per cent of our revenues. In certain product categories, online share is as high as 15 per cent. So it is inching up quite significantly.

'Our strong focus on distribution expansion in the Tier 2 and Tier 3 markets helped us attain growth during the pandemic times, especially when demand was impacted in the metros'

ANIL RAI GUPTA
Chairman & Managing Director, Havells India



Are you looking at another price hike due to inflationary pressures?
Inflationary pressures are definitely a

How critical is the upcoming summer season and buoyancy of demand from the AC perspective?

The upcoming summer season is very important because the last two years have not been good for cooling product categories due to the pandemic. But we are hopeful of the upcoming season com-