

# Asian Electronics goes for the Big 2

To consolidate all subsidiaries under the parent brand

Satish John  
Mumbai

Asian Electronics Ltd (AEL), the Rs 100-crore lighting solutions company, is scripting a plan aimed at bringing it within striking distance of the big two in the field - Philips and Wipro.

The growth for the energy-saving lighting solutions company in a power-starved nation will be limitless, according to Suresh H Shah, chairman and managing director, AEL.

The plan will take effect in three years, and simultaneously, the company will also consolidate its subsidiaries under Asian Electronics.

"This is a very sensitive exercise, as our partners (including the foreign partners holding equity stakes in subsidiaries) will have to feel comfortable," Shah said.

Shah hopes to start the integration process by next year and complete the entire exercise within three years. To fund its plans, the company board had, on November 25, approved a proposal to raise Rs 84.36 crore by issuing shares, warrants and fully convertible debentures (FCDs).

The proposal is to issue up to 4,40,000 equity shares of Rs 10 each and 11,70,000



## Lighting up the future

Integration process to start next year

The process to be over in three years

To raise Rs 84.36 crore by issuing shares, warrants and FCDs

equity warrants to Shah Investment Financials Developments and Consultants, an entity belonging to the promoter

group, at Rs 240 per share.

The "name of the game" in future, Shah says, will be "vertical integration".

"We will grow through partnerships with our vendors. But we'll control their quality standards."

Shah, an entrepreneur by choice, started in the early eighties as a banker. He says he owned a bank called Bank of Cochin in the 1980s, when private sector banks were not very fashionable. "It grew so fast that it was nationalised," he rues.

"Even our current business functions like a bank. We have the technology and we have tied up with world leaders who have brand equity and marketing muscle, even as Westinghouse senior officials nodded in agreement.

Westinghouse Lighting Corporation is a renowned global brand manufacturing and marketing lighting products and it has tied up with AEL for outsourcing lighting products from India.

# ..in venture with Westinghouse

Partnership with US firm will boost sourcing of lighting products from India

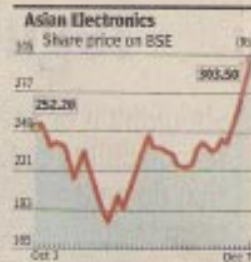
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Asian Electronics Limited (AEL) is partnering with US-based Westinghouse Lighting Corporation (WLC) as a joint venture to enhance sourcing of lighting products from India.

WLC is a renowned global brand manufacturing and marketing lighting products.

With this association, AEL will not only be able to leverage the Westinghouse brand name for its exports to the American and European markets, but will also launch the entire range of premium lighting products, fans and accessories in the Indian market.

"We are looking at increasing our sourcing from the Indian subcontinent. AEL's product range and



their strong R&D base in intelligent lighting systems and energy-saving products will complement and add value to the existing range of Westinghouse products," WLC chairman Stan Angelo said.

AEL is the first company with which Westinghouse Lighting Corporation has partnered in the Asian AEL, chairman Suresh Shah said. "The association with Westinghouse will enable us to leverage the brand name."

WLC is a leading manufacturer and marketer of more than 8,000 lighting products - light bulbs, lighting fixtures and ceiling fans.