

Brat heavy electrical limited case study

[Business](#)



Summary of the case study: Public sector ' Brat Heavy Electrical Limited' is Indian's largest engineering and manufacturing enterprise, operating in the energy sector since 1956, it employs 42, 000 people. BELLE manufactures over 180 products categorized into 330 major product groups. The operations of BELLE are organized into three business sectors viz. , power, industry and overseas business.

BELLE registered a growth of 29% and its net profit went to 44% in 2006-07. BELLE has formulated a five year strategic plan with the aim of achieving a sustainable profitable growth, targeting a turnover of RSI. 45, 000 core. This thought is backed up with organic and inorganic strategy. Organic strategy includes capacity enhancing, designing to leverage the company's core areas of power etc while the inorganic strategy includes expansion through Mergers and Acquisition, Joint ventures etc.

BELLE has two options currently: 1 . Joint venture with NNTP 2. Managing BRAT pumps and compressors Ltd and taking over Brat Heavy Plates and Vessels. BELLE operates under Ministry of Heavy Industries to supplies mainly to Ministry or power. Despite making profits BELLE is unable to make enough power supply for the country due to growing demand. 2.

Suppose BELLE plans to diversify its business. What areas should it diversify? Give reasons. NAS.

Considering the possibility for BELLE to diversify than the management f BELLE should consider taking over Brat Heavy Plates and Vessels and management contract for Brat Pumps and compressors. Rhea main reason

for choosing this proposal is that BELLE operates under the MINISTRY of Heavy Industries, hence the legal processors involving the takeover of Ankara Heavy Plates and Vessels will be ease out as boot are not only public sector but also fall under the same Ministry. This may also help in resolving the conflict between Ministry of Heavy Industries and Ministry of Power.