

# Bajaj Electricals zeroes in on 10 firms for acquisition

**By Bureau**

**Bangalore, Feb 8:** Household appliances maker Bajaj Electricals Ltd has shortlisted 10 companies for acquisition, a top official of the company said.

"We have shortlisted 10 companies. We are looking at options," said R Ramakrishnan, executive director of Bajaj Electricals.

But he did not disclose the details on size of the fund that was earmarked for acquisitions. He also did not divulge the details on how many firms would be finally acquired. He indicated that the shortlisted firms are all domestic players. He said the company would make acquisitions either in

## Looking ahead

- The firms shortlisted by Bajaj Electricals are all domestic players
- Plans to buy in consumer durable or engineering or lighting segment
- Looks to achieve a sizable part of its targeted sales through acquisition

consumer durable sector or in engineering and projects or in the lighting segment. The company plans to achieve a sizable part of its targeted sales through acquisition and diversification of business in the next four years.

He said the company is expected to touch Rs 5,000 crore in sales in the next four years. Of which, Rs 1,000 crore would be made through diversification of business and acquisition while the remaining through organic growth. Engineering and projects segment is expected to account for 40% of the total business in the next four years while the consumer durable sector would contribute 35% and lighting and luminaries 25%, he added.

In the current fiscal, he said the company is expected to touch Rs 2,200 crore in sales. However, he said that the fourth quarter would witness a margin pressure due to higher input costs.

In 2007, Bajaj Electricals acquired a 32% stake in Compact Fluorescent Lamps (CFL) maker Starlite Lighting.

The company procures around 80% of CFLs produced in Starlite, which is expected to increase its sales to Rs 100 crore in the next fiscal from Rs 5 crore prior to stake sale to Bajaj.

India's CFL market stood at 280 million units per annum, of which Bajaj owns around 6-7% of market share, said Anant Bajaj, executive director of Bajaj Electricals.