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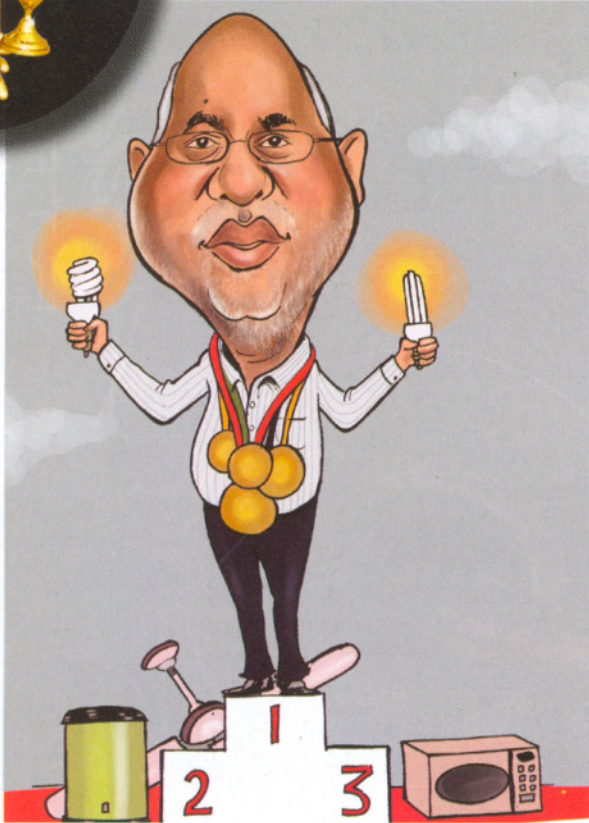


2010 • Rs 399



400 Winners
OF THE INDIAN CORPORATE SECTOR

GOLDEN 400



Shekhar Bajaj
CMD, Bajaj Electricals

Shekhar Bajaj started his career with Bajaj Sevashram after which he worked at Bajaj International, the group's export company. Shekhar Bajaj joined Bajaj Electricals in 1980, and took over as the CMD in 1994. Shekhar Bajaj is also the Chairman of Bajaj Group companies Bajaj International and Hercules Hoist Pvt. Ltd. and on the Board of Directors of Bajaj Auto and IDBI Bank. He was the President of ASSOCHAM, former President of Indian Merchant Chambers (IMC) and Council for Fair Business Practices (CFBP).



Vishnubhai M Patel
CMD, Sadbhav Engineering

With 38 years of experience in the construction business since 1968, Vishnubhai M Patel has been actively involved in the family construction business as partner of M/s Bhavna Construction Co. In the year 1988, he incorporated Sadbhav Engg, which subsequently took over the business of Bhavna Construction Co. Since inception, Patel has led the team from the front and successfully steered our operations, under whose dynamic leadership, it successfully completed various canal works for one of the largest irrigation projects in the world viz. Sardar Sarovar Narmada Project.

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INTERVIEW

LIGHTING THE WAY FORWARD

BAJAJ ELECTRICALS



Unaffected by the global slowdown or the inflationary phase, Bajaj Electricals has kept moving ahead at a steady pace, achieving its turnover target of Rs 1,800 crore for FY 08-09. As such, it does seem that the company's strategies are in the right place at the right time

Shekhar Bajaj
CMD, Bajaj Electricals

Bajaj Electricals, a part of the Rs 20,000 crore Bajaj Group, who are in the business of steel, sugar, two-wheelers and three-wheelers besides an impressive range of consumer durable products, is a 70-year-old company and has six major strategic business units comprising home appliances, fans, lighting, luminaries and engineering & projects. The company is also in the business of manufacturing, erection and commissioning of transmission line towers, telecom towers, mobile telecom towers and wind energy towers. The export of all BEL's products, except for its engineering and projects business unit, is taken care of by the group company Bajaj International Pvt Ltd. Excerpts from the interview:

The company managed to achieve its turnover target of Rs 1,800 crore in FY09. What would you attribute this to?

As far as we are concerned the Indian market has not really suffered a big downturn. It's more in the mind rather than in reality. Therefore, keeping a positive outlook we set a target of Rs 1,800 crore, up from our target of Rs 1,400 crore a year ago. Our pre-tax profit went up from Rs 111 crore to Rs 141 crore. Ultimately it was a matter of each member of the team feeling confident enough of achieving, or even surpassing, the target.

What is the business model of the company and the revenue mix?

We basically have six business units viz. appliances, fans, luminaries, lighting and engineering & projects. In appliances we have

made Morphy Richards as separate Business Unit, as it has become reasonably big. In the current year 2009-10, we started with a good order book of Rs 931 crore out of which at least Rs 500 crore will be converted into sales. Therefore, we will cross a turnover of Rs 2,200 crore. The first two quarters has been very good for us. For first quarter, our sales have gone up only by 15 per cent our profits have risen by 63 per cent.

The second quarter of FY 2009-10 is even better with sales growth 35 per cent and net profit growth of 139 per cent.

What is the market share of the company?

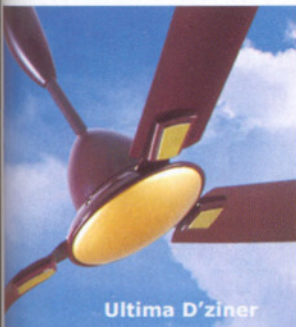
It is difficult to pinpoint our market share because it is different for different businesses. We cannot make a general statement. Our

fans' market share is about 16 per cent. In appliances and luminaries, the presence of an unorganised sector makes it difficult to arrive at a concrete figure. In engineering and projects we are market leaders with a 65 per cent market share but in High Mast business. In the case of the organised market in luminaries our market share is about 20 per cent.

In the case of appliances we are dominantly number one and command twice the share of Philips. In fans, Crompton Greaves

“What we have is a good servicing network which is very necessary in a country like India because even old products are not thrown away as is the case in developed countries like the US or UK.

SHEKHAR BAJAJ
CMD, Bajaj Electricals



Ultima D'ziner



is very high at above 70 per cent and therefore we are ready to take it forward if someone approaches us for a private

placement and is willing to pay a premium. Our share price in March 2009 was Rs 146 but is now being quoted around Rs 800. That's almost a five-fold jump.

is number one while we are number three. When we started we were in the sixth slot in the organised sector in terms of market share and now we are at number two. What we have is a good servicing network which is very necessary in a country like India because even old products are not thrown away as is the case in developed countries like the US or UK. We have 240 service centres all over India, the budget for which is Rs 15 crore.



What are the expansion plans of the company in terms of investments?

Our capital expenditure will be limited to the tune of Rs 15-20 crore.

ing and what are the future prospects?

In case of fans it is growing at about 8-10 per cent. So is the case with appliances whereas luminaries are growing at about 10 per cent plus.



How is the company planning on reducing its debt/equity which is very high at this point in time?

Our debt equity is 0.90 and we are looking for an approval from our shareholders by calling AGM on 18th November 2009 for QIP 175 crore and a stock split, 1 share of Rs 10 to 5 shares of Rs 2.

Is the company planning to raise funds through the capital markets?

We are open to whatever opportunities come our way. Our holding in the group

At what rate has the industry been grow-



What is the reach of Bajaj Electricals on a pan-India basis?

We have got a good presence all across the country with around 3.5 lakhs outlets through which our products are being distributed. We have a very strong equity and brand value as also excellent after-sales service.

RANK **283**

Peninsula Land

Incorporated in 1997, Peninsula Land engaged in development of real estate properties in India. Company is planning to extend residential projects on the Nashik and Goa properties by launching 7 million sq feet over the next three years. It is also planning to raise Rs 750 crore through QIP by August, 2010. Going ahead, the company is looking to acquiring land in western and southern parts of the country. Meanwhile, Peninsula in order to speed up the cash-flow turnaround it has revised the development plans for its Pune and Hyderabad projects from commercial to residential projects. During FY09, company reported growth in net sales by 56.87 per cent to Rs 541.65 crore while net profit sparked by 15.20 per cent to Rs 149.52 crore.

Product Mix (Top 3) (Year = Mar 2009)

Product Name	Sales Qty	UoM	Sales	Product
			Val (In Cr)	Mix (%)
Property Development	-		541.65	100.00

Last Five Quarters (In Rs Crore)

	Sep09	Jun09	Mar09	Dec08	Sep08
Sales	168.73	115.52	195.16	112.05	110.54
Oper. Profit	83.17	45.38	27.56	26.98	51.52
Net Profit	72.87	32.85	35.96	27.75	54.60
Equity	55.84	55.84	55.84	55.84	55.84
EPS (In Rs)	2.61	1.18	1.29	0.99	1.96

Financial Highlights (In Rs Crore)

	FY09	FY08	FY07	FY06	FY05
Sales	541.65	345.28	319.42	272.36	62.23
Oper. Profit	147.15	149.53	171.35	144.99	15.02
PAT	149.52	147.95	132.04	144.19	-9.52
Equity	55.90	55.90	42.15	39.55	19.53
EPS (In Rs)	5.36	5.30	31.37	36.51	-4.89
BV/Share (In Rs)	37.84	33.54	102.09	41.25	-21.09

High/Low Trends (In Rs)

	2009	2008	2007	2006	2005
BSE	101/18	167/15	630/112	967/267	428/45
NSE	101/17	167/15	632/105	968/265	430/46

Investor Returns

	FY09	FY08	FY07	FY06	FY05
Rights Issue	N.A.	N.A.	N.A.	N.A.	N.A.
Splits	N.A.	N.A.	10/2	N.A.	N.A.
Dividend (%)	45	40	30	25	N.A.
Bonus ratio	N.A.	N.A.	N.A.	N.A.	N.A.

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Business Group: Piramal Ashok Group **Industry:** Construction & Contracting - Housing

RANK **284**

Bajaj Electricals

Incorporated in 1938, Bajaj Electricals (BEL) manufactures and markets a wide range of consumer and industrial electrical products. The company is a part of the 'Bajaj Group' and has an annual turnover of over Rs 1,404 crore. It operates in five major strategic business units comprising of home appliances, fans, lighting, luminaries and engineering & projects. Recently, company has bagged order for providing lighting solutions for four stadiums for the next year's 2010 Commonwealth Games. BEL has also tied up with Delta Controls and Securiton to offer security and solutions to its institutional customers. During FY09, the company reported a growth in net sales by 28.82 per cent yoy to Rs 1,770.54 crore while net profit grew by 21.98 per cent to Rs 142.86 crore.

Product Mix (Top 3) (Year = Mar 2009)

Product Name	Sales Qty	UoM	Sales	Product
			Val (In Cr)	Mix (%)
Engineering Products	32177.00	Thousands Pcs	542.64	30.16
Appliances	5144.00	Thousands Pcs	466.47	25.92
Fans	3165.00	Thousands Nos	298.65	16.60
Luminaries	5056.00	Thousands Pcs	280.88	15.61
Lighting Products	93574.00	Thousands Pcs	210.42	11.69

Last Five Quarters (In Rs Crore)

	Sep09	Jun09	Mar09	Dec08	Sep08
Sales	512.14	365.38	648.71	424.93	379.32
Oper. Profit	54.65	35.69	81.77	42.89	30.07
Net Profit	29.18	16.36	47.51	19.44	12.20
Equity	17.44	17.29	17.29	17.29	17.29
EPS (In Rs)	16.73	9.46	27.48	11.24	7.06

Financial Highlights (In Rs Crore)

	FY09	FY08	FY07	FY06	FY05
Sales	1775.06	1379.11	1085.16	850.17	654.71
Oper. Profit	191.45	144.36	88.62	70.73	44.95
PAT	89.34	73.13	38.61	29.83	13.84
Equity	17.29	17.29	8.64	8.64	8.64
EPS (In Rs)	51.69	42.30	44.54	33.51	14.86
BV/Share (In Rs)	136.18	95.40	123.44	92.42	81.64

High/Low Trends (In Rs)

	2009	2008	2007	2006	2005
BSE	836/135	740/177	726/280	639/360	433/108
NSE	899/133	750/193	724/328		

Investor Returns

	FY09	FY08	FY07	FY06	FY05
Rights Issue	N.A.	N.A.	N.A.	N.A.	N.A.
Splits	10/2	N.A.	N.A.	N.A.	N.A.
Dividend (%)	100	80	80	60	30
Bonus ratio	N.A.	N.A.	1:1	N.A.	N.A.

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Industry: Domestic Appliances/Fans