



CONSOLIDATING: *Shekhar Bajaj, Chairman and Managing Director, Bajaj Electricals, with the company's products at a press conference in Bangalore on Monday. – PHOTO: G. R. N. SOMASHEKAR*

Bajaj Electricals to step up output in Starlite

Special Correspondent

BANGALORE: Bajaj Electricals, which has acquired 32 per cent stake in Nashik-based privately owned Starlite Lighting, will expand production of compact fluorescent lamps (CFLs). The plant now made 10 million units a year which would be increased to 40 million units, with 20 per cent for exports.

Speaking to reporters here on Monday, Chairman and Managing Director Shekhar Bajaj hinted that the company might enhance its investment in the Nashik company in the coming years, based on market potential. "Bajaj makes 280 million units of CFLs annually now, compared 350 million units of conventional bulbs. The relatively higher prices of CFLs limit volume growth, though not revenues. During the past year we also had to contend

with higher costs of most inputs like aluminium, copper and zinc."

A change in government policy which allowed recycling of CFLs could help, Mr. Bajaj felt. The future in lighting might belong to LEDs with their advantages like coloured and diffused light if the consumer wanted to, he added.

On the business side, Bajaj Electricals had so far maintained an annual growth of 27 per cent in the quarter ended December, sales went up by 39 per cent to Rs.592 crore, Mr. Bajaj said. "The fourth quarter will be tough and we may not be able to maintain the same level of profitability as in the previous years," he added.

Bajaj was also looking at allied acquisitions in the domestic and overseas markets in the Rs.100-crore investment range.