

Bajaj Electricals to take controlling stake in Starlite Lighting

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Consumer durables and lighting major, Bajaj Electricals Ltd, is planning to take a controlling stake in the Nashik-based Starlite Lighting Ltd, in which it has 32 per cent stake presently. The company is also planning to foray into marketing solar powered products.

"We propose to raise our holding in Starlite, which manufactures T3 compact fluorescent lamps (CFL) with technology from GE (General Electric) Hungary for a controlling stake and scale up production for exports and meeting the

growing demand in the domestic market," Shekhar Bajaj, chairman and managing director, Bajaj Electricals told reporters, here on Monday.

Bajaj Electricals invested Rs 7.5 crore in Starlite in 2007. Starlite is set to expand the annual production capacity of CFL to 40 million units by this year-end from 15 million units per annum presently.

The company is also scouting for acquisitions and looking at diversifying into areas where it finds synergy.

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sification and acquisitions that will fit our strategic business. We have earmarked about Rs 100 crore out of Rs 160 crore

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we raised recently through a QIP issue (qualified institutional placement)," said Bajaj.

For its foray into marketing solar-powered products, the company is planning to source them from a third-party vendor. The products include solar panels for street lighting and solar lanterns for villages.

"We don't intend to manufacture solar cells but source

associated products like solar panels and lanterns from third party as an alternative to our lighting and luminaries products. We are looking at the semi-urban and rural markets where we are doing some rural electrification projects," Bajaj said.

The company has set a sales target of Rs 2,200 crore this fiscal (2009-10). "The margins in the January-March quarter of this fiscal will be under pressure due to an increase in input costs following the overall escalation in the cost of metals during the last five months. Our sales, however, were not impacted by the slowdown in the economy," said Bajaj.