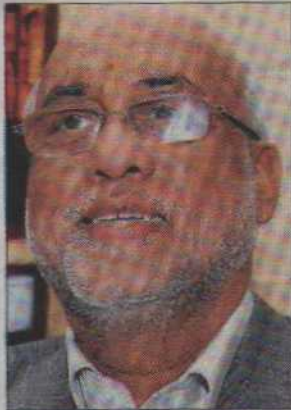


High input costs will hit profit, says Shekhar Bajaj

BANGALORE, DHNS: Bajaj Electricals Limited, on Monday, said the high pressure on margins resulting from increasing input costs will affect company's profitability in the last quarter of financial year 2009-10.

Briefing reporters, Chairman & Managing Director Shekhar Bajaj said "even though we have put up a positive show in the current quarter and for nine-months ended period in the year we cannot expect it to continue for last quarter. With the economy recovering, prices of raw materials are going up thus reducing our bottomline." Bajaj, said. For quarter ended December 31, 2009, the firm posted a net profit of Rs 34.1 crore against Rs 19.4 crore during the same period a year ago, registering a growth of 91 per cent. Its net sales/income jumped 39 per



Shekhar Bajaj briefing reporters in Bangalore. KPN

cent at Rs 592 crore against Rs 425 crore.

Bajaj, which raised Rs 160 crore through Qualified Institutional Placement (QIP), is planning to spend around Rs 100

crore on acquisitions, both foreign and domestic firms, Bajaj said, adding it would mostly be from sectors/verticals that they presence.

Enhanced capacity

The company has increased the capacity at Starlite's (in which Bajaj has 31 per cent stake) CFL manufacturing plant from where it sources CFL bulbs. From installed capacity of 10 million units per annum, the plant will boast of a 40 million units per annum.

Further, Bajaj said they expect to become Rs 5,000 crore firm (in terms of sales) from current about Rs 2,000 crore. While Rs 4,000 crore is expected to come from current operations, Rs 1,000 crore will be through acquisitions and diversification.