

Margin squeeze at Bajaj Electricals

Devina Sengupta. Bangalore

Rising input costs will crimp the margins of Bajaj Electricals in the current quarter, said Shekhar Bajaj, chairman and MD of the home appliances company, on Monday.

He said BEL has decided to stay away from price increases despite the jump in raw material costs, in order to maintain its current volumes and market share. "The rising costs of copper, aluminium, steel will put pressure on our margins, but we will not increase the prices," said Bajaj.

For the financial year 2008-

09 Bajaj Electricals reported operating margin of 10% and a net margin of 5%.

Bajaj said BEL is looking at the inorganic route to meet

20% of its turnover target of Rs 5,000 crore in 2014. For this, BEL has earmarked Rs 100 crore, though it has not yet zeroed in on any target. "What we are looking for is firms with good distribution net-

works and strong brand values, but which are financially weak. It could also be an overseas company," said Bajaj.

BEL expects to clock in revenue of Rs 2,201 crore in the current financial year.

