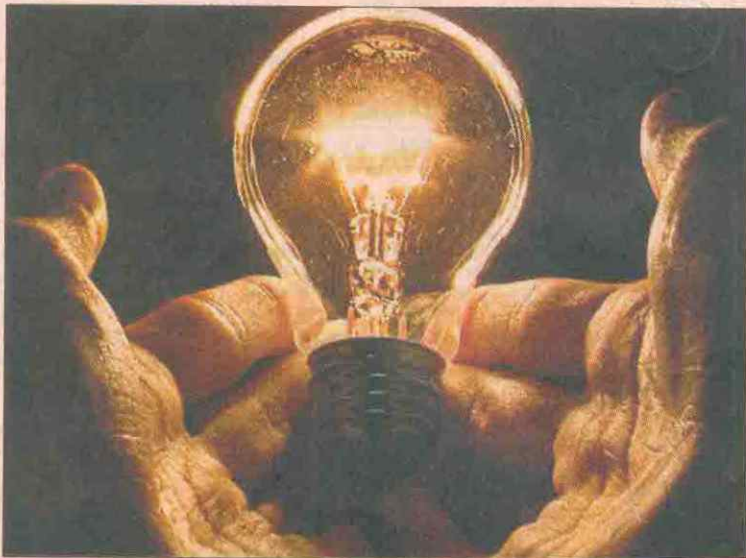


Bajaj Elec eyeing acquisitions, 25% topline growth in FY11

Shekhar Bajaj-led Co Will Go In For Buy Only If Synergistic Benefits Are Provided



PTI
MUMBAI

BAJAJ Electricals is eyeing acquisitions in its core segment of household appliances besides a 25% topline growth this fiscal, a top company official said.

"We are interested in acquiring brands or companies, which have a strong manufacturing base that we can supplement with our very strong distribution network.

We are interested in acquisitions in the home appliances, fans and lighting, space where we are a leading player," BEL's chairman and managing director Shekhar Bajaj said here on Wednesday.

The Shekhar Bajaj-led company would, however, go in for an acquisition only if it is provided synergistic benefits, he said.

"Bajaj Electricals has a very strong distribution network and we have expertise in managing multi-brands," he said.

Finding resources to fund an acquisition would pose no problem, he said, adding that the company had recently raised Rs 160 crore through a QIP, a part of which could be used for acquisitions.

The company expects to grow 25% this fiscal, though margins could be under pressure in Q1 FY'11 on account of increase in commodity prices.

"We expect a 25% growth in our top-line this fiscal," Bajaj said, pointing out that pressure on margins, which began in Q4 FY'10 could continue into Q1 FY'11 as well.

"Margins were under pressure in Q4 FY'10 and this could continue in Q1

FUND RAISING

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- ▶ **The firm** expects to grow 25% this fiscal, though margins could be under pressure in Q1 FY'11 on account of increase in commodity prices
- ▶ **A positive development** is that commodity prices have started de-clining and this downward trend is likely to continue and the impact of this reduction would be felt from Q2 FY'11 onwards

FY'11 as well, with prices of copper, oil, steel and zinc having risen," Bajaj said.

However, a positive development is that commodity prices have started declining and this downward trend is likely to continue, Bajaj said, adding that the impact of this reduction would be felt from Q2 FY'11 onwards.

"Then, probably, margins will stabilise," he said.

The company's focus would be on cost-reductions, value-engineering and doling out new product-mixes to ensure cost-effective operations and increase in profitability, he said.

The company clocked a higher net sales in FY'10 of Rs 2,229-crore as against Rs 1,766-crore in FY'09.

Its net profit jumped 31.4% to Rs 117.1 crore as against Rs 89.1 crore in the year-ago period.