

Bajaj Electricals net up, eyes sub-station space

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SHEKHAR Bajaj-led Bajaj Electricals, part of the \$7 billion Bajaj Group, will soon get into 132-400 kV sub-stations space in a move to offset pressure on margin owing to inflationary scenario and competitive pressures.

The company has already set up a 33 kV substation as part of its rural electrification project. Lalit Mehta, executive president (engineering and projects business unit), said they have started bidding for the power projects. "We will set up high voltage sub stations within eight months across states such as Maharashtra, Uttar Pradesh and several others."

This is a new business for the Rs 2,252 crore company that has presence in engineering and projects, appliances, fans, luminaries and lighting. The company has also invested in Starlite Lighting for manu-

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facture of energy saving lamps.

Chairman and managing director Shekhar Bajaj said, "This will improve our margin as there is less competition in this space."

The company has reported 53.4 per cent growth in net profit to Rs 57.5 crore compared with Rs 37.5 crore in the same quarter previous year. The net sales for the fourth quarter is higher by 24.9 per cent to Rs 979 crore against Rs 784

crore in the previous year.

During 2010-11, net sales is higher by about 23 per cent to Rs 2,741 crore against Rs 2,229 crore in the previous year. The profit before tax improved 9.1 per cent to Rs 218.9 crore against Rs 200 crore in the previous year.

The company's engineering and projects business unit (E&P BU) grew 12.8 per cent and crossed a turnover of Rs 831 crore.

"As a company we are clear that we have to take care of the consumer interest and we are taking care of volume growth rather than the value growth. The fourth quarter witnessed 24.9 per cent growth in revenues and 9.9 per cent ebit. It was a difficult quarter with significant margin pressures due to commodity pressures," added Bajaj.

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