

Online Media Coverage – NDTV Profit from PTI

URL: <http://profit.ndtv.com/news/show/bajaj-electicals-eyes-rs-3-300-crore-revenue-despite-muted-profit-185462>

Bajaj Electricals eyes Rs. 3,300 crore revenue despite muted profit

Bajaj Electricals, which has posted a muted 7.8 per cent rise in net profit, is eyeing a top line of Rs. 3,300 crore this fiscal on the back of increasing demand for its home appliances and lightings products.

"We have achieved sales of Rs. 1,250 crore in the first half and we expect we can add another 2,000 crore in the second half. We are looking at a turnover of Rs. 3,300 in the year," Bajaj Electricals Chairman and Managing Director Shekhar Bajaj said on Monday.

The company today posted 7.76 per cent rise in its net profit at Rs. 25 crore for the September quarter compared with Rs. 23.2 crore in the year-ago period, owing to improved performance in the lighting and consumer durable business.

"The lighting segment has done particularly well with good top line growth and improved margins. In the consumer durables business, the margins have gone down by 2 per cent, but because we had good sales, this has almost remained flat," he said.

Bajaj said the cost of raw materials had pressurized the margins and there are plans to hike the prices of few of its products in the near future.

"We may increase the prices in some appliances. In the compact fluorescent lamp (CFL) we may increase the prices by 5 per cent in the next one or two months," Bajaj said.

Segment-wise, lighting business registered a revenue growth of 21.2 per cent to Rs. 316.6 crore, while consumer durables business grew by 18.4 per cent to Rs. 642.5 crore.

Besides, revenue from its engineering and projects stood at Rs. 284.8 crore.

The company said its net sales rose 19.2 per cent to Rs. 700.8 crore from Rs. 588 crore in the previous year. "Our Q1 was bad for us. We had 50 per cent drop in the bottom-line. So the second quarter was important for us," he added.

During the first quarter, the company's profit slumped by 50 per cent to Rs. 17 crore.