

BEL to be less dependent on China

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Kolkata: Bajaj Electricals Limited (BEL), the lighting to appliances major, has decided to lessen its manufacturing requirements from China and is looking to explore more in India. The change in stance is due to high rising Chinese cost and Indian cost taking a dip.

“We are trying to be less dependent on China because the Chinese manufacturing cost has seen a steep growth in the recent times. Chinese curren-

cy value has increased by 5% while Indian currency has become cheaper by around 10%. This makes a huge difference to our manufacturing costs and as consequence affects our margins. Chinese contribution to our firm is around 6% and is likely to take further dip,” said Shekhar Bajaj, CMD, BEL.

The firm has also scrapped its plan to foray into white goods market. According to reports, the firm was eyeing an entry in the white goods mar-

ket in the previous fiscal. “BEL will not enter the white goods market and I feel if we penetrate more in to the markets, where we are the leaders, then that will benefit us more. We have also witnessed some other firms who did enter that market and have fallen on their faces,” added Bajaj.

BEL has posted a muted 7.8% rise in net profit in Q2 this fiscal mainly riding on performance in the lighting and consumer durable business.