

# ht money

**PS TANDON, EXECUTIVE DIRECTOR, consumer business, Bajaj Electricals Ltd**

## 'Being power surplus is just one part of business plan'



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**CHANDIGARH:** Lighting and a comfortable ambience are the basic building blocks of most business operations, except perhaps a factory. Bajaj Electricals, part of the ₹33,000-crore Bajaj Group, has been in the business of making and selling fans, luminaries, bulbs etc. for 75 years.

The ₹4,000-crore company has been profitable for most of its history, though it has now seen two consecutive quarterly losses, something that its executive director, consumer businesses, PS Tandon, dismisses as a one-off thing but refuses to divulge further. The company has also entered into an arrangement with UK-based appliances brand, Morphy Richards, where both gain through each other's strength in terms of reach and better targeting.

HT brings you excerpts from a conversation with Tandon and Morphy Richards business head, Vivek Sharma, on the sidelines of a dealer meet in the city to mark 75 years of the Bajaj Electrical's business in India, held here.

**HT:** What is your view on business potential in the region, especially Chandigarh?

**Tandon:** We are betting big here as this is one of the best cities to live in and we hope to increase our turnover. Currently, our sales in Punjab, J&K, Haryana and Himachal are at ₹180 crore, which is roughly 5% of our national sales.

**What are the new products you are offering?**

**Tandon:** We have forayed



■ Executive director, consumer business, Bajaj Electricals Ltd, PS Tandon (left), and Morphy Richards business head Vivek Sharma. HT PHOTO

into making of non-electrical appliances, which we believe is a good area, though there is intense competition here with big names already settled. We are innovating and targeting our fans for customer segments such as a Disney character or designs on the blades of fans for a child's room etc.

**Your business depends on power availability and quality. Do you buy Punjab's claim that it is power-surplus now?**

**Sharma:** Yes, in power availability per capita, Punjab ranks fifth in the country. Yet, as most of it is supplied to agriculture - mostly free - our business is constrained to that extent.

**Any light on why the loss over last year?**

**Tandon:** It was a one-time hit. I can assure our investors and stock holders that we still have good margins in our business. By the next quarter, we will be back in black.

**Any plans to hike prices of your products?**

**Tandon:** No such plans yet.

**What is the penetration of your product range in northern states?**

**Sharma:** In terms of ground to cover, we have a long way

to go. You will perhaps be surprised to know that only these two products, irons and mixer grinders, make up to 40% of our revenues. Less than 10% of kitchens across this region have any other product in kitchen appliances.

**Tell us more about the business arrangement between Bajaj and Morphy Richards?**

**Sharma:** It is a win-win situation where we try (Morphy Richards) and position ourself as a premium offering, though we remain a separate company. They gain by our name and expertise; we tend to gain by their local connect.

**What about expansion plans?**

**Tandon:** We have expanded out Mathura plant and added certain new equipment at a cost of around ₹12 crore to manufacture more tubes.

**Did the mid-year rupee fall hit your margins?**

**Tandon:** The important raw materials in our business are copper and aluminium, so yes there was some impact. However, we do hedge against such currency fluctuations in a sense that supply is tied to a particular price for a specified time.