



PRESS RELEASE
BAJAJ AUTO RESULTS: FINANCIAL YEAR 2003-04; Q 3

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for the third quarter of 2003-04 and the nine months ended 31st December 2003.

1. Highlights of Q 3:

- ✓ Turnover Rs 15.5 billion - 19% ↑.
- ✓ Exports – 51%↑
- ✓ Operating EBITDA - 19.4%.
- ✓ Gross Profit - Rs 3.1 billion - 24% ↑.
- ✓ Profit before tax - Rs 2.6 billion - 27% ↑.
- ✓ Profit after tax - Rs 1.8 billion - 35% ↑.

2. Turnover, Margins & Profit after tax

- (a) Total turnover for Q3/2003-04 was Rs 15.5 billion v/s Rs. 13.1 billion in corresponding quarter of FY 2002-03 - **increase of 19%**.
- (b) Sales and other operating income for Q3/2003-04 was Rs.14.9 billion v/s Rs.12.7 billion in Q3/2002-03 - **increase of 17%**.
- (c) Gross Profit after interest but before depreciation & extraordinary item of expenditure Q3/2003-04 was Rs.3055 million v/s Rs. 2460 million in Q3/2002-03 - **increase of 24%**.
- (d) Staff cost for Q3/2003-04 includes **Rs 82.7 million** (Q3/2002-03 - Rs 193.0 million) towards compensation paid under voluntary retirement scheme for employees.
- (e) The Profit after tax for Q3/2003-04 was Rs. 1811 million v/s Rs 1340 million in Q3/2002-03- **increase by 35%**.

3. Sales

Sales (nos.)							
Product	Q3 2003-04	Q3 2002-03	Change %	9 months 2003-04	9 months 2002-03	Change %	Full Year 2002-03
Motorcycles	269,995	229,643	18	760,658	642,338	18	868,138
Total 2 Wheelers	333,314	326,063	2	955,890	952,752		1,251,914
Three Wheelers	63,516	51,732	23	168,745	145,933	16	193,859
Grand Total	396,830	377,795	5	1,124,635	1,098,685	2	1,445,773

2-Wheelers

- (a) Aided by Caliber-115, Wind-125 and the Pulsar twins, the Company's motorcycle sales grew by 18% in Q3/2003-04 v/s industry growth of 12% during the same period.
- (b) The new Pulsar with DTSi (Digital Twin Spark ignition) technology went into commercial production in October 2003. This product has received very good customer response and the DTSi technology has received the ICICI Bank-Overdrive award for the **"best auto technology of the year"**
- (c) The Company's products in the executive and the premium segments contributed 56% of its total motorcycle portfolio in Q3/2003-04 v/s 35% in the corresponding period of previous year.

3-Wheelers:

- (a) The Company's 3-Wheeler sales continue to be buoyant and grew by 23% in Q3/2003-04 v/s industry growth of 20% during the same period.
- (b) The Company continues to be a market leader in the passenger carrier segment with a market share of over 90%.
- (c) The goods carrier, GC-1000 has sold an average of 2,000 units per month during the current quarter. With a very good customer response to the product, the market share of the Company in the goods carrier segment has improved to 23% in the first nine months of the current year v/s 16% in corresponding period of previous year.

Exports:

- (a) Exports for Q3/2003-04 was Rs.1588 million v/s Rs. 1121 million in Q3/2002-03 - an increase of 42%. Cumulative exports for 9 months/2003-04 was Rs. 4159 million v/s Rs. 2576 million for 9 months/ 2002-03.
- (b) Exports in volumes are given in the table below:

Product	Q3 2003-04	Q3 2002-03	Change %	9 months 2003-04	9 months 2002-03	Change %	Full Year 2002-03
Motorcycles	22,462	12,012	87	57,362	32,671	76	43,218
Total 2 Wheelers	24,063	14,994	60	61,989	39,843	56	53,366
3 Wheelers	19,855	14,037	41	51,534	29,517	75	40,875
Total	43,918	29,031	51	113,523	69,360	64	94,241

- (c) With cumulative exports crossing **"one hundred thousand"** units in the first nine months of the current financial year, the Company continues to be the #1 exporter of 2 & 3 Wheelers in the country. This is the first time that any automobile company from India has crossed the six- digit mark in exports.

4. Non-operating Income

- (a) Non-operating income for Q3/2003-04 was Rs. 576 million v/s Rs. 295 million in Q3/2002-03 -**an increase of 95%**.
- (b) The cost and market value of the investment portfolio is given in the table below:

Rs. in millions	As of 31st December 2003	As of 31st March 2003
Cost	36725	29090
Market Value	43160	29433

The summary of the Financial Results of Bajaj Auto (not consolidated) is enclosed.

5. Labour

- (a) The Company had filed Special Leave Petitions in the Supreme Court against the orders of the Mumbai High Court granting benefits of permanent employment to 1,899 employees of its Akurdi and Waluj plants. The Company had provided a sum of Rs. 285.5 million upto the half year ended September 30, 2003.
- (b) The Supreme Court has passed its final order in this matter and consequently a further amount of Rs. 11.8 million has been recognized in full and final settlement of this liability in the current quarter.

6. Awards

- (a) The Company's efforts to blend creativity with competitive technology in new product development have been recognised by our products receiving the following awards:

Wind-125 : Bike of the Year 2004 - Business Standard Motoring;
Two wheeler of the year - CNBC Autocar Auto Awards, 2004.

Pulsar -DTSi: Bike of the Year 2004- ICICI Bank Overdrive Awards, 2004;
BBC World Wheels Viewers Choice Two Wheeler of Year, 2003.

DTSi Technology: Auto Tech of the year - ICICI Bank Overdrive Awards, 2004.

Bajaj Auto: Bike Maker of the Year 2004 - ICICI Bank Overdrive Awards, 2004.

Sanjiv Bajaj
Vice President - Finance
Pune, 31st January 2004

ANNEXURE

The summary of the financial results of Bajaj Auto Limited (**not consolidated**) is as under:

Rs. in millions	Q3 2003-04	Q3 2002-03	9 months 2003-04	9 months 2002-03	Full Year 2002-03
Sales and Income from operations	14897	12735	41251	36593	48953
Other Income & Windpower	618	331	2892	1302	1751
Total Turnover	15515	13066	44143	37895	50704
Gross Profit after Interest before Depreciation and Taxation	3055	2460	8996	7210	9598
Profit before Taxation	2581	2040	7365	5948	7886
Provision for Taxation	770	700	2010	2070	2502
Profit after Tax	1811	1340	5355	3878	5384
Earnings Per Share (Rs) for the period	17.8	13.2	53.6	37.9	52.8
Earnings Per Share (Rs) Annualised	71.2	52.8	71.5	50.5	52.8