

Press Release

Results : Q2 / FY15

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q2 / FY15.

With strong performance across global markets, Bajaj Auto has once again delivered a spirited performance, thus recording in this quarter its:-

- ✓ **Highest ever**
 - **Turnover** : ₹ 6,077 crore
 - **Exports** : ₹ 2,736 crore
 - **Exports**, in units : **519,093**; growth of **29%**
 - **Commercial Vehicles**, in units : **156,429**; growth of **40%**
 - **Operating EBITDA*** : ₹ 1,248 crore
- ✓ **EBITDA margin*** – **20.8%**
- ✓ **Profit before tax** and exceptional item – ₹ 1,172 crore
- ✓ **Profit after tax**, before exceptional item – ₹ 853 crore; **2nd highest** in the history of the Company !
- ✓ **Profit after tax** – ₹ 591 crore
(see note 6)

1. Performance highlights

₹ in crore	Q2 FY15	Q2 FY14	H1 FY15	H1 FY14	FY14
Sales (No's)	1,055,582	961,330	2,044,012	1,940,605	3,870,077
Turnover	6,077	5,299	11,548	10,386	20,856
Export revenue	2,736	2,125	4,987	4,000	8,199
Operating EBITDA*	1,248	1,204	2,286	2,260	4,382
<i>Operating EBITDA %*</i>	20.8	23.1	20.2	22.2	21.5
Profit before tax and exceptional item	1,172	1,212	2,247	2,250	4,632
Exceptional item	340	-	340	-	-
Profit after tax	591	837	1,331	1,575	3,243

Note : Excluding exceptional item,

Profit after tax	853	837	1,593	1,575	3,243
------------------	-----	-----	-------	-------	-------

* before mark-to-market (MTM) loss and CSR spends

2. Motorcycles

Sold ~900,000 motorcycles in domestic and international markets; a growth of **6%**

- i. Pulsar, along with Avenger, continues to be a dominant player and enjoys a domestic market share of **~42%**

High-end Pulsar 200 NS and Pulsar 220 sold over 28,000 units in Q2 / FY15

- ii. “*Discover*” sold over 252,000 units globally (domestic + exports)

The recently launched Discover 150 has been well received in the domestic market and sold over 28,000 units in September 2014. With the success of Discover 150, sales from “*Discover*” family is now poised for a positive trajectory

- iii. Platina recorded a double digit growth of 16%; market share ~19%

3. Commercial Vehicle – Three wheelers

Sold a record 156,000 units in domestic and international markets, the highest ever

- i. Continue to be a market leader in the domestic market; overall share at **~46%**
- ii. Dominant share in the alternate fuel passenger segment; **~88%**
- iii. Outperformer in the Diesel segment. Sales increased from 3,700 units in April 2014 to 9,500 units in September 2014. Market share improved from 25% in April 2014 to **32%** in September 2014

4. International Business

For the first time ever, volume crossed 500,000 units – 438,000 motorcycles and 81,000 commercial vehicles.

- i. Exports, by volume and by value, recorded a growth of **29%**
- ii. Exports now contribute **~47%** of net sales
- iii. Mature markets continue to do well and new markets seeded over the last few quarters are yielding desired results

5. Margins

Bajaj Auto continues to record the highest operating EBITDA margin in the industry – **20.8%**. This is a reflection of the company’s focus on innovation, differentiation and its Brand centric strategy. It is for this reason that Bajaj Auto was ranked “**in top 100 Worlds Most Innovative Companies 2014**” and “**5th in top 50 most valuable Indian brands 2014**”.

6. Exceptional Item – National Calamity Contingent Duty (NCCD)

The Company had filed a writ petition before the Honourable High Court of Uttarakhand, in October 2011, claiming benefit of exemption from payment of NCCD by our Pantnagar plant. On 9th October 2014, the Honourable High Court ruled otherwise.

Accordingly, **in this quarter**, the company has recognised this liability for the last **seven and a half years**, i.e. **1st April 2007 to 30th September 2014** aggregating to ₹ 340.29 crore.

This is a **ONE TIME ONLY CHARGE** and going forward, the monthly charge towards NCCD is expected to be around ₹ 3 crore per month.

But for the charge of this exceptional item, for Q2 / FY15, **Profit after tax would have been a healthy ₹ 853 crore – 2nd highest in the history of the company**, as against ₹ 837 crore for Q2 / FY14.

7. Cash and cash equivalents

After payment of dividend and tax thereon amounting to ₹ 1,693 crore during the quarter, surplus cash and cash equivalents as on 30th September 2014 stood at **₹ 8,313 crore**.

In conclusion, Q2 / FY15 has been an excellent quarter – the high margin business verticals of the company, namely “Export”, “Commercial Vehicle”, “Pulsar” and “Auto spare part”; representing nearly 85% of the business have performed extremely well. And given the initial response to the Discover 150, the company looks forward to a very rewarding future.

Kevin D'sa
President (Finance)
14th October 2014.



Bajaj Auto Limited

Annexure

(₹ In Crore)

	Particulars	Quarter ended		Half year ended		Year ended
		30.09.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	Sales in numbers	1,055,582	961,330	2,044,012	1,940,605	3,870,077
1	Income from operations					
	(a) Gross sales	6,054.32	5,334.25	11,389.03	10,392.39	20,727.04
	Less: Excise duty	227.47	272.76	428.81	522.17	1,009.40
	Net sales	5,826.85	5,061.49	10,960.22	9,870.22	19,717.64
	(b) Other operating income	136.24	113.40	255.28	215.76	431.87
	Total income from operations (net)	5,963.09	5,174.89	11,215.50	10,085.98	20,149.51
2	Expenses					
	(a) Cost of materials consumed	3,837.90	3,254.00	7,201.01	6,395.43	12,936.47
	(b) Purchases of stock-in-trade	290.33	232.29	535.15	435.36	959.10
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(18.18)	(17.72)	54.11	44.44	(18.90)
	(d) Employee benefits expense	210.24	183.38	424.81	367.03	726.58
	(e) Depreciation and amortisation	68.62	44.45	137.82	89.01	179.61
	(f) Other expenses	531.99	404.74	977.10	836.79	1,505.42
	(g) Expenses capitalised	(15.97)	(13.92)	(28.59)	(32.07)	(64.90)
	Total expenses	4,904.93	4,087.22	9,301.41	8,135.99	16,223.38
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,058.16	1,087.67	1,914.09	1,949.99	3,926.13
4	Other income	113.61	124.16	332.88	299.76	706.41
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,171.77	1,211.83	2,246.97	2,249.75	4,632.54
6	Finance costs	0.05	0.04	0.16	0.13	0.49
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,171.72	1,211.79	2,246.81	2,249.62	4,632.05
8	Exceptional items	340.29	-	340.29	-	-
9	Profit from ordinary activities before tax (7-8)	831.43	1,211.79	1,906.52	2,249.62	4,632.05
10	Tax expense	240.53	374.63	575.64	674.78	1,390.10
11	Net Profit from ordinary activities after tax (9-10)	590.90	837.16	1,330.88	1,574.84	3,241.95
12	Add: Tax (debits)/credits pertaining to earlier years	-	-	-	-	1.37
13	Net Profit / (Loss) for the period (11+12)	590.90	837.16	1,330.88	1,574.84	3,243.32

Note : Excluding the one time exceptional charge of ₹ 340.29 crore, the Profit after tax for the quarter would have been ₹ 852.81 crore