

PRESS RELEASE
BAJAJ AUTO RESULTS – FINANCIAL YEAR 2003-04

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for the financial year 2003-04.

1. Highlights of the year

- ✓ **Highest ever Turnover (net of excise) Rs. 52.7 billion - 17% ↑**
- ✓ **Highest ever Motorcycle sales - crosses "one million " numbers.**
- ✓ **Highest ever Exports – 66% ↑ - “India’s # 1 Two & Three wheeler exporter”**
- ✓ **Highest ever Profit before tax – Rs. 9.6 billion – 22% ↑**
- ✓ **Highest ever Profit after tax – Rs. 7.3 billion – 36% ↑**
- ✓ **Pre-tax Operating ROCE up from 60% to 71%**

2. Financials

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

Rs. in million	FY 2003-04	FY 2002-03
Turnover (net of excise)	52,703	44,857
Gross Profit after interest but before depreciation and taxation	12,053	10,059
VRS, Liability for settlement of claims of temporary workmen	650	461
Depreciation	1,799	1,712
Profit before taxation	9,604	7,886
Provision for taxation (including deferred tax)	2,289	2,502
Profit after Tax	7,315	5,384
Basic and diluted earnings per share (Rs.)	73	52.84

3. Dividend & Sub-division of Shares

The Board of Directors of the company considered the item of sub-division of its share capital together with the overall dividend policy of the company.

The Board has decided that instead of going for the sub-division of shares, there should be a more liberal dividend distribution in the interest of the shareholders and accordingly dividend recommended has gone up from Rs 14/- per share (140%) in the previous year to Rs 25/- per share (250%) for the year 2003-04.

4. Turnover, Operating EBITDA, Profit before tax & Profit after tax

- (a) Total turnover (net of excise) for FY 2003-04 at Rs. 52.7 billion **grew at 17%** v/s Rs. 44.9 billion in FY 2002-03.
- (b) Net sales and other operating income at Rs. 49.2 billion for FY 2003-04 **grew at 14%** v/s Rs. 43.1 billion in FY 2002-03.
- (c) Operating EBITDA for FY 2003-04 was 16.9% v/s 19% in 2002-03. Operating EBITDA for FY 2003-04 was Rs. 8,301 million v/s Rs. 8,172 million in FY 2002-03. The decrease in the operating margins in FY 2003-04 was on account of increase in raw material prices particularly steel and aluminium, and a provision of Rs. 415 million made towards estimated liability for settlement of claims made by temporary workmen.
- (d) The Profit before tax for FY 2003-04 was Rs. 9,604 million v/s Rs. 7,886 million in FY 2002-03 - **an increase of 22%**.
- (e) The Profit after tax for FY 2003-04 of Rs. 7,315 million was **36% higher** v/s Rs. 5,384 million in FY 2002-03.
- (f) Pre-tax return on operating capital employed **increased by 11 percentage points** to 71% in FY 2003-04 v/s 60% in FY 2002-03.

5. Sales

SALES (Nos.)			
	2003-04	2002-03	Change
Motorcycles	1,023,551	868,138	18%
2-Wheelers	1,288,949	1,251,914	3%
3-Wheelers	229,182	193,859	18%
Total	1,518,131	1,445,773	5%
Exports (out of the above)	156,007	94,241	66%

2-Wheelers

- (a) The total motorcycle sales in 2003-04 crossed the "**1 million**" mark registering a growth of 18% v/s 2002-03 - higher than the industry growth rate of 15%.
- (b) To increase its volumes in the entry level segment of the motorcycle market, the Company has launched a new model CT-100 in May 2004. This bike with its class leading performance and phenomenal fuel efficiency is expected to redefine the entry level segment.
- (c) To garner a substantial share in the executive segment of the motorcycle market a technologically superior bike, internally code named K 60, will be launched in second quarter of 2004-05.
- (d) The Pulsar continues to be a market leader in the premium end of the motorcycle market with a sale of over 297,000 numbers in 2003-04. The cumulative sale of Pulsar's to date has crossed **the 500,000 mark** within a short span of 29 months.
- (e) In the ungeared scooter segment an upgrade of Spirit with a 70cc engine and a new ungeared scooter "Wave" will be launched in the second quarter of 2004-05.

3-Wheelers

- (a) The company's three wheeler sales grew by 18% as compared to the previous year.
- (b) The company continues to dominate the passenger carrier segment (3 seater) with a 91.8% market share.
- (c) The higher payload goods carrier GC-1000 launched in April 2003 has enabled the company grow by 154% in the goods carrier segment of the 3 Wheeler market in FY 2003-04. This enabled the Company to gain a market share of 25.6% in the fast growing goods carrier segment of the 3 Wheeler market.

Exports

- (a) Exports in volumes are given in the below table:

	2003-04	2002-03	Change
Total 2-Wheelers	90,210	53,366	69%
Total 3-Wheelers	65,797	40,875	61%
Grand Total	156,007	94,241	66%

- (b) Exports in value for FY 2003-04 at Rs. 5,563 million was **58% higher** v/s Rs. 3,529 million in FY 2002-03.
- (c) The company continues to be the "**number one**" exporter of two and three wheelers in the country

6. Non-operating Income

- (a) Non-operating income for FY 2003-04 was Rs. 3,271 million v/s Rs. 1,450 million in FY 2002-03 **-an increase of 126%**.
- (b) The cost and market value of the investment portfolio is given in the table below:

Rs. in millions	As of 31st March 2004	As of 31st March 2003
Cost	39,072	29,090
Market Value	45,114	29,267

Rajiv Bajaj
Joint Managing Director
Mumbai, 19th May 2004