

12th August, 2016

Q1 (2016-17) Performance

Net Profit for the quarter grows by 12%

Net Sales / Income from Operations de-grows by 4.6% to Rs.959.36 Cr

Significant margin improvement in EPC Segment

A meeting of Board of Directors of Bajaj Electricals Limited was held today to consider and approve results for Q1 of FY 2016-17 ended 30th June, 2016.

Net Sales/Income from Operations for Q1 decreased by 4.6% to Rs.959.36 Cr as against Rs.1005.46 Cr in the corresponding quarter of the previous year.

Profit before Tax at Rs. 36.72 Cr and Net Profit at Rs.22.87 Cr recorded growth of 5.6% and 12.0% respectively, as against PBT of Rs.34.76 Cr and Net Profit of Rs.20.43 Cr, in the corresponding quarter of the previous year.

Consumer Products Segments achieved total revenue of Rs.547.78 Cr, de-growth of 7.6% as against total revenue of Rs.593.04 Cr in the corresponding quarter of the previous year. As a result the operating margins have reduced from Rs.32.25 Cr to Rs.25.16 Cr.

Engineering and Projects Segment has shown no growth and achieved a total revenue of Rs.411.44 Cr. The margins however, have improved from Rs.23.98 Cr. to Rs.30.87 Cr.

Mr. Shekhar Bajaj, Chairman and Managing Director, Bajaj Electricals Limited, said “The implementation of TOC based distribution model continued with greater focus in the Consumer Products Segment. This has impacted the primary sales of this segment, resulting in drop in top line with consequent impact on operating margins. However, gross margins are improved. The implementation has ensured better availability of the products in terms of range and reach. He further emphasized that new distribution model will be stabilized by the end of FY 18 and the full benefit of RREP (Range Reach Enhancement Program) would start realizing from the next financial year onwards.

“Though EPC Segment has shown no growth in term of top line, the margins showed an improvement because of better project execution, Lower debtor provisioning and control of operating expenses. With a good order book of Rs.2476 Cr, comprising Power Distribution projects of Rs.1692 Cr; Transmission Line Towers projects of Rs.624 Cr; and Illumination projects of Rs.160 Cr, the EPC segment is expected to be a major contributor to the overall performance of the Company during the current year.”