Bajaj Electricals Limited

Inspiring Trust

PRESS RELEASE

10th November 2016

PAT for the half year increased by 1.10% to Rs.39.53 Cr
EPC Segment Margins improved by 1.1% from 6.4% to 7.5%; Consumer Products margins under pressure

Bajaj Electricals Ltd has declared its results for the second quarter & half year ended 30th Sept 2016.

During the second quarter, the Company has achieved Net Sales/income from operations of Rs.1005.75 Cr as against Rs. 1122.08 Cr in the corresponding quarter of the previous year, registering a de-growth of 10.4%. Profit before tax at Rs.25.84 Cr and Profit after Tax at Rs.16.66 Cr for Q2 were lower by 15.97% and 10.77%, respectively, as against the corresponding quarter of the previous year.

For the half year ended 30th September, 2016, the Company has achieved Net Sales/income from operations of Rs.1965.11 Cr as against Rs. 2127.55 Cr for the corresponding period of the previous year, registering a de-growth of 7.6%. Profit before tax at Rs. 62.56 Cr for the half year was lower by 4.50%; whereas Profit after tax was improved by 1.10% to Rs.39.53 Cr, over the corresponding period of the previous year.

During the quarter, Consumer Products Segment with a total Revenue of Rs.566.12 Cr, showed a de-growth of 5.5% and EPC Segment with a total Revenue of Rs. 439.28 Cr, showed a de-growth of 16%, as compared to the corresponding quarter of the previous year.

For the half year ended 30th September, 2016, Consumer Products Segment achieved a total Revenue of Rs. 1113.90 Cr, registering a de-growth of 6.6%; whereas EPC Segment with a total Revenue of Rs. 850.72 Cr de-grown by 9.0% as compared to the corresponding half year of the previous year.

Mr. Shekhar Bajaj, Chairman and Managing Director, Bajaj Electricals Limited, said "The Lighting BU of the Consumer Products Segment registered a sub optimal performance largely due to drop in demand for CFL and absence of EESL order for LED products in the current year as against the previous year. The sales of Lighting BU has de-grown by 31%. To enhance the brand recall and support RREP distribution model, the Company continued its advertising spend during major events such as RIO Olympics, Wimbledon, Pro Kabaddi, etc. This coupled with increase in staff cost and other fixed costs, impacted the overall margins of the Consumer Products Segment. However, rollout of RREP (Range & Reach Expansion Programme) distribution is on track and the same would help in improving the overall performance of the Company in the 3rd and 4th quarter of the current year."

"EPC Segment has shown an improvement in margins by 1.1% i.e. from 6.4% to 7.5%, owing to effective Project Monitoring mechanism with better control over cost and thrust on collection of old receivables. EPC segment is now back on the profitable track and is expected to do well in the future.

EPC Segment has good order inflow and the current order book stands at Rs. 2721 Cr, comprising of Rs. 1000 Cr for Transmission Line Towers; Rs. 1545 Cr for Power Distribution; and Rs. 176 Cr for Illumination Projects."