

## **Bajaj Electrical Q2 Results**

### **Online Coverage**

**November 2, 2011**

#### **Moneycontrol.com**

**URL:** [http://www.moneycontrol.com/news/wire-news/interview-bajaj-elect-eyes-fresh-orders-cuts-fy12-rev-target\\_608983.html](http://www.moneycontrol.com/news/wire-news/interview-bajaj-elect-eyes-fresh-orders-cuts-fy12-rev-target_608983.html)

#### **INTERVIEW - Bajaj Elect eyes fresh orders; cuts FY12 rev target**

MUMBAI (Reuters) - Bajaj Electricals expects some fresh orders to come by in a few weeks, but has scaled down its revenue target for FY12 a bit on account of sluggishness in the engineering and projects (E&P) business, a senior official told Reuters.

"Probably because of E&P slowdown I would say about 3,300 crores (33 billion rupees)," said R. Ramakrishnan, executive director, Bajaj Electricals, when asked about revenue target for 2011/12.

In January, another senior official of the firm said it aimed to clock turnover of 35 billion rupees during FY12.

If the target is achieved, the revenue growth would be 20.5 percent for the Mumbai-based firm, which makes appliances, lighting products, fans, luminaires. In FY11, it had clocked a revenue of 27.39 billion rupees.

In July-Sept, Bajaj Electricals posted an 8 percent rise in its net profit to 249.9 million rupees, on net sales of 6.9 billion rupees that grew 19 percent. A Reuters poll of brokerages had estimated net profit at 219.50 million rupees.

During the quarter, revenue from the lighting and consumer durable segments had shown a growth of 25 percent and 21.3 percent, respectively, while the E&P segment has registered a growth of 9.5 percent, the firm said in a statement.

"I would expect rural demand to do well... Bajaj Electricals is uniquely poised because we are in so many segments and we have a pipeline of interesting opportunities," Ramaskrishnan said.

The firm, which currently has four-five exclusive showrooms on a franchisee basis selling its own branded appliances, will grow them to 50 by 2013/14, he added.

#### **E&P SHOW**

As of Sept. 30, Bajaj Electricals has an order book position of 6.26 billion rupees in the E&P segment, compared with 10.5 billion rupees at the beginning of 2011.

"The government is not taking decisions. There is a paralysis, so unfortunately that is affecting creation of further order book," said Ramakrishnan adding the E&P segment will improve in the fourth quarter.

"In the next two weeks, we are expecting further order inflow of about 100 crores (1 billion rupees)...," he said.

It has been working to complete some of the long-drawn projects in the segment and can bid for fresh projects of state-run Power Grid Corp now.

Project contracting in the power transmission business is expected to pick up in India during rest of the FY12, as the largest transmission utility Power Grid is expected to heighten its contract awarding activity ahead.

"So, on the whole, I see margin improvement happening because of newer projects, new contracts. May not be the third quarter, but fourth quarter...will be a good quarter (for the E&P segment)."

Shares in the firm, now valued by the market at \$398.8 million, has lost 19 percent so far in 2011, more than the benchmark index's 15 percent fall during the same period.

On Tuesday, the stock rose as much as 2.12 percent during the day, but later pared gains and ended 0.31 percent higher at 195.45 rupees, bucking the weak trend in the Mumbai market.

## **Moneycontrol.com**

**URL:** [http://www.moneycontrol.com/news/recommendations/buy-bajaj-electricals-targetrs-262-mlr-securities\\_608951.html](http://www.moneycontrol.com/news/recommendations/buy-bajaj-electricals-targetrs-262-mlr-securities_608951.html)

### **Buy Bajaj Electricals; target of Rs 262: MLR Securities**

Published on Tue, Nov 01, 2011 at 18:07 | Source : Moneycontrol.com

#### ***5709 Investors following [Bajaj Electric](#).***

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MLR Securities is bullish on [Bajaj Electricals](#) and has recommended buy rating on the stock with a target of Rs 262 in its October 28, 2011 research report.

Bajaj Electricals has a strong distribution network with 19 branch offices besides having a chain of about 1000 distributors, 4000 authorized dealers, more than 450,000 retail outlets and over 282 customer care centers across India which ensures efficient rollout of goods and services to the end consumers. Launched new products such as pressure cookers, water purifier, water pumps, digi sets and LED lanterns which have received a fairly good initial response from the market. The company is optimistic about scaling up its volumes over the next two to three years and improve its product portfolio. It has a diversified business model which caters to the direct consumers as well as focus on infrastructure. Thus, with presence in different consumer markets, it is able to generate stable flow of revenues by focusing on new business opportunities.

T&D Segments order book as of 1QFY12 stands at Rs 730 Cr providing revenue visibility for next 1-1.5 years. Transmission Line Towers account for 40% of the total E&P order book. Special Projects account for 42% and High Mast share is 18%. The company has bid for close to Rs 2,300 Cr worth of projects. Under the transmission line towers the company has bid for Rs 1,500 Cr worth of projects, Rs 400 Cr for High Mast Division and Rs 400 Cr for Special Projects.

The E&P division reported losses in Q1FY12 because of seasonally weak quarter coupled with closure of some old projects by the company resulting into the cost pressure. The company is taking several initiatives to bring back the E&P business on track. For this, the company is bringing down the number of projects from 82 levels to ~ 50 projects by the end of the year. The company has guided the completion of the cleaning process by Q2FY12 and the improvement in margins thereafter. We believe its strong distribution network, launch of new products and robust demand growth from the domestic market will drive its volume growth going forward. On a conservative approach, we have valued the stock 16 times FY13 EPS of Rs 16.4 giving a target price of Rs 262 an upside potential of 32% from the current levels, says MLR Securities research report.

## **Economic Times**

URL: <http://economictimes.indiatimes.com/et-now/results/bajaj-electricals-q2-net-up-139-percent/videoshow/5176297.cms>

Video Link

URL : <http://economictimes.indiatimes.com/news/news-by-industry/cons-products/electronics/bajaj-electricals-expects-rs-33-bn-revenue-for-fy12/articleshow/10567863.cms>

### **Bajaj Electricals expects Rs 33 bn revenue for FY12**

MUMBAI: Bajaj Electricals expects the [revenue](#) for fiscal year ending March 2012 to be 33 billion rupees, lower than its earlier target of 35 billion rupees, and hopes to win fresh orders in next two weeks, a senior company official said on Wednesday.

"In the next two weeks, we are expecting further [order inflow](#) of about 100 crores (1 billion rupees)," R. Ramakrishnan, executive director, told Reuters over the telephone.

The company's order book at end September was 6.26 billion rupees, it said in a statement.

## **Hindu Business Line**

URL: <http://www.thehindubusinessline.com/companies/article2588951.ece>

### **MUMBAI, NOV. 1:**

Bajaj Electricals has posted a nine per cent rise in net profit at Rs 25 crore (Rs 23 crore) for the second quarter ended September 30, 2011.

Net sales increased 19 per cent to Rs 701 crore (Rs 588 crore).

During the quarter, the lighting and consumer durable segments logged Rs189 crore and Rs 339 crore, registering a growth of 25 per cent and 21 per cent, while the engineering and project segment was up 10 per cent at Rs 171 crore.

Mr Shekhar Bajaj, Chairman and Managing Director, Bajaj Electricals, said, "The company has managed top line growth of 19.2 per cent during the quarter. The lighting segment has done particularly well with good top line growth and improved margins.

"With second half of the year being the peak season, the company expects an improved performance with better margins. Market conditions though remain tough with competitive pressures and commodity price volatility."

On Tuesday, the company scrip on BSE was marginally down at Rs 194.70.

## **Equity Bulls**

URL: [http://www.equitybulls.com/admin/news2006/news\\_det.asp?id=97698](http://www.equitybulls.com/admin/news2006/news_det.asp?id=97698)

### **Bajaj Electricals Q2 profit up at Rs.24.99 crore**

Bajaj Electricals Ltd has announced the Financial Results for the Period ended September 30, 2011.

The company has reported Net Sales / Income from Operations of Rs.698.62 crores for the quarter ended September 30, 2011 against Rs.587.17 crores for the quarter ended September 30, 2010.

The Net Profit / (Loss) was at Rs.24.99 crores for the quarter ended September 30, 2011 against Rs.23.24 crores for the quarter ended September 30, 2010.

The company has reported an EPS of Rs.2.51 for the quarter ended September 30, 2011 as compared to Rs.2.36 for the quarter ended September 30, 2010.

The stock was trading at Rs.195.10, down by Rs.0.35 or 0.18%. The stock hit an intraday high of Rs.199.30 and low of Rs.194.

The total traded quantity was 0.34 lakhs compared to 2 week average of 0.12 lakhs.

## **India Infoline**

URL: <http://www.indiainfoline.com/Markets/News/Bajaj-Electrical-PBT-at-Rs370mn/5278833175>

### **Bajaj Electrical Q2 PBT at Rs370mn**

India Infoline News Service / 14:26 , Nov 01, 2011

**The Profit Before Tax stood at Rs370mn as against Rs360mn for the corresponding quarter.**

Bajaj Electrical Ltd has posted results for the second quarter ended 30th September, 2011.

The Profit Before Tax stood at Rs370mn as against Rs360mn for the corresponding quarter.

## **Capital Market**

URL: <http://www.capitalmarket.com/ifa.asp?L=results&M=cmedit%2fstory7-20.asp%3fsno%3d513924>

### **Bajaj Electricals net profit rises 7.53% in the September 2011 quarter**

#### **Sales rise 18.98% to Rs 698.62 crore**

Net profit of Bajaj Electricals rose 7.53% to Rs 24.99 crore in the quarter ended September 2011 as against Rs 23.24 crore during the previous quarter ended September 2010. Sales rose 18.98% to Rs 698.62 crore in the quarter ended September 2011 as against Rs 587.17 crore during the previous quarter ended September 2010.

<b>Particulars</b>	<b>Quarter Ended</b>		
	<b>Sep. 2011</b>	<b>Sep. 2010</b>	<b>% Var.</b>
<b>Sales</b>	698.62	587.17	<b>19</b>
<b>OPM %</b>	7.51	7.66	<b>-2</b>
<b>PBDT</b>	40.37	38.47	<b>5</b>
<b>PBT</b>	37.45	36.13	<b>4</b>
<b>NP</b>	24.99	23.24	<b>8</b>



## **Equity master**

URL: <http://www.equitymaster.com/tm/tm.asp?date=11/01/2011&title=Fear-grips-investors-yet-again>

[Bajaj Electricals](#), one of India's leading consumer appliances companies also announced its results today whereby its bottomline growth came in at 7% YoY during the quarter on the back of a 19% growth in topline. While operating margins fell marginally, what impacted profit significantly was the jump in both interest as well as depreciation charges. As far as the half yearly performance is concerned, bottomline suffered a fall of more than 20% on the back of a 16% growth in topline. The stock closed lower by 1% today.