

DALMIA SECURITIES**Bajaj Electricals
(Reduce)****CMP: Rs 197****Target: Rs 200**

Bajaj Electricals Ltd (BJE) reported Q4FY2012 results. Standalone revenue came in at Rs 1,058.63 crore as against Rs 979.35 crore y-o-y, up eight per cent, which was in line with our expectations. While, net profit de-grew by 15 per cent to Rs 48.98 crore as against Rs 57.45 crore mainly due to rise in interest rate. EBITDA margin stood at eight per cent in Q4FY12 as against 10 per cent in Q4FY11 mainly on back of weak operating performance of consumer durable segment and engineering and project (E&P) segment. Consumer durable EBIT margin declined by 200 bps mainly on back of slower sales from fans and air coolers. Simultaneously, rupee depreciation had impacted on the imported goods. Management had also stated till mid last year, consumer goods from China is used to be 10-20 per cent cheaper than Indian consumer goods.

PRABHUDAS LILLADHER

बजाज इलेक्ट्रिकल्स

चौथी तिमाही में शुद्ध लाभ
15 फीसदी घटा

बंद **रु. 197**

नीचे **8.22 %**



BAJAJ ELECTRICALS

REDUCE

CURRENT PRICE
₹197

Bajaj Electricals Ltd has reported March results in line with our estimates driven by lighting and engineering and project (E&P) segment. The E&P segment reported meaningful sequential profit growth in the quarter. However for FY12, margins remained under pressure for the segment.

KOTAK SECURITIES

Bajaj Electricals Q4 net decline 15 pc

PBD BUREAU/PTI

MUMBAI, MAY 28

BAJAJ Electricals, which today reported a 15 per cent drop in net profit for the March quarter on poor sales in its engineering division, will selectively increase prices to tackle the massive fall in the rupee.

"We are looking at hiking the prices of certain products in the durables division following the massive fall in the rupee. The first segment to see a price division will be CFL (compact fluorescent lamp) as most of its critical components are imported.

"However, we are yet to decide on the quantum of the hike which will be announced soon," Bajaj Electricals joint managing director Anant Bajaj told PTI after announcing the Q4 numbers.

Bajaj also said he is hopeful of the company clipping at over 22 per cent in the current fiscal to clock a topline of ₹ 3,800 crore. In FY12, the city-based company had a topline of ₹ 3,094.19 crore, against ₹ 2,739.41 crore in FY11.

Net profit for the March quarter declined to ₹ 49 crore compared to ₹ 57.45 crore a year ago, largely due to a dismal show by the engineering

and projects vertical and the fan business.

The net profit for the full year fell 18 percent to ₹117.88 crore, as against ₹ 143.79 in the year ago period.

Attributing the reasons for the poor numbers, Bajaj noted that "the infrastructure industry has been going through a bad phase and this has impacted the performance of our engineering and project division.

"For FY12, sales were flat at ₹ 832 crore resulting in poor absorption of fixed costs and lowering of margins. Consumer durables margins were also impacted due to revenue and margin pressures in fans and high commodity prices."

The company, however said, its net sales during the fourth quarter was ₹ 1,058.64 crore from ₹979.36 crore in the previous year.

Bajaj further said the cost of raw materials shot up during the year following the rupee fall, putting pressure on the margins, and plans to hike the prices of few of its products in the near future.

Segment-wise, lighting business registered a revenue growth of 21.2 percent during the year to Rs 764.8 crore, while consumer durables business grew 17.5 per cent to ₹ 1,500.5 crore.



■ Bajaj Electricals Sinks 8% on Fall in Profits

MUMBAI Bajaj Electricals plunged over 8% on Tuesday, after the company on Monday said its net profit fell 15% to ₹49 crore in the January-March period from a year ago. The stock had fallen 2.3% on Monday.

Intra-day on BSE (₹)



BAJAJ ELECTRICALS

Script plunges as it reports poor sales in its engineering division for March 2012

Close
197

% ch

8.22