

11th August, 2020

Q1 Consumer Products (CP) sales down by 49.8%, but EBIT positive
CP June 2020 sales at 104% of June 2019 sales

Bajaj Electricals Ltd has declared its results for the first quarter ended 30th June, 2020.

For the first quarter of 2020-21, the Company has achieved Sales/income from operations of Rs.608 Cr. as against Rs. 1,307 Cr., a decrease of 53.5% over the first quarter of the previous year. For the quarter, the company has made loss before tax and loss after tax of Rs. 32 Cr. and Rs. 17 Cr. respectively as against profit before tax and profit after tax of Rs. 23 Cr. and Rs. 14 Cr., in the corresponding first quarter of the previous year.

For the quarter, Consumer Products segment of the Company has earned total revenue of Rs. 395 Cr. as against Rs. 786 Cr., a de-growth of 49.8% over the corresponding quarter of the previous year. During June 2020, Consumer Products segment revenues were 104% of the revenues earned in June 2019. EPC segment has achieved a total revenue of Rs. 213 Cr. as against Rs. 521 Cr., registering a de-growth of 59.0% over the corresponding quarter of the previous year. CP Operating EBIT is at 8 Cr. as against 51 Cr., a de-growth of 83.9% over the corresponding first quarter of the previous year. Margins are at 2.1%.

For the first quarter of 2020-21, the Company generated positive Cashflow from Operations of Rs 145 Cr. as against 42 Cr. in the corresponding first quarter of the previous year. Debt reduced from Rs. 962 Cr. as at 31st March, 2020 to Rs 810 Cr. as at 30th June, 2020

During the quarter ended June 30, 2020, NCLT, Mumbai Bench by its order dated May 21, 2020 has approved the scheme of arrangement for demerger of the manufacturing undertaking of the Hind Lamps Limited (associate of the Company) into the Company. Company has accounted for the demerger, resulting in a gain of Rs 28 Cr. which has been disclosed as an exceptional items in the financial results. Further, Rs. 14 Cr., has been credited to other comprehensive income and accumulated in equity as capital reserve.

The outbreak of COVID-19 globally and in India has caused significant disturbances and slow-down of economic activity. The Company's operations have also been impacted in the months of March 2020, April 2020 and May 2020 due to temporary suspension of manufacturing facilities, sales and distribution and execution of EPC contracts following

nationwide lockdown announced by the Government of India in view of COVID-19. However, post the permission for operations of certain activities by the Government of India in non-containment zones, the Company has resumed operations at its manufacturing units at Chakan and Ranjangaon, branches, and at all warehouses across the country. Most of the Company's EPC sites are also operational now. Further, the Company has adequate financial cushion to take care of requirement of funds.

Mr. Shekhar Bajaj, Chairman and Managing Director of Bajaj Electricals Limited, said "This has been a quarter amidst unprecedented times. We have focused on controlling short term impact while continuing to work towards our long term strategic goals. Our Consumer Products business has shown signs of strong recovery in the latter half of this quarter, thus delivering a positive segment-level EBIT. Our EPC segment has been adversely affected due to hold up of project execution and billings and incurred a loss. Nonetheless, we have maintained our strong focus on cashflows from operations in this quarter too, generating a healthy Rs. 145 Cr., thereby further reducing our debt significantly."

The order book as on 1st July, 2020 stands at Rs. 1,595 Cr., comprising of Rs. 624 Cr. for Transmission Line Towers, Rs. 764 Cr. for Power Distribution, and Rs. 207 Cr. for Illumination Projects.