

**BAJAJ***Distinctly Ahead*

Bajaj Auto Limited

Akurdi Pune 411 035 India

Tel +91 20 27472851

Fax +91 20 66107380

27407396

www.bajajauto.com

FAX NO. 022 26598237/ 8238/ 66418125 / 8126

19 July 2013

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East)
MUMBAI 400 051

Dear Sir/s :

**Sub : Unaudited financial results for the first quarter
ended 30 June 2013 – limited review**

In terms of the provisions of clause 41 of the listing agreement, the Unaudited Stand-alone Financial Results for the first quarter ended 30 June 2013 were taken on record by our board of directors at its meeting held today, the 19 July 2013. The said results were also subjected to a limited review by the auditors of the company.

Accordingly, please find enclosed the following :

- a) Certified true copy of Unaudited Stand-alone Financial Results for the first quarter ended 30 June 2013.
- b) Limited Review Report for the first quarter ended 30 June 2013, and
- c) One copy of the press release.

Thanking you,

Yours faithfully,
for Bajaj Auto Limited,

J SRIDHAR
COMPANY SECRETARY

Encl : as above

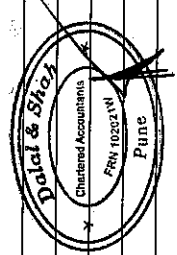
Confirmation copy sent by hand delivery



Bajaj Auto Limited
Mumbai - Pune Road, Akurdi, Pune 411 035

Statement of standalone unaudited financial results for the quarter ended 30 June 2013

Particulars	Quarter ended			Year ended
	30.06.2013 (Unaudited)	31.03.2013 (Unaudited)	30.06.2012 (Unaudited)	31.03.2013 (Audited)
(₹ In Crore)				
Sales in numbers	979,275	981,242	1,078,971	4,237,162
1 Income from operations				
a. Gross sales	5,058.14	4,922.62	4,971.41	20,617.87
Less: Excise duty	249.41	271.57	267.77	1,128.91
Net sales	4,808.73	4,651.05	4,713.64	19,488.96
b. Other operating income	102.36	95.43	152.02	508.29
Total income from operations (net)	4,911.09	4,746.48	4,865.66	19,997.25
2 Expenses				
(a) Cost of materials consumed	3,141.43	3,293.89	3,200.76	13,523.74
(b) Purchases of stock-in-trade	203.07	249.13	191.73	858.83
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	62.16	(134.19)	115.55	24.00
(d) Employee benefits expense	183.65	166.63	160.40	639.48
(e) Depreciation	44.39	46.61	35.24	163.97
(f) Other expenses (See note 1)	432.22	358.75	336.18	1,378.80
(g) Expenses capitalised	(18.15)	(24.32)	(10.66)	(62.85)
Total expenses	4,048.77	3,956.50	4,029.20	16,525.97
3 Profit from operations before other income, finance costs and exceptional items (1-2)	862.32	789.98	836.46	3,471.28
4 Other income (See note 1 and 2)	175.60	243.61	181.97	795.49
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	1,037.92	1,033.59	1,018.43	4,266.77
6 Finance costs	0.09	0.18	0.04	0.54
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,037.83	1,033.41	1,018.39	4,266.23
8 Exceptional items				
9 Profit from ordinary activities before tax (7+8)	1,037.83	1,033.41	1,018.39	4,266.23
10 Tax expense	300.15	267.64	300.00	1,222.66
11 Net Profit from ordinary activities after tax (9-10)	737.68	765.77	718.39	3,043.57
12 Paid-up equity share capital (Face value of ₹ 10)	289.37	289.37	289.37	289.37
13 Reserves excluding Revaluation Reserves				7,612.58
14 Basic and Diluted Earnings per share (₹) (not annualised)	25.5	26.5	24.8	105.2
before and after extraordinary items				

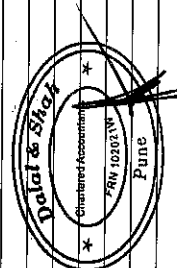


Particulars		Quarter ended			Year ended
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
A	Particulars of shareholding				
1	Public shareholding @				
	Number of shares	144,633,888	144,633,888	144,633,888	144,633,888
	Percentage of shareholding	49.98%	49.98%	49.98%	49.98%
2	Promoters & Promoter Group Shareholding				
	(a) Pledged / Encumbered				
	Number of shares	86,855	148,855	2,656,585	148,855
	Percentage of shares (as a % of the total shareholding of promoters and promoter group)	0.06%	0.10%	1.84%	0.10%
	Percentage of shares (as a % of the total share capital of the company)	0.03%	0.05%	0.92%	0.05%
	(b) Non-encumbered				
	Number of shares	144,646,277	144,584,277	142,076,747	144,584,277
	Percentage of shares (as a % of the total shareholding of promoters and promoter group)	99.94%	99.90%	98.16%	99.90%
	Percentage of shares (as a % of the total share capital of the company)	49.99%	49.97%	49.10%	49.97%
@ including equity shares represented by GDRs.					

Particulars		Quarter ended
		30.06.2013
B	Investor complaints	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	4
	Disposed of during the quarter	4
	Remainder unresolved at the end of the quarter	Nil

Segment-wise revenue, results and capital employed

Particulars		Quarter ended			Year ended
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment revenue				
	Automotive	4,963.72	4,909.21	4,954.81	20,419.98
	Investments	122.97	80.88	92.82	372.76
	Total	5,086.69	4,990.09	5,047.63	20,792.74
2	Segment profit / (loss) before tax and finance costs				
	Automotive	915.20	952.91	925.83	3,894.85
	Investments	122.72	80.68	92.60	371.92
	Total	1,037.92	1,033.59	1,018.43	4,266.77
	Less: Finance costs	0.09	0.18	0.04	0.54
	Total profit before tax	1,037.83	1,033.41	1,018.39	4,266.23
3	Capital employed				
	Automotive	2,708.49	2,844.10	1,234.87	2,844.10
	Investments	7,525.38	6,542.42	6,872.26	6,542.42
	Unallocable	(1,435.58)	(1,298.20)	(1,516.69)	(1,298.20)
	Total	8,796.29	8,088.32	6,590.44	8,088.32



Notes :

1. The marked-to-market gain / loss representing time value of foreign exchange contracts to hedge future exports, which reverse out over the period of contract, net of such reversals are recognised either as 'Other income' or 'Other expenses' as the case may be. The above results include these impacts as follows :

Particulars	(₹ In Crore)		
	30.06.2013	Quarter ended 31.03.2013	Year ended 31.03.2013
Net gain as Other income	-	18.24	32.88
Net loss as Other expenses	96.00	-	131.92

2. Other income includes following -

Particulars	(₹ In Crore)		
	30.06.2013	Quarter ended 31.03.2013	Year ended 31.03.2013
Investment income	122.97	80.88	92.82
Others	52.63	162.73	89.15

3. The workers union at Chakan plant issued a notice of termination of the settlement dated 21 May 2010 with the company, which originally was for a period of nine years, from 1 April 2010 to 31 March 2019. The union demanded allotment of 500 equity shares of the company at a price of Re. 1/- per share for every worker, which was refused by the management.

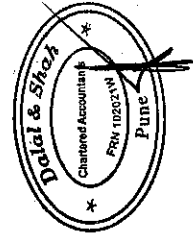
On 13 June 2013, the union issued a notice of Strike from 28 June 2013, but commenced the strike from 25 June 2013. The strike is still continuing.

The injunction obtained by the company against the coercive activities of the union from the Industrial Court, Pune is in force. The Management has also made a Reference before the Labour Court, Pune praying to declare the strike as illegal. The hearing of the case is fixed on 22 July 2013. The Management has also filed a case before the Industrial Court, Pune, for declaring the termination of settlement as illegal. The hearing of the case is fixed on 5 August 2013.

4. Figures for previous year / period have been regrouped wherever necessary.

5. ₹ 1 crore is equal to ₹ 10 million.

6. The above results have been reviewed by the Audit Committee, approved by the Board of Directors in the meeting held on 19 July 2013 and subjected to a limited review by the statutory auditors.



BY ORDER OF THE BOARD OF DIRECTORS
FOR BAJAJ AUTO LIMITED

Pune

Date: 19 July 2013

RAHUL BAJAJ
CHAIRMAN

The Board of Directors
Bajaj Auto Limited
Mumbai – Pune Road,
Akurdi, Pune - 411035

1. We have reviewed the results of Bajaj Auto Limited (the “Company”) for the quarter ended 30th June, 2013 which are included in the accompanying ‘Statement of Standalone Un-audited financial results for the quarter ended 30th June, 2013’ (the “Statement”), except for the disclosures regarding ‘Public Shareholding’ and ‘Promoter and Promoter Group Shareholding’ which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company’s management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion
4. We have only traced the disclosures regarding ‘Public Shareholding’ and ‘Promoter and Promoter Group Shareholding’ in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants



Anish P Amin
Partner
Membership Number: 40451

Pune
19th July 2013

Press Release

Results : Q1 / FY14

Operating EBITDA margin* at 21.3% !!!

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q1 / FY14.

Performance highlights – Q1 / FY14 v/s Q1 / FY13

In a difficult economic environment, the company recorded

- ✓ Sales – **979,275** units v/s 1,078,971 units
- ✓ Turnover – **₹ 5087** crore v/s ₹ 5048 crore
- ✓ Exports – **₹ 1876** crore v/s ₹ 1710 crore
- ✓ Operating EBITDA* – **₹ 1056** crore v/s ₹ 928 crore
- ✓ Operating EBITDA* margin – **21.3%** v/s 18.9%
(amongst the best for the company in recent times)
- ✓ Profit before tax – **₹ 1038** crore v/s ₹ 1018 crore
- ✓ Profit after tax – **₹ 738** crore v/s ₹ 718 crore

Results are given in Annexure I.

The same are explained below

₹ in crore	Q1 / FY14			Q1 / FY13			Change
	Auto	Treasury	Total	Auto	Treasury	Total	
Sales (No's)	979,275			1,078,971			-9%
Net Sales	4809	-	4809	4714	-	4714	
Other operating income	102	-	102	152	-	152	
Other income	53	123	176	56	93	182	
Mark-to-market gain see note 2	-	-	-	33	-		
Total Income	4964	123	5087	4955	93	5048	1%
Total Expenditure before MTM	3908	-	3908	3994	-	3994	
EBITDA before MTM	1056	123	1179	928	93	1021	
Operating EBITDA %	21.3%			18.9%			
Mark-to-Market loss see note 2	96	-	96	-	-	-	
EBITDA after MTM	960	123	1083	961	93	1054	-
Interest and Depreciation	45	-	45	36	-	36	
Profit before tax	915	123	1038	925	93	1018	
Profit after tax			738			718	3%

* before mark-to-market (MTM) loss

1. Margins and Outlook

Bajaj Auto's strategy, over the last several years, to focus on international markets has paid rich dividends.

Prudent and well thought out strategy to hedge future earnings from exports has ensured the company's ability to leverage to its advantage the depreciation in rupee vis-a-vis the US\$. While exports were more-or-less flat at US\$ 327 million, in rupee terms, exports recorded a growth of 10% to ₹ 1876 crore in Q1 / FY14.

This enabled the company to record an EBITDA margin (before mark-to-market loss) of 21.3%.

Taking into account the current trend of the rupee vis-a-vis the US\$ and the current position of hedged contracts, a further benefit on account of depreciating rupee would accrue to the company in the coming quarters.

2. Range forward option contracts – mark-to-market

The ineffective portion of mark-to-market loss on valuation of the range forward option contracts entered into by the company to hedge its future export earnings are routed through the Profit and Loss account. **This loss is notional by nature and would reverse over the tenure of the contract.**

For Q1 / FY14, loss of ₹ 96 crore on outstanding range forward option contracts as on 30th June 2013 has been accounted under the head " Other expenses " in the results. **This would reverse over the tenure of the contracts.**

The corresponding figure for the previous periods is tabulated below:

₹ in crore	Q1 FY14	Q1 FY13	FY13
Net gain shown under Other Income	-	33	132
Net loss shown under Other Expenses	96	-	-

The net gain of ₹ 132 crore as shown in FY13 under the head "Other Income" is on account of reversal of such MTM loss taken to the Profit and Loss account in FY12.

3. Motorcycles

Particulars	Q1 FY14	Q1 FY13	Change	FY13
Domestic	571,655	618,489	-8%	2,463,874
Exports	288,496	364,134	-21%	1,293,231
Total	860,151	982,623	-12%	3,757,105

3.1 India

- ✓ Share in domestic market was ~23% in Q1 / FY14 as against ~24% in FY13.
- ✓ Given the present economic situation, high fuel price and negative sentiments, the size of domestic market for "Premium" segment declined by ~11% in Q1 / FY14. Bajaj Auto being the single largest player with a market share of ~46% in this segment was more than proportionately affected.

Further, the labour unrest and stoppage of work in June 2013 at the manufacturing unit in Chakan has caused a loss in sales of ~20,000 Pulsars.

3.2 Exports

- ✓ Sales to Sri-lanka were stable while Egypt continued to suffer from geo-political crises, affecting despatches.
- ✓ Due to a ban on use of motorcycle as taxi in a few provinces, Nigeria recorded a subdued performance. However, this was partially made up by growth from Kenya and Uganda.

4. Commercial Vehicles

Particulars	Q1 FY14	Q1 FY13	Change	FY13
Domestic	45,057	44,837	-	226,131
Exports	74,067	51,511	44%	253,926
Total	119,124	96,348	24%	480,057

4.1 India

- ✓ Given the overall economic environment, the domestic industry for three wheeler passenger carriers recorded a decline of ~3%. In contrast, Bajaj Auto has performed relatively better with a **growth of 3%**.
- ✓ Share in domestic market, for Bajaj Auto, stood at ~42%.
- ✓ Bajaj Auto continues to dominate the gasoline and alternate fuel passenger carrier segment with a market share of ~87%. This category is poised for a growth with new permits being released in Hyderabad (~20K) and Maharashtra (~30K)
- ✓ The company improved its market share in the Diesel passenger carrier segment to ~32%.
- ✓ With the launch of upgrades, release of new permits and having established a strong footing in the diesel segment, company's **outlook** in this segment is **positive**.

4.2 Exports

- ✓ Sales to Sri-lanka normalised while buoyancy in sales to Bangladesh helped the company record a growth of 44% over Q1 / FY13.

5. International Business

Particulars	Q1 FY14	Q1 FY13	Change	FY13
Motorcycles	288,496	364,134	-21%	1,293,231
Commercial vehicles	74,067	51,511	44%	253,926
Total	362,563	415,645	-13%	1,547,157
Exports (₹ in crore)	1876	1710	10%	6713
Exports (US\$ in million)	327	337	-3%	1,309

- ✓ Company's exports are primarily to developing economies which are currently having their share of problems – adverse balance of payment position, runaway inflation, high interest rates and depreciating currency.
- ✓ Though overall volumes witnessed a decline, market share in most of the international markets has remained intact or improved marginally.

6. VAT refund

VAT refund receivable, on 31st March 2013, was ₹ 1120 crore. Of this ₹ 47 crore was received in April 2013 and ₹ 840 crore was received on 4th July 2013.

7. Bajaj Auto International Holdings BV (BAIH BV)

BAIH BV, a Netherlands based 100% subsidiary of Bajaj Auto Ltd, holds 47.96% stake in KTM AG.

During the quarter, BAIH BV:

- Received a dividend of Euro 0.70 per share declared by KTM AG for the year 2012.
- Declared an interim dividend of Euro 1.75 per share.

Accordingly, in Q1 / FY14, Bajaj Auto has received a dividend income of ₹ 27 crore.

8. Cash and cash equivalents

Surplus cash and cash equivalents stood at ₹ 6391 crore as on 30th June 2013 as against ₹ 5706 crore as on 31st March 2013.

9. Industrial relations scenario at Chakan plant

At the Chakan plant, the company had signed a settlement dated 21st May 2010 with the union Vishwa Kalyan Kamgar Sanghatana (VKKS) for a period of nine years, from 1st April 2010 to 31st March 2019.

The union VKKS terminated the said settlement giving a Notice of Termination dated 9th March 2013. The union demanded that every worker should be allotted 500 equity shares of the company at a price of Re.1/- per share. The said demand was refused by the management.

Thereafter the union gave a Notice of Strike dated 13th June 2013 informing the management that the workers will stop work / go on strike starting from the first shift of 28th June 2013. However, the union commenced the strike with effect from the first shift of 25th June 2013, in violation of the provisions of The MRTU & PULP Act, 1971 and The Industrial Disputes Act, 1947. The strike is still continuing.

The management has obtained an injunction order from the Industrial Court, Pune, against the coercive activities of the union. The injunction is in force.

The Management has made a Reference before the Labour Court, Pune praying to declare the strike resorted to by the union as illegal, under the MRTU and PULP Act, 1971. The hearing of the case is fixed on 22nd July 2013.

The Management has also filed a case before the Industrial Court, Pune, for declaring the termination of settlement as illegal, under the MRTU and PULP Act, 1971. The hearing of the case is fixed on 5th August 2013.

As of now, around 700 employees including unionized workmen, Trainees, Apprentices, staff, etc. are reporting to work. Production at Chakan plant is around 1700 motorcycles per day. The plant at Waluj has commenced production of Pulsar motorcycles and is currently producing around 1250 motorcycles per day.



Kevin D'sa
President (Finance)
19th July 2013.



Bajaj Auto Limited
Mumbai - Pune Road, Akurdi, Pune 411 035

Annexure I

(₹ In Crore)

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	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	62.16	115.55	24.00
	(d) Employee benefits expense	183.65	160.40	639.48
	(e) Depreciation	44.39	35.24	163.97
	(f) Other expenses	432.22	336.18	1,378.80
	(g) Expenses capitalised	(18.15)	(10.66)	(62.85)
	Total expenses	4,048.77	4,029.20	16,525.97
	Profit from operations before other income, finance costs and exceptional items (1-2)	862.32	836.46	3,471.28
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10	Net Profit from ordinary activities after tax (9-10)	737.68	718.39	3,043.57
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