


UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2006
(Rs. in Million)

| | QUARTER ENDED 30.06.2006 (Reviewed) | QUARTER ENDED 30.06.2005 (Reviewed) | YEAR ENDED 31.03.2006 (Audited) |
|---|--|--|--|
| Sales in numbers | 647,094 | 505,524 | 2,281,230 |
| Gross Sales & Income from Operations | 25053.6 | 18592.5 | 87483.8 |
| Less: Excise duty | 3027.0 | 2251.0 | 10804.8 |
| Net Sales & Income from Operations | 22026.6 | 16341.5 | 76679.0 |
| Other Income | 945.6 | 927.8 | 4384.5 |
| TOTAL INCOME | 22972.2 | 17269.3 | 81063.5 |
| TOTAL EXPENDITURE : | | | |
| a) (Increase)/decrease in stock-in-trade | 224.0 | (167.2) | (490.1) |
| b) Materials | 15319.9 | 11591.4 | 53736.1 |
| c) Staff Cost | 855.8 | 731.8 | 2741.3 |
| d) Other expenditure | 2085.7 | 1660.6 | 7377.1 |
| e) Expenses capitalised | (65.7) | (50.4) | (248.1) |
| Interest | 7.3 | 0.9 | 3.4 |
| GROSS PROFIT AFTER INTEREST BUT BEFORE DEPRECIATION AND TAXATION | 4545.2 | 3502.2 | 17943.8 |
| Export incentives accrued in previous year written off (See Note 1) | 103.9 | - | - |
| Compensation paid under Voluntary Retirement Schemes | - | - | 226.4 |

| | | | |
|--|---------------|---------------|----------------|
| Depreciation | 481.2 | 462.2 | 1910.0 |
| PROFIT BEFORE TAX | 3960.1 | 3040.0 | 15807.4 |
| Provision for Taxation (Including Deferred Taxes & Fringe Benefit Tax) | 1300.0 | 950.0 | 4791.1 |
| NET PROFIT | 2660.1 | 2090.0 | 11016.3 |
| Prior period adjustments | | | |
| Tax credits pertaining to earlier years | - | - | 225.1 |
| Others (net) | - | (10.5) | (8.7) |
| PROFIT AFTER PRIOR PERIOD ADJUSTMENTS | 2660.1 | 2079.5 | 11232.7 |
| Paid up Equity Share Capital (Face value of Rs 10/-) | 1011.8 | 1011.8 | 1011.8 |
| Reserves excluding Revaluation Reserves | | | 46695.5 |
| Basic and Diluted Earnings per Share of Rs.10/- each (not annualised) (Rs). | 26.3 | 20.6 | 111.0 |
| Aggregate of Non-Promoter Shareholding: | | | |
| No. of Shares | 71,039,218 | 71,038,993 | 71,039,218 |
| Percentage of Shareholding | 70.21% | 70.21% | 70.21% |

**CONSOLIDATED FINANCIAL AND SEGMENT-WISE RESULTS OF BAJAJ AUTO LIMITED AND ITS SUBSIDIARIES,
JOINT VENTURES AND ASSOCIATES**

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2006

| | (Rs. in Million) | | |
|---|-----------------------------|-----------------------------|---------------------------------------|
| | QUARTER ENDED 30.06.2006 | QUARTER ENDED 30.06.2005 | YEAR ENDED 31.03.2006 (Audited) |
| Net Sales / Income from operations | 22942.8 | 17558.3 | 81037.4 |
| Total Expenditure: | | | |

| | | | |
|---|---------------|---------------|----------------|
| a) Materials | 15553.8 | 11431.9 | 53281.5 |
| b) Staff Cost | 861.8 | 737.7 | 2763.6 |
| c) Other expenditure | 2078.6 | 1655.2 | 7391.4 |
| d) Expenses capitalised | (65.7) | (50.4) | (248.1) |
| Interest | 7.3 | 0.9 | 3.4 |
| Gross Profit after Interest but before Depreciation & Taxation | 4507.0 | 3783.0 | 17845.6 |
| Export incentives accrued in previous year written off (See Note1) | 103.9 | - | - |
| Compensation paid under Voluntary Retirement Schemes | - | 0.4 | 227.8 |
| Depreciation | 481.9 | 462.8 | 1912.8 |
| Profit Before Tax and share of profit on Investments in Associates | 3921.2 | 3319.8 | 15705.0 |
| Add: Share of Profit after tax on Investments in Associates | 14.3 | 53.1 | 93.1 |
| Profit Before Tax | 3935.5 | 3372.9 | 15798.1 |
| Provision for Taxation (Including Deferred Taxes & Fringe Benefit Tax) | 1419.3 | 1024.2 | 5093.7 |
| Net Profit | 2516.2 | 2348.7 | 10704.4 |
| Prior period adjustments | | | |
| Tax credits pertaining to earlier years | - | - | 228.2 |
| Others (net) | - | (10.5) | (8.7) |
| Profit After Prior Period Adjustments | 2516.2 | 2338.2 | 10923.9 |
| Less: Minority Interest in Net Income of subsidiaries | (41.5) | 36.7 | (122.1) |
| Income attributable to consolidated group | 2557.7 | 2301.5 | 11046.0 |

| SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED | | | (Rs. in Million) |
|---|-------------------------------------|-------------------------------------|--|
| | QUARTER ENDED 30.06.2006 | QUARTER ENDED 30.06.2005 | YEAR ENDED 31.03.2006 (Audited) |
| Segment Revenue | | | |
| Automotive | 22039.7 | 16352.9 | 76728.2 |
| Insurance | 9662.4 | 3930.2 | 38440.4 |
| Investment & Others | 952.4 | 997.1 | 4470.7 |
| Total | 32654.5 | 21280.2 | 119639.3 |
| Less: Inter segment Revenue | 61.6 | 57.4 | 254.5 |
| Net Sales/Income from operations | 32592.9 | 21222.8 | 119384.8 |
| Segment Profit/(Loss) before Tax & Interest | | | |
| Automotive | 3109.2 | 2199.2 | 11826.9 |
| Insurance | (40.8) | 215.3 | (167.4) |
| Investment & Others | 874.4 | 959.3 | 4142.0 |
| Total | 3942.8 | 3373.8 | 15801.5 |
| Less: Interest | 7.3 | 0.9 | 3.4 |
| Total Profit Before Tax | 3935.5 | 3372.9 | 15798.1 |
| Capital Employed | | | |
| Automotive | 7410.8 | 7913.0 | 6839.9 |
| Insurance | 5383.3 | 3269.8 | 5640.1 |
| Investment & Others | 63399.4 | 51715.8 | 60325.7 |

| | | | |
|--------------|----------------|----------------|----------------|
| Unallocable | (4408.5) | (2281.6) | (3828.9) |
| Total | 71785.0 | 60617.0 | 68976.8 |

NOTE:

The consolidated financial results include results of the following companies

| Name of the company | % Shareholding and voting power of Bajaj Auto Limited and Subsidiaries | Segment | Consolidated as |
|--|---|--------------------------|------------------------|
| a) Bajaj Auto Holdings Limited | 100% | Investment | Subsidiary |
| b) Bajaj Allianz General Insurance Company Limited | 74% | Insurance - general | Subsidiary |
| c) Bajaj Allianz Life Insurance Company Limited | 74% | Insurance - life | Subsidiary |
| d) Maharashtra Scooters Limited | 24% | Automotive & Investments | Joint Venture |
| e) Bajaj Auto Finance Limited | 41.51% | Hire Purchase Financing | Associate |

NOTES:

1. During this quarter, the company has written off export incentives of Rs. 103.9 million that had accrued and was accounted during the last year, due to reduction of incentive under Target Plus Scheme announced by Government of India in the current quarter with retrospective effect.
2. Gross Written Premium (GWP) for the quarter ended June 30, 2006 of general and life insurance business is Rs. 4501.4 million and Rs. 7321.9 million respectively. The corresponding figure for the quarter ended June 30, 2005 was Rs. 3168.8 million and Rs. 2396.7 million respectively.
3. For the purpose of consolidated financials the net result of the insurance business revenue accounts together with shareholders income and transfers (See Note 4) in accordance with the reporting framework of IRDA amounting to a net loss of Rs. 38.1 million prior to elimination of inter segment revenue of Rs. 11.2 million for the quarter ended June 30, 2006 has been included in a manner consistent with the parent's reporting format as was done for the previous periods. However, for reporting segment information, segment revenues for both insurance businesses represent the premiums earned and other income.
4. The consolidated accounts for the quarter ended June 30, 2006 includes a sum of Rs. 404 million representing the transfer from shareholders' account to policyholders' account to fund the deficit in the policyholders' account in the life insurance business.(Corresponding previous quarter Rs. Nil).
5. The results for the quarter ended June 30, 2006 have been subjected to "Limited Review" by the auditors.

6. Figures for previous year / period have been regrouped wherever necessary.
7. The company did not have any investor complaints pending as on as on 1 April 2006 and as on 30 June 2006. There were Nil investors' complaints received and disposed of during the quarter ended 30 June 2006.
8. The above results have been taken on record in the meeting of Board of Directors held on July 15, 2006.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR BAJAJ AUTO LIMITED**

PUNE
DATE : July 15, 2006

**RAHUL BAJAJ
CHAIRMAN**

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