

The BAJAJ logo is rendered in a bold, blue, sans-serif font. The letters are closely spaced and have a slight shadow effect, giving it a three-dimensional appearance. The background of the entire page features a pattern of thin, light blue lines that create a sense of depth and movement, particularly in the lower half where they form a grid-like structure.

BAJAJ

BAJAJ HOLDINGS & INVESTMENT LIMITED

HALF YEARLY REPORT 2016-17



Dear Shareholder,

I am happy to share with you the financial results of your Company for the half year ended 30 September 2016.

BHIL's consolidated profit after tax for H1/2016-17 stood at ₹ **1,264 crore** v/s ₹ 1,181 crore in H1/2015-16 – an **increase of 7%**. This is **reflection of strong performances of its underlying companies**.

1. Consolidated results

Bajaj Holdings & Investment Limited, as its name suggests, is a holding company in addition to being an investment company. As a holding company, it holds strategic stakes of 31.49% in Bajaj Auto Ltd. (BAL), 39.29% in Bajaj Finserv Ltd. (BFS) and 24% in Maharashtra Scooters Ltd. (MSL), the results of which it consolidates.

Bajaj Finserv's consolidated results include results of its lending arm Bajaj Finance Limited (BFL) and its two insurance subsidiaries - Bajaj Allianz General Insurance Company Limited (BAGIC) and Bajaj Allianz Life Insurance Company Limited (BALIC).

Summary of consolidated financials of BHIL is as under:

Particulars	(₹ In Crore)		
	H1 2016-17	H1 2015-16	Full Year 2015-16
Total revenue	392	276	477
Share of profit after tax of associates	1,023	978	1,924
Profit after tax	1,264	1,181	2,265

A synopsis on the performance of the individual companies is given below:

a. Bajaj Auto Limited (BAL)

- Bajaj Auto once again delivered its **best ever Half yearly results**, with a strong performance across business verticals, especially in the domestic segment.
- During H1/2016-17, BAL recorded its
 - ✓ **Highest ever turnover** – ₹ **13,130 crore**
 - ✓ **Highest ever operating EBITDA** – ₹ **2,591 crore**
 - ✓ **Highest ever profit after tax** – ₹ **2,101 crore**

EBITDA margin at 21.8% is the highest in the auto industry

The consolidated profit after tax, too, was the **highest ever** at ₹ **2,240 crore** in H1/2016-17 as against ₹ 2,034 crore in H1/2015-16.

These results of Bajaj Auto have been prepared under Ind AS.

BHIL, being an NBFC, is not covered under Ind AS and is required to prepare its financials under old Indian GAAP. Accordingly, BAL's consolidated results as prepared under Indian GAAP are consolidated in BHIL. BAL's profit after tax (consolidated) as considered for consolidation stood at ₹ 1,858 crore in H1/2016-17 v/s ₹ 1,972 crore in H1/2015-16.

b. Bajaj Finserv Limited (BFS)

- Bajaj Finserv yet again reported a robust performance in H1/2016-17, aided by **best ever Half yearly results of Bajaj Finance and BAGIC**.
- During H1/2016-17, on a consolidated basis, BFS recorded
 - ✓ **Gross revenue** – ₹ **12,582 crore** ↑ **26%**
 - ✓ **Profit after tax** – ₹ **1,113 crore** ↑ **23%**
- Bajaj Finance continued its stellar growth.
Total income **increased** by **39%** to ₹ **4,667 crore** and profit after tax **increased** by **50%** to ₹ **832 crore** during H1/2016-17.
- BAGIC's gross written premium **increased** by **31%** to ₹ **3,706 crore** and profit after tax **increased** by **27%** to ₹ **366 crore** during H1/2016-17.
- BALIC's gross written premium **increased** by **9%** to ₹ **2,451 crore** and profit after tax was ₹ **446 crore** in H1 /2016-17.

2. Standalone results

BHIL is essentially an investment company. Its focus is on earning income through dividends, interest and profits on investments held.

The results of BHIL on standalone basis for H1/2016-17 are strictly not comparable with results of H1/2015-16 since the Company received significant amount of interim dividends in Q4/2015-16 and much lower final dividends in H1/2016-17.

As a result, BHIL's dividend income for H1/2016-17 stood at ₹ 84 crore v/s ₹ 524 crore in H1/2015-16 and consequently BHIL's standalone profit after tax stood at ₹ 284 crore in H1/2016-17 v/s ₹ 669 crore in H1/2015-16.

Details of standalone financials are given below:

Particulars	(₹ In Crore)		
	H1 2016-17	H1 2015-16	Full Year 2015-16
Dividend	84	524	1,018
Profit on sale of investments (net)	214	76	114
Interest on investments and other income	135	140	269
Total revenue	433	740	1,401
Total expenses	104	21	42
Profit before tax	329	719	1,359
Profit after tax	284	669	1,271

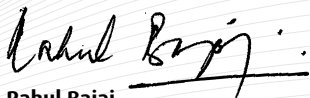
As per principles of consolidation, the dividend received from group companies is required to be eliminated in the consolidated financials. Hence, the consolidated revenue of BHIL for H1/2016-17 stands at ₹ 392 crore (₹ 276 crore), compared to standalone revenue of ₹ 433 crore (₹ 740 crore).

3. Investments

The cost and market value of the investment portfolio is as under:

Particulars	(₹ In Crore)			
	30 Sep 2016		31 Mar 2016	
	Cost	Market value	Cost	Market value
Strategic equity investments in group companies	1,188	45,860	1,188	33,356
Equity shares - others	1,566	2,577	1,911	2,705
Fixed income securities	3,961	4,107	3,415	3,444
Investment property	199	199	201	201
Total	6,914	52,743	6,715	39,706

I take this opportunity to wish you and your family a very happy Diwali and a prosperous New Year.



Rahul Bajaj

Chairman

28 October 2016

BAJAJ

Bajaj Holdings & Investment Limited

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