

## Press release

### Financial results – Q4 and FY17

### Highest ever annual consolidated profit !

A meeting of the Board of Directors of Bajaj Holdings & Investment Limited (BHIL) was held today to consider and approve the results for Q4 and FY17.

The Board of Directors recommended a dividend of ₹ 32.50 per share – 325% (previous year – 325%). The total amount of dividend and tax thereon amounts to ₹ 435 crore, which is same as previous year.

#### 1. Highlights

##### Q4 FY17 v/s Q4 FY16

- ✓ Standalone profit after tax \* - ₹ 130 crore v/s ₹ 556 crore
- ✓ Consolidated profit after tax - ₹ 563 crore v/s ₹ 564 crore

##### FY17 v/s FY16

- ✓ Standalone profit after tax \* - ₹ 538 crore v/s ₹ 1,271 crore
- ✓ Consolidated profit after tax - ₹ 2,473 crore v/s ₹ 2,265 crore ↑ 9%

#### 2. Standalone results

BHIL, being an investment company, is largely dependent on the stock and money markets for its income.

While sharply rising equity markets provided an opportunity to realise gains on equity investments, a decline in interest rates gave an opportunity to book gains on fixed income securities.

- Profit on sale of investments (net) for Q4 FY17 was ₹ 116 crore v/s ₹ 32 crore in Q4 FY16.
- Profit on sale of investments (net) for FY17 was ₹ 531 crore v/s ₹ 114 crore in FY16.

\* The results of BHIL on a standalone basis for Q4 and FY17 are strictly not comparable with its results of Q4 and FY16 since the Company received additional interim dividends in Q4 FY16 and much lower final dividends in FY17.

- BHIL's dividend income for Q4 FY17 stood at ₹ 9 crore v/s ₹ 491 crore in Q4 FY16.
- BHIL's dividend income for FY17 stood at ₹ 97 crore v/s ₹ 1,018 crore in FY16 including interim dividends of ₹ 491 crore.

Consequently,

- BHIL's standalone profit for Q4 FY17 stood at ₹ 130 crore v/s ₹ 556 crore in Q4 FY16.
- BHIL's standalone profit for FY17 stood at ₹ 538 crore v/s ₹ 1,271 crore in FY16.

Adjusted for interim dividends received, the standalone results of BHIL have been good.

Details of standalone financials are given below:

₹ In Crore	Q4 FY17	Q4 FY16	FY17	FY16
Dividend	9	491	97	1,018
Profit on sale of investments (net)	116	32	531	114
Interest on investments and other income	55	64	260	269
<b>Total revenue</b>	<b>180</b>	<b>587</b>	<b>888</b>	<b>1,401</b>
<b>Total expenses</b>	<b>20</b>	<b>11</b>	<b>216</b>	<b>42</b>
<b>Profit before tax</b>	<b>160</b>	<b>576</b>	<b>672</b>	<b>1,359</b>
<b>Profit after tax</b>	<b>130</b>	<b>556</b>	<b>538</b>	<b>1,271</b>

### 3. Consolidated results

Bajaj Holdings & Investment Limited, as its name suggests, is essentially a holding and investment company. As on 31 March 2017, the Company held strategic stakes of 31.54% 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 Auto consolidates its ~ 48% stake in KTM AG, Austria.

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

The interim dividends received do not distort the consolidated results of BHIL since intercompany dividends are eliminated. Due to good performance of BHIL (standalone) and underlying companies, BHIL recorded its **highest ever annual consolidated profit**.

#### Q4 FY17

- ✓ BAL's profit after tax (consolidated) under Ind AS stood at ₹ 862 crore in Q4 FY17 v/s ₹ 996 crore in Q4 FY16.

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 ₹ 706 crore in Q4 FY17 v/s ₹ 850 crore in Q4 FY16.

- ✓ BFS (consolidated) profit after tax stood at ₹ 535 crore in Q4 FY17 v/s ₹ 518 crore in Q4 FY16.

- ✓ Consequently, BHIL's consolidated profit after tax for Q4 FY17 stood at ₹ 563 crore v/s ₹ 564 crore in Q4 FY16.

#### FY17

- ✓ In a difficult environment, BAL continued to earn best in industry operating **EBITDA margin of 21.7%**. BAL's profit after tax (consolidated) under Ind AS stood at ₹ 4,079 crore in FY17 v/s ₹ 4,061 crore in FY16.  
BAL's profit after tax (consolidated) as considered for consolidation stood at ₹ 3,458 crore in FY17 v/s ₹ 3,784 crore in FY16.
- ✓ BFS (consolidated) recorded its **highest ever annual profit after tax, third time in a row of ₹ 2,262 crore in FY17** as against ₹ 1,863 crore in FY16 – an increase of 21%, driven largely by extraordinary performance of BFL and BAGIC.
- ✓ Accordingly, BHIL's consolidated profit after tax for FY17 increased by 9% to ₹ 2,473 crore v/s ₹ 2,265 crore in FY16.

Summary of consolidated financials of BHIL is as under:

₹ In Crore	Q4 FY17	Q4 FY16	FY17	FY16
Total revenue	181	125	850	477
Share of profit after tax of associates	433	471	1,978	1,924
<b>Profit after tax</b>	<b>563</b>	<b>564</b>	<b>2,473</b>	<b>2,265</b>

#### 4. Investments

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

₹ In Crore	31-Mar-17		31-Mar-16	
	Cost	Market value	Cost	Market value
Strategic equity investments in group companies	1,232	52,351	1,188	33,356
Equity shares – others	1,390	2,501	1,911	2,705
Fixed income securities	4,272	4,304	3,415	3,455
Investment property	196	196	201	201
<b>Total</b>	<b>7,090</b>	<b>59,352</b>	<b>6,715</b>	<b>39,717</b>

As against a book value of ₹ 659 per share, NAV of the above investments was ₹ 5,333 per share as on 31 March 2017.

Annexure - Consolidated results of BHIL

(₹ In Crore)		Q4 FY17	Q4 FY16	FY17	FY16
<b>1</b>	<b>Revenue</b>				
	(a) Revenue from operations	180.34	121.65	842.11	469.84
	(b) Other income	1.03	3.14	7.97	6.85
	<b>Total revenue</b>	<b>181.37</b>	<b>124.79</b>	<b>850.08</b>	<b>476.69</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	0.25	0.19	1.10	0.92
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.23	0.02	(0.17)	0.19
	(c) Employee benefits expense	5.67	4.07	20.76	16.35
	(d) Depreciation and amortisation	1.36	1.39	5.39	5.48
	(e) Other expenses	13.27	6.77	192.74	23.85
	<b>Total expenses</b>	<b>20.78</b>	<b>12.44</b>	<b>219.82</b>	<b>46.79</b>
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>160.59</b>	<b>112.35</b>	<b>630.26</b>	<b>429.90</b>
<b>4</b>	<b>Tax expense</b>				
	Current tax (net of MAT credit entitlement)	30.10	18.88	134.37	87.36
	Deferred tax	0.24	0.83	0.23	0.95
	<b>Total tax expense</b>	<b>30.34</b>	<b>19.71</b>	<b>134.60</b>	<b>88.31</b>
<b>5</b>	<b>Profit after tax (3-4)</b>	<b>130.25</b>	<b>92.64</b>	<b>495.66</b>	<b>341.59</b>
<b>6</b>	<b>Add : Tax (debits)/credits pertaining to earlier years</b>	<b>0.03</b>	<b>-</b>	<b>0.03</b>	<b>-</b>
<b>7</b>	<b>Add: Share of profit after tax of associates</b>	<b>432.51</b>	<b>471.14</b>	<b>1,977.50</b>	<b>1,923.65</b>
<b>8</b>	<b>Net profit for the period after share of profit of associates (5+6+7)</b>	<b>562.79</b>	<b>563.78</b>	<b>2,473.19</b>	<b>2,265.24</b>
<b>9</b>	<b>Paid-up equity share capital (Face value of ₹ 10)</b>	<b>111.29</b>	<b>111.29</b>	<b>111.29</b>	<b>111.29</b>
<b>10</b>	<b>Reserves excluding revaluation reserves</b>			<b>17,706.61</b>	<b>15,182.03</b>
<b>11</b>	<b>Basic and diluted earnings per share (₹)</b>				
	before and after extraordinary items (not annualised)	<b>50.6</b>	<b>50.7</b>	<b>222.2</b>	<b>203.5</b>