

Bajaj Holdings & Investment Limited



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CIN: L35911PN1945PLC004656

Registered Office: Mumbai-Pune Road, Akurdi, Pune 411 035

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BAJAJ

Dear Shareholder,

I am happy to share with you the financial results of your Company for the half year ended 30 September 2014.



Highlights of H1/2014-15 v/s H1/2013-14

- ✓ Consolidated profit after tax - ₹ 1,032 crore v/s ₹ 903 crore ↑ 14%
- ✓ Standalone profit after tax - ₹ 792 crore v/s ₹ 595 crore ↑ 33%

1. Consolidated results

BHIL, with a sizeable pool of cash and cash equivalents, is essentially an investment company. As on 30 September 2014, it held strategic stakes of 31.49% in Bajaj Auto Limited (BAL), 39.16% in Bajaj Finserv Limited (BFS) and 24% in Maharashtra Scooters Limited (MSL), the results of which are consolidated with BHIL.

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 2014-15	H1 2013-14	Full Year 2013-14
Net sales and other income	390	234	428
Income from associates after tax	699	724	1,669
Profit after tax	1,032	903	1,988

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

a. Bajaj Auto Limited (BAL)

- With strong performance across global markets, Bajaj Auto once again delivered a spirited performance.
- During H1/2014-15, BAL recorded its
 - ✓ Highest ever turnover - ₹ 11,548 crore ↑ 11%
 - ✓ Highest ever exports - ₹ 4,987 crore ↑ 25%
 - ✓ Highest ever operating EBITDA* - ₹ 2,286 crore ↑ 1%
 - ✓ EBITDA margin* - 20.2%
- Consistently, over the last several years, Bajaj Auto has maintained an operating EBITDA margin of approximately 20%; the highest in auto industry.
- Exports now contribute ~46% of net sales.
- BAL recorded a profit after tax of ₹ 1,331 crore during H1/2014-15. This was after recognising liability of ₹ 340 crore towards National Calamity Contingent Duty (NCCD) of its Pantnagar plant for the last seven and half years, i.e. 1 April 2007 to 30 September 2014 as per ruling of Honourable High Court of Uttarakhand. But for this exceptional charge, profit after tax would have been ₹ 1,593 crore.

* before mark-to-market (MTM) loss and CSR spends

b. Bajaj Finserv Limited (BFS)

- BFS and its retail financing, general and life insurance subsidiaries performed well during H1/2014-15.
- On a consolidated basis, BFS recorded
 - ✓ Gross revenue - ₹ 8,630 crore ↑ 15%
 - ✓ Profit after tax - ₹ 635 crore ↑ 14%
- Bajaj Finance continued to grow healthily. Deployments increased by 49% to ₹ 17,082 crore and profit after tax increased by 19% to ₹ 409 crore during H1/2014-15.

- BAGIC's gross written premium increased by 18% to ₹ 2,653 crore and profit after tax increased by 29% to ₹ 275 crore during H1/2014-15.
 - BALIC's gross written premium stood at ₹ 2,196 crore and profit after tax was ₹ 218 crore in H1/2014-15.
- c. Maharashtra Scooters Limited (MSL)**
- MSL recorded profit after tax of ₹ 49 crore during H1/2014-15 - an increase of 8%.

2. Standalone results

Total revenue of the Company during current half year increased by 30% to ₹ 846 crore as against ₹ 649 crore during H1/2013-14. Its break-up is given below:

Particulars	₹ In Crore		
	H1 2014-15	H1 2013-14	Full Year 2013-14
Dividend from BAL, BFS and MSL	473	425	425
Dividend from others	49	46	55
Profit on sale of investments (net)	178	73	104
Interest and other income	146	105	255
Total revenue	846	649	839

Largely on account of the increased profit on sale of investments and dividend, net profit for the current half year increased by 33% to ₹ 792 crore as against ₹ 595 crore during H1/2013-14.

As per principles of consolidation, the dividend received from group companies is required to be eliminated in the consolidated financials. Hence, the consolidated income of BHIL for H1/2014-15 stands at ₹ 390 crore (₹ 234 crore), compared to standalone income of ₹ 846 crore (₹ 649 crore).

3. Investments

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

Particulars	₹ In Crore			
	30 Sep 2014		31 Mar 2014	
	Cost	Market value	Cost	Market value
Equity shares - BAL, BFS and MSL	1,030	28,714	1,030	24,021
Equity shares - others	1,666	3,390	1,814	3,136
Fixed income securities	2,921	3,024	2,322	2,340
Fixed deposits	190	190	240	240
Total	5,807	35,318	5,406	29,737

With active governance in New Delhi and improving economic environment, the economy is on the move towards accelerated growth, which is expected to benefit your Company in the second half of the year.

On this optimistic note, I wish you and your family a very happy Diwali and a prosperous New Year.

Rahul Bajaj

Chairman
15 October 2014