BAJAJ

Bajaj Holdings & Investment Limited
(formerly Bajaj Auto Limited)
CIN: L35911PN1945PLC004656
Regd. Office : Bajaj Auto Limited Complex,
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9 November 2015

To,

Corporate Relations Department.
BSE Limited
1st Floor, , New Trading Ring
Rotunda Building, P J Tower
Dalal Street, Mumbai 400 001
Email: corp.relations@bseindia.com

Corporate Listing Department.
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
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Email: cmlist@nse.co.in

BSE Code: 500490

NSE Code: BAJAJHLDNG

Sub: Half yearly Communication to Shareholders: H1-FY 2015-16

Dear Sir,

Please find enclosed a copy of the recent Chairman's half yearly communication addressed to our shareholders.

This is for your information and record please.

We wish you a very happy Diwali and a prosperous new year!!

Thanking You,

Yours Faithfully,
For Bajaj Holdings & Investment Limited,

Vallari Gupte
Company Secretary

Encl. A/a



BAJAJ HOLDINGS & INVESTMENT LIMITED

HALF YEARLY REPORT 2015-16



Dear Shareholder,

I am happy to share with you the financial results of your Company for the half year ended 30 September 2015.

Highlights of H1/2015-16 v/s H1/2014-15

- ✓ **Consolidated profit after tax – ₹ 1,181 crore v/s ₹ 1,032 crore ↑ 14%**
- ✓ **Standalone profit after tax – ₹ 669 crore v/s ₹ 792 crore**

1. Consolidated results

BHIL, with a sizeable pool of cash and cash equivalents, is essentially an investment company. As on 30 September 2015, it held strategic stakes of 31.49% in Bajaj Auto Limited (BAL), 39.29% 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:

(₹ In Crore)

Particulars	H1 2015-16	H1 2014-15	Full Year 2014-15
Net sales and other income	**276**	**390**	**559**
Income from associates after tax	978	699	1,615
Profit after tax	**1,181**	**1,032**	**2,029**

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

a. Bajaj Auto Limited (BAL)

- In an overall challenging business environment, especially in the domestic motorcycle industry, Bajaj Auto yet again delivered its best ever performance.
- During H1/2015-16, BAL recorded its
  - ✓ **Highest ever turnover – ₹ 12,301 crore ↑ 7%**
  - ✓ **Highest ever exports – ₹ 5,471 crore ↑ 10%**

- ✓ **Highest ever operating EBITDA*** – **₹ 2,548 crore** **↑ 11%**
- ✓ **Profit before tax** – **₹ 2,889 crore** **↑ 51%**
- ✓ **Profit after tax** – **₹ 1,948 crore** **↑ 46%**
- ✓ **EBITDA margin*** – **21.6%**

- With this, Bajaj Auto has declared its **best ever H1 results**, both in terms of top-line and bottom-line.
- As in the last several years, Bajaj Auto has maintained an operating **EBITDA margin** of approximately 20%; **the highest in the auto industry.**
- Exports now contribute **~48%** of net sales.

* before mark-to-market (MTM) gain/loss

b. Bajaj Finserv Limited (BFS)

- Overall conditions for financial services sector in India, remained challenging as factors like credit growth and sales of durable goods were muted.
- In this environment, on a consolidated basis, BFS recorded
  - ✓ **Gross revenue** – **₹ 10,012 crore** **↑ 16%**
  - ✓ **Profit after tax** – **₹ 908 crore** **↑ 43 %**
- With this, Bajaj Finserv also has declared its **best ever H1 results**, both in terms of top-line and bottom-line.
- Bajaj Finance continued to grow healthily.

  Total income **increased** by **35%** to **₹ 3,356 crore** and profit after tax **increased** by **36%** to **₹ 555 crore** during H1/2015-16.
- BAGIC's gross written premium **increased** by **6%** to **₹ 2,822 crore** and profit after tax **increased** by **5%** to **₹ 288 crore** during H1/2015-16.
- BALIC's gross written premium stood at **₹ 2,253 crore** and profit after tax was **₹ 457 crore** in H1/2015-16.

c. Maharashtra Scooters Limited (MSL)

- MSL recorded profit after tax of ₹ 51 crore during H1/2015-16 – an **increase** of **5%**.

2. Standalone results

Total revenue of the Company during current half year stood at ₹ 740 crore. Its break-up is given below:

(₹ In Crore)

Particulars	H1 2015-16	H1 2014-15	Full Year 2014-15
Dividend from BAL, BFS and MSL	475	473	473
Dividend from others	49	49	56
Profit on sale of investments (net)	76	178	214
Interest and other income	140	146	263
Total revenue	**740**	**846**	**1,006**

Equity market remained subdued during current half year. It offered limited opportunities for booking profit on sale of equity shares.

Largely on account of the decrease in profit on sale of investments, net profit for the current half year **decreased to ₹ 669 crore** as against ₹ 792 crore during H1/2014-15.

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 H1/2015-16 stands at **₹ 276 crore** (₹ 390 crore), compared to standalone income of **₹ 740 crore** (₹ 846 crore).

3. Investments

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

(₹ In Crore)

Particulars	30 Sep 2015		31 Mar 2015	
	Cost	Market value	Cost	Market value
Strategic equity investments in group companies	1,188	32,670	1,188	27,964
Equity shares – others	1,946	3,030	1,697	3,168
Fixed income securities	3,118	3,205	3,122	3,227
Investment property	204	204	206	206
Total	**6,456**	**39,109**	**6,213**	**34,565**

There is a mood of cautious optimism as we enter the second half. There are expectations that the lower interest rates and revival of Government investments will help start the investment cycle in the quarters to come, which should help offset any external global shocks. This will benefit your Company as well.

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



Rahul Bajaj
Chairman
21 October 2015

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