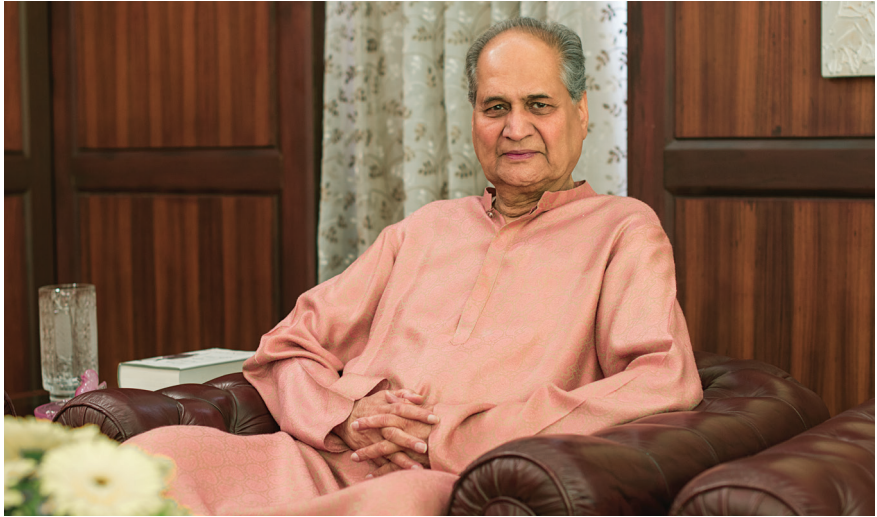


The logo for Bajaj, featuring the word "BAJAJ" in a bold, blue, sans-serif font. The letter 'B' is stylized with a vertical bar on its left side. The background is a white rectangular box with a blue border, set against a blue background with white geometric shapes.

BAJAJ HOLDINGS & INVESTMENT LIMITED

**HALF
YEARLY
REPORT
2017-18**



Dear Shareholder,

I am happy to share with you the financial results of your Company for the half year ended 30 September 2017.

Bajaj Holdings & Investment Limited (BHIL) recorded its highest ever half yearly profit after tax in the current half year as a result of all-round performance of BHIL (standalone) and the underlying companies. BHIL's consolidated profit after tax for H1/2017-18 stood at ₹ 1,470 crore v/s ₹ 1,264 crore in H1/2016-17 – an increase of 16%.

1. Consolidated results

As a holding company, BHIL holds strategic stakes of 31.54% in Bajaj Auto Limited (BAL), 39.29% in Bajaj Finserv Limited (BFS) and 24% in Maharashtra Scooters Limited (MSL), the results of which it consolidates.

Bajaj Auto consolidates its ~ 48% stake in KTM AG, Austria.

Bajaj Finserv consolidates its 55.13% holding in its lending arm Bajaj Finance Limited (BFL) and its 74% holding in 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 2017-18	H1 2016-17	Full Year 2016-17
Total revenue	423	392	850
Share of profit after tax of associates	1,143	1,023	1,978
Profit after tax	1,470	1,264	2,473

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

A. Bajaj Auto Limited (BAL)

- Despite certain set-backs to the Company's performance in Q1/2017-18 due to external factors such as the industry transition to BSIV compliant vehicles and implementation of GST, which came into effect from 1 July 2017, BAL has made good progress in Q2/2017-18 and has come out with satisfactory results for H1/2017-18.

- During H1/2017-18, BAL recorded

✓ Turnover	- ₹ 13,174 crore
✓ Operating EBITDA	- ₹ 2,389 crore
✓ Profit after tax	- ₹ 2,036 crore

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

- BHIL considers BAL's results under old Indian GAAP (not Ind AS) for the purpose of consolidation. BAL's profit after tax (consolidated) as per old Indian GAAP stood at ₹ 1,994 crore in H1/2017-18 v/s ₹ 1,858 crore in H1/2016-17.

B. Bajaj Finserv Limited (BFS)

- Bajaj Finserv yet again reported a strong performance in H1/2017-18, aided by best ever half yearly results of Bajaj Finance and BAGIC and strong revenue growth of BALIC.

- During H1/2017-18, on a consolidated basis, BFS recorded

✓ Total revenue	- ₹ 14,105 crore	↑ 27%
✓ Profit after tax	- ₹ 1,307 crore	↑ 17%

- Bajaj Finance continued its stellar growth.

Total revenue increased by 35% to ₹ 6,229 crore and profit after tax increased by 39% to ₹ 1,159 crore during H1/2017-18.

- BAGIC's gross written premium increased by 30% to ₹ 4,830 crore and profit after tax increased by 29% to ₹ 473 crore during H1/2017-18.
- BALIC's gross written premium increased by 29% to ₹ 3,169 crore and profit after tax was ₹ 382 crore in H1/2017-18.

2. Standalone results

BHIL is essentially an investment company. Its focus is on earning income through dividends, interest and profits on investments held. It is largely dependent on the equity and debt markets for its income.

BHIL's dividend income for H1/2017-18 stood at ₹ 562 crore v/s ₹ 83 crore in H1/2016-17.

BHIL received lower dividends in Q2 of 2016-17 as many companies that normally declare annual dividends in Q2 declared interim dividends in Q4/2015-16.

Details of standalone financials are given below:

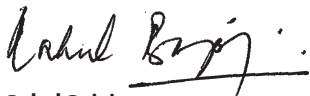
Particulars	(₹ In Crore)		
	H1 2017-18	H1 2016-17	Full Year 2016-17
Dividend	562	83	97
Profit on sale of investments (net)	220	214	531
Interest on investments and other income	154	136	260
Total revenue	936	433	888
Total expenses	31	104	216
Profit before tax	905	329	672
Profit after tax	843	284	538

3. Investments

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

Particulars	(₹ In Crore)			
	30 Sep 2017		31 Mar 2017	
	Cost	Market value	Cost	Market value
Strategic equity investments in group companies	1,232	62,039	1,232	52,351
Equity shares – others	1,452	2,494	1,390	2,501
Fixed income securities	4,589	4,623	4,272	4,304
Investment property	194	194	196	196
Total	7,467	69,350	7,090	59,352

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



Rahul Bajaj

Chairman

17 October 2017

BAJAJ

Bajaj Holdings & Investment Limited

CIN: L65993PN1945PLC004656

Regd. Office: Mumbai-Pune Road, Akurdi, Pune 411 035

Website: www.bhil.in