



Bajaj Holdings & Investment Limited
(formerly Bajaj Auto Limited)

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Press release
Financial results – Q1 FY20
Consolidated profit after tax : ₹ 669 crore

A meeting of the Board of Directors of Bajaj Holdings & Investment Limited (BHIL) was held today to consider and approve the results for Q1 FY20.

1. Acquisition of 27% stake in MSL

Western Maharashtra Development Corporation (WMDC), a joint venture promoter in Maharashtra Scooters Limited (MSL), had filed a SLP in the matter of 27% stake sale in MSL to BHIL.

As per the Hon'ble Supreme Court's order dated 9 January 2019, BHIL made the payment of ₹ 222.48 crore (net of tax deducted at source) to WMDC upon which WMDC transferred its 27% stake in MSL to BHIL on 17 June 2019.

Consequent upon the acquisition of 27% stake of MSL from WMDC, BHIL holds 51% shareholding in MSL. MSL has hence become a subsidiary of BHIL with effect from 17 June 2019.

2. Standalone results

Details of standalone financials are given below:

₹ In Crore	Q1 FY20	Q1 FY19	FY19
Dividend received	5	5	609
Profit on fixed income securities (net)	3	2	6
Interest on investments and other income	75	99	383
Total income	83	106	998
Profit after tax (a)	23	57	788
Other comprehensive income, net of tax (b)			
Fair value change of investments (net)	(46)	32	516
Total comprehensive income (a) + (b)	(23)	89	1,304

In Q1 FY20, BHIL's total income and profit after tax has come down due to lower interest income.

Under Ind AS, mark to market gain / loss on equity and fixed income securities of BHIL is routed through Other Comprehensive Income (OCI) and not through Profit & Loss Account. The amount net of deferred tax impact is reflected in OCI numbers above. For Q1 FY20, the MTM loss on investments was ₹ 46 crore.

3. Consolidated results

The consolidated financials of BHIL ultimately include stakes of major group companies as given below:

Ultimate stake consolidated	Explanation	Consolidation method
Bajaj Auto Ltd. (BAL)* 35.77%	BHIL's direct stake in BAL 33.43% + MSL's 2.34% stake in BAL	Equity pick-up
Bajaj Finserv Ltd. (BFS) @ 41.63%	BHIL's direct stake in BFS 39.29% + MSL's 2.34% stake in BFS	Equity pick-up
Maharashtra Scooters Ltd. 51%	BHIL's direct stake in MSL 51%	Full line by line consolidation

* BAL comprises of	48% stake in KTM AG, Austria
@ BFS comprises of	55% stake in Bajaj Finance Ltd. (BFL)
	74% stake in Bajaj Allianz General Insurance Company Ltd. (BAGIC)
	74% stake in Bajaj Allianz Life Insurance Company Ltd. (BAGIC)

- ✓ BAL's (consolidated) profit after tax stood at ₹ 1,012 crore in Q1 FY20 v/s ₹ 1,042 crore in Q1 FY19.
- ✓ BFS (consolidated) profit after tax stood at ₹ 845 crore in Q1 FY20 v/s ₹ 826 crore in Q1 FY19.
- ✓ BHIL's consolidated profit after tax stood at ₹ 669 crore in Q1 FY20 v/s ₹ 711 crore in Q1 FY19, due to lower profit on a standalone basis.

Upon MSL becoming a subsidiary on the abovementioned acquisition of shares and on application of the Indian Accounting Standards thereto, BHIL has recorded a one-time net gain of ₹ 3,153 crore in Other Comprehensive Income.

Summary of consolidated financials of BHIL is as under:

₹ In Crore	Q1 FY20	Q1 FY19	FY19
Total income	89	106	431
Share of profits of associates and joint venture	645	654	2,827
Profit after tax	669	711	3,048
Other comprehensive income, net of tax			
Net gain on acquisition of MSL	3,153	-	-
Other items of OCI	452	65	1,128
Total comprehensive income	4,274	776	4,176

4. Investments

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

₹ In Crore	30-Jun-19		31-Mar-19	
	Cost	Market value	Cost	Market value
Strategic equity investments in group companies	3,071	84,135	2,831	74,031
Equity shares – others	1,801	3,390	1,741	3,343
Fixed income securities	3,213	3,201	3,228	3,209
Investment property	186	281	187	281
Total	8,271	91,007	7,987	80,864

As against a book value of ₹ 985 per share, NAV of the above investments was ₹ 8,177 per share as on 30 June 2019.

Anant Marathe
CFO

26 July 2019

Annexure A - Consolidated results of BHIL

(₹ In Crore)		Q1 FY20	Q1 FY19	FY19
1	Income			
	Interest income	64.60	92.88	360.99
	Dividend income	5.24	4.68	40.36
	Rental income	4.30	4.83	18.12
	Net gain on fair value changes	3.08	2.32	7.23
	Revenue from contracts with customers - Sale of goods	1.37	-	-
	Others	0.04	-	-
	Total revenue from operations	78.63	104.71	426.70
	Other income	10.50	1.16	4.65
	Total income	89.13	105.87	431.35
2	Expenses			
	Employee benefits expense	10.80	6.89	28.13
	Finance costs - Interest on operating lease liability	2.58	-	-
	Cost of raw materials consumed	1.09	-	-
	Changes in inventories of finished goods, work-in-progress	(0.74)	-	-
	Depreciation, amortisation and impairment	8.25	1.25	4.10
	Other expenses	22.37	7.39	56.43
	Total expenses	44.35	15.53	88.66
3	Share of profits of associates and joint venture	645.32	653.50	2,827.33
4	Profit before tax (1-2+3)	690.10	743.84	3,170.02
5	Tax expense			
	Current tax	19.39	38.00	130.27
	Deferred tax	0.60	(5.41)	(8.63)
	Total tax expense	19.99	32.59	121.64
6	Profit after tax (4-5)	670.11	711.25	3,048.38
7	Profit attributable to non-controlling interests	0.83	-	-
8	Profit for the period (6-7)	669.28	711.25	3,048.38
9	Other comprehensive income, net of tax (including share of associates and joint venture)			
	(a) Items that will not be reclassified to profit or loss	3,790.79	270.80	1,100.71
	(b) Items that will be reclassified to profit or loss	(10.76)	(206.51)	27.24
	Total other comprehensive income, net of tax	3,780.03	64.29	1,127.95
10	Total comprehensive income (6+9)	4,450.14	775.54	4,176.33
11	Profit attributable to:			
	Owners of the company	669.28	711.25	3,048.38
	Non-controlling interests	0.83	-	-
12	Total comprehensive income attributable to:			
	Owners of the company	4,273.67	775.54	4,176.33
	Non-controlling interests	176.47	-	-
13	Paid-up equity share capital (Face value of ₹ 10)	111.29	111.29	111.29
14	Other equity			26,841.01
15	Basic and diluted earnings per share (₹) (not annualised)	60.1	63.9	273.9