

Press release
Financial results – Q3 FY17
Consolidated profit after tax : ₹ 647 crore ↑ 24%

A meeting of the Board of Directors of Bajaj Holdings & Investment Limited (BHIL) was held today to consider and approve the results for Q3 FY17.

1. Highlights

Q3 FY17 v/s Q3 FY16

- ✓ Consolidated profit after tax - ₹ 647 crore v/s ₹ 521 crore ↑ 24%
- ✓ Standalone profit after tax - ₹ 124 crore v/s ₹ 45 crore

9M FY17 v/s 9M FY16

- ✓ Consolidated profit after tax - ₹ 1,910 crore v/s ₹ 1,701 crore ↑ 12%
- ✓ Standalone profit after tax - ₹ 408 crore v/s ₹ 715 crore

2. Consolidated results

Bajaj Holdings & Investment Limited, as its name suggests, is a holding company in addition to being an investment company. As a holding company, it holds strategic stakes of 31.49% 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.

The Government's action to demonetize high value currency had an adverse impact on the Auto industry. Despite the adverse conditions, BAL was able to record a **strong operating EBITDA margin** of 22%. Its profit after tax (consolidated) under Ind AS stood at ₹ 977 crore in Q3 FY17 v/s ₹ 1,031 crore in Q3 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 ₹ 893 crore in Q3 FY17 v/s ₹ 962 crore in Q3 FY16.

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). **BFS (consolidated) profit after tax increased by 41% to ₹ 614 crore in Q3 FY17 v/s ₹ 437 crore in Q3 FY16 due to strong growth recorded by BFL and BAGIC.**

Due to strong performance of BHIL (standalone) and underlying companies, BHIL's consolidated profit after tax for Q3 FY17 **increased by 24% - ₹ 647 crore v/s ₹ 521 crore in Q3 FY16.**

Summary of consolidated results is given in **Annexure A.**

3. 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 stock and money markets for its income.

Both, the stock and money markets provided an opportunity to the Company to book profits on some of its investments. Profit on sale of investments (net) during Q3 FY17 was ₹ 202 crore v/s ₹ 6 crore during Q3 FY16. As a result, BHIL's profit after tax (standalone) increased to ₹ 124 crore in Q3 FY17 v/s ₹ 45 crore in Q3 FY16.

The results of BHIL on standalone basis for 9M FY17 are strictly not comparable with results of 9M FY16 since the company received significant amount of interim dividends in Q4 FY16 and much lower final dividends in Q2 FY17.

Details of standalone financials are given below:

₹ In Crore	Q3 FY17	Q3 FY16	9M FY17	9M FY16	FY16
Dividend	5	3	89	527	1,018
Profit on sale of investments (net)	202	6	416	82	114
Interest on investments and other income	68	65	204	205	269
Total revenue	275	74	709	814	1,401
Total expenses	92	10	197	31	42
Profit before tax	183	64	512	783	1,359
Profit after tax	124	45	408	715	1,271

4. Investments

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

₹ In Crore	31-Dec-16		31-Mar-16	
	Cost	Market value	Cost	Market value
Strategic equity investments in group companies	1,188	42,965	1,188	33,356
Equity shares – others	1,440	2,338	1,911	2,705
Fixed income securities	4,193	4,289	3,415	3,444
Investment property	198	198	201	201
Total	7,019	49,790	6,715	39,706

As against a book value of ₹ 648 per share, NAV of the above investments was ₹ 4,474 per share as on 31 December 2016.

Sanjiv Bajaj
Managing Director
31 January 2017

Annexure A - Consolidated results of BHIL

(₹ In Crore)		Q3 FY17	Q3 FY16	9M FY17	9M FY16	FY16
1	Net Sales and Income from operations	275.84	74.84	661.77	348.19	469.84
2	Expenses					
	(a) Cost of materials consumed	0.26	0.18	0.85	0.73	0.92
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.13	0.11	(0.40)	0.17	0.19
	(c) Employee benefits expense	5.02	4.00	15.09	12.28	16.35
	(d) Depreciation and amortisation	1.34	1.36	4.03	4.09	5.48
	(e) Other expenses	86.97	5.81	179.47	17.08	23.85
	Total expenses	93.72	11.46	199.04	34.35	46.79
3	Profit from operations before other income, finance costs and exceptional items (1-2)	182.12	63.38	462.73	313.84	423.05
4	Other income	0.96	0.92	6.94	3.71	6.85
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	183.08	64.30	469.67	317.55	429.90
6	Finance costs	-	-	-	-	-
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	183.08	64.30	469.67	317.55	429.90
8	Exceptional items	-	-	-	-	-
9	Profit from ordinary activities before tax (7-8)	183.08	64.30	469.67	317.55	429.90
10	Tax expense	58.90	18.55	104.26	68.60	88.31
11	Net profit from ordinary activities after tax (9-10)	124.18	45.75	365.41	248.95	341.59
12	Add: Share of profit after tax of associates	522.46	474.76	1,544.99	1,452.51	1,923.65
13	Less: Minority interest in net income of subsidiaries	-	-	-	-	-
14	Net profit after tax, minority interest and share of profit of associates (11+12-13)	646.64	520.51	1,910.40	1,701.46	2,265.24
15	Paid-up equity share capital (Face value of ₹ 10)	111.29	111.29	111.29	111.29	111.29
16	Reserves excluding revaluation reserves					15,182.03
17	Basic and diluted earnings per share (₹) before and after extraordinary items (not annualised)	58.1	46.8	171.7	152.9	203.5