

Press release

Results – Q4 and FY16

A meeting of the Board of Directors of Bajaj Holdings & Investment Limited (BHIL) was held today to consider and approve the results for Q4 and FY16.

An interim dividend of ₹ 25 per equity share (250%) was declared on 9 March 2016 and paid on 23 March 2016.

The Board of Directors recommended a final dividend of ₹ 7.50 per share – 75%.

(total dividend of 325% compared to previous year's 325%).

The total amount of final dividend and tax thereon, including the amount paid as interim dividend, amounts to ₹ 435 crore (previous year – ₹ 434 crore).

1. Highlights

Q4 FY16 v/s Q4 FY15

✓ Consolidated profit after tax	- ₹ 564 crore	v/s ₹ 525 crore	↑ 7%
✓ Standalone profit after tax	- ₹ 556 crore	v/s ₹ 42 crore	↑ 1,224%

FY16 v/s FY15

✓ Consolidated profit after tax	- ₹ 2,265 crore	v/s ₹ 2,029 crore	↑ 12%
✓ Standalone profit after tax	- ₹ 1,271 crore	v/s ₹ 868 crore	↑ 46%

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 stock and money markets for its income.

Q4 FY16

- ✓ The Company received interim dividends from group companies and other corporates.
- ✓ Both, movements in equity markets and decline in interest rates provided an opportunity to the Company to realise profit on sale of some of its investments.
- ✓ As a result, profit after tax for Q4 FY16 recorded a **significant increase** to ₹ 556 crore v/s ₹ 42 crore in Q4 FY15.

FY16

- ✓ Interim dividends declared by group companies and other corporates at year end **significantly boosted** revenue of the Company.
- ✓ The subdued equity markets lowered the returns on equities. Hence profit on sale of investments, stood at ₹ 114 crore in FY16 v/s ₹ 214 crore in FY15.
- ✓ Profit after tax for FY16 **increased** by 46% to ₹ 1,271 crore v/s ₹ 868 crore in FY15.

Details of standalone financials are given below:

₹ In Crore	Q4 FY16	Q4 FY15	FY16	FY15
Dividend :				
- From BAL, BFS and MSL	475	-	950	473
- From others	16	7	68	56
Profit on sale of investments (net)	32	22	114	214
Interest on investments and other income	60	49	253	217
Interest on income-tax refund	-	-	-	30
Rent from investment property	4	4	16	16
Total revenue	587	82	1,401	1,006
Total expenses	11	8	42	41
Profit before tax	576	74	1,359	965
Profit after tax	556	42	1,271	868

3. Consolidated results

Bajaj Holdings & Investment Limited, as its name suggests, is a holding company in addition to being an investment company. As on 31 March 2016, the Company held strategic stakes of 31.49% in Bajaj Auto Ltd. (BAL), 39.29% in Bajaj Finserv Ltd. (BFS) and 24% in Maharashtra Scooters Ltd. (MSL). As such, consolidated results of BAL and BFS are consolidated in BHIL's results.

Bajaj Auto consolidates its holding in Indonesian subsidiary and its ~ 48% stake in KTM AG, Austria.

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).

The performance of the underlying companies is reflected in the consolidated results of BHIL.

Q4 FY16

- ✓ **BAL's profit after tax** (standalone) **increased** by **29%** to **₹ 803 crore** in Q4 FY16 v/s ₹ 622 crore in Q4 FY15. The **EBITDA margin** stood at a high of **23.1%**.
- ✓ **BFS (consolidated) profit after tax** stood at **₹ 518 crore** in Q4 FY16 v/s ₹ 707 crore in Q4 FY15. This is due to BALIC's transfer of policyholders' surplus to shareholders' account on quarterly basis in FY16 as against on annual basis till FY15. For full year, BFS (consolidated) profit after tax increased by 10%.
- ✓ Accordingly, **BHIL's consolidated profit after tax** for Q4 FY16 **increased** by **7%** to **₹ 564 crore** v/s ₹ 525 crore in Q4 FY15.

FY16

- ✓ **BAL** recorded its **highest ever profit after tax** (standalone) of ₹ **3,652 crore** in FY16 as against ₹ 2,814 crore in FY15 – an increase of 30%. Its operating EBITDA for FY16 stood at ₹ **5,041 crore** at an industry leading **EBITDA margin of 22.1%**.
- ✓ **BFS (consolidated)** too recorded its **highest ever profit after tax** of ₹ **1,863 crore** in FY16 as against ₹ 1,690 crore in FY15 – an increase of 10%, driven largely by **extraordinary performance of BFL**.
- ✓ Accordingly, **BHIL's consolidated profit after tax** for FY16 **increased** by 12% to ₹ **2,265 crore** v/s ₹ 2,029 crore in FY15.

Summary of consolidated financials of BHIL is as under:

₹ In Crore	Q4 FY16	Q4 FY15	FY16	FY15
Total revenue	125	85	477	559
Share of profit after tax of associates	471	482	1,924	1,615
Profit after tax	564	525	2,265	2,029

4. Investments

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

₹ In Crore	31-Mar-16		31-Mar-15	
	Cost	Market value	Cost	Market value
Strategic equity investments in group companies	1,188	33,356	1,188	27,964
Equity shares – others	1,911	2,705	1,697	3,168
Fixed income securities	3,415	3,444	3,122	3,227
Investment property	201	201	206	206
Total	6,715	39,706	6,213	34,565

As against a book value of ₹ 611 per share, NAV of the above investments was ₹ 3,568 per share as on 31 March 2016.

Sanjiv Bajaj
Managing Director
 25 May 2016

Annexure - Consolidated results of BHIL

(₹ In Crore)		Q4 FY16	Q4 FY15	FY16	FY15
1	Net Sales and Income from operations	121.65	83.98	469.84	523.93
2	Expenses				
	(a) Cost of materials consumed	0.19	0.39	0.92	1.02
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.02	(0.06)	0.19	(0.18)
	(c) Employee benefits expense	4.07	2.05	16.35	7.87
	(d) Depreciation and amortisation	1.39	1.42	5.48	5.93
	(e) Other expenses	6.77	5.42	23.85	31.00
	Total expenses	12.44	9.22	46.79	45.64
3	Profit from operations before other income, finance costs and exceptional items (1-2)	109.21	74.76	423.05	478.29
4	Other income	3.14	0.79	6.85	34.90
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	112.35	75.55	429.90	513.19
6	Finance costs	-	-	-	-
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	112.35	75.55	429.90	513.19
8	Exceptional items	-	-	-	-
9	Profit from ordinary activities before tax (7-8)	112.35	75.55	429.90	513.19
10	Tax expense	19.71	14.15	88.31	81.54
11	Net profit from ordinary activities after tax (9-10)	92.64	61.40	341.59	431.65
12	Add : Tax (debits)/credits pertaining to earlier years	-	(18.63)	-	(17.82)
13	Add: Share of profit after tax of associates	471.14	482.21	1,923.65	1,615.41
14	Less: Minority interest in net income of subsidiaries	-	-	-	-
15	Net profit after tax, minority interest and share of profit of associates (11+12+13-14)	563.78	524.98	2,265.24	2,029.24
16	Basic and diluted earnings per share (₹) before and after extraordinary items (not annualised)	50.7	47.2	203.5	182.3