

# BAJAJ

**Bajaj Holdings & Investment Limited**  
(formerly Bajaj Auto Limited)

CIN: L65993PN1945PLC004656

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25 October 2019

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<b>BSE Code: 500490</b>	<b>NSE Code: BAJAJHLDNG</b>

Dear Sir/Madam,

**Sub: Submission of half-yearly communication to shareholders for H1/FY 2019-20**

Pursuant to Regulation 30(2) read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we submit herewith a copy of the half yearly communication to the shareholders for H1/FY 2019-20

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For Bajaj Holdings & Investment Limited

  
Sriram Subbramaniam  
Company Secretary & Compliance Officer



Encl: as above



**BAJAJ HOLDINGS & INVESTMENT LIMITED**  
**HALF YEARLY REPORT 2019-20**

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BAJAJ HOLDINGS & INVESTMENT LIMITED





## Dear Shareholder,

This is my first letter to you as a Chairman of your Company, a position that I have assumed on 18 May 2019. I am truly proud of how well Bajaj Holdings & Investment Ltd. (BHIL) and Bajaj group have fared over the twelve years post the demerger and I am pleased to be associated with it.

I must place on record my acknowledgment and appreciation for the invaluable leadership of Mr. Rahul Bajaj, our previous Chairman, in whose tenure Bajaj Group has risen to be among the top business houses in India. I am pleased to inform you that he has consented to continue as Chairman Emeritus of your Company.

Let me now move on to the performance of your Company for the half year ended 30 September 2019. As a result of good performance of the underlying companies, BHIL's consolidated profit after tax for H1/2019-20 stood at ₹ 1,698 crore v/s ₹ 1,476 crore in H1/2018-19 – an increase of 15%.

### 1. Acquisition of 27% stake in MSL

As you are aware, Western Maharashtra Development Corporation (WMDC), a joint venture promoter in Maharashtra Scooters Ltd. (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. Consolidated results

As a holding company, post above acquisition, the consolidated financials of BHIL include stakes of major group companies as given below:

<b>Stake consolidated</b>	<b>Explanation</b>	<b>Consolidation method</b>
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. (BALIC)

Summary of consolidated financials of BHIL is as under:

Particulars	(₹ In Crore)		
	H1 2019-20	H1 2018-19	Full Year 2018-19
<b>Total income</b>	<b>220</b>	<b>236</b>	<b>431</b>
Share of profits of associates and joint venture	1,640	1,340	2,827
<b>Profit after tax</b>	<b>1,698</b>	<b>1,476</b>	<b>3,048</b>
Other comprehensive income	3,760 <sup>#</sup>	(66)	1,128
<b>Total comprehensive income attributable to BHIL</b>	<b>5,458</b>	<b>1,410</b>	<b>4,176</b>

<sup>#</sup> Upon MSL becoming a subsidiary on the abovementioned acquisition of stake 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 in H1/2019-20.

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

#### a. Bajaj Auto Ltd. (BAL)

- The Company maintained stable operating performance in a challenging business environment and its profit after tax was aided by lower corporate tax rate.
- During H1/2019-20, Bajaj Auto recorded
  - ✓ Volumes — 2,420,765  
(₹ In Crore)
  - ✓ Turnover — 16,298
  - ✓ Operating EBITDA — 2,555
  - ✓ Profit after tax — 2,528 ↑ 11%
- BAL's share in the domestic motorcycle market increased by 60 bps to 18.1% as against 17.5% in H1/2018-19.
- The Company continues to be a market leader in the domestic three wheelers segment with a market share in excess of 58%.
- BAL recorded the highest ever half-yearly exports of 1,094,532 units.
- The Company launched an electric scooter under the brand "Chetak" on 16 October 2019.

#### b. Bajaj Finserv Ltd. (BFS)

- Bajaj Finserv yet again reported a solid performance in H1/2019-20, aided by best ever half yearly results of Bajaj Finance, strong growth in gross written premium of BAGIC and good growth in rated individual premium of BALIC.
- During H1/2019-20, on a consolidated basis, BFS recorded
  - (₹ In Crore)
  - ✓ Total income — 26,496 ↑ 43%
  - ✓ Profit after tax — 2,049 ↑ 34%
- Bajaj Finance continued its strong growth.
  - Total income increased by 48% to ₹ 12,131 crore.
  - Profit after tax increased by 54% to ₹ 2,702 crore during H1/2019-20.
- BAGIC's\* overall gross written premium (including crop) was ₹ 7,123 crore – an increase of 38%. BAGIC's gross written premium from core business (excluding crop) increased by 13% to ₹ 5,275 crore. Profit after tax increased by 7% to ₹ 504 crore during H1/2019-20.
- BALIC's\* gross written premium increased by 18% to ₹ 4,072 crore. Profit after tax decreased to ₹ 269 crore in H1/2019-20.

\* BAGIC and BALIC's numbers are as per erstwhile Indian GAAP.

### 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 equity and debt markets for its income.

Details of standalone financials are given below:

Particulars	₹ In Crore)		
	H1 2019-20	H1 2018-19	Full Year 2018-19
Dividend	648	598	609
Profit on fixed income securities (net)	12	5	6
Interest on investments and other income	148	201	383
<b>Total income</b>	<b>808</b>	<b>804</b>	<b>998</b>
<b>Profit after tax</b>	<b>689</b>	<b>704</b>	<b>788</b>
Other comprehensive income ^	(200)	(5)	516
<b>Total comprehensive income</b>	<b>489</b>	<b>699</b>	<b>1,304</b>

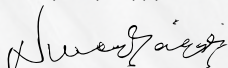
^ Mark to market gains/losses on equity and fixed income securities of BHIL are recognised in Other Comprehensive Income (OCI) and not Profit and Loss Account, as required by Ind AS considering the Company's business model.

### 4. Investments

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

Particulars	30 Sep 2019		31 Mar 2019	
	Cost	Market value	Cost	Market value
Strategic equity investments in group companies	3,071	84,863	2,831	74,031
Equity shares - others	2,189	3,850	1,741	3,343
Fixed income securities	3,104	3,110	3,228	3,209
Investment properties	186	281	187	281
<b>Total</b>	<b>8,550</b>	<b>92,104</b>	<b>7,987</b>	<b>80,864</b>

On this happy note, I would like to thank you for your continued support and I wish you and your family very happy Diwali and a prosperous New Year.



Niraj Bajaj  
Chairman  
23 October 2019

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