

Press release

Financial results - Q2 FY22

A meeting of the Board of Directors of Bajaj Holdings & Investment Limited (BHIL) was held today i.e. 28 October 2021 to consider and approve the results for Q2 FY22.

An interim dividend of ₹ 90 per equity share (900%) was declared on 17 September 2021 and paid on 11 October 2021, amounting to ₹ 1,002 crore.

Details about BHIL and companies consolidated in it, are included separately at the end of this release.

1. Highlights

Q2 FY22 v/s Q2 FY21

| | |
|----------------------------------|---------------------------------|
| ✓ Consolidated profit after tax | - ₹ 1,132 crore v/s ₹ 872 crore |
| ✓ Consolidated profit after tax* | - ₹ 968 crore v/s ₹ 872 crore |
| ✓ Standalone profit after tax | - ₹ 1,486 crore v/s ₹ 71 crore |

H1 FY22 v/s H1 FY21

| | |
|----------------------------------|-----------------------------------|
| ✓ Consolidated profit after tax | - ₹ 1,910 crore v/s ₹ 1,551 crore |
| ✓ Consolidated profit after tax* | - ₹ 1,746 crore v/s ₹ 1,551 crore |
| ✓ Standalone profit after tax | - ₹ 1,535 crore v/s ₹ 114 crore |

*excluding an exceptional fair value gain recognised by BAL

2. Consolidated results

- ✓ Bajaj Auto (consolidated) profit after tax increased to ₹ 2,040 crore in Q2 FY22 v/s ₹ 1,194 crore in Q2 FY21 on account of reasonable recovery in sales and an exceptional fair value gain of ₹ 501 crore on KTM AG share swap.
- ✓ BFS (consolidated) profit after tax increased to ₹ 1,122 crore in Q2 FY22 v/s ₹ 986 crore in Q2 FY21, mainly aided by strong performance of BFL.
- ✓ Maharashtra Scooters Ltd. profit after tax stood at ₹ 135.70 crore in Q2 FY22 v/s ₹ 1.91 crore in Q2 FY21, mainly on account of dividend income in Q2 FY22.
- ✓ Consequently, BHIL's consolidated profit after tax increased to ₹ 1,132 crore in Q2 FY22 v/s ₹ 872 crore in Q2 FY21.

Summary of consolidated financials of BHIL is as under:

| ₹ In Crore | Q2 FY22 | Q2 FY21 | H1 FY22 | H1 FY21 | FY21 |
|--------------------------------|---------|---------|---------|---------|-------|
| Total income | 160 | 132 | 271 | 237 | 463 |
| Share of profits of associates | 1,118 | 800 | 1,846 | 1,435 | 3,446 |
| Profit after tax | 1,132 | 872 | 1,910 | 1,551 | 3,650 |

3. Standalone results

BHIL remains essentially an investment company. Its focus is on earning income through dividends, interest and profits on investments held. Details of standalone financials are given below:

| ₹ In Crore | Q2 FY22 | Q2 FY21 | H1 FY22 | H1 FY21 | FY21 |
|--------------------------------------------|--------------|------------|--------------|------------|------------|
| Dividend received | 1,437 | 18 | 1,449 | 22 | 40 |
| Profit on fixed income securities (net) | 20 | 24 | 37 | 39 | 66 |
| Interest on investments and other income | 79 | 83 | 153 | 164 | 325 |
| Total income | 1,536 | 125 | 1,639 | 225 | 431 |
| Profit after tax (a) | 1,486 | 71 | 1,535 | 114 | 199 |
| Other comprehensive income, net of tax (b) | 910 | 478 | 1,374 | 1,267 | 3,125 |
| Total comprehensive income (a) + (b) | 2,396 | 549 | 2,909 | 1,381 | 3,324 |

Dividends received from corporates in Q2 FY22 boosted standalone total income and profit after tax (PAT) of the Company for Q2 and H1 FY22. PAT was also boosted on account of lower tax expense pursuant to the deduction under section 80M of the Income Tax Act, 1961 on dividend distributed by the Company.

4. Investments

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

| ₹ In Crore | 30-Sep-21 | | 31-Mar-21 | |
|-------------------------------------------------|---------------|----------------|--------------|----------------|
| | Cost | Market value | Cost | Market value |
| Strategic equity investments in group companies | 3,135 | 153,275 | 3,135 | 99,806 |
| Equity shares - others | 2,678 | 5,861 | 2,772 | 5,241 |
| Fixed income securities | 4,047 | 4,114 | 3,832 | 3,888 |
| Investment properties | 179 | 274 | 181 | 274 |
| Total | 10,039 | 163,524 | 9,920 | 109,209 |

As against a book value of ₹ 1,391 per share, NAV of the above investments was ₹ 14,694 per share as on 30 September 2021.

A. G. Marathe

* Anant Marathe
CFO
28 October 2021

| (₹ In Crore) | | Q2 FY22 | Q2 FY21 | H1 FY22 | H1 FY21 | FY21 |
|--------------|----------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| 1 | Income | | | | | |
| | Interest income | 65.10 | 63.78 | 125.81 | 127.80 | 253.27 |
| | Dividend income | 53.57 | 18.54 | 65.73 | 22.33 | 40.23 |
| | Rental income | 5.01 | 4.77 | 9.85 | 9.46 | 19.12 |
| | Net gain on fair value changes | 20.39 | 23.93 | 37.71 | 40.27 | 68.21 |
| | Other investment income | - | 3.00 | - | 3.00 | 3.00 |
| | Revenue from contracts with customers - Sale of goods | 2.94 | 2.02 | 5.56 | 3.43 | 15.28 |
| | Total revenue from operations | 147.01 | 116.04 | 244.66 | 206.29 | 399.11 |
| | Other income | 13.38 | 15.60 | 26.37 | 30.71 | 63.96 |
| | Total income | 160.39 | 131.64 | 271.03 | 237.00 | 463.07 |
| 2 | Expenses | | | | | |
| | Employee benefits expense | 11.48 | 10.94 | 23.63 | 22.27 | 44.16 |
| | Finance costs - Interest on operating lease liability | 0.79 | 0.97 | 1.57 | 1.92 | 3.80 |
| | Cost of raw materials consumed | 3.28 | 1.92 | 6.43 | 2.42 | 8.40 |
| | Changes in inventories of finished goods, work-in-progress | (2.92) | (1.42) | (5.89) | (1.40) | (0.28) |
| | Depreciation, amortisation and impairment | 8.40 | 8.39 | 16.82 | 16.78 | 33.61 |
| | Other expenses | 13.37 | 10.22 | 29.54 | 21.02 | 53.23 |
| | Total expenses | 34.40 | 31.02 | 72.10 | 63.01 | 142.92 |
| 3 | Share of profits of associates | 1,117.78 | 800.08 | 1,846.22 | 1,434.98 | 3,445.59 |
| 4 | Profit before tax (1-2+3) | 1,243.77 | 900.70 | 2,045.15 | 1,608.97 | 3,765.74 |
| 5 | Tax expense | | | | | |
| | Current tax | 33.00 | 11.50 | 53.38 | 41.43 | 101.92 |
| | Deferred tax | 37.57 | 16.12 | 38.96 | 14.62 | 9.67 |
| | Tax credit pertaining to earlier year | (24.86) | - | (24.86) | - | - |
| | Total tax expense | 45.71 | 27.62 | 67.48 | 56.05 | 111.59 |
| 6 | Profit after tax (4-5) | 1,198.06 | 873.08 | 1,977.67 | 1,552.92 | 3,654.15 |
| 7 | Profit attributable to non-controlling interests | 66.49 | 0.94 | 67.54 | 1.65 | 4.32 |
| 8 | Profit for the period (6-7) | 1,131.57 | 872.14 | 1,910.13 | 1,551.27 | 3,649.83 |
| 9 | Other comprehensive income, net of tax (including share of associates) | | | | | |
| | (a) Items that will not be reclassified to profit or loss | 3,752.03 | 1,159.34 | 5,621.12 | 3,114.91 | 8,043.75 |
| | (b) Items that will be reclassified to profit or loss | 4.47 | (20.61) | (2.03) | 44.47 | 49.50 |
| | Total other comprehensive income, net of tax | 3,756.50 | 1,138.73 | 5,619.09 | 3,159.38 | 8,093.25 |
| 10 | Total comprehensive income (6+9) | 4,954.56 | 2,011.81 | 7,596.76 | 4,712.30 | 11,747.40 |
| 11 | Profit attributable to: | | | | | |
| | Owners of the company | 1,131.57 | 872.14 | 1,910.13 | 1,551.27 | 3,649.83 |
| | Non-controlling interests | 66.49 | 0.94 | 67.54 | 1.65 | 4.32 |
| 12 | Total comprehensive income attributable to: | | | | | |
| | Owners of the company | 3,517.77 | 1,643.12 | 5,447.54 | 3,837.42 | 9,332.81 |
| | Non-controlling interests | 1,436.79 | 368.69 | 2,149.22 | 874.88 | 2,414.59 |
| 13 | Paid-up equity share capital (Face value of ₹ 10) | 111.29 | 111.29 | 111.29 | 111.29 | 111.29 |
| 14 | Other equity | | | | | 37,055.67 |
| 15 | Basic and diluted earnings per share (₹) (not annualised) | 101.7 | 78.4 | 171.6 | 139.4 | 327.9 |

About BHIL:

BHIL remains essentially a holding and investment company.

BHIL holds strategic stakes in Bajaj Auto Ltd., Bajaj Finserv Ltd. and Maharashtra Scooters Ltd., which it consolidates and other investments of over ₹ 12,000 crore (at market value).

BHIL also has a wholly owned subsidiary viz. Bajaj Auto Holdings Ltd., which has investments only in group companies, though insignificant.

As required by regulation, BHIL has adopted Indian Accounting Standards (Ind AS) from FY19 and the previous period figures are comparable.

The details of major group companies consolidated in BHIL have been given below:

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

| | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>* BAL comprises of</i> | <i>49.90% stake in Pierer Bajaj AG Equity pickup of BHIL share in BAL's profit is net of elimination of cross-holding of BAL in BHIL of 3.14%</i> |
| <i>@ BFS comprises of</i> | <i>53% 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)</i> |

BHIL is part of BSE 200 and Nifty 200 index of top 200 companies listed in India. BAL, BFS and BFL are included in the benchmark BSE Sensex and Nifty 50 index of large cap stocks. MSL is listed too.