

Aug 08, 2013

BAJAJ HOLDINGS & INVESTMENT LTD.

BSE Code: 500490 NSE Code: BAJAJHLDNG Reuters Code: BJAT.NS Bloomberg Code: BJHI:IN

Bajaj Holdings & Investment Limited (BHIL) (formerly known as Bajaj Auto Ltd) is an India-based investment company. The company has one subsidiary, namely Bajaj Auto Holding Ltd. The Company is classified as a 'Systemically Important Non-deposit taking NBFC' as per RBI Regulations. The company holds 31.49% stake in Bajaj Auto, 39.16% in Bajaj Finserv and 24% in Maharashtra Scooters (as per the shareholding pattern as on 30 June 2013). Bajaj Auto Holdings Limited (BAHL) is a wholly owned subsidiary of the Company. Maharashtra Scooters Limited is a joint venture company promoted by the Company and Western Maharashtra Development Corporation Limited.

Investor's Rationale

Topline grew nearly doubled by 95.2% YoY in Q1FY'14– BHIL, registered a good quarter with a robust topline growth 95.2% YoY at ₹1,413mn against ₹724mn on consolidation basis.

EBITDA margin expanded 100bps YoY on lower operating expenses– The company registered robust growth in EBITDA by 97.3% YoY at ₹1,367mn against ₹693mn mainly assisted by significant topline growth. Meanwhile, the material consumed declined by 10% YoY at ₹0.9mn against ₹1mn. While, employee cost and other expenses grew by 52.9% and 46.5% YoY at ₹15.9mn and ₹29.3mn respectively. Thus, OPM expanded by 100bps YoY at 96.7% against 95.7%.

Robust growth in bottom-line by 26.9% YoY– The company's bottom-line registered healthy growth of 26.9% YoY at ₹4,432mn against ₹3,491mn mainly due to increase in income from associates after tax which rose 12.16% YoY to ₹3,316mn. Further, healthy topline and operating margin assisted in boosting the performance.

Net profit margin crashed – During the quarter net profit margin (NPM) crashed to 313.3% against 481.2% in same quarter last year primarily on the account of decline in other income (22.2% YoY at ₹1.4mn against ₹1.8mn) and increase in tax (49.8% YoY at ₹244.1mn against ₹163mn).

Market Data

Rating	BUY
CMP (₹)	822.1
Target Price	904
Stop Loss	777
Duration	Short-term
52-week High-Low (₹)	1058/742
Rise from 52WL (%)	10.8
Correction from 52WH (%)	22.3
Beta	0.08
1 year Average Volume ('0000)	4.7
	3M- (7.8)
Stock Return (%)	6M- (15.8)
	1Y- 6.5
Market Cap (₹bn)	91.5
Book Value (₹)	466

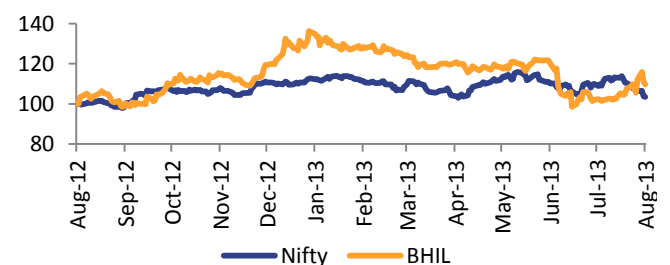
Shareholding Pattern

	Jun'13	Mar'13	Chg
Promoters (%)	40.17	40.17	-
FII (%)	14.42	13.45	0.97
DII (%)	10.93	11.82	(0.89)
Public & Others (%)	34.48	34.56	(0.08)

Quarterly Performance (Consolidated)

(₹Mn)	Q1 FY'14	Q1 FY'13	Q4 FY'13	YoY Change(%)	QoQ Change(%)
Sales	1,413	724	812	95.2	74.0
Op. exp	46	31	34	49.4	36.5
EBITDA	1,367	693	779	97.3	75.6
OPM (%)	96.7	95.7	95.9	100bps	89bps
Net profit	4,432	3,491	6,644	26.9	(33.3)
NPM (%)	313.3	481.2	804.8	(16,788bps)	(49,147bps)
EPS (₹)	39.8	31.4	59.7	26.8	(33.3)

One Year Price Chart





Indbank Merchant Banking Services Ltd.
I Floor, Khiviraj Complex I,
No.480, Anna Salai, Nandanam, Chennai 600035
Telephone No: 044 – 24313094 - 97
Fax No: 044 – 24313093
www.indbankonline.com

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