

BAJAJ HOLDINGS & INVESTMENT LIMITED
74th ANNUAL REPORT 2018-19

BAJAJ
BAJAJ HOLDINGS & INVESTMENT LIMITED



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CORPORATE INFORMATION

Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

Madhur Bajaj

Rajiv Bajaj

D J Balaji Rao

Nanoo Pamnani

Manish Kejriwal

P Murari
(up to 31 March 2019)

Dr. Gita Piramal

Dr. Naushad Forbes
Anami N Roy
(from 1 April 2019)

Audit Committee

D J Balaji Rao
Chairman

Nanoo Pamnani

Manish Kejriwal

Dr. Naushad Forbes

Stakeholders Relationship Committee

P Murari
Chairman
(up to 31 March 2019)

Nanoo Pamnani

Manish Kejriwal

Dr. Gita Piramal
(Chairperson from 1 April 2019)

Nomination & Remuneration Committee

Nanoo Pamnani
Chairman

Rahul Bajaj

D J Balaji Rao

Dr. Gita Piramal

Risk Management Committee

Nanoo Pamnani
Chairman

Sanjiv Bajaj
Anant Marathe

Corporate Social Responsibility Committee

Rahul Bajaj
Chairman

Nanoo Pamnani
Sanjiv Bajaj

Duplicate Share Certificate Issuance Committee

Rahul Bajaj
Chairman

Sanjiv Bajaj
Rajiv Bajaj

CFO

Anant Marathe

Company Secretary

Sriram Subbramaniam

Auditors

S R B C & CO LLP
Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye
Practising Company Secretary

Bankers

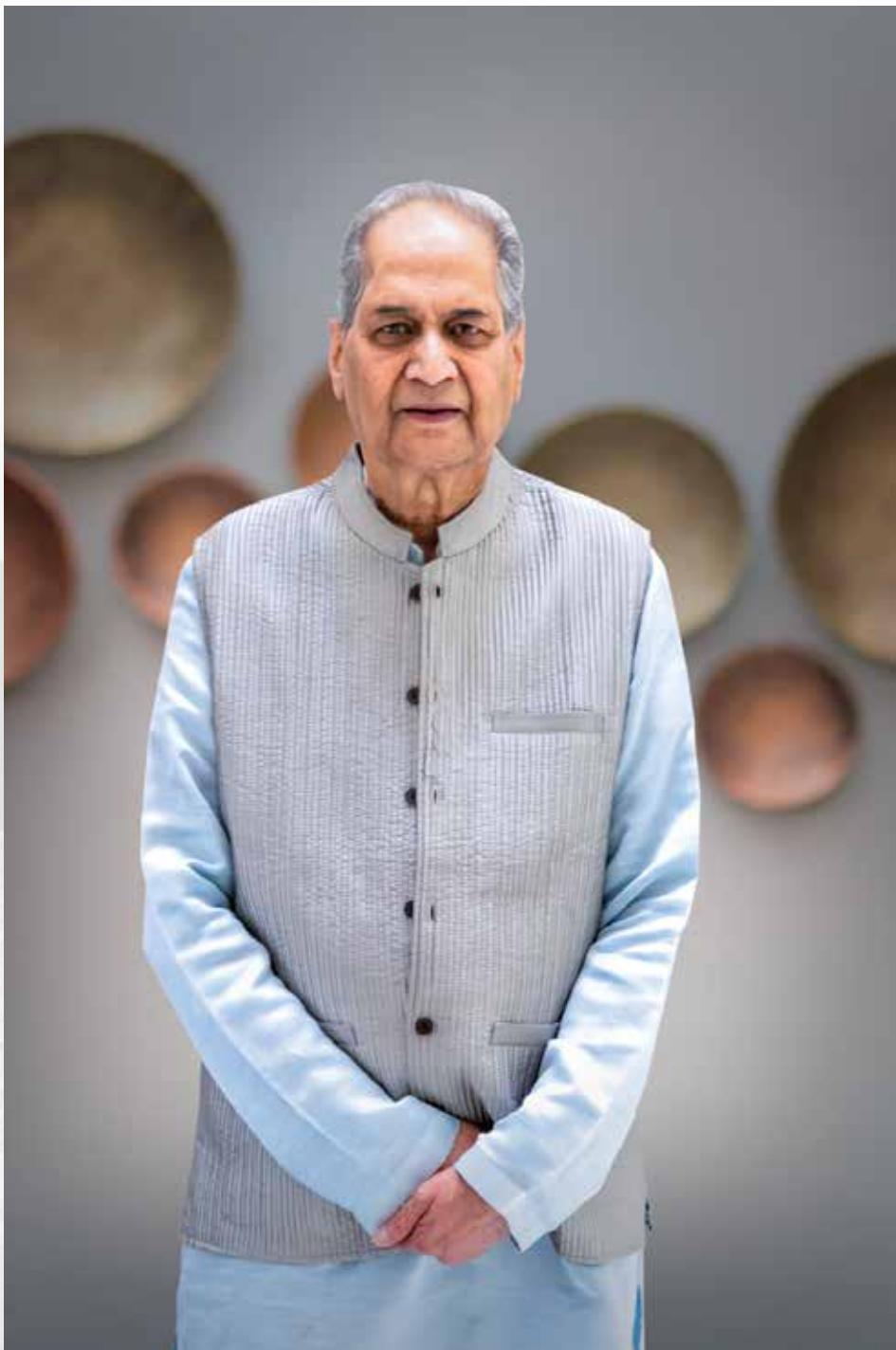
Citibank N A
HDFC Bank

**Registered under the
Companies Act, 1913**

Registered Office

Mumbai-Pune Road,
Akurdi, Pune 411 035.

CIN: L65993PN1945PLC004656



Rahul Bajaj
Chairman



Sanjiv Bajaj
Managing Director & CEO

DIRECTORS' REPORT



Your directors have pleasure in presenting the Seventy Fourth Annual Report and the audited financial statements for the year ended 31 March 2019.

Financial results

The financial results of the Company are elaborated in the Management Discussion and Analysis Report.

The highlights of the **Standalone Financial Results** are as under:

Particulars	(₹ In Crore)	
	FY2019	FY2018
Total income	998.27	953.83
Total expenses	88.63	69.72
Profit before tax	909.64	884.11
Tax expense	121.45	84.18
Profit for the year	788.19	799.93
Earnings per share (in ₹)	70.8	71.9

Closing balances in reserve/other equity

Particulars	(₹ In Crore)	
	FY2019	FY2018
Reserve fund in terms of section 45-IC(1) of Reserve Bank of India Act, 1934	1,741.97	1,584.33
Securities premium	444.42	444.42
General reserve	3,706.96	3,706.96
Retained earnings	2,543.02	2,356.76
Other reserves - Equity instruments through other comprehensive income	2,441.76	2,017.98
Total	10,878.13	10,110.45

Note: Detailed movement of above reserves can be seen in 'Statement of Changes in Equity'

The highlights of the **Consolidated Financial Results** are as under:

Particulars	(₹ In Crore)	
	FY2019	FY2018
Total income	431.35	424.41
Share of profits of associates and joint venture	2,827.33	2,384.88
Profit before tax	3,170.02	2,739.45
Profit for the year	3,048.38	2,654.75
Earnings per share (₹)	273.9	238.5

Dividend

The directors recommend for consideration of the shareholders at the ensuing Annual General Meeting, payment of dividend of ₹ 32.50 per equity share (325%) for the year ended 31 March 2019. The amount of dividend and the tax thereon to the extent applicable aggregate to ₹ 436 crore.

For the year ended 31 March 2018, the dividend paid was ₹ 40.00 per equity share of ₹ 10 each (400%) and the total dividend and the tax thereon to the extent applicable aggregated to ₹ 536.50 crore.

Share Capital

The paid-up equity share capital as on 31 March 2019 was ₹ 111.29 crore. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights or sweat equity shares nor has it granted any stock options.

Registration as a Systemically Important Non-Deposit taking NBFC

The Company has been registered with the Reserve Bank of India as a Non-Banking Financial Institution (Non-Deposit taking). In terms of provisions of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company is categorised as a 'Systemically Important Non-Deposit taking Non-Banking Financial Company'. The Company has not accepted public deposits during the year under review.

Operations

Detailed information on the operations of the Company and details on the state of affairs of the Company are covered in the Management Discussion and Analysis Report.

Annual Return

The extract of annual return as provided under section 92(3) of the Companies Act, 2013 ('the Act'), in the prescribed form MGT-9 is annexed to this Report and also on the Company's website at http://www.bhil.in/inv/annual_reports.html

Number of meetings of the Board

Six meetings of the Board were held during FY2019. Details of the meetings and attendance thereat form a part of the 'Corporate Governance Report'.

Directors' responsibility statement

In compliance of section 134(5) of the Act the directors state that:

- in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by auditors under section 143(12)

During the year under review, no frauds were reported by the auditors to the Audit Committee or the Board under section 143(12) of the Act.

Declaration by independent directors

The Independent Directors have submitted declaration of independence, as required under section 149(7) of the Act stating that they meet the criteria of independence as provided in section 149(6) of the Act as amended and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations'), as amended.

The Board took on record the declaration and confirmation submitted by the Independent Directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the SEBI Listing Regulations.

Policy on directors' appointment and remuneration

The Board, at its meeting held on 14 March 2019, has revised the sitting fees from ₹ 50,000 to ₹ 100,000 and commission from ₹ 100,000 to ₹ 200,000 payable per meeting to all non-executive directors (including independent directors) for meetings of the Board and/or Committee's attended by them from and after 1 April 2019.

The salient features and changes to the Policy on directors' appointment and remuneration form a part of the 'Corporate Governance Report'. The said policy is placed on the Company's website at www.bhil.in

Particulars of loans, guarantees or investments

Information regarding loans, guarantees and investments covered under the provisions of section 186 of the Act are detailed in the financial statements.

Related party transactions

During FY2019, transactions with related parties were entered with the approval of the Audit Committee in line with provisions of the Act and the SEBI Listing Regulations.

All related party transactions entered into during FY2019 were on an arm's length basis and in the ordinary course of business under the Act and not material under the SEBI Listing Regulations. None of the transactions required members' prior approval under the Act or the SEBI Listing Regulations. During FY2019, there were no related party transactions requiring disclosure under section 134 of the Act. There being no 'material' related party transactions as defined under Regulation 23 of the SEBI Listing Regulations, there are no details to be disclosed in Form AOC-2 in that regard

Pursuant to Regulation 23 of SEBI Listing Regulations, the Board, at its meeting held on 14 March 2019, has revised the policy on materiality of related party transactions and on dealing with related party transactions including providing clear threshold limits for various transactions with related parties.

The said revised policy is placed on the Company's website at www.bhil.in and is also included in this Annual Report.

Material changes and commitments

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Conservation of energy

- The Company has taken, inter alia, following measures to reduce energy consumption;
- Switched from conventional lighting systems to LED lights at its offices;
- Selecting and designing offices to facilitate maximum natural light utilisation.

Technology absorption

The Company primarily being an investment company and not involved in any industrial or manufacturing activities, has no particulars to report regarding technology absorption as required under section 134 of the Act and Rules made thereunder.

Foreign exchange earnings and outgo

During the year under review, the total foreign exchange earned by the Company was ₹ 180.70 crore (as against Nil during the previous year).

The total foreign exchange outflow during the year under review was ₹ 207.23 crore (as against ₹ 1.21 crore during the previous year).

Risk Management Policy

Information on the development and implementation of a Risk Management Policy for the Company including identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company, is given in the Corporate Governance Report.

Corporate Social Responsibility (CSR)

Detailed report on the Corporate Social Responsibility Policy developed and implemented by the Company on CSR initiatives taken during the year pursuant to section 135 of the Act is given in the Annual Report on CSR activities.

Formal annual evaluation of the performance of the Board, its Committees and Directors

Information on the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors is given in the Corporate Governance Report.

Subsidiary/joint venture/associates

Following are the subsidiary/joint venture/associate companies of the Company:

Name of the company	% shareholding of BHIL and its subsidiary	Status
Bajaj Auto Ltd.	33.43%	Associate
Bajaj Finserv Ltd.	39.29%	Associate
Bajaj Auto Holdings Ltd.	100%	Subsidiary
Maharashtra Scooters Ltd.	24%	Joint Venture

The financial highlights of performance of subsidiary, associates and joint venture of the Company and their contribution to the overall performance of the Company during the period under Report is covered in the Management Discussion and Analysis Report.

With respect to the litigation between the Company and Western Maharashtra Development Corporation Ltd. (WMDC) in connection with the sale of 27% shareholding in Maharashtra Scooters Ltd. (MSL) i.e. 30,85,712 equity shares by WMDC to the Company, pending since 2003, the updates/developments during the year under review are as follows:

- 1) The Hon'ble Supreme Court of India passed an Order dated 9 January 2019, directing WMDC to transfer 30,85,712 shares of MSL to the Company upon payment to WMDC an amount of ₹ 232 per share (in place of ₹ 151.63 per share awarded by the Arbitrator) along with interest @ 18% p.a. from the date of the Arbitral Award.
- 2) Pursuant to and in compliance of the said Order, the Company sent a communication dated 14 January 2019 to WMDC, along with cheques towards the following:
 - a. Cost of shares @ ₹ 232 per share, i.e. ₹ 715,885,184
 - b. Interest calculated @18% p.a. from the date of award i.e. 14 January 2006 till the date of payment, i.e. 14 January 2019 of ₹ 1,676,583,488 less 10% TDS i.e. ₹ 167,658,349, net ₹ 1,508,925,139.
- 3) WMDC has neither encashed the cheques nor has it effected the transfer of shares so far and WMDC's compliance of the Hon'ble Supreme Court Order is awaited.

Directors and Key Managerial Personnel

A) Change in Directorate:

I. Appointment/Re-appointment of Independent Directors

- (a) The Board of Directors at its meeting held on 14 March 2019 has appointed Anami N Roy as Independent Director for a period of five years with effect from 1 April 2019. Further, the Board also appointed Niraj Bajaj as Additional Director and Non-executive Chairman with effect from the conclusion of the Board meeting on 17 May 2019.

(b) At the aforesaid Meeting, the Board, taking into account the report of performance evaluation and the recommendation of Nomination and Remuneration Committee re-appointed the following independent directors for a second consecutive term:

Sr. No.	Name of Independent Director	Tenure of Second term
1.	Nanoo Pamnani (DIN 00053673)*	Five years w.e.f. 1 April 2019
2.	D J Balaji Rao (DIN 00025254)**	Five years w.e.f. 1 April 2019
3.	Dr. Gita Piramal (DIN 01080602)	Five years w.e.f. 17 July 2019

*Pursuant to Regulation 17(1A) of SEBI Listing Regulations, consent of the Members by way of Special Resolution is being sought by the Company for continuance of Nanoo Pamnani beyond 26 February 2020 on account of his attaining the age of 75 years on that date.

**Pursuant to Regulation 17(1A) of SEBI Listing Regulations, consent of the Members by way of Special Resolution is being sought by the Company for continuance of D J Balaji Rao beyond 1 April 2019 on account of his having already attained the age of 75 years as on 1 April 2019.

Necessary details regarding their appointment and re-appointment as required under the Act and SEBI Listing Regulations, are given in the notice of Annual General Meeting (AGM). The aforesaid appointments are subject to approval of shareholders at the ensuing AGM.

II. Retirement of Independent Director

P. Murari, vide his letter dated 28 February 2019 has stated that due to his commitments, priorities and health reasons, he will be unable to continue as an Independent Director of the Company for another term after 31 March 2019. The Board at its meeting held on 14 March 2019 noted the same and recorded its appreciation of the valuable services rendered by P. Murari during his long tenure as director of the Company.

iii. Resignation of Non-executive Chairman

As part of succession planning, Rahul Bajaj, the Chairman, vide letter dated 15 February 2019 expressed his intention to step down as Non-executive director and Chairman of the Company with effect from the conclusion of the Board meeting scheduled on 17 May 2019. The Board at its meeting held on 14 March 2019 noted the same and recorded its appreciation of the valuable services rendered by Rahul Bajaj during his long tenure as Chairman of the Company. Since, Rahul Bajaj has already attained the age of seventy five years, as required under Regulation 17(1A) of the SEBI Listing Regulations, a special resolution will be taken from the shareholders for the tenure of Rahul Bajaj from 1 April 2019 to 17 May 2019.

iv. Directors liable to retire by rotation

The Company in total has 10 directors- 5 independent directors, 4 non-executive non independent and 1 executive director. As per section 152 of the Act, at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Amongst the said 5 directors, Sanjiv Bajaj, Managing Director is a director not liable to retire by rotation. Out of the remaining 4 directors liable to retire by rotation, Rajiv Bajaj (DIN 00018262), director, being the longest in the office, retires from the Board by rotation this year and, being eligible, has offered his candidature for re-appointment.

Brief details of Rajiv Bajaj, Director, who is seeking re-appointment are given in the notice of Annual General Meeting.

B) Change in KMP

During the year under review, Sriram Subramaniam was appointed as Company Secretary w.e.f. 1 October 2018 in place of Vallari Gupte who resigned from the services of the Company w.e.f. 17 August 2018.

Significant and material orders passed by the regulators or courts

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operations in future.

Adequacy of internal financial controls with reference to the financial statements

The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational. This includes its design, implementation and maintenance, along with periodical internal review of operational effectiveness and sustenance, which are commensurate with the nature of its business and the size and complexity of its operations.

This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

Presentation of financial statements

As per notification no. G.S.R. 365 (E) dated 30 March 2016, issued by Ministry of Corporate Affairs (MCA) in exercise of power conferred to it under section 133 read with section 469 of the Act, NBFCs having net worth of rupees five hundred crore or more are required to comply with the Indian Accounting Standards (Ind AS) in preparation of their financial statements and quarterly financial results for the accounting periods beginning on or after 1 April 2018 with effective transition date of 1 April 2017.

Further, MCA, in exercise of its power under sub-section (1) of section 467 of the Act, amended Schedule III to the Act. Vide the amendment, a new division, viz. 'Division III' financial statement format was introduced for Non-Banking Financial Companies effective from 11 October 2018.

Accordingly, the financial statements of the Company for the year ended 31 March 2019 and corresponding figures for the year ended 31 March 2018 have been re-casted and prepared as per the revised Schedule III to the Act.

Consolidated financial statements

The directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries and joint ventures, and as prepared in compliance with the Act, applicable IND Accounting Standards and SEBI Listing Regulations.

A separate statement containing the salient features of our subsidiaries and joint ventures in the prescribed form AOC-1 is annexed.

RBI guidelines

The Company continues to fulfill all the norms and standards laid down by the RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norms of 15%, the capital adequacy ratio of the Company was 98% as on 31 March 2019. In line with the RBI guidelines for asset liability management (ALM) system for NBFCs, the Company has an Asset Liability Management Committee, which meets periodically to review its ALM risks and opportunities.

The Company is in compliance with the NBFC – Corporate Governance (Reserve Bank) Directions, 2015.

Harmonisation of different categories of NBFCs

The Reserve Bank of India vide its circular no. DNBR (PD)CC.No.097/03.10.001/2018-19 dated 22 February 2019, harmonized different categories of NBFCs into fewer ones on the basis of the principle of regulation by activity rather than regulation by entity in order to provide greater operational flexibility.

Accordingly, the three categories of NBFCs viz., Asset Finance Companies (AFCs), Loan Companies (LCs) and Investment Companies (ICs) have been merged into a new category called NBFC - Investment and Credit Company (NBFC-ICC).

The Company now is categorized as NBFC- Investment and Credit Company (NBFC-ICC).

Policy on dividend distribution

Information about the policy on dividend distribution is given in the annexed 'Corporate Governance Report'.

Statutory disclosures

- A summary of the key financials of the Company's subsidiary, associates and joint ventures in Form AOC-1 is included in this Annual Report. A copy of audited financial statements for each of the Company's subsidiary, associates and joint venture will be made available to the members of the Company, seeking such information at any point of time.
- The audited financial statements of the said companies will be kept for inspection by any member of the Company at its registered office during 10.00 a.m. to 12.30 p.m. upto the date of AGM.
- The financial results are placed on the Company's website at www.bhil.in
- Details as required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this Report.
- Details as required under the provisions of section 197(12) of the Act read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any member on request, as per provisions of section 136(1) of the said Act.
- The Directors' Responsibility Statement as required by section 134(5) of the Act appears in a preceding paragraph.
- Pursuant to RBI Master Direction-Information Technology Framework for the NBFC sector, the Company has constituted an IT Strategy Committee to review the IT strategies in line with the corporate strategies, Board policy reviews, cyber security arrangements and any other matter related to IT governance.

- Cash Flow Statement for FY2019 is attached to the Balance Sheet.
- The provision of section 148 of the Act are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under sub-section (1) of section 148 of the Act.
- The Company has a policy on prevention of sexual harassment at the workplace. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no case reported during the year under review under the said Policy.

Corporate governance

Pursuant to the SEBI Listing Regulations, a separate chapter titled 'Corporate Governance' has been included in this Annual Report, along with the reports on Management Discussion and Analysis and General Shareholder Information.

All the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2018-19. A declaration to this effect signed by the Managing Director and CEO of the Company is contained in this Annual Report.

The Managing Director and CEO and the CFO have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the SEBI Listing Regulations.

Certificate from the statutory auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report.

Business Responsibility Report

Pursuant to the provisions of the SEBI Listing Regulations, the Company is required to give Business Responsibility Report ('BRR') in the Annual Report.

As a part of green initiative, the BRR for FY2019 has been placed on the Company's website at www.bhil.in A physical copy of the BRR will be made available to any members on request.

Secretarial Standards of ICSI

Pursuant to the approval given on 10 April 2015 by Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1 July 2015. These Secretarial Standards were then revised and were made effective from 1 October 2017. The Company is in compliance with the same.

Auditors

Statutory auditor

Pursuant to the provisions of section 139 of the Act, the members at the Annual General Meeting of the Company held on 20 July 2017 appointed S R B C and CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) as statutory auditors of the Company from the conclusion of the seventy second Annual General Meeting till the conclusion of the seventy seventh Annual General Meeting.

The statutory audit report for the year 2018-19 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

Secretarial auditor

Pursuant to the provisions of section 204 of the Act and Rules made thereunder, the Company has re-appointed, Shyamprasad D Limaye, Practising Company Secretary (Membership No. 1587) to undertake the secretarial audit of the Company. Secretarial audit report for the year 2018-19 as issued by him in the prescribed form MR-3 is annexed to this Report.

The said secretarial audit report does not contain any qualification, reservation or adverse remark or disclaimer made by the secretarial auditor.

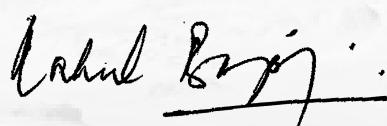
In addition to the above and pursuant to SEBI circular dated 8 February 2019, a report on secretarial compliance by Shyamprasad D Limaye for the financial year ended 31 March 2019 is being submitted to stock exchanges. There are no observations, reservations or qualifications in the said report.

Acknowledgement

The Board of Directors would like to express its gratitude and its appreciation for the support and co-operation from its members, RBI and other regulators and banks.

The Board of Directors also places on record its sincere appreciation of the commitment and hard work put in by the Management and the employees of the Company and thank them for yet another excellent year.

On behalf of the Board of Directors



Rahul Bajaj
Chairman

Pune: 17 May 2019

CSR at Bajaj Holdings and Investment



Introduction

'Society must profit from profit itself'. That's what our group's founding father was committed to. That is what we are committed to today. That's what we will continue to do in the future. Our Group's CSR activities are guided by the vision and philosophy of our founding father, Shri Jamnalal Bajaj, who embodied this value in our business and laid the foundation for finding numerous ways to give back to the ecosystem we are a part of.

'Social empowerment' is at the heart of all our CSR activities. We work with various partners to make good quality services—be it healthcare, or education, or training for employability—accessible and affordable to all sections of society. We believe this helps individuals to unlock and activate their true potential.

Our focus areas



Healthcare – Malnutrition

Number of lives impacted: 3,50,000

The prevalence of underweight children in India is among the highest in the world with dire consequences for mobility, mortality, productivity and economic growth. This issue is addressed through Bajaj Holdings & Investment Limited covering several villages in Palghar, Nandurbar, Gadchiroli, Amravati, Banswara, Udaipur, Nainital and Almora.



Education

Number of lives impacted: 5,000 children

We work with several partners to support projects like construction of buildings for school children, training centres and their transportation facilities. We hope to provide an equal opportunity for all children to access education and shape a better future for themselves.



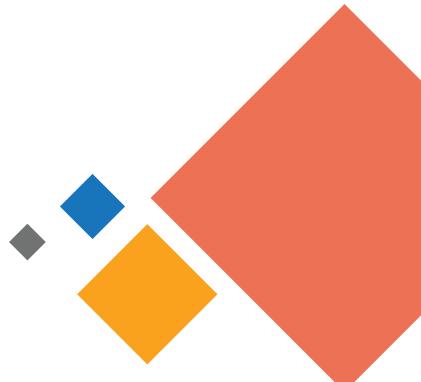
Employability

Number of lives impacted: 10,000

Bharatiya Yuva Shakti Trust (BYST) :
Youth Entrepreneurship Development Program

BYST fosters the Entrepreneurial Dreams of underprivileged Youth between the age of 18-35 years in India, thereby, turning job seekers into job creators.

A unique feature of the BYST program is that each entrepreneur is assigned a mentor, drawn from the industry, who gives voluntary personalized advice and support.



Annual Report on CSR activities

1. **Brief outline of Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes.**

Introduction:

The Corporate Social Responsibility (CSR) activities of Bajaj Group are guided by the vision and philosophy of its Founder, late Jamnalal Bajaj, who embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

The Bajaj Group believes that the true and full measure of growth, success and progress lies beyond Balance Sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Group addresses the needs of communities residing in the vicinity of its facilities, taking sustainable initiatives in the areas of health, education, water, environment conservation, infrastructure and community development and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment. It is the reason behind the smiles that light up a million faces.

Its goodwill resonates in the two simple words that live in the collective consciousness of Indians - Hamara Bajaj.

Guiding principles

The Bajaj Group believes that social investments should:

- **Benefit generations:** The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for self-reliance and growth:** To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- **Promote health:** The Company believes that good health is a prerequisite for both education and productivity.
- **Encourage self-help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Be focused:** The Company believes that activities should be preferably focused around locations where the Company has a presence and hence can effectively guide, monitor and implement specific projects.
- **Target those who need it most:** Care for sections of society, which are socially and economically at the lowest rung, irrespective of their religion or caste or language or colour.
- **Sustain natural resources:** The Company encourages balanced development and ensures least adverse impact on the environment - growth with Mother Nature's-blessings

CSR Policy:

A detailed CSR Policy was framed by the Company on 15 May 2014, with approvals of the CSR Committee and Board. The Policy, inter alia, covers the following:

- Philosophy
- Scope
- List of CSR activities
- Modalities of execution of projects/programmes
- Implementation through CSR Cell
- Monitoring assessment of projects/programmes

CSR Policy gives an overview of the projects or programmes, which would be undertaken by the Company from time to time.

The CSR Policy is placed on <http://www.bhil.in/inv/pdf/csr-policy-020514-bhil.pdf>

2. The composition of the CSR Committee

A Committee of the directors, titled 'Corporate Social Responsibility Committee', was constituted by the Board at its meeting held on 28 March 2014, with the following members:

Rahul Bajaj, Chairman
Nanoo Pamnani
Sanjiv Bajaj

During the year under review, the Committee met four times on 20 September 2018, 09 October 2018, 19 December 2018 and 22 February 2019.

3. **Average net profit of the Company for last three financial years prior to 2018-19: ₹ 591.05 crore.**
4. **Prescribed CSR Expenditure (2% of amount as in item No. 3):**
₹ 11.83 crore.
5. **Details of CSR spent during the financial year:**

(₹ In Crore)

Particulars

a. Total amount to be spent	11.83
b. Amount spent	11.88
c. Amount unspent, if any (a-b)	Nil
d. Manner in which the amount spent during the financial year:	As provided in enclosed Table 1

6. In case the Company fails to spend the 2% of the average net profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report. - Not applicable

In addition to what is stated above, Bajaj Group implements many CSR initiatives of substantial value through its Group Charitable Trusts operating at various locations in the country. Major initiatives that continued and/or that were taken up anew by the Bajaj Group through such entities during the year under review are given in another detailed Report, which is hosted on the Company's website at www.bhil.in and a physical copy of this report will be made available to any shareholder at on request.

- 7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.**

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Rahul Bajaj
Chairman of CSR Committee

Sanjiv Bajaj
Managing Director and CEO

Pune: 17 May 2019

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2019

(₹ In Crore)

Name/Details of the Implementing Agency	CSR Project/Activity identified	Sector in which the project is covered	Location of Project/ programme (Local area or State/ District)	Amount outlay/ Approved	Amount spent direct/ overheads During 2018-19	Cumulative Expenditure upto 2018-19
MAGIC BUS INDIA FOUNDATION	Holistic development and work readiness programs for adolescent children	Enhancing vocational skills among children (ii)	Pune and Aurangabad, Maharashtra	8.34	2.70	5.14
SOCIAL ENTREPRENEURS FOUNDATION INDIA	Find, Fund and Support Social Entrepreneurs	Rural Development (x)	Mumbai, Maharashtra	3.50	1.40	1.90
MAHAN TRUST	To improve health and nutritional status of children and women	Malnutrition (i)	Melghat, Maharashtra	1.00	0.51	0.96
MAHAN TRUST	To improve health and nutritional status of children and women	Malnutrition (i)	Melghat, Maharashtra	3.58	0.75	0.75
GENE CAMPAIGN	Improving the food and nutrition security of rural communities	Malnutrition (i)	Nainital and Almora, Uttarakhand	3.03	1.11	1.72
BASIC HEALTH CARE SERVICES TRUST	Amrit Clinics and Phulwaris: low cost health care and nutrition services	Malnutrition (i)	Udaipur, Rajasthan	1.50	0.50	0.50
BASIC HEALTH CARE SERVICES TRUST	Amrit Clinics and Phulwaris: low cost health care and nutrition services	Malnutrition (i)	Udaipur, Rajasthan	1.19	0.55	0.95
VIDYA BHAWAN SOCIETY	Support to Vidya Bhawan for upgrading infrastructure	Education (ii)	Udaipur, Rajasthan	1.76	0.91	0.91
ANUSANDHAN TRUST-SATHI	Building Community Awareness and Action to Improve Child Nutrition Practices	Malnutrition (i)	Pune, Maharashtra	1.61	0.65	0.65
Others - Through Implementing agencies, such as:	For different projects such as - To improve health and nutritional status of children and women, Low cost health care and nutrition services, Aquatic Livelihood Resource Centre, Building a hostel for tribal girls and a Teacher Training Centre, Building resilient ecosystem against malnutrition, etc.	Health (i) Eradicating hunger, Poverty (i) and Malnutrition (i) Education (ii) Environmental Sustainability (v) Rural Development Projects (x)	For different locations in Maharashtra and Rajasthan	9.70	2.80	7.39
Total				35.21	11.88	

NOTES:

a) All amounts mentioned above as spent relate to amounts spent through implementing agency, unless stated otherwise.
b) There is no expenditure on overheads in the above list.

Extract of Annual Return (Form MGT-9)

As on the financial year ended on 31 March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

Corporate Identification Number (CIN)	L65993PN1945PLC004656
Registration Date	29 November 1945
Name of the Company	Bajaj Holdings & Investment Ltd.
Category/Sub-category of the Company	Public Company/Ltd. by shares (NBFC)
Address of the Registered office and Contact details	Mumbai – Pune Road, Akurdi, Pune 411 035. E-mail: investors@bhil.in Tel No: (020) 6610 7150
Whether listed company	Yes (BSE and NSE)
Name, Address and Contact details of the Registrar and Transfer Agent	Karvy Fintech Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032.
Contact Persons	
M S Madhusudhan/Mohd. Mohsinuddin Tel No: (040) 6716 2222/1562 Fax No: (040) 2300 1153 Toll Free No: 1800 345 4001 E-mail: mohsin.mohd@karvy.com Website: www.karvyfintech.com	

II. Principal business activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Investment activity	6430	99.50%

III. Particulars of holding, subsidiary and associate companies

Sr. No.	Name of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held as on 31 March 2019	Applicable section
1	Bajaj Auto Ltd.	L65993PN2007PLC130076	Associate Company	33.43%	2(6)
2	Bajaj Finserv Ltd.	L65923PN2007PLC130075	Associate Company	39.29%	2(6)
3	Maharashtra Scooters Ltd.	L35912MH1975PLC018376	Joint Venture	24.00%	2(6)
4	Bajaj Auto Holdings Ltd.	U65993MH1979PLC021066	Subsidiary Company	100.00%	2(87)

IV. Shareholding pattern (equity share capital breakup as percentage of total equity)

i) Category-wise shareholding

Category of shareholders	No. of Shares held at the beginning of the year as on 1 April 2018			No. of Shares held at the end of the year as on 31 March 2019			% of total shares	% change during the year
	Demat	Physical	Total	Demat	Physical	Total		
A. Promoters								
1 Indian								
a) Individual/HUF	18,703,012	-	18,703,012	16.80	19,245,875	-	19,245,875	17.29
b) Central Govt	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-
d) Bodies Corp.	30,623,204	150*	30,623,354	27.52	35,317,421	150*	35,317,571	31.73
e) Banks/FI	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	49,326,216	150	49,326,366	44.32	54,563,296	150	54,563,446	49.03
*Legal matter								
2 Foreign								
a) NRIs-Individual	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	49,326,216	150	49,326,366	44.32	54,563,296	150	54,563,446	49.03
B. Public Shareholding								
1 Institutions								
a) Mutual Funds	1,404,208	425	1,404,633	1.26	981,261	425	981,686	0.88
b) Banks/FI	46,827	9,945	56,772	0.05	142,835	9,945	152,780	0.14
c) Central Govt	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-
f) Insurance Companies	4,226,721	300	4,227,021	3.80	1,243,192	300	1,243,492	1.12
g) FIIs/FPIs	17,767,447	1,150	17,768,597	15.97	16,056,155	1,150	16,057,305	14.43
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	23,445,203	11,820	23,457,023	21.08	18,423,443	11,820	18,435,263	16.56
-								
2 Non-Institutions								
a) Bodies Corp.								
i) Indian	11,511,987	417,615	11,929,602	10.72	11,658,928	417,615	12,076,543	10.85
ii) Overseas	-	75	75	0.00	-	75	75	0.00
b) Individuals	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,608,405	872,799	8,481,204	7.62	7,557,693	592,219	8,149,912	7.32
								(0.30)

i) Category-wise shareholding (Contd.)

Category of shareholders	No. of Shares held at the beginning of the year as on 1 April 2018			% of total shares	No. of Shares held at the end of the year as on 31 March 2019			% of total shares	% change during the year
	Demat	Physical	Total		Demat	Physical	Total		
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,880,809	8,148,174	17,028,983	15.30	8,841,105	7,981,373	16,822,478	15.12	(0.19)
c) Others (specify)									
i) Non Resident Indians	224,776	11,765	236,541	0.21	194,912	10,115	205,027	0.18	(0.03)
ii) Clearing members	10,570	-	10,570	0.01	157,676	-	157,676	0.14	0.13
iii) Trusts	348,905	-	348,905	0.31	351,009	-	351,009	0.32	0.01
iv) NRI - Non-Repatriate	442,531	-	442,531	0.40	489,220	-	489,220	0.44	0.04
v) Foreign Nationals	190	-	190	0.00	190	-	190	0.00	0.00
vi) Foreign Bodies - DR	2,333	-	2,333	0.00	2,333	-	2,333	0.00	0.00
vii) NBFC Registered with RBI	1,634	-	1,634	0.00	640	-	640	0.00	(0.00)
viii) IEPF	27,553	-	27,553	0.02	39,698	-	39,698	0.04	0.02
Sub-Total (B)(2)	29,059,693	9,450,428	38,510,121	34.60	29,293,404	9,001,397	38,294,801	34.41	(0.19)
Total Public Shareholding (B)=(B)(1)+(B)(2)	52,504,896	9,462,248	61,967,144	55.68	47,716,847	9,013,217	56,730,064	50.97	(4.71)
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	101,831,112	9,462,398	111,293,510	100.00	102,280,143	9,013,367	111,293,510	100.00	-

ii) Shareholding of promoters and promoter group

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2018			Shareholding at the end of the year as on 31 March 2019			% change in shareholding during the year	
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares		
1	Late Anant Bajaj*	1,000	0.00	-	1,000	0.00	-	0.00	
2	Deepa Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	
3	Geetika Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	
4	Kiran Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	
5	Kriti Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	
6	Kumud Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	
7	Madhur Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	
8	Minal Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	
9	Neelima Bajaj Swamy	1,000	0.00	-	1,000	0.00	-	0.00	
10	Nimisha Jaipuria	1,000	0.00	-	1,000	0.00	-	0.00	
11	Niraj Bajaj	5,178,529	4.65	-	5,380,692	4.83	-	0.18	
12	Nirav Nayani Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	
13	Rahulkumar Bajaj	8,059,671	7.24	-	8,161,371	7.33	-	0.09	
14	Rajiv Nayani Bajaj	2,000	0.00	-	2,000	0.00	-	0.00	
15	Rishabh Nayani Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	
16	Sanjali Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	
17	Sanjiv Nayani Bajaj	4,000	0.00	-	4,000	0.00	-	0.00	
18	Shefali Bajaj	1,000	0.00	-	1,000	0.00	-	0.00	

ii) Shareholding of promoters and promoter group (Contd.)

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2018			Shareholding at the end of the year as on 31 March 2019			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
19	Shekhar Bajaj	4,919,208	4.42	-	5,158,208	4.63	-	0.21
20	Siddhantnayan Bajaj	1,000	0.00	-	1,000	0.00	-	0.00
21	Suman Jain	523,504	0.47	-	523,504	0.47	-	0.00
22	Sunaina Kejriwal	1,100	0.00	-	1,100	0.00	-	0.00
23	Bajaj Auto Ltd.	-	0.00	-	2,910,050	2.61	-	2.61
24	Bachhraj And Company Pvt. Ltd.	2,675,378	2.40	-	3,103,828	2.79	-	0.38
25	Bachhraj Factories Pvt. Ltd.	1,219,249	1.10	-	1,302,311	1.17	-	0.07
26	Bajaj Finance Ltd.	75	0.00	-	75	0.00	-	0.00
27	Bajaj Sevashram Pvt. Ltd.	3,101,619	2.79	-	3,567,219	3.21	-	0.42
28	Baroda Industries Pvt. Ltd.	1,012,240	0.91	-	1,098,440	0.99	-	0.08
29	Hercules Hoists Ltd.	286,094	0.26	-	286,094	0.26	-	0.00
30	The Hindustan Housing Company Ltd.	15,391	0.01	-	15,391	0.01	-	0.00
31	Jamnal Sons Pvt. Ltd.	18,943,660	17.02	-	19,517,715	17.54	-	0.52
32	Kamalnayan Investment and Trading Pvt. Ltd.	91,600	0.08	-	91,600	0.08	-	0.00
33	Madhur Securities Pvt. Ltd.	73,810	0.07	-	73,810	0.07	-	0.00
34	Niraj Holdings Pvt. Ltd.	47,200	0.04	-	47,200	0.04	-	0.00
35	Rahul Securities Pvt. Ltd.	178,910	0.16	-	178,910	0.16	-	0.00
36	Rupa Equities Pvt. Ltd.	201,000	0.18	-	201,000	0.18	-	0.00
37	Sanraj Nayan Investments Pvt. Ltd.	2,713,518	2.44	-	2,860,318	2.57	-	0.13
38	Shekhar Holdings Pvt. Ltd.	63,460	0.06	-	63,460	0.06	-	0.00
39	Shishir Holdings Pvt. Ltd.	150	0.00	-	150	0.00	-	0.00
Total		49,326,366	44.32	-	54,563,446	49.03	-	4.71

(1) Shares held by individuals include shares held in different capacities.

* Anant Bajaj, part of the promoter group expired on 10 August 2018. 1000 shares held by him are in the process of transmission.

iii) Change in promoters' and promoter group shareholding

Sr. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year					
	1 April 2018	49,326,366	44.32		
	Date-wise Increase/(decrease)				
1	Bachhraj And Company Pvt. Ltd.				
	25/05/2018 - Market Purchase	365,000	0.33	49,691,366	44.65
	22/06/2018 - Market Purchase	63,450	0.06	49,754,816	44.71

iii) Change in promoters' and promoter group shareholding (Contd.)

Sr. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	Bachhraj Factories Pvt. Ltd.				
	22/06/2018 - Market Purchase	83,062	0.07	49,837,878	44.78
3	Bajaj Auto Ltd.				
	08/02/2019 - Market Purchase	810,400	0.73	50,648,278	45.51
	15/02/2019 - Market Purchase	886,114	0.80	51,534,392	46.30
	22/02/2019 - Market Purchase	290,040	0.26	51,824,432	46.57
	01/03/2019 - Market Purchase	358,636	0.32	52,183,068	46.89
	08/03/2019 - Market Purchase	185,950	0.17	52,369,018	47.05
	22/03/2019 - Market Purchase	117,132	0.11	52,486,150	47.16
	29/03/2019 - Market Purchase	261,778	0.24	52,747,928	47.40
4	Bajaj Sevashram Pvt. Ltd.				
	25/05/2018 - Market Purchase	283,000	0.25	53,030,928	47.65
	15/06/2018 - Market Purchase	62,100	0.06	53,093,028	47.71
	23/11/2018 - Market Purchase	120,500	0.11	53,213,528	47.81
5	Baroda Industries Pvt. Ltd.				
	15/06/2018 - Market Purchase	86,200	0.08	53,299,728	47.89
6	Jamnalal Sons Pvt. Ltd.				
	25/05/2018 - Market Purchase	349,900	0.31	53,649,628	48.21
	05/10/2018 - Market Purchase	32,500	0.03	53,682,128	48.23
	02/11/2018 - Market Purchase	40,000	0.04	53,722,128	48.27
	23/11/2018 - Market Purchase	151,655	0.14	53,873,783	48.41
7	Niraj Bajaj				
	05/10/2018 - Market Purchase	64,500	0.06	53,938,283	48.46
	09/11/2018 - Market Purchase	41,385	0.04	53,979,668	48.50
	15/11/2018 - Market Purchase	3,150	0.00	53,982,818	48.50
	16/11/2018 - Market Purchase	32,900	0.03	54,015,718	48.53
	23/11/2018 - Gift Given	(138,000)	(0.12)	53,877,718	48.41
	30/11/2018 - Gift Given	(3,500)	(0.00)	53,874,218	48.41

iii) Change in promoters' and promoter group shareholding (Contd.)

Sr. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	Niraj Bajaj (A/c Nirav Trust)				
	14/09/2018 - Market Purchase	9,728	0.01	53,883,946	48.42
	21/09/2018 - Market Purchase	6,000	0.01	53,889,946	48.42
	28/09/2018 - Market Purchase	44,500	0.04	53,934,446	48.46
	23/11/2018 - Gift Received	138,000	0.12	54,072,446	48.59
	30/11/2018 - Gift Received	3,500	0.00	54,075,946	48.59
9	Rahulkumar Bajaj (A/c Rajiv Trust)				
	03/08/2018 - Market Purchase	30,539	0.03	54,106,485	48.62
	10/08/2018 - Market Purchase	17,361	0.02	54,123,846	48.63
10	Rahulkumar Bajaj (A/c Sanjiv Trust)				
	03/08/2018 - Market Purchase	53,800	0.05	54,177,646	48.68
11	Sanraj Nayan Investments Pvt. Ltd.				
	15/06/2018 - Market Purchase	86,200	0.08	54,263,846	48.76
	23/11/2018 - Market Purchase	60,600	0.05	54,324,446	48.81
12	Shekhar Bajaj				
	28/09/2018 - Market Purchase	126,600	0.11	54,451,046	48.93
	02/11/2018 - Market Purchase	7,800	0.01	54,458,846	48.93
	09/11/2018 - Market Purchase	46,100	0.04	54,504,946	48.97
	23/11/2018 - Gift Given	(177,000)	(0.16)	54,327,946	48.82
13	Shekhar Bajaj (A/c Anant Bajaj Trust)				
	10/08/2018 - Market Purchase	1,969	0.00	54,329,915	48.82
	17/08/2018 - Market Purchase	1,819	0.00	54,331,734	48.82
	24/08/2018 - Market Purchase	1,147	0.00	54,332,881	48.82
	31/08/2018 - Market Purchase	44,029	0.04	54,376,910	48.86
	07/09/2018 - Market Purchase	9,536	0.01	54,386,446	48.87
	23/11/2018 - Gift Received	177,000	0.16	54,563,446	49.03
At the end of the year 31 March 2019				54,563,446	49.03

**iv) Shareholding pattern of top ten shareholders
(other than directors, promoters and holders of GDRs and ADRs)**

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2018)		Cumulative shareholding during the year (31 March 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Jaya Hind Industries Ltd.				
	At the beginning of the year				
	1 April 2018	5,805,256	5.22		
	Date-wise Increase/(decrease)				
	24/10/2018 - Amalgamation	100,145	0.09	5,905,401	5.31
	At the end of the year 31 March 2019			5,905,401	5.31
2	Franklin Templeton Investment Funds				
	At the beginning of the year				
	1 April 2018	4,115,900	3.70		
	Date-wise Increase/(decrease)				
	25/05/2018	(407,029)	(0.37)	3,708,871	3.33
	15/06/2018	(135,000)	(0.12)	3,573,871	3.21
	22/06/2018	(64,232)	(0.06)	3,509,639	3.15
	12/10/2018	75,624	0.07	3,585,263	3.22
	26/10/2018	22,200	0.02	3,607,463	3.24
	23/11/2018	(237,478)	(0.21)	3,369,985	3.03
	28/12/2018	(41,389)	(0.04)	3,328,596	2.99
	08/02/2019	33,200	0.03	3,361,796	3.02
	At the end of the year				
	31 March 2019			3,361,796	3.02
3	Maharashtra Scooters Ltd.				
	At the beginning of the year and at the end of the year-No change				
	during the year ended 31 March 2019	3,387,036	3.04	3,387,036	3.04
4	Niraj Bajaj (As trustee of Yamuna Trust)				
	At the beginning of the year and at the end of the year-No change				
	during the year ended 31 March 2019	1,829,958	1.64	1,829,958	1.64
5	Acacia Partners, LP				
	At the beginning of the year and at the end of the year-No change				
	during the year ended 31 March 2019	1,777,498	1.60	1,777,498	1.60

**iv) Shareholding pattern of top ten shareholders
(other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2018)		Cumulative shareholding during the year (31 March 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	Acacia Conservation Fund LP				
	At the beginning of the year				
	1 April 2018	756,000	0.68		
	Date-wise Increase/(decrease)				
	28/12/2018	200,000	0.18	956,000	0.86
	31/12/2018	41,443	0.04	997,443	0.90
	04/01/2019	135,359	0.12	1,132,802	1.02
	11/01/2019	13,401	0.01	1,146,203	1.03
	25/01/2019	153,797	0.14	1,300,000	1.17
	At the end of the year 31 March 2019			1,300,000	1.17
7	Acacia Institutional Partners, LP				
	At the beginning of the year				
	1 April 2018	1,171,200	1.05		
	Date-wise Increase/(decrease)				
	28/12/2018	28,800	0.03	1,200,000	1.08
	At the end of the year 31 March 2019			1,200,000	1.08
8	Niraj Bajaj (As trustee of Narmada Trust)				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2019	1,092,075	0.98	1,092,075	0.98
9	Abhaykumar Navalmal Firodia				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2019	1,032,359	0.93	1,032,359	0.93
10	Meenakshi Bhargava				
	At the beginning of the year				
	1 April 2018	1,199,058	1.08		
	Date-wise Increase/(decrease)				

**iv) Shareholding pattern of top ten shareholders
(other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2018)		Cumulative shareholding during the year (31 March 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	20/04/2018	35,118	0.03	1,234,176	1.11
	04/05/2018	(50,000)	(0.04)	1,184,176	1.06
	18/05/2018	(30,000)	(0.03)	1,154,176	1.04
	25/05/2018	(14,000)	(0.01)	1,140,176	1.02
	01/06/2018	64,000	0.06	1,204,176	1.08
	22/06/2018	30,000	0.03	1,234,176	1.11
	26/10/2018	(40,000)	(0.04)	1,194,176	1.07
	02/11/2018	(42,500)	(0.04)	1,151,676	1.03
	21/12/2018	27,000	0.02	1,178,676	1.06
	21/12/2018	(27,000)	(0.02)	1,151,676	1.03
	28/12/2018	10,590	0.01	1,162,266	1.04
	28/12/2018	(10,590)	(0.01)	1,151,676	1.03
	18/01/2019	(5,000)	(0.00)	1,146,676	1.03
	25/01/2019	(30,000)	(0.03)	1,116,676	1.00
	01/02/2019	(68,000)	(0.06)	1,048,676	0.94
	15/02/2019	(45,000)	(0.04)	1,003,676	0.90
	22/02/2019	10,000	0.01	1,013,676	0.91
	22/02/2019	(10,000)	(0.01)	1,003,676	0.90
	08/03/2019	25,500	0.02	1,029,176	0.92
	08/03/2019	(25,500)	(0.02)	1,003,676	0.90
	15/03/2019	25,500	0.02	1,029,176	0.92
	15/03/2019	(25,500)	(0.02)	1,003,676	0.90
	At the end of the year 31 March 2019			1,003,676	0.90

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Director/ Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Rahul Bajaj				
	At the beginning of the year 1 April 2018	8,059,671	7.24		
	Date-wise Increase/(decrease)				
	03-08-2018 - Market Purchase	53,800	0.05	8,113,471	7.29
	03-08-2018 - Market Purchase	30,539	0.03	8,144,010	7.32
	10-08-2018 - Market Purchase	17,361	0.02	8,161,371	7.33
	At the end of the year 31 March 2019			8,161,371	7.33
2	Sanjiv Bajaj				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2019	4,000	0.00	4,000	0.00
3	Rajiv Bajaj				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2019	2,000	0.00	2,000	0.00
4	Madhur Bajaj				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2019	1,000	0.00	1,000	0.00
5	Manish Kejriwal				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2019	100	0.00	100	0.00

Note:

- (1) Above shareholding includes shares held in different capacities
- (2) Shareholding of other Directors-Nil
- (3) Sriram Subramaniam (Company Secretary) and Anant Marathe (Chief Financial officer) do not hold any shares in the Company

V. Indebtedness

Indebtedness of the Company including outstanding/accrued but not due for payment

As on 31 March 2019, indebtedness of the company including interest outstanding/accrued, but not due for payment is Nil.

VI. Remuneration of the directors and key managerial personnel

A. Remuneration to Managing Director (MD), Whole-time Directors and/or Manager

(In ₹)

Sr. No.	Particulars of remuneration	Sanjiv Bajaj (MD and CEO)	Total amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47,145,000	47,145,000
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	6,755,049	6,755,049
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0
2	Stock Options	0	0
3	Sweat Equity	0	0
4	Commission		
	- as % of profit	0	0
	- others (thrice the annual basic salary)	128,700,000	128,700,000
5	Others - contribution to Provident Fund etc.	8,738,900	8,738,900
TOTAL (A)		191,338,949	191,338,949
Ceiling as per the Act			465,200,000

Notes: Salary and perquisites include all elements of remuneration i.e. salary, allowances and benefits. No bonus, pension and performance linked incentive is paid to any of the directors. The Company has not issued any stock options to any of the directors. The term of Managing Director does not exceed five years.

Appointment of Managing Director is governed by a service contract for a period of five years and notice period is of ninety days and is in compliance with the applicable provisions of the Companies Act, 2013.

B. Remuneration to other directors

1. Independent Directors

(In ₹)

Particulars of remuneration	D J Balaji Rao	Nanoo Pamnani*	P Murari	Dr. Gita Piramal	Dr. Naushad Forbes	Total amount
i. Fee for attending Board/Committee Meetings	600,000	750,000	150,000	450,000	450,000	2,400,000
ii. Commission	1,200,000	10,500,000	300,000	900,000	900,000	13,800,000
iii. Other	-	-	-	-	-	-
TOTAL (B)(1)	1,800,000	11,250,000	450,000	1,350,000	1,350,000	16,200,000

*As approved by the Board, Nanoo Pamnani is being paid an additional commission of ₹ 90 lakh, for certain additional services rendered by him during the year, at the request of the Management.

2. Other Non-executive Directors

(In ₹)

Particulars of remuneration	Rahul Bajaj	Madhur Bajaj	Rajiv Bajaj	Manish Kejriwal	Total amount
i. Fee for attending Board/Committee Meetings	350,000	300,000	300,000	450,000	1,400,000
ii. Commission	700,000	600,000	600,000	900,000	2,800,000
iii. Other	-	-	-	-	-
TOTAL (B)(2)	1,050,000	900,000	900,000	1,350,000	4,200,000
TOTAL (B)(1) + (B)(2)					20,400,000
Total Managerial Remuneration					211,738,949
Overall ceiling as per the Act*					558,200,000

* Overall ceiling as per the Act is not applicable to sitting fees paid to non-executive directors.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In ₹)

Sr. No.	Particulars of remuneration	Key Managerial Personnel			Total amount
		Company Secretary (1 April 2018 to 17 August 2018)	Company Secretary (1 October 2018 to 31 March 2019)	Chief Financial Officer	
		*Vallari Gupte	Sriram Subbramaniam	Anant Marathe	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,696,749	1,231,734	7,677,440	10,605,923
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	18,953	25,002	50,004	93,959
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
	Commission	-	-	-	-
4	- as % of profit	-	-	-	-
	- others	-	-	-	-
5	Others - contribution to Provident Fund etc.	99,007	80,193	489,594	668,794
	TOTAL (C)	1,814,700	1,336,929	8,217,038	11,368,676

*Resigned as Company Secretary with effect from 17 August 2018

VII. Penalties/Punishment/Compounding of offences:

During the year 2018-19, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

Remuneration Details under rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended), for the year ended 31 March 2019

Name of Director/KMP	Ratio of remuneration of director to median remuneration of employees	% increase in the financial year
(A) Managing Director		
Sanjiv Bajaj - Managing Director	74.53	12.71
(B) Non-Executive directors¹		
Rahul Bajaj	0.27	(22.22)
Madhur Bajaj	0.23	-
Rajiv Bajaj	0.23	20.00
D J Balaji Rao	0.46	33.33
Nanoo Pamnani ²	4.09	101.92
Manish Kejriwal	0.35	-
P Murari	0.12	50.00
Dr Gita Piramal	0.35	-
Dr. Naushad Forbes	0.35	80.00
(c) Key Managerial Personnel		
Sanjiv Bajaj, Managing Director		12.71
Anant Marathe, CFO		17.85
Sriram Subramaniam, CS		N.A. ³
(D) Remuneration of Median employee (other than whole-time directors)		
		24.28
(E) Permanent employees of the Company as on 31 March 2019⁴: 10		

- 1) a) Remuneration payable to non-executive directors is based on the number of meetings of the Board and its Committees attended by them as members during the year.
b) Remuneration to directors does not include sitting fees paid to them for attending Board/Committee meetings.
- 2) As approved by the Board, Nanoo Pamnani is being paid an additional commission of ₹ 90 Lakhs, for certain additional services rendered by him during the year, at the request of the Management.
- 3) Sriram Subramaniam was appointed as Company Secretary with effect from 1 October 2018
- 4) The term 'Permanent employees' does not include trainees, probationers and contract employees.

Notes on Disclosures under Rule 5

- 1) During the year 2018-19, the remuneration of median employee other than whole-time directors increased by 24.28% over the previous year.
- 2) Increase in the remuneration of the Managing Director, which was 12.71% during the year under review, was given keeping in view the trends of remuneration in industry.
- 3) The remuneration paid as above was as per the Remuneration Policy of the Company.

Secretarial Audit Report (Form MR-3)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2019.

To the Members,
Bajaj Holdings & Investment Ltd.
(CIN: L65993PN1945PLC004656)
Mumbai-Pune Road,
Akurdi, Pune 411 035.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Bajaj Holdings and Investment Ltd. (hereinafter called as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March 2019, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable for Foreign Direct Investment;
- (V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Rules, Regulations, Guidelines and Directions issued by the Reserve Bank of India for Non-Deposit taking NBFCs; as specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, directions, guidelines, standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors, including one woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof along with agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions were carried unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there was no other event/action having major bearing on Company's affairs.

Pune: 17 May 2019

Shyamprasad D Limaye
FCS No. 1587 C P No. 572

Independent Auditors' Report on compliance with the conditions of Corporate Governance

[As per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To the Members of
Bajaj Holdings & Investment Ltd.

Bajaj Auto Ltd. Complex
Mumbai-Pune Road,
Akurdi, Pune 411 035.

1. The Corporate Governance Report prepared by Bajaj Holdings and Investment Ltd. (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company to be annexed with the Directors' Report, in terms of Para E of Schedule V to the aforesaid Listing Regulations, for further being sent to the Shareholders of the Company

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

- iii. Obtained and read the Directors Register as on 31 March 2019 and verified that at least one women director was on the Board during the year;
- iv. Obtained and read the minutes of the following meetings held 01 April 2018 to 31 March 2019:
 - (a) Board of Directors' meetings;
 - (b) Audit Committee meetings;
 - (c) Annual General meeting;
 - (d) Nomination and Remuneration Committee meeting;
 - (e) Stakeholders Relationship Committee meeting;
 - (f) Independent Directors' meeting;
 - (g) Risk Management Committee meeting and
 - (h) Duplicate Share Certificate Issuance Committee meeting;
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the Management and also obtained necessary specific representations from Management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

- 9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- 10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C and CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
 Partner
 Membership Number: 89802
 UDIN: 19089802AAAAAH7947

Pune: May 17, 2019

Declaration by Chief Executive Officer (MD)

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Board of Directors
Bajaj Holdings and Investment Ltd.

I, Sanjiv Bajaj, Managing Director and CEO of Bajaj Holdings & Investment Ltd. hereby declare that all the Board members and senior managerial personnel have affirmed compliance with the code of conduct of the Company laid down for them for the year ended 31 March 2019.

Sanjiv Bajaj
Managing Director and CEO

Pune: 17 May 2019

Certificate by practising company secretary

[Pursuant to Schedule V read with Regulation 34(3) of the SEBI Listing Regulations (as amended)]

In the matter of Bajaj Holdings & Investment Ltd. (CIN: L65993PN1945PLC004656) having its registered Office at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi, Pune - 411035.

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company, I certify that the following persons are Directors of the Company (during 1 April 2018 to 31 March 2019) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sr. No	Name of Director	DIN	Designation
1	Rahulkumar Kamalnayan Bajaj	00014529	Non-Executive Chairman
2	Madhurkumar Ramkrishnaji Bajaj	00014593	Non-Executive Director
3	Sanjivnayan Rahulkumar Bajaj	00014615	Managing Director & CEO
4	Rajivnayan Rahulkumar Bajaj	00018262	Non-Executive Director
5	Balaji Rao Jagannathrao Doveton	00025254	Independent Director
6	Nanoo Gobindram Pamnani	00053673	Independent Director
7	Manish Santoshkumar Kejriwal	00040055	Non-Executive Director
8	Pejavar Murari	00020437	Independent Director
9	Dr Gita Piramal	01080602	Independent Director
10	Dr Naushad Darius Forbes	00630825	Independent Director

Pune: 17 May 2019

Shyamprasad D. Limaye
FCS. 1587 C.P.No. 572

MANAGEMENT DISCUSSION AND ANALYSIS

Background

It is twelve years since Bajaj Holdings & Investment Ltd. ('BHIL' or 'the Company') came into existence post the demerger of erstwhile Bajaj Auto Ltd. into three entities - Bajaj Auto Ltd., Bajaj Finserv Ltd. and the erstwhile Bajaj Auto Ltd. (renamed as Bajaj Holdings & Investment Ltd.), with effect from 1 April 2007.

The combined market capitalisation of the three entities stood at ₹ 234,352 crore as on 31 March 2019 compared to just ₹ 24,542 crore as on 31 March 2007 of erstwhile Bajaj Auto Ltd. - **an increase to almost ten times in twelve years.** The demerger, truly resulted in unlocking of shareholder value. The combined annualised return of the three companies post demerger is 20.7% compared to 9.5% of Sensex for the corresponding period.

BHIL remains essentially a holding and investment company.

As on 31 March 2019, the Company held

- strategic stakes of 33.43% in Bajaj Auto Ltd.(BAL) – an increase of 1.89% from 31.54% in the previous year, 39.29% in Bajaj Finserv Ltd. (BFS) and 24% in Maharashtra Scooters Ltd.(MSL), the results of which it consolidates, and
- other investments and investment in properties of ₹ 6,800 crore at market value.

The market value of the above portfolio stood at ₹ 80,864 crore as compared to cost of ₹ 7,987 crore as on 31 March 2019.

BHIL is registered with the Reserve Bank of India as a Non-Banking Financial Institution and is categorised as 'NBFC - Investment and Credit Company' (NBFC-ICC) as per categories notified by RBI recently.

As required by regulations, BHIL has adopted Indian Accounting Standards (Ind AS) for FY2019 with Ind AS compliant comparatives for FY2018. Accordingly, figures for previous year/period have been recast and reviewed by statutory auditors as per new accounting standards.

Economy and markets

FY2019 was one of the most volatile years for Indian markets. Many factors reversed course during the year.

At the beginning of FY2019 there was an expectation of higher growth as the economy seemed to have overcome the teething troubles of the Goods and Service Tax (GST). The second advance estimates of national income for financial year 2018-19 (FY2019) released by the Central Statistics Office (CSO) on 28 February 2019 suggest that growth has slowed down. The CSO estimates real GDP growth in FY2019 at 7% versus 7.2% in FY2018.

Systemic liquidity swung between surplus and deficit during FY2019, with the RBI having to intervene to smoothen liquidity flows. This liquidity stress was compounded thanks to major debt defaults by a systemically important NBFC. That led to the virtual drying up of money markets and access to funds for borrowers such as NBFCs and HFCs were deeply impacted.

RBI hiked repo rate by 50 basis points in first half of FY2019 along with a change in policy stance to calibrated tightening due to expectation of higher inflation, rising crude oil prices and depreciating currency. Collapse in oil prices by 36% in Q3 FY2019 completely changed the macro environment. In two recent policy actions in February 2019 and early April 2019, RBI cut repo rate by 25 basis points each, thereby repo rate came back to 6% within a short span of one year. The policy stance was also changed to neutral in February 2019.

The US Federal Reserve gradually hiked interest rates to 2.25 – 2.50% and then changed course and decided to pause in the first half of the calendar year 2019. It also decided to terminate the ongoing programme for reduction of its Balance Sheet in the second half of the calendar year 2019. Imposition of import tariffs by US and China impacted global growth.

The Indian financial markets witnessed a roller coaster year.

The equity markets witnessed a sharp fall in the middle of the year, but then recovered to close at all-time highs in early April 2019.

The bond markets saw yields hardening in H1 FY2019 and dropping sharply in H2 FY2019.

Performance Highlights

Particulars	(₹ In Crore)	
	FY2019	FY2018
Standalone		
Total income	998.27	953.83
Profit for the year	788.19	799.93
Investments, at cost	7,987	7,817
Investments, at market value	80,864	66,738
Equity (net worth)	10,989	10,222
Consolidated		
Total income *	431.35	424.41
Profit for the year	3,048.38	2,654.75

* Consolidated income is lower than standalone income due to elimination of intercompany dividends.

Standalone results

Table 1: Standalone financials of BHIL

Particulars	(₹ In Crore)	
	FY2019	FY2018
[a] Statement of Profit and Loss		
Interest on fixed income securities	360.98	314.11
Dividend		
From associates, subsidiary and joint venture	568.49	530.97
From others	40.36	39.60
Profit on sale of fixed income securities (net)	5.70	42.58
Rent from investment property	18.10	17.76
Others	4.64	8.81
Total income	998.27	953.83
Total expenses	88.63	69.72
Profit before tax	909.64	884.11
Tax expense	121.45	84.18
Profit after tax	788.19	799.93
[b] Other comprehensive income		
Fair value change on equity instruments	542.22	823.94
Other comprehensive income, net of tax	515.99	785.67
[c] Total comprehensive income (a+b)	1,304.18	1,585.60

BHIL, being an investment company, its results largely depend on the performance of stock and money markets.

Under recently adopted Ind AS, equity investments are marked to market through other comprehensive income. Hence the realised profit on sale of equity is not routed through Statement of Profit and Loss. Realised profit on sale of equity investments was ₹ 92.50 crore in FY2019 as compared to ₹ 501.20 crore during FY2018. During the last year, BHIL booked significant profits on part sale of equity investment in ICICI Bank and NSE.

Since equities had a very good run during FY2018, mark to market gain on investments stood at ₹ 823.94 crore. During FY2019, due to further increase in equity markets, mark to market gain was ₹ 542.22 crore. These gains are reflected in other comprehensive income.

Investments

The objective of BHIL's investments portfolio is to balance risk with adequate return. BHIL believes in a balanced overall portfolio and its policy allocation towards equities is capped at 60% of its surplus funds (excluding strategic investments) by a Board approved investment policy. It varies dynamically within the upper ceiling basis its views of returns from equity markets as well as opportunities to execute private equity transactions. The said policy also prescribes that a minimum of 40% of surplus funds at cost (excluding strategic investments) is to be invested in fixed income securities.

The investment portfolio is managed by an Investment Committee comprising the Managing Director and CEO and members of the Management. The Company also has a dedicated team of fund managers, research and credit analysts to support the Investment Committee. The Committee meets at least once a month.

The investment portfolio of the Company is set out in Table 2.

Table 2: Position of investments held by the Company

Particulars	FY2019			FY2018		
	Cost	Market value	% to Total surplus (At cost)	Cost	Market value	% to Total surplus (At cost)
[a] Strategic investments - equities	2,831	74,031		1,232	58,962	
[b] Other equities						
Other listed equities	1,511	2,849	30.40	1,126	2,025	17.62
Unlisted equities and funds	230	494	4.63	196	445	3.06
Subtotal	1,741	3,343	35.03	1,322	2,470	20.68
[c] Fixed income securities						
Debentures and bonds	2,833	2,818	57.01	4,141	4,115	64.77
Government securities	364	359	7.32	367	354	5.73
Mutual funds	31	32	0.64	24	24	0.38
CD and CP	-	-	-	540	540	8.44
Subtotal	3,228	3,209	64.97	5,072	5,033	79.32
Total (b+c)	4,969	6,552	100.00	6,394	7,503	100.00
[d] Investment in property (cost net of depreciation)	187	281		191	273	
[e] Grand total (a+b+c+d)	7,987	80,864		7,817	66,738	

Equity investments

Strategic/group investments

BHIL holds strategic/group investments, as set out in Table 3.

Table 3: Position of strategic/group investments held by the Company as on 31 March 2019

Equity shares held in	FY2019		FY2018	
	Cost	Market value	Cost	Market value
[a] Bajaj Auto Ltd.	1,929.79	28,158.21	331.08	25,053.62
[b] Bajaj Finserv Ltd.	743.82	43,850.82	743.82	32,226.11
[c] Investments in other group companies				
Bajaj Auto Holdings Ltd.	0.25	0.25	0.25	0.25
Maharashtra Scooters Ltd.	0.24	973.26	0.24	627.75
Bajaj Electricals Ltd.	111.77	931.91	111.77	941.92
Mukand Ltd.	32.89	43.89	32.89	47.22
Hercules Hoists Ltd.	12.34	72.61	12.34	64.70
Mukand Engineers Ltd.	0.10	0.09	0.10	0.20
Subtotal	157.59	2,022.01	157.59	1,682.04
Total	2,831.20	74,031.04	1,232.49	58,961.77

During the year, BHIL purchased 54.5 lakh shares of Bajaj Auto Ltd. at an amount aggregating to ₹ 1,598.71 crore, from secondary market as a part of its investments operations.

Other equities

BHIL invests in equities normally with a five year holding horizon or longer, based on its views on further growth potential. BHIL invests in equities based on its views of returns from public equity markets as well as opportunities in the private equity space. This helps in managing its liquidity risk while generating adequate returns.

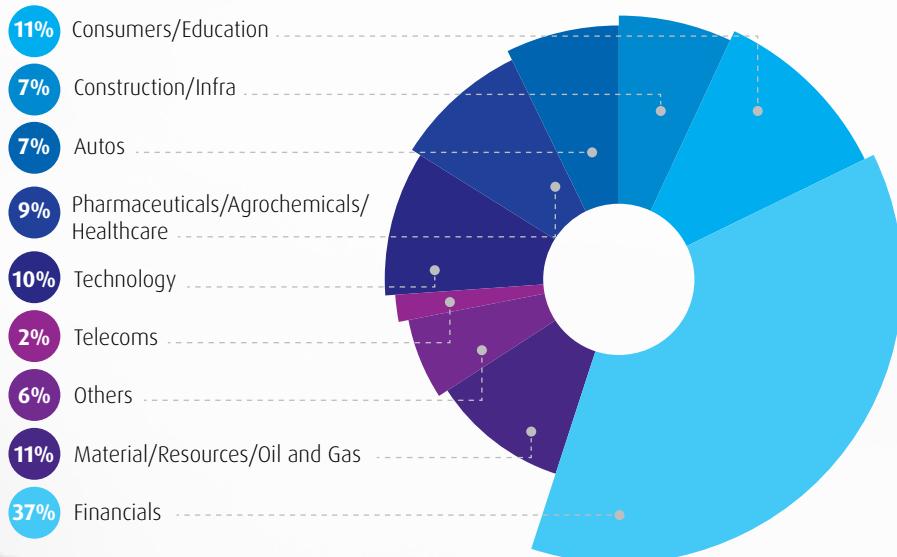
BHIL's exposure to other equities rose to 51% by end of FY2019 from 32.9% as of end of FY2018 (at market value) due to realignment of surplus funds (excluding strategic investments) upon purchase of shares of Bajaj Auto and large purchases of other listed equities made as markets corrected sharply and offered healthy buying opportunities.

In FY2019, BHIL rebalanced the sector weights of its equity portfolio by enhancing allocation to large caps and to companies in automobiles, consumers and building materials, while taking away allocation from financials. Chart A shows the sector specific stock allocation as on 31 March 2019.

Sensex closed the year with return of 17.3%, while BSE Midcap index was down 3%. The sectors which outperformed the Sensex were banks/financials, energy and technology, while automobiles, materials and healthcare underperformed. The consumer sector performed nearly in line with the Sensex.

BHIL's other equities portfolio is a combination of listed and unlisted investments. Listed investments dominate the pie with an 86.8% share of other equity investments.

Chart A: Sectoral allocation of other equities (at cost)



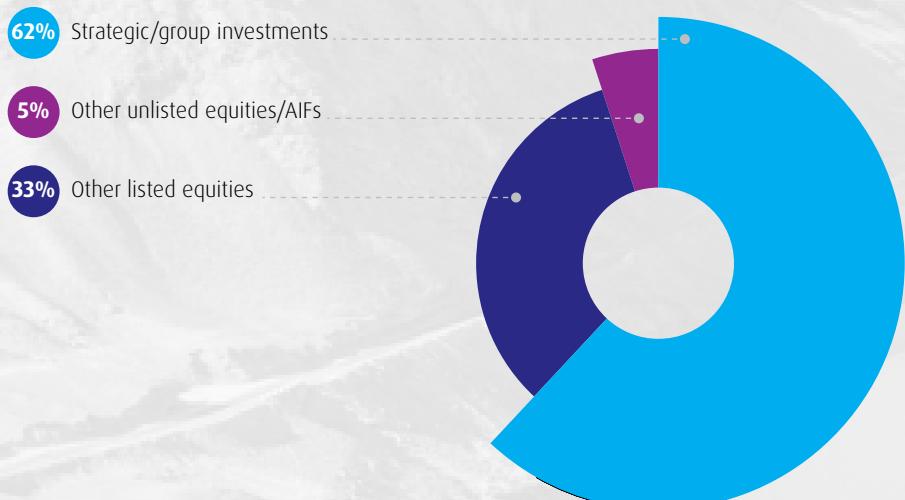
BHIL's largest unlisted equity investment is in the National Stock Exchange (NSE), which continues to perform well.

During the year, BHIL sold a part of its investments in ICICI Bank and BSE. It completely exited Power Finance Corporation.

Key new stocks added to the portfolio in FY2019 were Britannia Industries, Dr. Lal Pathlabs, Berger Paints, Ultratech Cement, L & T Technology Services, IndusInd Bank and Minda Industries. Additions were made to its existing investments in HDFC Bank, Reliance Industries, L&T, Infosys, Maruti, Marico and Tech Mahindra.

BHIL's other equities portfolio generated return of 22.0% for FY2019, thereby outperforming the

Chart B: Composition of equity investments (at cost)



Sensex. BHIL's other equities portfolio now has a much more balanced weight in financials (37% of other equities portfolio at cost) as a proxy for growth in the domestic economy. In FY2019, investments in ICICI Bank, Bata, Tech Mahindra, United Phosphorous, HDFC Bank and Heidelberg Cement outperformed the Sensex, while South Indian Bank, Narayan Hrudayalaya, Maruti and Ujjivan underperformed the Sensex.

Fixed income investments

The objective of BHIL's fixed income investments portfolio is to provide safety of capital along with liquidity and a reasonable return.

The yield on 10-year government security rose by 62 basis points in H1 FY2019 from last year's closing of 7.40% and dropped by 68 basis points in H2 FY2019, closing the year at 7.34%, lower by 6 basis points for full year.

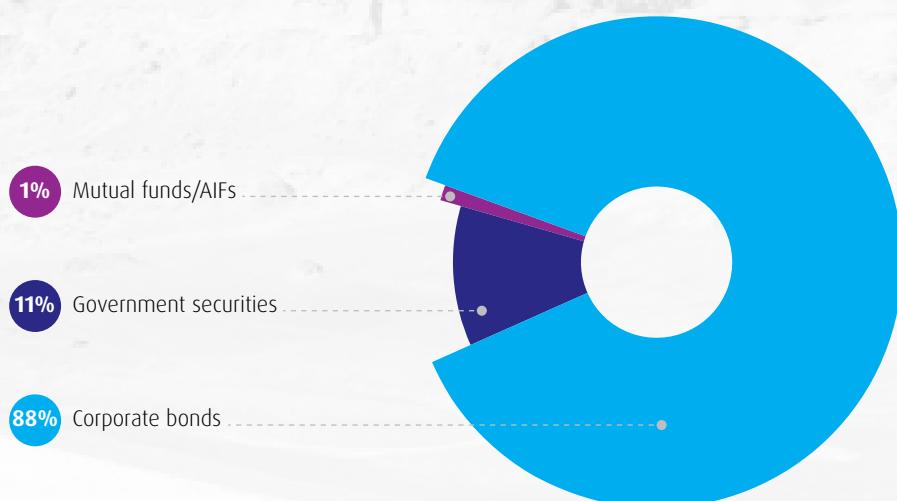
During the year, inflation was lower than expectation with average CPI inflation at 3.4%, 20 basis points lower from previous year's average of 3.6%. The RBI supported to ease tight liquidity conditions through large purchase of government securities from the open market and forex swap window at the year end. Corporate bond spread widened, especially for the financial sector post the default by a large systemically important NBFC.

Based on the cautious outlook on interest rates for FY2019, BHIL focused on accrual strategy and maintained lower portfolio duration. As a result, debentures and bonds constitute 88% of its fixed income portfolio.

For FY2019, BHIL's realised yield on the portfolio was 7.6%. The total return (realised and unrealised) was 7.9% compared to Crisil bond index return of 6.7%, thus outperforming the market. At year end, BHIL's portfolio yield was 7.6% with average maturity of 2.5 years.

Break-up of fixed income portfolio is presented in Chart C:

Chart C: Composition of fixed income portfolio (at cost)



Consolidated results

Consolidated financial results include consolidated results of the companies as shown in Table 4.

Table 4: Consolidated entity – Bajaj Holdings & Investment Ltd.

Name of the company	% shareholding and voting power of BHIL and its subsidiary	Consolidated as
a. Bajaj Auto Ltd.	33.43%	Associate
b. Bajaj Finserv Ltd.	39.29%	Associate
c. Bajaj Auto Holdings Ltd.	100%	Subsidiary
d. Maharashtra Scooters Ltd.	24%	Joint venture

Bajaj Auto (BAL) consolidates its 48% stake in KTM AG, Austria

Bajaj Finserv's (BFS) consolidated results include results of its lending arm Bajaj Finance Ltd. (BFL) and its two insurance subsidiaries – Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC).

Due to a strong performance of underlying companies, on a consolidated basis BHIL recorded profit for the year of ₹ 3,048.38 crore v/s ₹ 2,654.75 crore in FY2018 – an increase of 15%.

Table 5: Consolidated financials of BHIL

Particulars	(₹ In Crore)	
	FY2019	FY2018
Total income	431.35	424.41
Share of profits of associates and joint venture	2,827.33	2,384.88
Profit before tax	3,170.02	2,739.45
Profit for the year	3,048.38	2,654.75

Results of subsidiary, associates and joint venture

Subsidiary

Bajaj Auto Holdings Ltd. (BAHL)

BAHL is a 100% subsidiary of BHIL. The financials of BAHL are given below:

Table 6: Financials of BAHL

Particulars	(₹ In Crore)	
	FY2019	FY2018
Total income	1.61	1.58
Profit before tax	1.58	1.47
Profit for the year	1.39	0.95
Profit attributable to BHIL (100%)	1.39	0.95

Associates

Bajaj Auto Ltd. (BAL)

The consolidated financials of BAL are given below:

Table 7: Consolidated financials of BAL

Particulars	(₹ In Crore)	
	FY2019	FY2018
Total income	31,804.97	26,775.53
Profit before tax	6,955.58	5,933.41
Profit for the year	4,927.61	4,218.95
Profit attributable to BHIL (33.43%/31.54%)	1,547.33	1,330.86

Bajaj Finserv Ltd. (BFS)

The consolidated financials of BFS are given below:

Table 8: Consolidated financials of BFS

Particulars	(₹ In Crore)	
	FY2019	FY2018
Total income	42,605.57	32,862.66
Profit before tax	8,154.74	6,098.71
Profit for the year	3,219.04	2,650.26
Profit attributable to BHIL (39.29%)	1,264.74	1,041.29

Joint venture

Maharashtra Scooters Ltd. (MSL)

The financials of MSL are given below:

Table 9: Financials of MSL

Particulars	(₹ In Crore)	
	FY2019	FY2018
Total income	95.93	82.43
Profit before tax	74.40	61.34
Profit for the year	72.80	60.76
Profit attributable to BHIL (24%)	15.26	12.73

An update on a legal matter with Western Maharashtra Development Corporation (WMDC) is provided in the Directors' Report.

Significant ratios

The key financial ratios and details of significant changes in these ratios, to the extent applicable, as required by SEBI (LODR) (Amendment) Regulations, 2018 are given below:

Table 10: Significant ratios - standalone

Particulars	FY2019	FY2018
Current ratio	17	10
Operating profit margin %	91.1%	92.7%
Net profit margin %	79.0%	83.9%
Return on net worth %	7.4%	8.3%

Current ratio is significantly higher than last year due to the amount funded in the bank account for cheques issued but not encashed by WMDC.

Cautionary statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global economy, political stability, stock performance on stock markets, changes in government regulations, tax regimes, economic developments and other incidental factors. Except as required by law, the Company does not undertake to update any forward-looking statements to reflect future events or circumstances. Investors are advised to exercise due care and caution while interpreting these statements.

CORPORATE GOVERNANCE



In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (hereinafter referred to as 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Bajaj Holdings & Investment Ltd. ('the Company' or 'BHIL') for the financial year 2018-19.

This Report, therefore, states compliance as per requirements of the Companies Act, 2013 ('the Act') and the SEBI Listing Regulations, as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws, including SEBI Listing Regulations.

Kotak Committee on Corporate Governance

With the aim of improving standards of Corporate Governance of listed companies in India, SEBI had formed a Committee on corporate governance on June 2, 2017 under the Chairmanship of Uday Kotak. Based on the report of the Kotak Committee on Corporate Governance, the Securities and Exchange Board of India on 9 May, 2018 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, some of which became applicable from 1 October 2018 and many from 1 April 2019. Your Company is in compliance with these provisions.

Philosophy

The commitment of the Bajaj group to the highest standards of good corporate governance practices predates SEBI and the provisions of the SEBI Listing Regulations. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of working of the Bajaj group. BHIL maintains the same tradition and commitment.

Board of Directors

In keeping with the commitment of the Management to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance from management of the Company.

Composition

In compliance with the provisions of the SEBI Listing Regulations, the Company has a combination of executive and non-executive directors with a woman independent director. The Company has a non-executive Chairman. According to provisions of the SEBI Listing Regulations, if the non-executive Chairman is a promoter, at least one half of the Board of the company should consist of independent directors.

As on 31 March 2019, the Board of the Company consisted of ten directors, of whom one was executive (Managing Director), five were non-executive independent (including one woman independent director) and four were non-executive and non-independent. The Board has no institutional nominee director. The Company has a Non-executive Chairman.

More particulars about the directors are mentioned in the Directors' Report.

Number of meetings of the Board

During the financial year 2018-19, the Board met six times, viz. 18 May 2018, 20 July 2018, 19 September 2018, 24 October 2018, 30 January 2019 and 14 March 2019. The gap between any two meetings has been less than one hundred and twenty days.

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for 2018-19

Name of director	Category	Relationship with other directors	No. of Board meetings attended	Whether attended last AGM
Rahul Bajaj	Chairman, non-executive	Father of Rajiv Bajaj and Sanjiv Bajaj, father-in-law of Manish Kejriwal	5/6	No
Sanjiv Bajaj	Managing Director and CEO, executive	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	6/6	Yes
Madhur Bajaj	Non-executive	-	6/6	Yes
Rajiv Bajaj	Non-executive	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	6/6	Yes
D J Balaji Rao	Non-executive, independent	-	6/6	Yes
Nanoo Pamnani	Non-executive, independent	-	6/6	Yes
Manish Kejriwal	Non-executive	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	5/6	Yes
P Murari	Non-executive, independent	-	3/6	Yes
Dr. Gita Piramal	Non-executive, independent	-	6/6	Yes
Dr. Naushad Forbes	Non-executive, independent	-	5/6	Yes

Opinion of the Board

The Board hereby confirms that, in its opinion, the Independent Directors on the Board fulfil the conditions specified in the SEBI Listing Regulations and the Act and are independent of the Management.

Non-executive directors' compensation

The shareholders of the Company vide special resolution passed at the annual general meeting of the Company held on 27 July 2016 have, by way of an enabling provision, approved the payment of commission up to a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of section 197 and 198 of the Act to the non-executive directors, in the manner as may be decided by the Board of Directors from time to time during the five year term up to 31 March 2021.

In terms of the said approvals, non-executive directors of the Company are being paid, in addition to the sitting fee of ₹ 50,000 per meeting for every meeting of the Board and its Committees, commission at the rate of ₹ 100,000 per meeting of the Board and its Committees attended by them as member, subject to the overall ceiling of one percent of the net profits.

With effect from 1 April 2019, the sitting fee payable has been enhanced to ₹ 100,000 per meeting and the commission to ₹ 200,000 per meeting by the Board at its meeting held on 14 March 2019.

In consideration of the extra services rendered by Nanoo Pamnani, at the request of the Management during the year 2018-19, Nanoo Pamnani will be paid ₹ 90 lakh (as against ₹ 40 lakh for the year 2017-2018) as additional commission for the year 2018-19, pursuant to the aforesaid approvals.

The Company currently does not have a stock option programme for any of its directors.

Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under Regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations. As stated elsewhere, the independent directors of the Company at their meeting held on 14 March 2019 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

With a view to leveraging technology and moving towards paperless systems for the preservation of environment, the Company has for some years now adopted a web-based application for transmitting Board/Committee papers. The Directors of the Company receive the agenda in electronic form through this secured application. The application meets high standards of security and integrity required for storage and transmission of Board/Committee agenda in electronic form.

Pursuant to the requirements under the NBFC Master Directions, the following information is also being placed before the Board at regular intervals:

- i. Progress made in putting in place a progressive risk management system, risk management policy and strategy followed.
- ii. Conformity with the prescribed corporate governance standards.
- iii. Minutes of the meetings of Risk Management Committee, Asset Liability Management Committee and IT Strategy Committee.

Orderly succession to Board and Senior Management

The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

Directorships and memberships of Board committees

Details of directorships and memberships in the various committees as held by the directors of the Company are given in Table 2

Table 2: Number of directorships/committee positions of directors as on 31 March 2019

Name of the director	Directorships			Committee positions in listed and unlisted public limited companies	
	In equity listed companies	In unlisted public limited companies	In private limited companies	As Member (including as Chairman)	As Chairman
Rahul Bajaj	4	2	7	-	-
Sanjiv Bajaj	5	5	7	7	-
Madhur Bajaj	6	-	3	-	-
Rajiv Bajaj	4	-	2	-	-
D J Balaji Rao	6	-	-	7	3
Nanoo Pamnani	4	3	-	10	3
Manish Kejriwal	3	1	1	5	-
P Murari	5	-	1	4	2
Dr. Gita Piramal	4	-	2	6	1
Dr. Naushad Forbes	4	-	8	3	-

Notes: None of the directors holds office as a director, including as alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and directorships in dormant companies are excluded.

As per declarations received, none of the directors serves as an independent director in more than seven equity listed companies. Further, the Managing Director in the Company does not serve as an independent director in more than three equity listed companies and in fact not even in a single entity.

None of the directors was a member in more than ten committees, nor a Chairman in more than five committees across all companies in which he was a director.

For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded. Only audit committee and stakeholder's relationship committee are considered for the purpose of reckoning committee positions.

Details of directorships in equity listed companies

Table 3: Name of equity listed entities where directors of the Company held directorships as on 31 March 2019

Name of the director	Name of listed entities	Category
Rahul Bajaj	a) Bajaj Auto Ltd.	Chairman, executive
	b) Bajaj Finserv Ltd.	Chairman, non-executive (only up to 16 May 2019)
	c) Bajaj Finance Ltd.	Chairman, non-executive
	d) Bajaj Holdings & Investment Ltd.	Chairman, non-executive (only up to 17 May 2019)

Table 3: Name of equity listed entities where directors of the Company held directorships as on 31 March 2019 (Contd.)

Name of the director	Name of listed entities	Category
Sanjiv Bajaj	a) Bajaj Auto Ltd.	Non-executive
	b) Bajaj Finserv Ltd.	Managing Director and CEO, executive
	c) Bajaj Finance Ltd.	Vice-Chairman, Non-executive
	d) Bajaj Holdings & Investment Ltd.	Managing Director and CEO, executive
	e) Maharashtra Scooters Ltd.	Nominee Director, Non-executive
Madhur Bajaj	a) Bajaj Auto Ltd.	Vice-Chairman, non-executive
	b) Bajaj Finserv Ltd.	
	c) Bajaj Finance Ltd.	Non-executive
	d) Bajaj Holdings & Investment Ltd.	
	e) Bajaj Electricals Ltd.	
	f) Maharashtra Scooters Ltd.	Nominee Director & Chairman, non-executive
Rajiv Bajaj	a) Bajaj Auto Ltd.	Managing Director and CEO, executive
	b) Bajaj Finserv Ltd.	
	c) Bajaj Finance Ltd.	Non-executive
	d) Bajaj Holdings & Investment Ltd.	
D J Balaji Rao	a) Bajaj Auto Ltd.	
	b) Bajaj Finserv Ltd.	
	c) Bajaj Finance Ltd.	
	d) Bajaj Holdings & Investment Ltd.	Non-executive, Independent
	e) Ashok Leyland Ltd.	
	f) CMI FPE Ltd.	
Nanoo Pamnani	a) Bajaj Auto Ltd.	
	b) Bajaj Finserv Ltd.	Non-executive, Independent
	c) Bajaj Finance Ltd.	
	d) Bajaj Holdings & Investment Ltd.	
Manish Kejriwal	a) Bajaj Finserv Ltd.	Non-executive
	b) Bajaj Holdings & Investment Ltd.	
	c) Bharti Airtel Ltd.	Non-executive, Independent

Table 3: Name of equity listed entities where directors of the Company held directorships as on 31 March 2019 (Contd.)

Name of the director	Name of listed entities	Category
P Murari	a) Bajaj Auto Ltd. b) Bajaj Holdings & Investment Ltd. c) Fortis Malar Hospitals Ltd. d) Aban Offshore Ltd. e) Xpro India Ltd.	Non-executive, Independent
Dr. Gita Piramal	a) Bajaj Auto Ltd. b) Bajaj Finserv Ltd. c) Bajaj Finance Ltd. d) Bajaj Holdings & Investment Ltd.	Non-executive, Independent
Dr. Naushad Forbes	a) Bajaj Auto Ltd. b) Bajaj Finserv Ltd. c) Bajaj Holdings & Investment Ltd. d) Zodiac Clothing Company Ltd.	Non-executive, Independent

Certificate from Practising Company Secretary

The Company has received a certificate from Shyamprasad D Limaye, practising Company Secretary to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms a part of this report.

Review of legal compliance reports

The Board periodically reviews compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

Code of conduct

Regulation 17(5) of the SEBI Listing Regulations requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013.

The Board at its meeting held on 10 September 2014 adopted a revised Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on the Company's website <http://www.bhil.in/inv/pdf/bhil-code-of-conduct-for-directors-and-kmp.pdf>

All Directors and Senior Management personnel have affirmed compliance with the Code for 2018-19. A declaration to this effect signed by the Managing Director and CEO is given in this Annual Report.

Maximum tenure of independent directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI Listing Regulations.

Formal letter of appointment to independent directors

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Act. As per Regulation 46(2) of the SEBI Listing Regulations, the terms and conditions of appointment of independent directors are placed on the Company's website at <http://www.bhil.in/inv/pdf/terms-of-appointment-of-ID.pdf>

Performance evaluation

In terms of Regulation 19(4) read with section A(2) of Part D of Schedule II to the SEBI Listing Regulations, the Company has framed a policy stipulating the criteria for evaluation of directors and the Board. In light of SEBI's Guidance Note dated 5 January 2017 on Board Evaluation, the Nomination and Remuneration Committee (NRC) and Board of Directors at their respective meetings held on 16 March 2017 revised the Policy containing criteria for performance evaluation.

In view of the amendments to section 178(2) of the Act, the Board of Directors of the Company at its meeting held on 14 March 2019 had approved the evaluation of the performance of Board, its committees, the Chairperson and individual directors to be carried out by the Board only and would not be duplicated by the NRC. The NRC will only review its implementation and compliance.

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees, Chairperson and individual directors.

The manner in which formal annual evaluation of performance was made by the Board is given below:

- Based on the criteria, approved by the Nomination and Remuneration Committee at their meeting held on 16 March 2017, which is available on the website of the Company at http://www.bhil.in/inv/board_evaluation_criteria.html rating sheets were circulated to each of the directors towards the end of the year with regard to evaluation of performance of the Board, its Committees, Chairperson and directors (except for the director being evaluated) for the financial year 2018-19.
- Based on the feedback received from each of the director, a consolidated summary of the ratings given and report of performance evaluation was prepared in respect of the performance of the Board, its Committees, Chairperson and directors during the financial year 2018-19.
- The report of performance evaluation so arrived at, was then noted and discussed by the Board at its meeting held on 14 March 2019.
- The Nomination and Remuneration Committee reviewed the implementation and compliance of the performance evaluation at its meeting held on 14 March 2019.
- Based on the report of performance evaluation, the Board of Directors, at its meeting held on 14 March 2019, approved re-appointment of Nanoo Pamnani, D J Balaji Rao and Dr. Gita Piramal for a second term as independent directors, subject to approval of the shareholders.
- Details on the evaluation of Board, non-independent Directors and Chairperson of the Company as carried out by the independent directors at their meeting held on 14 March 2019 have been furnished in a separate para elsewhere in this Report.

Remuneration Policy

The Board of Directors, at its meeting held on 14 March 2019, approved increasing the Sitting Fees and Commission payable to the Directors with effect from 1 April 2019. In view of the increase, the Board also amended the Remuneration Policy with effect from the said date.

The policy, inter-alia, provides (a) the criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees. The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The detailed remuneration policy is placed on the Company's website at <http://www.bhil.in/inv/remuneration.html>.

Board Diversity Policy

In compliance with the provisions of the SEBI Listing Regulations, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity. The objective of the Policy is to ensure that the Board comprises an adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition as at present broadly meets with the above objective.

Familiarisation Programme

With a view to familiarising the independent directors with the Company's operations, as required under Regulation 25(7) of the SEBI Listing Regulations, the Company has held various familiarisation programmes for the independent directors throughout the year on an ongoing and continuous basis.

The details of familiarisation programmes are placed on http://www.bhil.in/inv/familiarisation_programme.html

Whistle Blower Policy/Vigil Mechanism

Pursuant to section 177(9) of Act, Regulation 22 of the SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Board at its meeting held on 14 March 2019 amended the existing Whistle Blower Policy, which also meets the requirements under the applicable NBFC Guidelines.

The Whistle Blower Policy/Vigil Mechanism provides a mechanism for the director/employee to report without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct, etc. violations and now instances of leak of Unpublished Price Sensitive Information, which are detrimental to the organisation's interest. The mechanism protects a whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

The directors in all cases and employees in appropriate or exceptional cases will have direct access to the Chairman of the Audit Committee. The said Policy is placed on the Company's website <http://www.bhil.in/inv/whistle-blower-policy.html>

Dividend Distribution Policy

As mandated under Regulation 43A of the SEBI Listing Regulations for the top 500 companies as on 31 March 2016 by market capitalisation, the Board of Directors of the Company at its meeting held on 28 October 2016 adopted a Dividend Distribution Policy for the Company.

The Policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders.

As a green initiative, the Dividend Distribution Policy is placed on <http://www.bhil.in/inv/pdf/BHIL-dividend-distribution-policy.pdf>

A physical copy of the Policy will be made available to any shareholder on request.

Subsidiary companies

The Company has Bajaj Auto Holdings Ltd. as its unlisted subsidiary company which, however, is not a 'material subsidiary' as defined under Regulation 16(1)(c) of the SEBI Listing Regulations.

The revised Policy on 'material subsidiaries' in terms of Regulation 16(1)(c) of the SEBI Listing Regulations as approved by the Board at its meeting held on 14 March 2019 is placed on http://www.bhil.in/inv/material_subsidaries.html

Provisions to the extent applicable as required under Regulation 24 of the SEBI Listing Regulations with reference to subsidiary companies were duly complied with.

During the year under review, the Audit Committee reviewed the financial statements of and in particular, the investments made by its unlisted subsidiary company i.e. Bajaj Auto Holdings Ltd., to the extent applicable. Minutes of the Board meetings of the subsidiary company as well as a statement of significant transactions and arrangements entered into by the subsidiary, as applicable, were regularly placed before the Board of the Company.

Related party transactions

All related party transactions which were entered into during the financial year 2018-19 were on an arm's length basis and in the ordinary course of business under the Act and not material under the SEBI Listing Regulations.

All related party transactions during the financial year 2018-19 were entered with the approval of the Audit Committee, pursuant to provisions of the Act and the SEBI Listing Regulations. The details of such transactions were placed before the Audit Committee for noting/review, on a quarterly basis.

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind-AS 24) issued by Institute of Chartered Accountants of India is set out separately in this Annual Report.

During the financial year 2018-19, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. In line with amendment to the SEBI Listing Regulations, the Board, at its meeting held on 14 March 2019, amended the Policy on materiality of related party transactions. The revised policy is given below and the same has also been hosted on the Company's website and can be accessed at <http://www.bhil.in/inv/pdf/final-policy-on-materiality-of-rpts-bhil.pdf>

Policy on materiality of related party transactions and dealing with related party transactions

Quote

Background:

Pursuant to clause 49 of the erstwhile Listing Agreement, the Board at its meeting held on 15 October 2014, [which meets the criteria of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] had approved a Policy on Materiality of Related Party Transactions. Vide circular dated 9 May 2018, SEBI has notified certain amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) effective from 1 April 2019 requiring certain changes to be made in the Policy.

1. Related Party Transactions (RPTs) of the Company covered under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations will be approved by the Audit Committee of the Board from time to time.
2. Consent of the Board and the Shareholders would be taken in respect of all RPTs, except in the following cases:
 - i. Where the transactions are below the threshold limits specified in the Companies Act, 2013 and Rules thereunder or the SEBI Listing Regulations, as may be applicable; or
 - ii. Where the transactions are entered into by the Company in its ordinary course of business and are on arms' length basis; or
 - iii. Payments made with respect to brand usage or royalty where the transactions to be entered into individually or taken together with previous transactions during a financial year, do not exceed two percent of the annual consolidated turnover as per the last audited financial statements of the company.
 - iv. Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company.
3. Notwithstanding the above, approval of the Board and shareholders would be necessary, where the transactions with a related party exceed the following threshold limits:

(₹ In Crore)

Sr. No.	Description	Threshold limits
1.	Sale, purchase or supply of any goods or materials or securities	
2.	Selling or otherwise disposing off or buying of any property including by way of lease and license arrangement	95
3.	Availing or rendering of any services	

The above policy is subject to review from time to time and at least once in every three years.

Disclosures

Suitable disclosures have been made in the financial statements, together with the Management's explanation in the event of any treatment being different from that prescribed in the Ind AS.

Core Skills/Expertise/Competencies

As stipulated under Schedule V to the SEBI Listing Regulations, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors:

Chart/Matrix of such core skills/expertise/competence is given in table 4 below:

Table 4

Sr. No. Core Skill/Expertise/Competencies

1.	Management and Strategy
2	Global Business Leadership
3	Information Technology, Systems and Computers
4.	Human Resources and Industrial Relations
5.	Infrastructure and Real Estate
6.	Finance and Taxation
7.	Banking, Investment and Treasury and Forex Management
8.	Insurance, Mutual Fund and Financial Services
9.	Audit and Risk Management
10.	Law
11.	Corporate Governance and Ethics
12.	Economics and Statistics
13.	Regulatory, Government and Security matters
14.	Academics, Education, Authorship
15.	CSR, Sustainability and NGO matters

Audit Committee

Pursuant to the Act, the SEBI Listing Regulations and the NBFC Regulations, the Company has constituted an Audit Committee. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Act, the SEBI Listing Regulations and the NBFC Regulations.

In compliance with the provisions of the Act and the SEBI Listing Regulations, out of four, three members of the Audit Committee, including the Chairman, are independent directors. All the members are non-executive directors and are financially literate and have accounting or related financial management expertise.

During the period 2018-19, in line with the provisions of the SEBI Listing Regulations, the terms of reference of the Committee were revised by the Board at its meeting held on 14 March 2019. The revised terms of reference are in accordance with the Companies Act, 2013, the SEBI Listing Regulations and the NBFC Regulations. The detailed terms of reference of Audit Committee have been placed at http://www.bhil.in/inv/terms_of_reference_of_audit_committee.html

Meetings and attendance

During 2018-19, the Audit Committee met four times viz. on 18 May 2018, 20 July 2018, 24 October 2018 and 30 January 2019. The meetings were scheduled well in advance and not more than one hundred and twenty days elapsed between any two meetings.

In addition to the members of the Audit Committee, these meetings were attended by the heads of finance, internal audit functions and the statutory auditor of the Company and those executives who were considered necessary for providing inputs to the Committee.

The Company Secretary acted as the secretary to the Audit Committee.

Table 5: Composition of Audit Committee and attendance record of members for 2018-19

Name of director	Category	No. of meetings attended
D J Balaji Rao	Chairman, Non-executive, independent	4/4
Nanoo Pamnani	Non-executive, independent	4/4
Manish Kejriwal	Non-executive	3/4
Dr. Naushad Forbes	Non-executive, independent	4/4

Pursuant to the terms of reference, the Audit Committee, inter alia, discussed and deliberated on the financial results, appointment/re-appointment of Statutory Auditors, review of internal audit functions, review and approval of related party transactions including granting of omnibus approval for the proposed transactions, review of investment related reports of the Company, etc.

D J Balaji Rao, Chairman of the Audit Committee, was present at the annual general meeting of the Company held on 20 July 2018, to answer shareholders' queries.

Nomination and Remuneration Committee

Pursuant to the Act, the SEBI Listing Regulations and the NBFC Regulations, the Company has constituted a Nomination and Remuneration Committee.

During the period 2018-19, in line with the provisions of the SEBI Listing Regulations, the terms of reference of the Committee were revised by the Board at its meeting held on 14 March 2019. The Committee acts as a Nomination Committee, as per the NBFC Regulations, to ensure 'fit and proper' status of the directors to be appointed/re-appointed and recommend their appointment/re-appointment to the Board of Directors. The detailed terms of reference of Nomination and Remuneration committee have been placed at

http://www.bhil.in/inv/terms_of_ref_of_Nomination_Remuneration_committee.html

During the year under review, the Committee met twice, i.e. on 18 May 2018 and 14 March 2019.

The Company Secretary acted as the secretary to the Nomination and Remuneration Committee.

Table 6: Composition of Nomination and Remuneration Committee and attendance record of members for 2018-19

Name of director	Category	No. of meetings attended
Nanoo Pamnani	Chairman, non-executive, independent	2/2
Rahul Bajaj	Non-executive	2/2
D J Balaji Rao	Non-executive, independent	2/2
Dr. Gita Piramal	Non-executive, independent	2/2

As provided under the terms of reference of the Nomination and Remuneration Committee, the members, inter alia, deliberated on the following:

- Re-appointment of Nanoo Pamnani, D J Balaji Rao and Dr. Gita Piramal as Independent Directors for a second term of five years.
- Noting of non-continuation of P Murari as an Independent Director for a second term of five years.

- iii) Noting of resignation of Rahul Bajaj as Chairman and Non-executive Director with effect from the conclusion of the Board meeting of 17 May 2019 and his appointment as Chairman Emeritus with effect from 18 May 2019.
- iv) Appointment of Anami N Roy as an independent director with effect from 1 April 2019
- v) Appointment of Niraj Bajaj as Non-executive Director and Chairman with effect from conclusion of Board meeting of 17 May 2019.
- vi) Recommendation of payment of additional commission to Nanoo Pamnani.
- vii) Revision in the payment of sitting fee and commission payable to Non-executive Directors with effect from 1 April 2019.
- viii) Revision in the remuneration payable to Senior Management personnel one level below the MD and CEO.

Nanoo Pamnani, Chairman of the Nomination and Remuneration Committee, was present at the annual general meeting of the Company held on 20 July 2018, to answer shareholders' queries.

Risk Management Committee

Pursuant to the NBFC Regulations and the SEBI Listing Regulations, the Company has constituted a Risk Management Committee consisting of composition as specified therein.

The terms of reference of the Committee, inter alia, include, to manage the integrated risk, to lay down procedures to inform the Board about risk assessment and minimisation procedures in the Company, to frame, implement, monitor the risk management plan for the Company and perform such other functions as the Board may deem necessary including cyber security etc.

The Company has a Board approved Risk Management framework. The Committee and the Board periodically review the Company's risk assessment and minimisation procedures to ensure that the Management identifies and controls risk through a properly defined framework.

During the year under review, the Company did not trade in nor had any exposure in commodities market.

During the year under review, the Committee met two times viz. 19 September 2018 and 14 March 2019

Table 7: Composition of Risk Management Committee and attendance record of members for 2018-19

Name of director/member	Category	No. of meetings attended
Nanoo Pamnani	Chairman, non-executive,independent	2/2
Sanjiv Bajaj	Managing Director, CEO, Executive	2/2
Anant Marathe	Chief Financial Officer	2/2

Stakeholders' Relationship Committee

Pursuant to the Act and the SEBI Listing Regulations, the Company has constituted a Stakeholders Relationship Committee. This Committee was constituted to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends etc.

In addition, the Committee also looked into matters that can facilitate better investor services and relations. The Board was kept apprised of all the major developments on investors' issues through various reports and statements furnished to the Board from time to time throughout the year.

In compliance with the provisions of the SEBI Listing Regulations, the terms of reference of the Committee were revised by the Board at its meeting held on 14 March 2019. The detailed terms of reference of Stakeholders' Relationship committee have been placed at http://www.bhil.in/inv/terms_of_ref_of_%20stakeholders-relationship_committee.html

During the year under review, the Committee met on 30 January 2019 to, inter alia, review the status of investors' services rendered.

Table 8: Composition of Stakeholders' Relationship Committee and attendance record of members for 2018-19

Name of director	Category	Attendance at the meeting held on 30 January 2019
P Murari	Chairman, non-executive, independent	No
Nanoo Pamnani	Non-executive, independent	Yes
Manish Kejriwal	Non-executive	Yes
Dr. Gita Piramal	Non-executive, independent	Yes

The Company Secretary of the Company acts as the Compliance Officer.

The Committee expressed its satisfaction on the overall status of compliance and actions taken on various investor related matters.

P Murari, Chairman of the Stakeholders' Relationship Committee, was present at the annual general meeting of the Company held on 20 July 2018, to answer shareholders' queries.

Table 9: Investors' complaints attended and resolved during 2018-19

Investors' complaints	Attended/resolved during 2018-19
Pending at the beginning of the year	Nil
Received during the year	11
Disposed of during the year	11
Remaining unresolved at the end of the year	Nil

Pursuant to Regulation 39(4) of the SEBI Listing Regulations for dealing with physical unclaimed shares, the Company has a demat account with HDFC Bank, titled 'Bajaj Holdings & Investment Ltd. - Unclaimed Suspense Account', to which all the unclaimed Ltd. shares stand transferred in terms of the said circular.

More details on this subject and on shareholders' related matters have been furnished in the chapter on General Shareholder Information.

Duplicate Share Certificate Issuance Committee

The Board at its meeting held on 4 February 2016, to meet the requirement of section 46 of the Act read with Rule 6 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 39 of the SEBI Listing Regulations, constituted a Committee of the Board to approve the issuance of duplicate share certificate in lieu of original share certificate lost or misplaced.

During the year under review, the Committee met once on 4 February 2019.

Table 10: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of members for 2018-19

Name of director	Category	Attendance at the meeting held on 4 February 2019
Rahul Bajaj	Chairman, non-executive	Yes
Sanjiv Bajaj	Managing Director, CEO, Executive	Yes
Rajiv Bajaj	Non-executive	Yes

Independent Directors' Meeting

In compliance with Schedule IV to the Act and Regulation 25(3) of the SEBI Listing Regulations, the independent directors held their separate meeting on 14 March 2019, without the attendance of non-independent directors and members of the Management, to inter alia discuss the following:

- i) Noting of report of Performance Evaluation from the Chairman of the Board for 2018-19.
- ii) review the performance of non-independent directors and the Board as a whole;
- iii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
- iv) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All independent directors, except P Murari and Dr. Naushad Forbes, were present at the meeting. The independent directors present elected Nanoo Pamnani as Chairman for the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

Remuneration of directors

Pecuniary relationship/transactions with non-executive directors

During the year under review, there were no pecuniary relationship/transactions with any non-executive directors of the Company.

The register of contracts is maintained by the Company, pursuant to section 189 of the Act. The register is signed by all the directors present at the respective Board meetings.

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

As stated earlier, the Remuneration Policy, inter alia, disclosing the criteria of making payments to directors, key managerial personnel and employees is placed on www.bhil.in

Details of remuneration to directors

All non-executive directors are paid sitting fees and commission and one independent director is paid additional commission as per the details provided in the annexure to the Directors' Report in section VI(B) of Form MGT-9, i.e., extract of the Annual Return.

Managing Director and Chief Executive Officer

During the year under review, the Company paid remuneration to Sanjiv Bajaj, Managing Director and CEO of the Company as provided in detail in an annexure to the Directors' Report in section VI(A) of Form MGT-9, i.e. extract of the Annual Return.

The Managing Director is entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company, which form part of the perquisites allowed to him. No pension is paid by the Company.

The Company has no stock option plans for the directors and hence, it does not form a part of the remuneration package payable to any executive and/or non-executive director. During the year under review, none of the directors was paid any performance-linked incentive.

In 2018-19, the Company did not advance any loans to any of the non-executive directors and/or Managing Director. Details of remuneration paid/payable to directors for the year 2018-19 are provided in an annexure to the Directors' Report in section VI(B) of Form MGT-9, i.e. extract of the Annual Return.

Shareholding of Directors

Information on shares held by directors in the Company as on 31 March 2019 is provided in an annexure to the Directors' Report in section IV(v) of Form MGT-9, i.e. extract of the Annual Return.

Management

Management discussion and analysis

This is given as separate chapter in the Annual Report.

Disclosure of material transactions

Pursuant to Regulation 26(5) of the SEBI Listing Regulations, the Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was Nil.

Compliances regarding insider trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, the Company had a Board approved code of conduct to regulate, monitor and report trading by insiders ('code of conduct') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('code of fair disclosure').

During the year under review, SEBI has amended SEBI (Prohibition of Insider Trading) Regulations 2015. In view of the amendment to the said Regulations, the Board of Directors, at its meeting held on 14 March 2019, approved the following, with effect from 1 April 2019:

- a. Revised Code of Conduct to Regulate, Monitor and Report trading by Designated Persons
- b. Revised Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information
- c. Revised Whistle blower policy
- d. Institutional mechanism for prevention of Insider Trading
- e. Amendment to the terms of reference of the Audit Committee
- f. List of designated persons for the Code of Conduct mentioned above

The code of conduct and code of fair disclosure framed by the Company have helped in ensuring compliance with the requirements.

Means of communication

Quarterly, half-yearly and annual financial results and other public notices issued for the shareholders are published in numerous leading dailies, such as Business Standard, Sakal, Kesari, Loksatta, Financial Express, Mint, Hindu Business Line, Hindustan Times and Economic Times. An official press release is also issued. The Company also sends the half-yearly financial results, along with a detailed write-up, to each household of shareholders.

The Company has its own website, www.bhil.in which contains all important public domain information including presentations, if any, made to the media, analysts and institutional investors. The website contains information as prescribed under the Act and SEBI Listing Regulations including details of the corporate contact persons and share transfer agent of the Company, shareholding pattern, etc.

Section 20 and 129 of the Act read with Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members'/shareholders' email addresses. The Company, during the year under review, sent documents, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report, credit of dividend intimation letters, etc. in electronic form at the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request.

All financial and other vital official news releases and documents under the SEBI Listing Regulations are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

Information on general body meetings and details of special resolution(s) passed

During the previous three years, the annual general meetings (AGM) of the Company were held at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 on the following dates and time:

Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the AGM, if any
71st AGM	27 July 2016 at 4.00 p.m.	Approval for payment of commission to non-executive directors for a period of five years commencing from 1 April 2016
72nd AGM	20 July 2017 at 4.00 p.m.	Re-appointment of Sanjiv Bajaj as Managing Director for a fresh term of five years w.e.f. 1 April 2017 and fixing his remuneration
73rd AGM	20 July 2018 at 4.00 p.m.	None

During the year under review, the Company did not adopt postal ballot mode for passing any resolution by the shareholders.

Details of capital market non-compliance, if any

There was no non-compliance by the Company of any legal requirements; nor has there been any penalty/stricture imposed on the Company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets during the last three years.

Compliance certificate

The MD and CEO and CFO have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) read with Part B of Schedule II to the SEBI Listing Regulations.

Report on corporate governance

This chapter, read together with the information given in the Directors' Report and the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on Corporate Governance during 2018-19. The Company has been regularly forwarding the quarterly compliance report to the Stock Exchanges as required under Regulation 27(2) of the SEBI Listing Regulations.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

a. number of complaints filed during the financial year	Nil
b. number of complaints disposed of during the financial year	Nil
c. number of complaints pending as on end of the financial year	Nil

Statutory Auditors

S R B C and Co. LLP are the Statutory Auditors of the Company. Total fees paid by the Company and its subsidiaries, on a consolidated basis to the Auditors including all entities in their network firm/entity of which they are a part is given below:

Sr. No.	Particulars	(Amount In ₹)	
		Statutory Audit Fee	Other Services
1.	Bajaj Holdings & Investment Ltd.	1,329,000	2,015,000
2.	Bajaj Auto Holdings Ltd.	50,000	110,500

Auditors' certificate on corporate governance

The Company has obtained the certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in Part E of Schedule V to the SEBI Listing Regulations. This certificate is annexed to the Directors' Report and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.

Compliance of mandatory and discretionary requirements

Mandatory

The Company has complied with the mandatory requirements of the SEBI Listing Regulations.

Discretionary

The Company has also complied with the discretionary requirements as under:

1. The Board

A Chairman's office has been made available for the Non-executive Chairman. He is allowed reimbursement of expenses incurred in performance of his duties.

2. Shareholder rights

A half-yearly declaration of financial performance including summary of significant events in the preceding six months is sent to each household of shareholders.

3. Modified opinion(s) in audit report

The Company confirms that its financial statements are with unmodified audit opinion

4. Separate posts of Chairperson and Managing Director/CEO

The Company has appointed separate persons to the post of Chairman and Managing Director

5. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

74th Annual General Meeting

Date	26 July 2019
Time	4.00 p.m.
Venue	Registered office at Mumbai-Pune Road, Akurdi, Pune 411 035.

Financial calendar

Approval of audited annual results for year ending 31 March	May
Mailing of annual reports	June
Annual general meeting	July
Unaudited first quarter financial results	July
Unaudited second quarter financial results	October
Unaudited third quarter financial results	January/February

Registrar and share transfer agent

The Company had appointed Karvy Computershare Pvt. Ltd., Hyderabad, as its Registrar and share transfer agent.

Pursuant to order of the Hyderabad Bench of the National Company Law Tribunal, the operations of Karvy Computershare Pvt. Ltd., have been transferred to Karvy Fintech Pvt. Ltd. with effect from 17 November 2018. Accordingly, all operations of share registry are being handled by Karvy Fintech Pvt. Ltd. ('Karvy').

All physical transfers, transmission, transposition, issue of duplicate share certificates, issue of demand drafts in lieu of dividend warrants, etc. as well as requests for dematerialisation/rematerialisation of shares are processed at Karvy.

Dates of book closure

The register of members and share transfer books of the Company will remain closed from Saturday, 13 July 2019 to Friday, 26 July 2019, both days inclusive.

Dividend

The Board of Directors of the Company has proposed a dividend of ₹ 32.50 per equity share (325%) for the financial year 2018-19, subject to approval by the shareholders at the ensuing annual general meeting. Dividend paid in the previous year was ₹ 40 per share (400%).

Date of dividend payment

Subject to the provisions of section 126 of the Act, dividend on equity shares, if declared at the AGM, will be credited/dispatched between Tuesday, 30 July 2019 and/or Wednesday, 31 July 2019 as under:

- a) to all those shareholders holding shares in physical form, as per the details provided by Karvy to the Company, as on or before the closing hours on Friday, 12 July 2019; and
- b) to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Friday, 12 July 2019.

Payment of dividend

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), and SEBI circular dated 20 April 2018, companies shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, dividend, if declared, will be paid through electronic mode, where the bank account details of the members are available. Where dividend payments is made through electronic mode, intimation regarding such remittance would be sent separately to the members. In case where the dividend cannot be paid through electronic mode, the same will be paid by warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on the warrants.

Pursuant to aforesaid circular, the Company had written to members holding shares in physical form requesting them to furnish details regarding their PAN and bank account for enabling payment of dividend through electronic mode. Members who are yet to respond are requested to provide the same at the earliest.

For enabling payment of dividend for FY2019 through electronic mode, members are requested to update details of their bank account, if not already updated, with Karvy/depository participant. In case members holding shares in physical form are requested to send self-attested copy of your PAN card and cancelled cheque to Karvy and in case of members holding shares in electronic form are requested to update details with your depository participant.

Unclaimed dividends

Unclaimed dividends upto 1994-95 have been transferred to the general revenue account of the Central Government. Those who have not encashed their dividend warrants for the period prior to and including 1994-95 are requested to claim the amount from Registrar of Companies, Pune, Maharashtra, situated at PCNTDA Green building Block A, 1st and 2nd floor, Near Akurdi Railway Station, Pune 411 044.

As per section 205C of the Companies Act, 1956, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund (Fund) set up by the Central Government. Accordingly, the unclaimed dividend from FY1996 to FY2011 have already been transferred by the Company to the said fund in the year 2003 to 2018 respectively.

Unclaimed dividend for FY2012 shall become due for transfer to the said fund in August 2019. The Company sent reminder letters to the members who have not claimed their dividend requesting them to claim the same. Members are requested to verify their records and send the claim, if any, by writing to Karvy at mohsin.mohd@karvy.com before the amount becomes due for transfer to the said fund.

The Company has uploaded the details of unclaimed dividend on the Company's website at www.bhil.in and also on website specified by the ministry of corporate affairs at www.iepf.gov.in/IEPF/services.html

Transfer of shares to IEPF

Pursuant to section 124(6) of the Act as amended and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (IEPF Rules) that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of IEPF authority within a period of thirty days of such shares becoming due to be transferred to IEPF.

Accordingly, in due compliance of the provisions of Rule, 6(3) of IEPF Rules the Company sent individual letters through Ordinary/speed Post to such shareholders, in respect of whom dividend for a consecutive period of seven years had remained unpaid. Further, public notice was released in newspapers on 10 December 2016, 25 April 2017 and 21 June 2018.

During FY2019, the Company transferred 12,145 equity shares of the face value of ₹ 10 each in respect of 52 shareholders to the Demat Account of the IEPF Authority held with NSDL and filed necessary e-form IEPF-4 with MCA on 14 November 2018. Details of such shareholders, whose shares are transferred to IEPF and their unpaid dividends for the subsequent years are available to the concerned shareholders on the website of the Company at www.bhil.in.

As provided under these Rules, the shareholder would be allowed to claim such unpaid dividends and the shares transferred to the Fund by following the required procedure. The said IEPF Rules, 2016 and amendment thereunder are available on the Company's website at <https://kosmic.karvy.com/IEPF/IEPFUnpaidQryFinal.aspx?q=yATf9PfSkrw%3d>

Shareholders are requested to get in touch with the compliance officer for further details on the subject at investors@bhil.in

Share transfer system

Share transfers received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. The total number of shares transferred in physical category during 2018-19 was 63,638 shares as against 4,449,824 shares during 2017-18. The details thereof were placed before the Board on a quarterly basis.

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and Bank account details of its concerned Shareholder(s) and communications have been sent by the Company to eligible shareholders in this regard. Members are requested to update these details with Karvy/Company at the earliest.

Dematerialisation/rematerialisation of shares and liquidity

During 2018-19, 441,276 shares were dematerialised, compared to 154,703 shares during 2017-18. There were no shares which was rematerialised, during the year 2018-19.

Shares held in physical and electronic mode as on 31 March 2019 are as given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2019		Position as on 31 March 2018		Net change during 2018-19	
	No. of shares	% of total shareholding	No. of shares	% of total shareholding	No. of shares	% of total shareholding
Physical	9,013,367	8.10	9,462,398	8.50	(449,031)	(0.40)
Demat:						
NSDL	98,931,426	88.89	98,690,993	88.68	240,433	0.21
CDSL	3,348,717	3.01	3,140,119	2.82	208,598	0.19
Sub Total	102,280,143	91.90	101,831,112	91.50	449,031	0.40
Total	111,293,510	100.00	111,293,510	100.00	-	-

Stock code

BSE, Mumbai	500490
National Stock Exchange	BAJAJHLDNG
Reuters	BJAT.BO
Bloomberg	BJHI.IN
ISIN for Depositories (NSDL and CDSL)	INE118A01012

Listing on stock exchanges

Shares of the Company are currently listed on the following stock exchanges:

Name	Address
1. BSE Ltd. (BSE)	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
2. National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

Pursuant to the SEBI Listing Regulations, the Company has entered into an Uniform Listing Agreement with BSE and NSE.

For the year 2018-19, the listing fees payable to these stock exchanges have been paid in full.

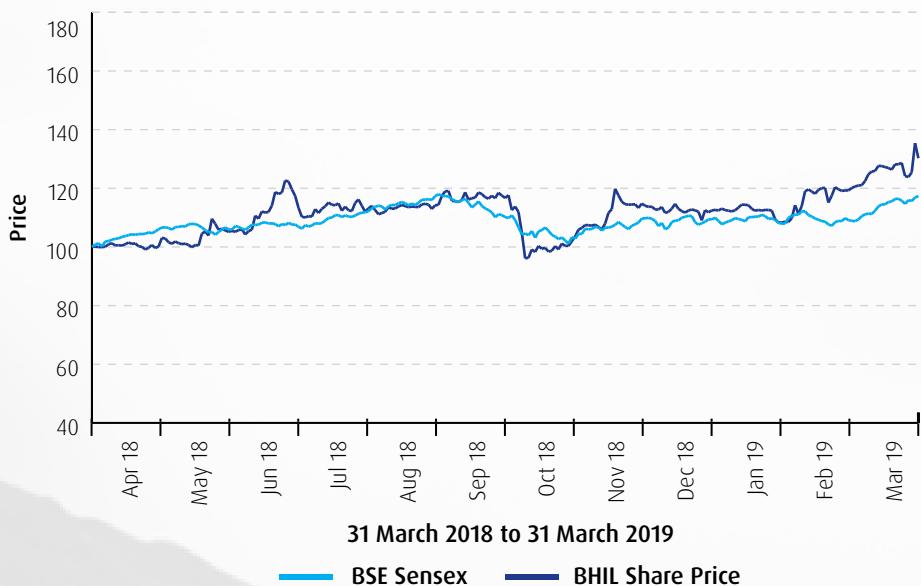
Market price data

Table 2 gives the monthly highs and lows of the Company's shares on the BSE, the NSE for the full year 2018-19.

Table 2: Monthly highs and lows of equity shares of Bajaj Holdings & Investment Ltd. during 2018-19 (₹ vis-à-vis BSE Sensex)

Month	BSE		NSE		Closing BSE Sensex
	High	Low	High	Low	
Apr-18	2,725.00	2,576.00	2,735.00	2,580.05	35,160.36
May-18	2,910.00	2,575.60	2,920.20	2,572.05	35,322.38
Jun-18	3,250.00	2,734.20	3,248.00	2,728.80	35,423.48
Jul-18	3,119.85	2,860.00	3,126.85	2,851.00	37,606.58
Aug-18	3,200.00	2,901.10	3,211.00	2,909.75	38,645.07
Sep-18	3,160.75	2,500.00	3,169.95	2,451.20	36,227.14
Oct-18	3,060.00	2,203.65	3,084.00	2,465.05	34,442.05
Nov-18	3,295.00	2,755.15	3,316.05	2,752.15	36,194.30
Dec-18	3,018.00	2,762.00	3,038.00	2,738.70	36,068.33
Jan-19	3,100.00	2,809.10	3,112.00	2,815.00	36,256.69
Feb-19	3,214.95	2,819.45	3,221.90	2,850.00	35,867.44
Mar-19	3,750.00	3,156.05	3,800.00	3,152.00	38,672.91

**Bajaj Holdings & Investment Ltd. stock performance Vs BSE Sensex,
during 2018-19 indexed to 100 on 31 March 2018**



Distribution of shareholding

Table 3 gives details about the pattern of shareholding across various categories as on 31 March 2019, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholding across categories as on

Categories	31 March 2019		31 March 2018	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	54,563,446	49.03	49,326,366	44.32
Friends and associates of Promoters	14,151,745	12.72	14,315,465	12.86
GDR	0	0	0	0
Foreign Institutional Investors/Foreign Portfolio Investors	16,057,305	14.43	17,768,597	15.97
Public financial institutions	1,243,192	1.12	4,226,721	3.80
Mutual Funds	981,686	0.88	1,404,633	1.26
Nationalised and other Banks	152,780	0.14	56,772	0.05
NRIs and OCBs	694,322	0.62	679,147	0.61
Others	23,449,034	21.06	23,515,809	21.13
Total	111,293,510	100.00	111,293,510	100.00

Table 4: Distribution of shareholding according to size class as on 31 March 2019

Category	Number of shareholders	% to total shareholders	Number of shares	% to total shares
1 to 500	39997	91.76	2,171,449	1.95
501 to 1000	1291	2.96	952,577	0.86
1001 to 2000	868	1.99	1,241,210	1.12
2001 to 3000	414	0.95	1,034,548	0.93
3001 to 4000	182	0.42	641,996	0.58
4001 to 5000	146	0.33	671,670	0.60
5001 to 10000	298	0.68	2,085,222	1.87
10001 And Above	393	0.90	102,494,838	92.09
Total	43589	100.00	111,293,510	100.00

Shareholders' and investors' grievances

The Board of Directors of the Company currently has a Stakeholders' Relationship Committee to specifically look into and resolve grievances of security-holders on various matters.

Routine queries/complaints received from shareholders are promptly attended to and replied. Queries/complaints received during the period under review related to non-receipt of dividend by warrants as well as through electronic clearing service, non-receipt of annual report, non-receipt of transferred shares and change of address and/or bank particulars. As on 31 March 2019, there were no pending issues to be addressed or resolved.

During the year, letters were received from SEBI/ROC/Stock Exchanges/Investors concerning 11 complaints filed by the shareholders on various matters. In respect of each of these complaints, replies were sent to SEBI/ROC/Stock Exchanges/Investors in the prescribed format, as the case may be and no action remained to be taken at the Company's end.

Demat suspense account with HDFC Bank for unclaimed shares

In accordance with the provisions contained in clause 5A of the erstwhile Listing Agreement (now corresponding to Regulation 39(4) of the SEBI Listing Regulations), as amended by SEBI circular dated 16 December 2010, the Company, during the year 2011-12, had sent three reminders to such shareholders, whose shares were lying 'Undelivered/Unclaimed' with the Company, followed by opening of the unclaimed share suspense demat account with HDFC Bank in April 2012.

After completing the necessary formalities, 17,947 shares held by 100 shareholders were transferred to the said suspense account in April 2012. Voting rights on such shares are to remain frozen till the rightful owner claims the shares.

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in Regulation 39(4) of the SEBI Listing Regulations.

The summary of this account for the year 2018-19 is as follows:

Sr. No.	Particulars	No. of shareholders	Outstanding shares
i.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 April 2018	13	1,294
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2018-19	0	-
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2018-19	0	-
iv.	No. of shareholders whose shares were transferred to IEPF Authority during the year 2018-19	5	975
v.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 March 2019	8	319

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of the registered shareholder(s). The prescribed nomination form (SH-13) will be sent by the share transfer agent of the Company upon such request and is also available on the Company's website at <http://www.bhil.in/inv/downloads.html>

Nomination facility for shares held in electronic form is also available with depository participant.

Webcast of AGM

As per SEBI notification dated 9 May 2018, top 100 listed entities shall, w.e.f. 1 April 2019, provide one-way live webcast of the proceedings of the Annual General Meeting (AGM). Accordingly, the Company is taking necessary steps to meet this requirement in the ensuing AGM scheduled on 26 July 2019.

Voting through electronic means

Pursuant to section 108 of the Act and the Rules made thereunder and provisions under the SEBI Listing Regulations, every listed company is required to provide its members, the facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with Karvy, the authorised agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of annual general meeting, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Rules, 2014, as amended, the Company shall also be making arrangements to provide for e-voting facility at the venue of the annual general meeting.

Shareholders, who are attending the meeting and who have not already cast their votes by remote e-voting shall only be able to exercise their right of voting at the meeting.

Cut-off date, as per the said Rules, shall be 19 July 2019 and the remote e-voting shall be open for a period of three days, from 23 July 2019 (9.00 a.m.) till 25 July 2019 (5.00 p.m.). The Board has appointed Shyamprasad D Limaye, Practising Company Secretary as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice of the Seventy fourth annual general meeting and is also placed on the Company's website at www.bhil.in

Shareholders may get in touch with the Company Secretary for further assistance.

Credit Rating

Since, the Company had no borrowings during the year under review, no credit ratings were obtained by the Company from any credit rating agencies.

Outstanding convertible instruments/ADRs/GDRs/warrants

The Company does not have any outstanding convertible instruments/ADRs/GDRs/warrants as on date.

Address for correspondence

Investors and shareholders can correspond with the office of the share transfer agent of the Company or the registered office of the Company at the following addresses:

Share transfer agent

Karvy Fintech Pvt. Ltd.

Unit: Bajaj Holdings & Investment Ltd.
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad 500 032.

Contact persons

M S Madhusudhan/Mohd. Mohsinuddin
Tel No: (040) 6716 2222
Fax No: (040) 2300 1153
Toll Free No: 1800 345 4001
E-mail: mohsin.mohd@karvy.com
Website: www.karvyfintech.com

Company

Bajaj Holdings & Investment Ltd.

Bajaj Auto Ltd. Complex,
Mumbai-Pune Road, Akurdi,
Pune 411 035.

Company Secretary and Compliance Officer

Sriram Subbramaniam
Tel No: (020) 6610 7150
Fax No: (020) 2740 7380
E-mail: investors@bhil.in
Website: www.bhil.in

STANDALONE FINANCIAL STATEMENTS



Independent Auditors' Report on the Standalone Financial Statements

To the Members of **Bajaj Holdings & Investment Ltd.**

Report on the audit of the standalone Ind AS financial statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Bajaj Holdings & Investment Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters

How our audit addressed the key audit matter

Acquisition of equity shares in Maharashtra Scooters Ltd. (as described in note 10 of the standalone financial statements)

The Company holds 2,742,848 equity shares amounting to ₹ 0.24 crore in Maharashtra Scooters Ltd. (MSL). Western Maharashtra Development Corporation Ltd. (WMDC), who holds (3,085,712 equity shares) in MSL had offered to sell its entire shareholding in MSL in 2003. The purchase price of such shares was under dispute for several years and the matter was pending with the Honorable Supreme Court of India ('the Supreme Court') vide a special leave petition (SLP) filed by WMDC on 15 September 2015. On 9 January 2019, the Honorable Supreme Court of India dismissed the SLP and instructed the Company to pay ₹ 232 per share along with simple interest @ 18% per annum from 14 January 2006.

Our audit procedures included the following:

- Obtained and read a copy of the final judgment passed by the Supreme Court, from the official website of the Supreme Court.
- Read the filings made by the Company with the stock exchanges in respect of the judgment of the Supreme Court.

Independent Auditors' Report on the Standalone Financial Statements (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>The Company issued cheques to WMDC amounting to ₹ 222.48 crore (including interest of ₹ 150.89 crore); which has not been banked by WMDC as on date, pending their internal approvals. The cheques turned stale post 31 March 2019 and fresh cheques of ₹ 222.48 crore have been issued on 12 April 2019. As at 31 March 2019, the cheques issued by the Company have been disclosed as an advance; with a suitable note. MSL would become a subsidiary of the Company only post completion of banking of the cheques by WMDC and transfer of MSL shares by WMDC, in accordance with the terms of Supreme Court order.</p> <p>In view of the significant impact upon completion of banking of cheques, the same is considered a key audit matter.</p>	<ul style="list-style-type: none"> Assessed the accounting treatment of the amount paid by the Company to WMDC. Read and assessed the disclosures made by the Company in the standalone financial statements as at 31 March 2019 for compliance with disclosure requirements under the Accounting Standards and the quarterly results for the quarter and year ended 31 March 2019.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report and Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Independent Auditors' Report on the Standalone Financial Statements (Contd.)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31 March 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure 1' a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditors' Report on the Standalone Financial Statements (Contd.)

2. As required by section 143(3) of the Act, we report that

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report;
- (g) In our opinion, the managerial remuneration for the year ended 31 March 2019 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 25 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
 ICAI Firm Registration Number: 324982E/E300003
 Chartered Accountants

per Arvind Sethi
 Partner
 Membership Number: 89802
 Pune: 17 May 2019

Annexure 1 to Independent Auditors' Report

Annexure 1 referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

Re: Bajaj Holdings & Investment Ltd. (the 'Company')

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
(b) All property, plant and equipment have not been physically verified by the Management during the year but there is a regular programme of verification designed to cover all items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) According to the information and explanations given by the Management, the title deeds of immovable properties included in property, plant and equipment; and investment property are held in the name of the Company except for freehold land aggregating to ₹ 0.00* crore (*amounts less than ₹ 0.01 crore) and leasehold land aggregating to ₹ 1.16 crore (net block of ₹ 1.14 crore) where titles transfer are pending in the name of the Company as disclosed in note 9 to the standalone financial statements of the Company.
2. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made have been complied with by the Company.
5. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.
6. To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Annexure 1 to Independent Auditors' Report (Contd.)

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax and cess on account of any dispute, are as follows:

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income tax	392.69	Various Years from 1989-90 to 2006-07	ITAT
	Income tax	4.77	Financial Year 2013-14	CIT(A)
The Maharashtra Municipal Corporation Act, 1949	Property tax	0.05	Financial Year 2017-18	Bombay Municipal Corporation

8. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
9. According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given by the Management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
13. According to the information and explanations given by the Management, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
15. According to the information and explanations given by the Management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
16. According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S R B C & CO LLP
 ICAI Firm Registration Number: 324982E/E300003
 Chartered Accountants

per Arvind Sethi
 Partner
 Membership Number: 89802
 Pune: 17 May 2019

Annexure 2 to Independent Auditors' Report

Annexure 2 referred to in paragraph 2 (f) under the heading 'Report on other legal and regulatory requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Bajaj Holdings & Investment Ltd. ('the Company') as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of internal financial controls over financial reporting with reference to these financial statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

Annexure 2 to Independent Auditors' Report (Contd.)

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
 ICAI Firm Registration Number: 324982E/E300003
 Chartered Accountants

per Arvind Sethi
 Partner
 Membership Number: 89802
 Pune: 17 May 2019

Balance Sheet

Particulars	Note No.	As at			
		31 March 2019	31 March 2018	1 April 2017	
ASSETS					
Financial assets					
Cash and cash equivalents	3	3.30	75.06	0.91	
Bank balance other than cash and cash equivalents	4	6.71	6.08	4.92	
Investment in subsidiary, associates and joint venture	5A	2,674.10	1,075.39	1,075.39	
Other investments	5B	7,620.76	8,521.21	7,560.46	
Other financial assets	6	126.74	169.14	104.07	
		10,431.61	9,846.88	8,745.75	
Non-financial assets					
Current tax assets (net)		34.67	34.66	31.27	
Deferred tax assets (net)	7	139.39	188.49	127.54	
Investment property	8	187.19	191.13	196.20	
Property, plant and equipment	9	6.24	6.36	6.52	
Lease adjustment account – plant and machinery		–	17.50	17.50	
Other non-financial assets	10	246.41	4.32	4.35	
		613.90	442.46	383.38	
Total		11,045.51	10,289.34	9,129.13	

Balance Sheet (Contd.)

Particulars	Note No.	As at			
		31 March 2019	31 March 2018	1 April 2017	
LIABILITIES AND EQUITY					
LIABILITIES					
Financial liabilities					
Trade payables					
Total outstanding dues of micro enterprises and small enterprises		-	-	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises		1.12	0.48	0.70	
Other financial liabilities	11	34.52	31.23	24.96	
		35.64	31.71	25.66	
Non-financial liabilities					
Current tax liabilities (net)		12.78	12.78	12.78	
Provisions	12	5.52	4.37	3.06	
Other non-financial liabilities	13	2.15	18.74	18.15	
		20.45	35.89	33.99	
EQUITY					
Equity share capital	14	111.29	111.29	111.29	
Other equity	15	10,878.13	10,110.45	8,958.19	
		10,989.42	10,221.74	9,069.48	
Total		11,045.51	10,289.34	9,129.13	
Summary of significant accounting policies followed by the Company	2				

The accompanying notes are an integral part of the financial statements
As per our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Anant Marathe
Chief Financial Officer
Sriram Subbramaniam
Company Secretary

Rahul Bajaj
Chairman
Sanjiv Bajaj
Managing Director & CEO
D J Balaji Rao
Chairman - Audit Committee

Statement of Profit and Loss

(₹ In Crore)

For the year ended 31 March

Particulars	Note No.	2019	2018
Revenue from operations			
Interest income	16	360.98	314.11
Dividend income		608.85	570.57
Rental income		18.10	17.76
Net gain on fair value changes	17	5.70	42.58
Other investment income	18	-	4.07
Total revenue from operations		993.63	949.09
Other income	19	4.64	4.74
Total income		998.27	953.83
Expenses			
Employee benefits expenses	20	28.13	23.78
Depreciation, amortisation and impairment	21	4.10	5.23
Other expenses	22	56.40	40.71
Total expenses		88.63	69.72
Profit before tax		909.64	884.11
Tax expense			
Current tax		129.95	183.00
Less: MAT credit entitlement		-	58.05
Net current tax		129.95	124.95
Deferred tax		(8.50)	(7.27)
MAT credit entitlement, earlier provided, now reversed		-	(33.50)
Total tax expense	23	121.45	84.18
Profit for the year		788.19	799.93

Statement of Profit and Loss (Contd.)

Particulars	Note No.	(₹ In Crore)	
		For the year ended 31 March	
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/losses of defined benefit plans		(0.45)	(0.40)
Tax impacts on above		0.16	0.14
Net gain on equity instruments designated at FVTOCI		542.22	823.94
Tax impacts on above		(25.94)	(38.01)
Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		515.99	785.67
Total comprehensive income for the year		1,304.18	1,585.60
Basic and diluted Earnings per share (in ₹)	24	70.8	71.9
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Company	2		

The accompanying notes are an integral part of the financial statements
As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Anant Marathe
Chief Financial Officer

Sriram Subramaniam
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

D J Balaji Rao
Chairman – Audit Committee

Statement of Changes in Equity**A Equity share capital**

Particulars	Note No.	For the year ended 31 March	
		2019	2018
At the beginning of the year		111.29	111.29
Changes in equity share capital during the year		-	-
At the end of the year	14	111.29	111.29

B Other equity

Particulars	Note No.	Reserves and surplus				Other Reserves	Total other equity
		Securities premium	General reserve	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Retained earnings		
Balance as at 1 April 2017	15	444.42	3,706.96	1,321.62	1,751.94	1,733.25	8,958.19
Profit for the year		-	-	-	799.93	-	799.93
Other comprehensive income (net of tax)		-	-	-	(0.26)	785.93	785.67
Total comprehensive income for the year ended 31 March 2018					799.67	785.93	1,585.60
Transactions with owners in their capacity as owners							
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	262.71	(262.71)	-	-
Reclassification of gain on sale of FVTOCI equity instruments		-	-	-	501.20	(501.20)	-
Final dividend, declared and paid during the year		-	-	-	(361.70)	-	(361.70)
Tax on final dividend		-	-	-	(71.64)	-	(71.64)
Balance as at 31 March 2018	15	444.42	3,706.96	1,584.33	2,356.76	2,017.98	10,110.45
Profit for the year		-	-	-	788.19	-	788.19
Other comprehensive income (net of tax)		-	-	-	(0.29)	516.28	515.99
Total comprehensive income for the year ended 31 March 2019					787.90	516.28	1,304.18
Transactions with owners in their capacity as owners							
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	157.64	(157.64)	-	-
Reclassification of gain on sale of FVTOCI equity instruments		-	-	-	92.50	(92.50)	-
Final dividend, declared and paid during the year		-	-	-	(445.17)	-	(445.17)
Tax on final dividend		-	-	-	(91.33)	-	(91.33)
Balance as at 31 March 2019	15	444.42	3,706.96	1,741.97	2,543.02	2,441.76	10,878.13
Summary of significant accounting policies followed by the Company	2						

The accompanying notes are an integral part of the financial statements
As per our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Anant Marathe
Chief Financial Officer

Sriram Subramaniam
Company Secretary

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

D J Balaji Rao
Chairman – Audit Committee

Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March	
	2019	2018
I. Operating activities		
Profit before tax	909.64	884.11
Adjustments to reconcile profit before tax to net cash flows		
Add		
i) Depreciation, amortisation and impairment	4.10	5.23
	4.10	5.23
Less		
i) Provision for diminution in value of investments written back	-	4.07
ii) Profit on sale of investments, net	3.52	34.50
iii) Income from units of mutual fund	2.18	8.08
iv) Amortisation of premium/discount on acquisition of debt securities	13.37	14.55
	19.07	61.20
	894.67	828.14
Change in assets and liabilities		
i) (Increase)/decrease in loans and other assets	(199.80)	(65.04)
ii) (Increase)/decrease in other bank balances	(0.63)	(1.16)
iii) Increase/(decrease) in liabilities and provisions	5.02	6.39
	(195.41)	(59.81)
(Purchase)/sale of money market mutual funds, etc., net *	26.23	1,047.17
Net cash flow from/(used in) from operating activities before income-tax	725.49	1,815.50
Income-tax paid	(98.14)	(186.39)
Net cash flow from/(used in) operating activities	627.35	1,629.11
Carried forward	627.35	1,629.11

Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2019	2018
Brought forward	627.35	1,629.11
II. Investing activities		
i) Purchase of property, plant and equipment	(0.04)	-
ii) Investment in subsidiary, associates and joint venture*	(1,598.71)	-
iii) Sale of investments*	2,774.23	2,106.97
iv) Purchase of investments*	(1,338.72)	(3,229.75)
Net cash flow from/(used in) investing activities	(163.24)	(1,122.78)
III. Financing activities		
i) Dividend paid	(444.54)	(360.54)
ii) Corporate dividend tax paid	(91.33)	(71.64)
Net cash from/(used in) financing activities	(535.87)	(432.18)
Net change in cash and cash equivalents	(71.76)	74.15
Cash and cash equivalents as at the beginning of the year	75.06	0.91
Cash and cash equivalents as at the end of the year	3.30	75.06

* As the Company is an investment company, dividend received and interest earned are considered as part of cash flow from operating activities. Purchase and sale of investments has been classified into operating and investing activity based on the intention of the Management at the time of purchase of securities or subsequent reassessment of intention and transfers made inter se between long-term and current investments, in accordance with the prudential norms specified by RBI.

Summary of significant accounting policies followed by the Company

2

On behalf of the Board of Directors

As per our report of even date

Rahul Bajaj
Chairman

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director & CEO

Sriram Subramaniam
Company Secretary

D J Balaji Rao
Chairman – Audit Committee

Notes to standalone financial statements for the year ended 31 March 2019

1 Bajaj Holdings & Investment Ltd. (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution – Investment and Credit Company ('NBFC-ICC') with the Reserve Bank of India (RBI). The Company's registered office is at Bajaj Auto Ltd. Complex, Mumbai-Pune road, Pune, Maharashtra, India. Its shares are listed on two recognised stock exchanges in India.

2 First time adoption and summary of significant accounting policies followed by the Company

2A Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on an accrual basis.

The financial statements up to year ended 31 March 2018 were prepared in accordance with the Accounting Standards notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended and the Companies (Accounting Standards) Amendment Rules, 2016, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable (Indian GAAP or previous GAAP).

These financial statements are the first financial statements of the Company under Ind AS. Refer note 2B for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2B First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2C have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2017 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS, which are considered to be material or significant by the Company.

1 Ind AS optional exemptions

a. Deemed cost for investment in subsidiary, associates and joint venture

Ind AS 101 provides a one time option to a first-time adopter either to measure its investment in subsidiary, associates and joint venture as per previous GAAP carrying value or at fair value on the date of transition.

The Company has elected to measure its investment in subsidiary, associates and joint venture as per previous GAAP carrying value.

b. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

2 Ind AS mandatory exceptions

a. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as this was not required under previous GAAP

- Investment in mutual funds carried at fair value through profit or loss
- Investment in equity instruments carried at fair value through other comprehensive income
- Impairment of financial assets based on expected credit loss model

b. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2B First-time adoption of Ind AS (Contd.)

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (1 April 2017)

Particulars	Notes to first-time adoption	₹ In Crore			
		Previous GAAP	Adjustments	Ind AS	
ASSETS					
Financial assets					
Cash and cash equivalents		0.91	-	0.91	
Bank balance other than cash and cash equivalents		4.92	-	4.92	
Investment in subsidiary, associates and joint venture		1,075.39	-	1,075.39	
Other investments	1, 3, 4	6,015.09	1,545.37	7,560.46	
Other financial assets		104.07	-	104.07	
		7,200.38	1,545.37	8,745.75	
Non-financial assets					
Current tax assets (net)		31.27	-	31.27	
Deferred tax assets (net)	2, 3, 4	-	127.54	127.54	
Investment property	1	-	196.20	196.20	
Property, plant and equipment		6.52	-	6.52	
Lease adjustment account – plant and machinery		17.50	-	17.50	
Other non-financial assets	2	146.60	(142.25)	4.35	
		201.89	181.49	383.38	
		7,402.27	1,726.86	9,129.13	
LIABILITIES AND EQUITY					
LIABILITIES					
Financial liabilities					
Trade payables		-	-	-	
Total outstanding dues of micro enterprises and small enterprises		-	-	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.70	-	0.70	
Other financial liabilities		24.96	-	24.96	
		25.66	-	25.66	
Non-financial liabilities					
Current tax liabilities (net)		12.78	-	12.78	
Deferred tax liabilities (net)	2	6.39	(6.39)	-	
Provisions		3.06	-	3.06	
Other non-financial liabilities		18.15	-	18.15	
		40.38	(6.39)	33.99	
EQUITY					
Equity share capital		111.29	-	111.29	
Other equity	3, 4	7,224.94	1,733.25	8,958.19	
		7,336.23	1,733.25	9,069.48	
Total		7,402.27	1,726.86	9,129.13	

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)**2B First-time adoption of Ind AS** (Contd.)**Reconciliation of equity as at 31 March 2018**

(₹ In Crore)

Particulars	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		75.06	-	75.06
Bank balance other than cash and cash equivalents		6.08	-	6.08
Investment in subsidiary, associates and joint venture		1,075.39	-	1,075.39
Other investments	1, 3, 4	6,667.42	1,853.79	8,521.21
Other financial assets		169.14	-	169.14
		7,993.09	1,853.79	9,846.88
Non-financial assets				
Current tax assets (net)		34.66	-	34.66
Deferred tax assets (net)	2, 3, 4	-	188.49	188.49
Investment property	1	-	191.13	191.13
Property, plant and equipment		6.36	-	6.36
Lease adjustment account – plant and machinery		17.50	-	17.50
Other non-financial assets	2	238.12	(233.80)	4.32
		296.64	145.82	442.46
		8,289.73	1,999.61	10,289.34
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.48	-	0.48
Other financial liabilities		31.23	-	31.23
		31.71	-	31.71
Non-financial liabilities				
Current tax liabilities (net)		12.78	-	12.78
Deferred tax liabilities (net)	2	5.69	(5.69)	-
Provisions		4.37	-	4.37
Other non-financial liabilities		18.74	-	18.74
		41.58	(5.69)	35.89
EQUITY				
Equity share capital		111.29	-	111.29
Other equity	3, 4	8,105.15	2,005.30	10,110.45
		8,216.44	2,005.30	10,221.74
Total		8,289.73	1,999.61	10,289.34

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2B First-time adoption of Ind AS (Contd.)

Reconciliation of total comprehensive income for the year ended 31 March 2018

(₹ In Crore)

Particulars	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
Revenue from operations				
Interest income		314.11	-	314.11
Dividend income		570.57	-	570.57
Rental income		17.76	-	17.76
Net gain on fair value changes	3, 4	563.17	(520.59)	42.58
Other investment income		4.07	-	4.07
Total revenue from operations		1,469.68	(520.59)	949.09
Other income		4.74	-	4.74
Total income		1,474.42	(520.59)	953.83
Expenses				
Employee benefits expenses	5	24.18	(0.40)	23.78
Depreciation, amortisation and impairment		5.23	-	5.23
Other expenses		40.71	-	40.71
Total expenses		70.12	(0.40)	69.72
Profit before tax		1,404.30	(520.19)	884.11
Tax expense				
Current tax		183.00	-	183.00
MAT credit entitlement		(58.05)	-	(58.05)
Deferred tax	3, 4	(0.70)	(6.57)	(7.27)
MAT credit entitlement, earlier provided, now reversed		(33.50)	-	(33.50)
Total tax expense		90.75	(6.57)	84.18
Profit for the year		1,313.55	(513.62)	799.93
Other comprehensive income for the year (net of tax)	6	-	785.67	785.67
Total comprehensive income for the year		1,313.55	272.05	1,585.60

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2B First-time adoption of Ind AS (Contd.)

Reconciliation of total equity as at 31 March 2018 and 1 April 2017

All figures are net of related tax impacts.

(₹ In Crore)

Particulars	Notes to first-time adoption	31 March 2018	1 April 2017
Total equity (shareholder's funds) as reported under previous GAAP		8,216.44	7,336.23
Ind-AS adjustments increasing/(decreasing) equity as reported under previous GAAP			
Fair valuation of equity investments	3	2,005.27	1,720.54
Fair valuation of investments in mutual funds	4	0.03	12.71
Total adjustments		2,005.30	1,733.25
Total equity as per Ind AS		10,221.74	9,069.48

Reconciliation of total comprehensive income for the year ended 31 March 2018

All figures are net of related tax impacts.

(₹ In Crore)

Particulars	Notes to first-time adoption	31 March 2018
Net profit after tax as reported under previous GAAP		1,313.55
Ind-AS adjustments increasing/(decreasing) net profit as reported under previous GAAP		
Realised gain on equity instruments	3	(501.20)
Fair valuation of investments in mutual funds	4	(12.68)
Actuarial gain/loss on valuation of gratuity	5	0.26
Total adjustments		(513.62)
Net profit after tax as per Ind AS		799.93
Other comprehensive income, net of tax	6	785.67
Total comprehensive income as per Ind AS		1,585.60

Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2018

There are no material adjustment of transition to the Statement of Cash flows to conform to Ind AS presentation for the year ended 31 March 2018.

C. Notes to first-time adoption

Note 1: Investment property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the Balance Sheet. There is no impact on the total equity or profit as a result of this adjustment.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2B First-time adoption of Ind AS (Contd.)

Note 2: Deferred tax

Under the previous GAAP, MAT credit entitlement was presented as part of long-term loans and advances. Under Ind AS, MAT credit entitlement is required to be presented as part of Deferred tax assets. There is no impact on the total equity or profit as a result of this adjustment.

Note 3: Fair value through other comprehensive income (FVTOCI) financial assets

Under the previous GAAP, the Company accounted for investments in unquoted and quoted equity shares, alternative investment funds as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and previous GAAP carrying amount has been recognised as a separate component of equity in the FVTOCI reserve, net of related deferred taxes.

Note 4: Fair valuation of investments (mutual funds)

Under the previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2018.

Note 5: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity.

Note 6: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

2C Summary of significant accounting policies followed by the Company

1. Use of estimates

Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

2. Revenue recognition

A. Income

The Company recognises income (including rent, etc.) on accrual basis to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. However, where the ultimate collection of revenue lacks reasonable certainty, revenue recognition is postponed.

1. Interest income

Interest income from debt instruments is recognised using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2C Summary of significant accounting policies followed by the Company (Contd.)

of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, if any, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the Balance Sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of Profit and Loss.

2. Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

3. Other income

The Company recognises other income on accrual basis as it becomes due.

3. Property, plant and equipment and depreciation/amortisation

A. Property, plant and equipment

- i) Property, plant and equipment, capital work in progress except land are carried at cost of acquisition or construction as the case may be, less accumulated depreciation and amortisation. Land is carried at cost of acquisition. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by the Management. Changes in the expected useful life, if any, are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.
- ii) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

B. Transition to Ind AS

On Transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2017 measured as per previous GAAP which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, plant and equipment.

C. Depreciation and amortisation

a. Leasehold land

Premium on leasehold land is amortised over the period of lease.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)
2C Summary of significant accounting policies followed by the Company (Contd.)

b. On other tangible assets

- i. a. Depreciation is provided on the straight line method over the useful lives of the assets.
 - b. Where a significant component (in terms of cost) of an asset has an economic useful life shorter than that of its corresponding asset, the component is depreciated over such shorter life.
 - c. Useful life of assets are determined by the Management by internal technical assessments.
- ii. Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The estimated useful lives are, as follows
 - Buildings – 25 to 40 years
 - Computers – 3 years
 - Others – furniture, electric fittings and office equipment – 2 to 10 years
- iii. Assets which are depreciated over useful life/residual value different than those indicated by Schedule II to the Companies Act, 2013 are as under

Assets given on lease in relation to investment property	as per schedule II	useful life
Building (interior)	60 years	5 years
Computers	6 years	5 years
Furniture	10 years	5 years
Electric fittings	10 years	5 years

Assets given on lease in relation to investment property having nil residual value

Computers
Furniture
Office equipment
Electric fittings

- iv. Depreciation on additions is being provided on pro rata basis from the month of such additions.
- v. Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished.
- vi. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

D. Impairment of property, plant and equipment

An assessment is done at each balance sheet date as to whether there are any indications that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/Cash Generating Unit (CGU) is made. Where the carrying value of the asset/CGU exceeds the recoverable amount, the carrying value is written down to the recoverable amount.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2C Summary of significant accounting policies followed by the Company (Contd.)

4. Investment property

Land and buildings which are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are expensed when incurred. Depreciation on investment property is provided on a pro rata basis on straight line method over the estimated useful lives. Useful life of assets, as assessed by the Management, corresponds to those prescribed by Schedule II- Part 'C'.

Transition to Ind AS

On Transition to Ind AS, the Company has elected to continue with the carrying value of investment property recognised as at 1 April 2017 which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 40 Investment Properties.

5. Investments and financial assets

A. Investment in subsidiary, associates and joint venture

Interest in subsidiary, associates and a joint venture are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

B. Other investments and financial assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (FVTOCI), or through profit or loss(FVTPL)), and
- those measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets classified as 'measured at fair value', gains and losses will either be recorded in profit or loss or other comprehensive income, as elected. For assets classified as 'measured at amortised cost', this will depend on the business model and contractual terms of the cash flows.

ii. Measurement

Initial Measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value including, in the case of 'a financial asset not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through profit or loss' are expensed in profit or loss.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2C Summary of significant accounting policies followed by the Company (Contd.)

Subsequent Measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are three measurement categories into which the Company classifies its financial instruments:

Subsequently measured at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. Debentures, Bonds etc. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Subsequently measured at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

Equity instruments subsequently measured at fair value through other comprehensive income

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's Management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis

Gains and losses on these equity instruments are never recycled to Statement of Profit and Loss. Dividends are recognised in Statement of Profit and Loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)
2C Summary of significant accounting policies followed by the Company (Contd.)

business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test (Solely Payments of Principal and Interest)

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial assets at initial recognition and may change over the life of the financial asset.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

Since the Company makes investments in highly rated fixed income securities, which are categorised as 'subsequently measured at amortised cost', the risk parameters such as tenor, the probability of default corresponding to the credit rating by rating agency (viz. CRISIL, ICRA), for each of these instruments is considered in estimating the probable credit loss over life time of such securities.

ECL impairment loss allowance (or reversal) is recognised during the period only if material and is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

Financial assets measured at amortised cost and revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

iv. Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2018-19 and 2017-18.

v. Derecognition of financial assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)
2C Summary of significant accounting policies followed by the Company (Contd.)

6. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

7. Employee benefits

a. Compensated absences and long-term incentive plan

Compensated absences entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment the liability is recognised on the basis of an independent actuarial valuation.

The Company's liability towards long-term incentive plan, being a defined benefit plan, is accounted for on the basis of an independent actuarial valuation.

They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

b. Gratuity

Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully covers the same under Cash Accumulation Policy and Debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficit in plan assets managed by LIC and BALIC as compared to the liability on the basis of an independent actuarial valuation is recognised as a liability.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Other Comprehensive Income.

c. Defined contribution plans

The Company operates three defined contribution plans for its employees:

- Contribution to superannuation fund as per the scheme of the Company
- Contribution to provident fund is made to Government Provident Fund Authority
- Contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority

The Company recognises contribution payable to these fund/schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2C Summary of significant accounting policies followed by the Company (Contd.)

8. Taxation

- a. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- b. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- c. Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax and thereby utilising MAT credit during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and utilised. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.
- d. Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- e. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.
- f. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- g. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- h. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

9. Goods and service tax/value added taxes paid on acquisition of assets or on incurring expenses.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2C Summary of significant accounting policies followed by the Company (Contd.)

10. Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

11. Operating leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

As a lessor

The Company has leased out certain assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

12. Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

13. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period.

The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

14. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker. The Core Management Committee examines performance both from product and a geographical perspective.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2C Summary of significant accounting policies followed by the Company (Contd.)

15. Foreign currency translation

Functional and presentational currency

The standalone financial statements are presented in INR which is also functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non-trading activities are taken to other income/expense in the Statement of Profit and Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

16. Dividends on equity shares

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

17. Fair value measurement

The Company measures financial instruments, such as, investment in mutual funds at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2C Summary of significant accounting policies followed by the Company (Contd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company has set policies and procedures for both recurring and non-recurring fair value measurement of financial assets, which includes valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3 Cash and cash equivalents

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Balances with banks	3.30	1.09	0.91
Cash equivalents			
Certificate of Deposits with maturity of less than three months from date of acquisition	-	24.73	-
Commercial Paper with maturity of less than three months from date of acquisition	-	49.24	
	3.30	75.06	0.91

4 Bank balances other than cash and cash equivalents

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Unclaimed dividend accounts	6.71	6.08	4.92
	6.71	6.08	4.92

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

5A Investment in subsidiary, associates and joint venture

Particulars	(₹ In Crore)
	At Cost
As at 31 March 2019	
Equity instruments	
subsidiaries	0.25
associates	2,673.61
joint venture	0.24
Total	2,674.10
As at 31 March 2018	
Equity instruments	
subsidiaries	0.25
associates	1,074.90
joint venture	0.24
Total	1,075.39
As at 1 April 2017	
Equity instruments	
subsidiaries	0.25
associates	1,074.90
joint venture	0.24
Total	1,075.39

5B Other investments

Particulars	At amortised cost	At fair value	(₹ In Crore)	
		through other comprehensive income	designated at fair value through profit and loss	Total
As at 31 March 2019				
Government debt securities	363.87	-	-	363.87
Debt securities	2,832.88	-	-	2,832.88
Commercial paper	-	-	-	-
Mutual funds	-	-	6.51	6.51
Preference share	0.20	-	-	0.20
Equity instruments	-	4,304.71	-	4,304.71
Real estate funds	-	15.81	-	15.81
Alternative investment funds	-	96.78	-	96.78
Total - gross	3,196.95	4,417.30	6.51	7,620.76
Less: Impairment loss allowance	-	-	-	-
Total - Net	3,196.95	4,417.30	6.51	7,620.76

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

5B Other investments (Contd.)

(₹ In Crore)

Particulars	At fair value			Total
	At amortised cost	through other comprehensive income	designated at fair value through profit and loss	
As at 31 March 2018				
Government debt securities	366.32	-	-	366.32
Debt securities	4,141.01	-	-	4,141.01
Commercial paper	465.62	-	-	465.62
Mutual funds	-	-	24.15	24.15
Certificate of deposit	-	-	-	-
Preference share	0.20	-	-	0.20
Equity instruments	-	3,465.32	-	3,465.32
Real estate funds	-	8.74	-	8.74
Alternative investment funds	-	49.85	-	49.85
Total - gross	4,973.15	3,523.91	24.15	8,521.21
Less: Impairment loss allowance	-	-	-	-
Total - Net	4,973.15	3,523.91	24.15	8,521.21
As at 1 April 2017				
Government debt securities	129.68	-	-	129.68
Debt securities	2,616.53	-	-	2,616.53
Commercial paper	143.11	-	-	143.11
Mutual funds	-	-	1,402.75	1,402.75
Preference shares	0.20	-	-	0.20
Equity instruments	-	3,223.44	-	3,223.44
Real estate funds	-	14.02	-	14.02
Alternative investment funds	-	30.73	-	30.73
Total - gross	2,889.52	3,268.19	1,402.75	7,560.46
Less: Impairment loss allowance	-	-	-	-
Total - Net	2,889.52	3,268.19	1,402.75	7,560.46

All investments in 5A and 5B above are within India. Refer note 31.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

6 Other financial assets

(Unsecured, considered good, unless stated otherwise)

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Interest receivable on investments, considered good	112.41	167.58	95.55
Interest receivable on investments, doubtful	1.18	1.18	1.18
Less: Impairment loss allowance	1.18	1.18	1.18
Dividend receivable	-	-	7.27
Security deposits	14.28	1.54	1.25
Others	0.05	0.02	-
	126.74	169.14	104.07

7 Deferred tax assets (net)

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Deferred tax liabilities			
On account of timing difference in Property, plant and equipment	1.42	7.54	7.48
Financial instruments			
Amortisation of discount on acquisition of fixed income securities	1.96	3.85	2.15
Movement in fair value of financial assets designated at FVTPL	0.02	0.02	6.73
Movement in fair value of financial assets designated at FVTOCI	65.54	39.60	1.59
	67.52	43.47	10.47
Gross deferred tax liabilities	68.94	51.01	17.95
Deferred tax assets			
On account of timing difference in retiral and other employee benefits			
Provision for compensated absences	0.31	0.20	0.15
Defined benefit plan provisions – P&L	0.10	0.41	0.46
Defined benefit plan provisions – OCI	0.30	0.14	-
	0.71	0.75	0.61
Financial instruments			
Amortisation of premium/discount on acquisition of fixed income securities	1.03	0.46	0.08
Impairment allowance for financial asset	2.53	2.53	2.51
	3.56	2.99	2.59
Long-term capital loss	2.05	1.93	-
Other temporary differences	0.03	0.03	0.04
	2.08	1.96	0.04
MAT credit entitlement	201.98	233.80	175.75
Less: Impairment loss allowance for possible unutilisation	-	-	(33.50)
Gross deferred tax assets	208.33	239.50	145.49
	139.39	188.49	127.54

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

7 Deferred tax assets (net) (Contd.)

Movement in deferred tax assets

(₹ In Crore)

Particulars	Property, plant and equipment	Financial instruments	Retiral and other employee benefits	MAT credit entitlement and others	Total
At 1 April 2017	(7.48)	(7.88)	0.61	142.29	127.54
(Charged)/credited					
To profit and loss	(0.06)	5.41	-	93.47	98.82
To other comprehensive income	-	(38.01)	0.14	-	(37.87)
At 31 March 2018	(7.54)	(40.48)	0.75	235.76	188.49
(Charged)/credited					
To profit and loss	6.12	2.46	(0.20)	(31.70)	(23.32)
To other comprehensive income	-	(25.94)	0.16	-	(25.78)
At 31 March 2019	(1.42)	(63.96)	0.71	204.06	139.39

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

8 Investment property

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Gross carrying amount			
Opening balance	218.48	218.48	218.48
Additions	-	-	-
Closing balance	218.48	218.48	218.48
Accumulated depreciation			
Opening balance	27.35	22.28	17.19
Depreciation charge	3.94	5.07	5.09
Closing balance	31.29	27.35	22.28
Net carrying amount	187.19	191.13	196.20

Note: Investment property has been carried at the cost less accumulated depreciation as at 1 April 2017, as the cost and depreciation determined under the previous GAAP. Refer note 2C.4)

i) Amounts recognised in profit or loss for investment properties

Particulars	For the year ended 31 March	
	2019	2018
Rental income	18.10	17.76
Direct operating expenses from property that generated rental income	(3.03)	(2.15)
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	15.07	15.61
Depreciation	(3.94)	(5.07)
Profit from investment property	11.13	10.54

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property.

iii) Leasing arrangements

Certain investment properties are leased out to tenants under operating leases. Disclosure on future rent receivable is included in Note 29.

iv) Fair value

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Investment property	281.07	273.41	265.55

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Investment properties leased out by the Company are cancellable leases. The market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a level 2 valuation.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

9 Property, plant and equipment

Current year

Particulars	Gross block (a) (c)				Accumulated depreciation			Net block	
	As at 1 April 2018	Additions		As at 31 March 2019	As at 1 April 2018	Deductions/ adjustments		As at 31 March 2019	As at 31 March 2019
		Deductions/ adjustments	For the year (c)						
Land freehold (d) (f)	-	-	-	-	-	-	-	-	-
Land leasehold (f)	1.16	-	0.02 (e)	1.14	-	-	-	-	1.14
Buildings (b)	8.18	-	-	8.18	2.98	-	0.14	3.12	5.06
Computers	-	0.04	-	0.04	-	-	-	-	0.04
Vehicles	-	-	-	-	-	-	-	-	-
Leased assets	-	-	-	-	-	-	-	-	-
Plant and machinery	87.50	-	87.50	-	87.50	87.50	-	-	-
Total	96.84	0.04	87.52	9.36	90.48	87.50	0.14	3.12	6.24

(a) At cost, except leasehold land which is at cost,less amounts written off.

(b) i Includes premises on ownership basis in Co-operative Society ₹ 7.34 crore and cost of shares therein ₹ 1,000.

ii Excludes premises held as investment properties and given on lease disclosed as an investment. Cost of investment property includes premises on ownership basis ₹ 5.61 crore represented by 1,770 equity shares and 182 debentures of the face value of ₹ 17,700 and ₹ 18,900,000 respectively. Correspondingly depreciation for the year on investment property amounting to ₹ 3.94 crore (previous year ₹ 5.07 crore) has been reduced from the said Investments under note 8.

(c) Refer note 2C clause 3) of summary of significant accounting policies.

(d) Includes land at cost of ₹ 47,782.

(e) Represents amount amortised over lease period.

(f) Titles/rights pending transfer in the name of the Company post change in the name of the Company consequent to demerger of erstwhile Bajaj Auto Ltd. (now, Bajaj Holdings & Investment Ltd.).

Previous year

Particulars	Gross block (a) (c)				Accumulated depreciation			Net block	
	As at 1 April 2017	Additions		As at 31 March 2018	As at 1 April 2017	Deductions/ adjustments		As at 31 March 2018	As at 31 March 2018
		Deductions/ adjustments	For the year (c)						
Land freehold (d) (f)	-	-	-	-	-	-	-	-	-
Land leasehold (f)	1.18	-	0.02 (e)	1.16	-	-	-	-	1.16
Buildings (b)	8.18	-	-	8.18	2.84	-	0.14	2.98	5.20
Vehicles	-	-	-	-	-	-	-	-	-
Leased assets	-	-	-	-	-	-	-	-	-
Plant and machinery	87.50	-	-	87.50	87.50	-	-	87.50	-
Total	96.86	-	0.02	96.84	90.34	-	0.14	90.48	6.36

(a) At cost, except leasehold land which is at cost,less amounts written off.

(b) i Includes premises on ownership basis in Co-operative Society ₹ 7.34 crore and cost of shares therein ₹ 1,000.

ii Excludes premises held as investment properties and given on lease disclosed as an investment. Cost of investment property includes premises on ownership basis ₹ 5.61 crore represented by 1,770 equity shares and 182 debentures of the face value of ₹ 17,700 and ₹ 18,900,000 respectively. Correspondingly depreciation for the year on investment property amounting to ₹ 5.07 crore (previous year ₹ 5.09 crore) has been reduced from the said Investments under note 8.

(c) Refer note 2C clause 3) of summary of significant accounting policies.

(d) Includes land at cost of ₹ 47,782.

(e) Represents amount amortised over lease period.

(f) Titles/rights pending transfer in the name of the Company post change in the name of the Company consequent to demerger of erstwhile Bajaj Auto Ltd. (now, Bajaj Holdings & Investment Ltd.).

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

10 Other non-financial assets

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Income tax refund receivable	3.81	3.81	3.81
Amount remitted against purchase of shares *	222.48	-	-
Pre-paid expenses	19.56	-	-
Others	0.56	0.51	0.54
	246.41	4.32	4.35

* represents cheques issued to WMDC (Western Maharashtra Development Corporation), co-promoter in the Company's joint venture in MSL (Maharashtra Scooters Ltd.). WMDC had filed SLP in the matter of 27% stake sale in MSL to the Company. The Hon'ble Supreme Court (SC) dismissed WMDC's SLP on 9 January 2019. The Hon'ble SC ordered that the Company shall pay ₹ 232 per share along with interest at the rate of 18% p.a. from the date of Arbitral Award (14 January 2006) and that as soon as payment is made by the Company, shares in question shall be transferred to the Company. Accordingly, on 14 January 2019 the Company has tendered an amount of ₹ 71.59 crore towards purchase price and ₹ 150.89 crore towards interest, aggregating to ₹ 222.48 crore to WMDC. These cheques have remained uncashed as on 31 March 2019 and have turned stale subsequent to year end on 14 April 2019. The Company has issued fresh cheques on 12 April 2019. The transfer of 3,085,712 shares of MSL is awaited.

11 Other financial liabilities

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Unclaimed dividend	6.71	6.08	4.92
Directors' remuneration and commission payable	14.53	12.66	9.98
Employee benefits payable	2.40	1.85	1.48
Security deposits	10.88	10.64	8.58
	34.52	31.23	24.96

12 Provisions

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Provision for employee benefits [See note 27]			
Provision for gratuity	1.12	1.56	1.34
Provision for compensated absences	0.76	0.56	0.47
Provision for long-term incentive plan	3.64	2.25	1.25
	5.52	4.37	3.06

13 Other non-financial liabilities

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Lease security deposit	-	17.50	17.50
Taxes and duties payable	1.88	1.03	0.46
Other payables	0.27	0.21	0.19
	2.15	18.74	18.15

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

14 Equity share capital

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Authorised			
150,000,000 equity shares of ₹ 5 each	150.00	150.00	150.00
Issued, subscribed and fully paid-up shares			
111,293,510 equity shares of ₹ 10 each	111.29	111.29	111.29
	111.29	111.29	111.29

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Nos.	₹ In Crore	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares						
At the beginning of the year	111,293,510	111.29	111,293,510	111.29	111,293,510	111.29
Equity shares issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	111,293,510	111.29	111,293,510	111.29	111,293,510	111.29

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The interim dividend declared by the Board of Directors and the final dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Nos.	% Holding	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid						
Jamnalal Sons Pvt. Ltd.	19,517,715	17.54%	18,943,660	17.02%	18,527,504	16.65%
Jaya Hind Industries Ltd. (formerly known as Jaya Hind Investments Pvt. Ltd.)	5,905,401	5.31%	5,805,256	5.22%	5,805,256	5.22%

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

15 Other equity

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
a. Reserves and surplus			
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934			
Balance as at the beginning of the year	1,584.33	1,321.62	
Add: Transferred from surplus in Statement of Profit and Loss	157.64	262.71	
Balance as at the end of the year	1,741.97	1,584.33	1,321.62
Securities premium account			
	444.42	444.42	444.42
General reserve			
Balance as at the beginning of the year	3,706.96	3,706.96	
Add: Transferred from surplus in Statement of Profit and Loss	-	-	
Balance as at the end of the year	3,706.96	3,706.96	3,706.96
Retained earnings			
Balance as at the beginning of the year	2,356.76	1,751.94	
Profit for the year	788.19	799.93	
Items of other comprehensive income recognised directly in retained earnings			
Actuarial gains/losses of defined benefit plans	(0.29)	(0.26)	
Reclassification of gain on sale of FVTOCI equity instruments	92.50	501.20	
Less: Appropriations			
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	157.64	262.71	
Transfer to General reserve	-	-	
Final dividend, declared and paid during the year	445.17	361.70	
Tax on final dividend	91.33	71.64	
Total appropriations	694.14	696.05	
Balance as at the end of the year	2,543.02	2,356.76	1,751.94
Other reserves			
Equity instruments through other comprehensive income			
Balance as at the beginning of the year	2,017.98	1,733.25	
Add: Net gain on equity instruments designated at FVTOCI for the year (net of tax impacts)	516.28	785.93	
Less: Reclassification of gain on sale of FVTOCI equity instruments	92.50	501.20	
	2,441.76	2,017.98	1,733.25
	10,878.13	10,110.45	8,958.19

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

15 Other equity (Contd.)

b. Nature and purpose of reserve

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

FVTOCI equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

General reserve

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

16 Interest income

Particulars	(₹ In Crore)	
	For the year ended 31 March 2019	2018
Interest income on		
Investments (at amortised cost)	360.19	314.11
Others	0.79	-
	360.98	314.11

17 Net gain on fair value changes

Particulars	(₹ In Crore)	
	For the year ended 31 March 2019	2018
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Income from real estate and other funds	2.18	8.08
On financial instruments designated at fair value through profit or loss	8.60	31.24
Others		
Gain/(loss) on sale of debt instrument at amortised cost	(5.08)	3.26
Total net gain on fair value changes	5.70	42.58
Fair value changes		
Realised	5.69	42.54
Unrealised	0.01	0.04
	5.70	42.58

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

18 Other investment income

Particulars	For the year ended 31 March	
	2019	2018
Provision for diminution in value of investments written back	-	4.07
	-	4.07

19 Other income

Particulars	For the year ended 31 March	
	2019	2018
Provision no longer required	0.02	0.04
Miscellaneous receipts	4.62	4.70
	4.64	4.74

20 Employee benefits expenses

Particulars	For the year ended 31 March	
	2019	2018
Salaries, wages and bonus to employees	25.99	21.91
Contribution to provident and other funds	2.06	1.78
Staff welfare expenses	0.08	0.09
	28.13	23.78

21 Depreciation, amortisation and impairment

Particulars	For the year ended 31 March	
	2019	2018
Depreciation on property, plant and equipment	0.14	0.14
Depreciation on investment property	3.94	5.07
Amount written off against leasehold land	0.02	0.02
	4.10	5.23

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

22 Other expenses

Particulars	For the year ended 31 March	
	2019	2018
Repairs to buildings	1.69	1.45
Rental charges payable under operating leases	1.06	0.04
Rates and taxes	2.39	2.03
Insurance	0.54	0.06
Payment to auditor	0.14	0.14
Directors' fees and travelling expenses	2.50	0.62
Exchange loss*	11.15	-
Commission to non-executive directors	1.66	1.09
Business support service expenses	12.91	16.15
Expenditure towards Corporate Social Responsibility (CSR) activities	11.88	9.15
Legal and professional charges	1.81	1.80
Miscellaneous expenses	8.67	8.18
	56.40	40.71

* pertains to foreign exchange loss on payment from lessor against assignment of aircraft purchase agreement

Payment to auditor

As auditor

Audit fee	0.08	0.07
Tax audit fee	0.02	0.02
Limited review	0.02	0.02
Other services (certification fees and other matters)	0.01	0.01
Reimbursement of expenses [₹ 20,478 (Previous year ₹ 46,279)]		
GST/Service tax, on above	0.01	0.02
	0.14	0.14

Expenditure towards Corporate Social Responsibility (CSR) activities

Gross amount required to be spent by the Company during the year	11.82	9.13
Amount spent in cash during the year on		
Construction/acquisition of any asset	-	-
On purpose other than (i) above	11.88	9.15
	11.88	9.15

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

23 Tax expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	2019
(a) Tax expense		
Current tax		
Current tax on profits for the year	129.95	183.00
Less: MAT credit entitlement	-	(58.05)
Total current tax expense	129.95	124.95
Deferred tax		
Decrease/(increase) in deferred tax assets	(0.49)	(2.32)
(Decrease)/increase in deferred tax liabilities	(8.01)	(4.95)
Total deferred tax expenses/(benefit)	(8.50)	(7.27)
MAT credit entitlement, earlier provided, now reversed	-	(33.50)
Tax expense	121.45	84.18
(b) Reconciliation of tax expenses and the accounting profit multiplied by Statutory tax rate		
Profit before tax	909.64	884.11
Tax at the Indian tax rate of 34.944% (Previous year – 34.608%)	317.86	305.97
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure	2.08	1.59
Disallowance under section 14A	10.36	9.41
Others	3.91	0.33
Tax effect of amounts which are deductible (non taxable) in calculating taxable income		
Dividend income	(212.76)	(197.46)
Others	-	(2.16)
MAT credit entitlement, earlier provided, now reversed	-	(33.50)
Tax expense	121.45	84.18

24 Earnings per share (EPS)

Particulars	For the year ended 31 March	
	2019	2018
Profit for the year (₹ In Crore)		
Profit for the year (₹ In Crore)	788.19	799.93
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	70.8	71.9
Face value per share ₹	10.0	10.0

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

25 Contingent liabilities

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Claims against the Company not acknowledged as debts	0.05	0.05	0.04
Income-tax matters under dispute			
Appeal by Company	4.00	4.00	4.00
Appeal by the Department	391.75	391.75	391.75
Service tax matters under dispute	24.70	28.43	2.34

In all the cases mentioned above, outflow is not probable and hence not provided by the Company.

26 Capital and other commitments

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Capital commitments, net of capital advances	-	0.43	-

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

27 Employee benefits plan

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19 the details of which are as hereunder.

Funded schemes

The Company provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Company is greater of the provisions of the Payment of Gratuity Act, 1972 and the Company's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Company makes contributions to approved gratuity fund.

Particulars	(₹ In Crore)		
	As at		
	31 March 2019	31 March 2018	1 April 2017
Amount recognised in Balance Sheet			
Present value of funded defined benefit obligation	5.06	3.81	2.77
Fair value of plan assets	3.94	2.25	1.43
Net funded obligation	1.12	1.56	1.34
Expense recognised in the Statement of Profit and Loss			
Current service cost	0.57	0.47	-
Interest on net defined benefit liability/(asset)	0.09	0.09	-
Total expense charged to Statement of Profit and Loss	0.66	0.56	-
Amount recorded as Other Comprehensive Income			
Opening amount recognised in OCI outside Statement of Profit and Loss	0.40	-	-
Remeasurements during the period due to			
Changes in financial assumptions	0.03	(0.20)	-
Changes in demographic assumptions	0.01	-	-
Experience adjustments	0.38	0.56	-
Actual return on plan assets less interest on plan assets	0.03	0.04	-
Closing amount recognised in OCI outside Statement of Profit and Loss	0.85	0.40	-
Reconciliation of net liability/(asset)			
Opening net defined benefit liability/(asset)	1.56	1.34	-
Expense charged to statement of profit and loss	0.66	0.56	-
Amount recognised outside statement of profit and loss	0.45	0.40	-
Employer contributions	(1.55)	(0.74)	-
Closing net defined benefit liability/(asset)	1.12	1.56	1.34

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

27 Employee benefits plan (Contd.)

Funded schemes (Contd.)

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Movement in benefit obligation			
Opening of defined benefit obligation	3.81	2.77	-
Current service cost	0.57	0.47	-
Interest on defined benefit obligation	0.29	0.21	-
Remeasurements due to			
Actuarial loss/(gain) arising from change in financial assumptions	0.03	(0.20)	-
Actuarial loss/(gain) arising from change in demographic assumptions	0.01	-	-
Actuarial loss/(gain) arising on account of experience changes	0.38	0.56	-
Benefits paid	(0.03)	-	-
Closing of defined benefit obligation	5.06	3.81	2.77
Movement in plan assets			
Opening fair value of plan assets	2.25	1.43	-
Employer contributions	1.55	0.74	-
Interest on plan assets	0.20	0.12	-
Administration expenses	-	-	-
Remeasurements due to			
Actual return on plan assets less interest on plan assets	(0.03)	(0.04)	-
Benefits paid	(0.03)	-	-
Assets acquired/(settled)*	-	-	-
Assets distributed on settlements	-	-	-
Closing fair value of plan assets	3.94	2.25	1.43
Disaggregation of assets			
Category of assets			
Insurer managed funds	3.94	2.25	-
Others	-	-	-
Grand Total	3.94	2.25	-

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

27 Employee benefits plan (Contd.)

Funded schemes (Contd.)

Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	As at 31 March 2019		As at 31 March 2018	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Senior staff				
Impact of increase in 50 bps on DBO	(5.55%)	5.78%	(5.91%)	6.19%
Impact of decrease in 50 bps on DBO	5.94%	(5.46%)	6.35%	(5.82%)
Junior staff				
Impact of increase in 50 bps on DBO	(8.88%)	9.64%	(9.03%)	9.83%
Impact of decrease in 50 bps on DBO	9.91%	(8.74%)	10.10%	(8.90%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Funding arrangement and policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to insurance companies. The insurance companies in turn manage these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to the plan next year is ₹ 0.79 crore.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

27 Employee benefits plan (Contd.)

Funded schemes (Contd.)

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
31 March 2019					
Senior staff	0.04	0.05	0.18	12.41	12.68
Junior staff	-	-	0.01	0.86	0.87
31 March 2018					
Senior staff	0.03	0.03	0.14	10.09	10.29
Junior staff	-	-	0.01	0.60	0.61

Particulars	As at 31 March	
	2019	2018
Weighted average duration of defined benefit obligation (in years)		
Senior staff	11.48	12.25
Junior staff	18.75	19.09

Principal Actuarial Assumptions (Expressed as Weighted Averages)

Particulars	As at 31 March	
	2019	2018
Discount rate (p.a.)	7.70%	7.75%
Salary escalation rate (p.a.) - senior staff	10.00%	10.00%
Salary escalation rate (p.a.) - junior staff	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

27 Employee benefits plan (Contd.)**Unfunded schemes**

Particulars	As at 31 March 2019		As at 31 March 2018	
	Compensated Absences	Long-term incentive plan	Compensated Absences	Long-term incentive plan
Present value of unfunded obligations	0.76	3.64	0.56	2.25
Expense recognised in the Statement of Profit and Loss	0.57	1.39	0.37	0.99
Amount recorded as Other Comprehensive Income	-	-	-	-
Discount rate (p.a.)	7.70%	7.70%	7.75%	7.75%
Salary escalation rate (p.a.) - senior staff	10.00%	N.A	10.00%	N.A.
Salary escalation rate (p.a.) - junior staff	10.00%	N.A	10.00%	N.A.

Amount recognised in the Statement of Profit and Loss

(₹ In Crore)

Particulars	As at 31 March	
	2019	2018
Defined contribution plans		
Provident fund paid to Government authorities	0.74	0.62
Superannuation paid to trust	0.64	0.58
Pension fund paid to Government authorities	0.01	0.01
Others	-	-
Defined Benefit Plans		
Gratuity	0.66	0.56
Others	0.01	0.01
Total	2.06	1.78

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

28 Segment information

The Company's business activity, including its subsidiary, associates and joint venture, falls within a single business segment i.e. investment and therefore, segment reporting in terms of Ind AS 108 on Segment Reporting is not applicable.

29 Lease

As a Lessor

The Company has given premises on operating leases. These lease arrangements range for a period between one to five years and include both cancellable and non cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
i) Premise			
Gross carrying amount	218.48	218.48	218.48
Depreciation for the year	3.94	5.07	5.09
Accumulated depreciation	31.29	27.35	22.28
ii) The total future minimum lease rentals receivable at the balance sheet date is as under:			
Receivable			
Within one year	17.90	10.10	16.68
After one year but not more than five years	64.85	10.91	8.40
More than five years	-	-	-
	82.75	21.01	25.08

As a Lessee

The Company has taken an aircraft on operating lease. This lease arrangement is for a period of seven years and is a cancellable lease. This lease agreement is renewable for further period on mutually agreeable terms and also includes escalation clause.

The total future minimum lease rentals payable at the Balance Sheet date is as under

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Payable			
Within one year	28.02	-	-
After one year but not more than five years	112.09	-	-
More than five years	56.05	-	-
	196.16	-	-

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

30 Disclosure of transactions with related parties as required by Ind AS 24

Name of the related party and nature of relationship	Nature of transaction	2018-19		2017-18	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A. Subsidiaries:					
Bajaj Auto Holdings Ltd. (Fully owned subsidiary)	Contribution to equity (24,500 shares of ₹ 100 each)	-	0.25	-	0.25
	Dividend received	0.86	-	9.80	-
B. Associates, joint ventures and investing parties:					
Maharashtra Scooters Ltd. (A Joint venture - 24% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity (2,742,848 shares of ₹ 10 each)	-	0.24	-	0.24
	Dividend received	9.05	-	8.23	-
	Shares of BHIL held by MSL (3,387,036 shares of ₹ 10 each)	-	3.39	-	3.39
	Dividend paid	13.55	-	11.01	-
Bajaj Auto Ltd. (An associate - 33.43% shares held by Bajaj Holdings & Investment Ltd. (Previous year 31.54%)	Contribution to equity [96,727,050 shares (Previous year 91,280,000) of ₹ 10 each]	-	1,929.79	-	331.08
	Purchase of shares by BAL (2,910,050 shares of ₹ 10 each)	-	(2.91)	-	-
	Dividend received	547.68	-	502.04	-
	Business support services rendered	1.98	-	1.55	-
	Business support services received	12.52	-	15.26	-
Bajaj Finserv Ltd. (An associate - 39.16% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity (62,314,214 shares of ₹ 5 each)	-	743.82	-	743.82
	Dividend received	10.90	-	10.90	-
	Business support services rendered	0.08	-	0.06	-
	Revenue expenses reimbursement paid	0.04	-	-	-
C. Key management personnel and their relatives:					
Rahul Bajaj (Chairman)	Sitting fees	0.04	-	0.05	-
	Commission	0.07	(0.07)	0.09	(0.09)
Madhur Bajaj	Sitting fees	0.03	-	0.03	-
	Commission	0.06	(0.06)	0.06	(0.06)
Rajiv Bajaj	Sitting fees	0.03	-	0.03	-
	Commission	0.06	(0.06)	0.05	(0.05)
Sanjiv Bajaj (Managing Director & CEO) (Also Key management personnel)	Short-term employee benefits (including Commission)	17.62	(12.87)	15.63	(11.45)
	Post-employment benefits	1.52	-	1.35	-
Shekhar Bajaj	Nil				
Niraj Bajaj	Nil				

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

30 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

Name of the related party and nature of relationship	Nature of transaction	2018-19		2017-18	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
D. Other entities/persons:					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	0.43	0.07	0.02	0.02
Bajaj Finance Ltd.	Shares of BHIL held by BFL (75 shares of ₹ 10 each - ₹ 750)	-	-	-	-
	Business support services rendered	2.54	-	2.54	-
	Business support services received	0.34	-	0.31	-
	Dividend paid (Previous year - ₹ 2,438)	-	-	-	-
	Revenue expenses reimbursement received	0.03	-	-	-
	Revenue expenses reimbursement paid	0.01	-	-	-
Bajaj Electricals Ltd.	Contribution to equity (16,697,840 shares of ₹ 2 each)	-	111.77	-	111.77
	Dividend received	5.84	-	4.68	-
Hindustan Housing Co. Ltd.	Shares of BHIL held by Hindustan Housing (15,391 shares of ₹ 10 each)	-	0.02	-	0.02
	Dividend paid	0.06	-	0.05	-
	Maintenance charges paid	1.70	-	1.40	-
	Security deposit paid/(received back)	0.02	0.45	0.29	0.43
Hind Musafir Agency Ltd.	Services received	0.16	(0.02)	0.12	-
Mukand Ltd.	Contribution to equity (8,113,204 shares of ₹ 10 each)	-	32.88	-	32.88
	0.01% 196,169 redeemable preference shares of ₹ 10 each	-	0.20	-	0.20
	Security deposit received/(refunded)	-	(0.25)	-	(0.25)
Mukand Engineers Ltd.	Contribution to equity (54,000 shares of ₹ 10 each)	-	0.10	-	0.10
Hercules Hoists Ltd.	Contribution to equity (6,251,040 shares of ₹ 1 each)	-	12.34	-	12.34
	Dividend received on equity shares	0.78	-	0.63	-
	Shares of BHIL held by Hercules Hoists (286,094 shares of ₹ 10 each)	-	0.29	-	0.29
	Dividend paid	1.14	-	0.93	-
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.64	-	0.57	-
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	0.04	-	-	-
Bajaj Auto Senior staff Group Gratuity Fund	Gratuity contribution	1.52	-	0.75	-
D J Balaji Rao	Sitting fees	0.06	-	0.05	-
	Commission	0.12	(0.12)	0.09	(0.09)
Nanoo Pamnani	Sitting fees	0.08	-	0.06	-
	Commission	1.05	(1.05)	0.52	(0.52)
Manish Kejriwal	Sitting fees	0.05	-	0.05	-
	Commission	0.09	(0.09)	0.09	(0.09)
Late Naresh Chandra	Sitting fees	-	-	0.02	-
	Commission	-	-	0.03	(0.15)
P Murari	Sitting fees	0.02	-	0.01	-
	Commission	0.03	(0.03)	0.02	(0.02)
Naushad Forbes	Sitting fees	0.05	-	0.03	-
	Commission	0.09	(0.09)	0.05	(0.05)
Dr. Gita Piramal	Sitting fees	0.05	-	0.05	-
	Commission	0.09	(0.09)	0.09	(0.09)

Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.

Related parties as defined under para 9 of Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

31 Fair value measurement

i) Financial instruments by category

Particulars	31 March 2019			31 March 2018			1 April 2017		
	FVTPL		Amortised cost	FVTPL		Amortised cost	FVTPL		Amortised cost
	FVTPL	FVTOCI		FVTPL	FVTOCI		FVTPL	FVTOCI	
Financial assets									
Investments									
Government securities, bonds and debentures	-	-	3,196.75	-	-	4,507.33	-	-	2,746.21
Liquid mutual funds	6.51	-	-	24.15	-	-	1,402.75	-	-
Commercial papers	-	-	-	-	-	465.62	-	-	143.11
Preference shares	-	-	0.20	-	-	0.20	-	-	0.20
Equity shares	-	4,304.71	-	-	3,465.32	-	-	3,223.44	-
Real estate funds	-	15.81	-	-	8.74	-	-	14.02	-
Alternative investment funds	-	96.78	-	-	49.85	-	-	30.73	-
Other financial assets	-	-	126.74	-	-	169.14	-	-	104.07
Cash and cash equivalents	-	-	3.30	-	-	75.06	-	-	0.91
Other bank balances	-	-	6.71	-	-	6.08	-	-	4.92
Total financial assets	6.51	4,417.30	3,333.70	24.15	3,523.91	5,223.43	1,402.75	3,268.19	2,999.42
Financial liabilities									
Trade payables	-	-	1.12	-	-	0.48	-	-	0.70
Other financial liabilities	-	-	34.52	-	-	31.23	-	-	24.96
Total financial liabilities	-	-	35.64	-	-	31.71	-	-	25.66

ii) Fair value hierarchy

This section explains the basis of estimates made in determining the fair values of the financial instruments that are

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard, which are explained herein below.

Financial assets measured at fair value – recurring fair value measurements at 31 March 2019

Particulars	Notes	₹ In Crore			
		Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
Liquid mutual funds	5B	6.51	-	-	6.51
Financial investments at FVTOCI					
Equity shares	5B	3,897.80	406.91	-	4,304.71
Real estate funds	5B	-	15.81	-	15.81
Alternative investment funds	5B	-	96.78	-	96.78
Total financial assets		3,904.31	519.50	-	4,423.81

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

31 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

Financial assets which are measured at amortised cost for which fair values as at 31 March 2019 are disclosed below.

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Government securities, bonds and debentures	5B	3,176.26	-	-	3,176.26
Preference shares	5B	-	0.20	-	0.20
Total financial assets		3,176.26	0.20	-	3,176.46

Assets disclosed at fair value – at 31 March 2019

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Investment property	8	-	281.07	-	281.07

Financial assets measured at fair value – recurring fair value measurements at 31 March 2018

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Financial investments at FVTPL					
Liquid mutual funds	5B	24.15	-	-	24.15
Financial investments at FVTOCI					
Equity shares	5B	3,078.95	386.37	-	3,465.32
Real estate funds	5B	-	8.74	-	8.74
Alternative investment funds	5B	-	49.85	-	49.85
Total financial assets		3,103.10	444.96	-	3,548.06

Financial assets which are measured at amortised cost for which fair values as at 31 March 2018 are disclosed below.

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Government securities, bonds and debentures	5B	4,468.89	-	-	4,468.89
Commercial papers	5B	-	465.62	-	465.62
Preference shares	5B	-	0.20	-	0.20
Total financial assets		4,468.89	465.82	-	4,934.71

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

31 Fair value measurement (Contd.)**ii) Fair value hierarchy** (Contd.)**Assets disclosed at fair value – at 31 March 2018**

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Investment property	8	-	273.41	-	273.41

Financial assets measured at fair value – recurring fair value measurements at 1 April 2017

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Financial investments at FVTPL					
Liquid mutual funds	5B	1,402.75	-	-	1,402.75
Financial investments at FVTOCI					
Equity shares	5B	2,932.45	290.99	-	3,223.44
Real estate funds	5B	-	14.02	-	14.02
Alternative investment funds	5B	-	30.73	-	30.73
Total financial assets		4,335.20	335.74	-	4,670.94

Financial assets which are measured at amortised cost for which fair values as at 1 April 2017 are disclosed below.

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Government securities, bonds and debentures	5B	2,758.52	-	-	2,758.52
Commercial papers	5B	-	143.11	-	143.11
Preference shares	5B	-	0.20	-	0.20
Total financial assets		2,758.52	143.31	-	2,901.83

Assets disclosed at fair value – at 1 April 2017

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Investment property	8	-	265.55	-	265.55

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

31 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques used to determine fair value

Valuation techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted
- Close ended mutual funds at NAV's declared by AMFI
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as FIMMDA (Fixed Income Money Market and Derivative Association of India)
- Commercial papers and certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value

iii) Fair value of financial assets and liabilities measured at amortised cost

Particulars	(₹ In Crore)					
	31 March 2019		31 March 2018		1 April 2017	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets						
Investments						
Government securities, bonds and debentures	3,196.75	3,176.26	4,507.33	4,468.89	2,746.21	2,758.52
Commercial papers	-	-	465.62	465.62	143.11	143.11
Preference shares	0.20	0.20	0.20	0.20	0.20	0.20
Total financial assets	3,196.95	3,176.46	4,973.15	4,934.71	2,889.52	2,901.83

The carrying amounts of commercial papers, certificate of deposits, trade payables, other financial assets/liabilities, loans and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

32 Financial risk management

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through a risk management framework, including ongoing identification, measurement and monitoring subject to risk limits and other controls. The Company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risk which the Company is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss, such as investments etc.	Credit ratings	Setting limits on the amount of acceptable risk, diversification of investment limits, monitoring of counterparties basis credit rating

The Board of Directors provide guiding principles for overall risk management, as well as policies covering specific areas, such as, credit risk, liquidity risk, and investment of available funds. The Company's risk management is carried out by its Risk Management Committee as per such policies approved by the Board of Directors. Accordingly, Company's Risk Management Committee identifies, evaluates and manages financial risks

A. Credit risk

The Company being an investment company, credit risk refers to the risk that a counterparty may default on its contractual obligations leading to a financial loss to the Company. Credit risk primarily arises from cash equivalents, financial assets measured at amortised cost and financial assets measured at fair value through profit or loss.

Credit Risk Management

For other financial assets and investments, the Company has an investment policy which allows the Company to invest only with counterparties having a credit rating equal to or above AA- and P1+. The substantial part of non-equity investments of the Company are invested with counterparties having a credit rating equal to or above AA+. The Company reviews the creditworthiness of these counterparties on an on-going basis. Counterparty limits maybe updated as and when required subject to approval of Board of Directors.

B. Liquidity Risk

The Company's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period. The Company has no borrowings. Additionally, the Company has invested its surplus funds in fixed income securities or instruments of similar profile thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Company carries a negligible liquidity risk.

C. Interest rate risk

Interest rate risk is the fair value of future cash flows of a financial instrument which fluctuates because of changes in the market interest rates. In order to optimise the Company's position with regards to interest income, treasury team manages the interest rate risk by diversifying its portfolio across tenures.

D. Price risk

The Company's exposure to equity securities risk arises from investments held by the Company and classified in the Balance Sheet as fair value through OCI (see note 31).

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio across capitalisation sectors with large cap bias and active monitoring of the portfolio constituents and news flow using relevant application tools. Diversification of the portfolio is in accordance with Investment Policy of the Company.

Majority of Company's equity investments are publicly traded and are included in the NSE Nifty 200 index.

As regards investments in unlisted privately held companies, the fair valuations are largely dependent on the investee company's ability to achieve desired outcomes which measure the performance of the Company and bear on the valuation through the DCF method. Hence the key price risk emanates from performance shortfall due to industry risks, policy changes and liquidity risk given the lower exit probability.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

33 Capital management

a) Objectives, policies and processes of capital management

The Company is cash surplus and has only equity capital. The Company operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution – Investment and Credit Company (NBFC-ICC) with Reserve Bank of India (RBI).

The cash surpluses are currently invested in equity instruments, income generating debt instruments (including through mutual funds) and money market instruments depending on economic conditions in line with investment policy set by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings.

Particulars	As at 31 March	
	2019	2018
Equity		
Less: Tangible and other assets	10,989.42	10,221.74
Working capital	193.43	214.99
Deferred tax assets (net)	361.74	221.66
Investments in subsidiaries and joint venture	139.39	188.49
Investments in debt and similar investments	2,674.10	1,075.39
	7,620.76	8,521.21

No changes were made in the objectives, policies and processes of capital management during the year.

b) Dividends distributed and proposed

Particulars	As at 31 March	
	2019	2018
Dividends recognised in the financial statements		
Final dividend for the year ended 31 March 2018 of ₹ 40 (31 March 2017 – ₹ 32.50) per equity share, declared and paid	445.17	361.70
Dividends not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend of ₹ 32.50 per equity share (31 March 2018 – ₹ 40). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	361.70	445.17

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

34 Maturity analysis of assets and liabilities

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	3.30	-	3.30	75.06	-	75.06	0.91	-	0.91
Bank balance other than cash and cash equivalents	-	6.71	6.71	-	6.08	6.08	-	4.92	4.92
Investment in subsidiary, associates and joint venture	-	2,674.10	2,674.10	-	1,075.39	1,075.39	-	1,075.39	1,075.39
Other investments	257.01	7,363.75	7,620.76	781.95	7,739.26	8,521.21	1,827.34	5,733.12	7,560.46
Other financial assets	112.46	14.28	126.74	167.60	1.54	169.14	102.82	1.25	104.07
Non-financial assets									
Current tax assets (net)	-	34.67	34.67	-	34.66	34.66	-	31.27	31.27
Deferred tax assets (net)	-	139.39	139.39	24.75	163.74	188.49	-	127.54	127.54
Investment property	-	187.19	187.19	-	191.13	191.13	-	196.20	196.20
Property, plant and equipment	-	6.24	6.24	-	23.86	23.86	-	24.02	24.02
Other non-financial assets	242.13	4.28	246.41	0.02	4.30	4.32	0.05	4.30	4.35
Total	614.90	10,430.61	11,045.51	1,049.38	9,239.96	10,289.34	1,931.12	7,198.01	9,129.13
Liabilities									
Financial liabilities									
Trade payables	1.12	-	1.12	0.48	-	0.48	0.70	-	0.70
Other financial liabilities	16.93	17.59	34.52	22.88	8.35	31.23	11.81	13.15	24.96
Non-financial liabilities									
Current tax liabilities (net)	-	12.78	12.78	-	12.78	12.78	-	12.78	12.78
Provisions	1.04	4.48	5.52	0.56	3.81	4.37	0.47	2.59	3.06
Other non-financial liabilities	2.15	-	2.15	1.24	17.50	18.74	0.65	17.50	18.15
Total	21.24	34.85	56.09	25.16	42.44	67.60	13.63	46.02	59.65
Net	593.66	10,395.76	10,989.42	1,024.22	9,197.52	10,221.74	1,917.49	7,151.99	9,069.48

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

35 Schedule to Balance Sheet as on 31 March 2019

Balance Sheet of a Non Deposit taking Non-Banking Financial Company

(As required in terms of Annex I and Annex XII of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

Particulars	(₹ In Lakh)	
	Amount Outstanding	Amount Overdue
Liabilities side		
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
(a) Debentures		
Secured	-	-
Unsecured (Other than falling within the meaning of public deposit*)	-	-
(b) Deferred credits	-	-
(c) Term loans	-	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial paper	-	-
(f) Public deposits	-	-
(g) Other loans (specify nature)	-	-
2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)		
(a) In the form of unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

* Please see note 1 below

(₹ In Lakh)

Particulars	Amount Outstanding
Asset Side	
3. Break-up of loans and advances including bills receivables (other than those included in (4) below)	
(a) Secured	-
(b) Unsecured (Comprises advance income-tax paid and other miscellaneous receivables)	40,782
4. Break-up of leased assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	-
(b) Repossessed assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

35 Schedule to Balance Sheet as on 31 March 2019 (Contd.)

Particulars	(₹ In Lakh)	Amount Outstanding
Asset Side (Contd.)		
5. Break-up of investments		
Current Investments		
a. Quoted		
(i) Shares – (a) Equity		–
(b) Preference		–
(ii) Debentures and bonds		–
(iii) Units of mutual funds		651
(iv) Government securities		–
(v) Others – Certificate of Deposits		–
b. Unquoted		
(i) Shares – (a) Equity		–
(b) Preference		–
(ii) Debentures and bonds		–
(iii) Units of mutual funds		–
(iv) Government securities		–
(v) Others – (a) Certificate of deposit		–
(b) Commercial paper		–
Long-term Investments		
a. Quoted		
(i) Shares – (a) Equity		657,165
(b) Preference		–
(ii) Debentures and bonds		283,288
(iii) Units of mutual funds		–
(iv) Government securities		36,387
(v) Others (Please specify)		–
b. Unquoted		
(i) Shares – (a) Equity		40,716
(b) Preference		20
(ii) Debentures and bonds		–
(iii) Units of mutual funds		11,259
(iv) Government securities		–
(v) Others – (please specify): Investment property		18,719
Total		1,048,205

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

35 Schedule to Balance Sheet as on 31 March 2019 (Contd.)

Asset Side (Contd.)

6. Borrower group-wise classifications of assets financed as in (3) and (4) above: (Please note (2) below)

(₹ In Lakh)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	52	52
2. Other than related parties	-	40,730	40,730
Total	-	40,782	40,782

7. Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

(₹ In Lakh)

Category	Market value/breakup or fair value or NAV	Book value (Net of provisions)
1. Related parties **		
(a) Subsidiaries (unquoted, hence disclosed at break up value)	4,678	25
(b) Companies in the same group (disclosed at market value)	7,200,903	267,361
(c) Other related parties		
- Unquoted (disclosed at face value)	19	19
- Quoted	202,176	15,734
2. Other than related parties		
- Unquoted @	51,950	25,523
- Quoted (disclosed at market value)	603,208	471,360
	8,062,934	780,022

** As per Accounting Standard of ICAI (Please See note 3)

@ Investment in preference shares are disclosed at face value. Investments in equity shares are disclosed at break up value and investments in mutual funds are disclosed at fund value.

The break up values are computed based on latest available consolidated financial statements/reports.

The investments in non-performing investments are disclosed at book value net of provisions.

8. Other information

(₹ In Lakh)

Particulars	Amount
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

Notes:

- As defined in point xix of paragraph 3 of Chapter -2 of Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long-term or current in (5) above.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

35 Schedule to Balance Sheet as on 31 March 2019 (Contd.)

Asset Side (Contd.)

9. Investments

Particulars	(₹ In Lakh)		
	As at 31 March	2019	2018
(1) Value of investments			
(i) Gross value of investments			
(a) In India	1,048,205	978,773	
(b) Outside India,	-	-	
(ii) Provisions for depreciation			
(a) In India	-	-	
(b) Outside India,	-	-	
(iii) Net value of investments			
(a) In India	1,048,205	978,773	
(b) Outside India,	-	-	
(2) Movement of provisions held towards depreciation on investments			
(i) Opening balance	-	-	
(ii) Add: Provisions made during the year	-	-	
(iii) Less: Write-off/write-back of excess provisions during the year	-	-	
(iv) Closing balance	-	-	

10. Provisions and contingencies

Particulars	As at 31 March	
	2019	2018
Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit and Loss Account		
(i) Provisions for depreciation on investment	-	-
(ii) Provision towards NPA	-	-
(iii) Provision made towards income tax	12,145	8,418
(iv) Other provision and contingencies	-	-
(v) Provision for standard assets	-	-

11. CRAR

Particulars	As at 31 March	
	2019	2018
(i) CRAR %	98%	98%
(ii) CRAR – Tier I capital (%)	98%	98%
(iii) CRAR – Tier II capital (%)	0%	0%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

35 Schedule to Balance Sheet as on 31 March 2019 (Contd.)

Asset Side (Contd.)

12. Exposure

A. Exposure to Real Estate Sector

Category	(₹ In Lakh)		
	As at 31 March	2019	2018
(a) Direct exposure			
(i) Residential mortgages		-	-
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans up to ₹ 15 lakh may be shown separately)		-	-
(ii) Commercial real estate		-	-
Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multitenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)		-	-
Exposure would also include non-fund based (NFB) limits		-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		-	-
(a) Residential		-	-
(b) Commercial real estate		-	-
(b) Indirect exposure	22,760	59,625	
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	22,760	59,625	

B. Exposure to Capital Market

Category	(₹ In Lakh)		
	As at 31 March	2019	2018
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	441,530	239,326	
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds;	Nil	Nil	
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil	
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	Nil	Nil	
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil	
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil	
(vii) Bridge loans to companies against expected equity flows/issues;	Nil	Nil	
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil	
Total exposure to capital market	441,530	239,326	

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

35 Schedule to Balance Sheet as on 31 March 2019 (Contd.)

Asset Side (Contd.)

13. Exposure

Maturity pattern of certain items of assets and liabilities

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	(₹ In Lakh) Total
Liabilities	-	-	-	-	-	-	-	-	-
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
Assets	651	-	-	4,996	20,054	206,676	92,639	723,189	1,048,205
Deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	651	-	-	4,996	20,054	206,676	92,639	723,189	1,048,205
Foreign currency assets	-	-	-	-	-	-	-	-	-

14 Miscellaneous Disclosures

a) Registration obtained from other financial sector regulators

Apart from RBI, Company is also governed by SEBI and MCA.

b) Disclosure of penalties imposed by RBI and other regulators

During previous year, no penalty was imposed by RBI or other regulators.

c) Related party transactions

Please refer note 30 for details of related party transactions.

d) Ratings assigned by credit rating agencies and migration of ratings during the year

Not applicable

Note:

Company is a non-deposit taking/accepting NBFC. It does not carry out lending/securitisation activity. Hence, there are 'Nil' values in respect of following disclosures -

- Derivatives
 - Forward rate agreement/Interest rate swap
 - Exchange traded interest rate (IR) derivatives
 - Qualitative disclosures on risk exposure in derivatives
 - Quantitative disclosures on risk exposure in derivatives
- Securitisation
 - Disclosures relating to securitised assets etc.
 - Details of financial assets sold to securitisation/reconstruction company for asset reconstruction
 - Details of assignment transactions undertaken by NBFCs
 - Details of non-performing financial assets purchased/sold
- Details of financing of parent company products
- Details of Single Borrower Limit (SBL)/Group Borrower Limite (GBL) exceeded by the NBFC
- Unsecured advances
- Concentration of deposits, advances, exposures and NPAs
 - Concentration of deposits (for deposit taking NBFCs)
 - Concentration of advances
 - Concentration of exposures
 - Concentration of NPAs
 - Sector-wise NPAs
 - Movement of NPAs
- Overseas assets (for those with joint ventures and subsidiaries abroad)
- Off-balance sheet SPVs sponsored
- Disclosure of customer complaints

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

36 On the basis of information requested from vendors with regards to their registration (filing of Memorandum) under 'The Micro, Small and Medium Enterprises Development Act, 2006. (27 of 2006)' and in view of the terms of payments not exceeding 45 days, which has been promptly paid, no liability exists as at 31 March 2019, 31 March 2018 and 1 April 2017 and hence no disclosures have been made in this regard.

37 Standards issued but not effective

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 introduces a single accounting model for a lessee and eliminates the distinction between finance lease and operating lease. The Company has performed a preliminary impact assessment of Ind AS 116 of its existing lease arrangements and impact of same in Balance Sheet is expected to be an increase in property, plant and equipment (right-of-use assets) by ₹ 194.52 crore, correspondingly increase in lease liabilities by ₹ 178.25 crore and increase in deferred tax assets by ₹ 2.71 crore.

38 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

39 Miscellaneous

Amounts less than ₹ 50,000 have been shown at actual against respective line items statutorily required to be disclosed.

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

D J Balaji Rao
Chairman – Audit Committee

Anant Marathe
Chief Financial Officer
Sriram Subbramaniam
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS



Independent Auditors' Report on the Consolidated Financial Statements

To the Members of **Bajaj Holdings & Investment Ltd.**

Report on the audit of the consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Bajaj Holdings & Investment Ltd. (hereinafter referred to as 'the Holding Company'), its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), its associates and jointly controlled entity comprising of the consolidated Balance sheet as at 31 March 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, associates and jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at 31 March 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the Management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Key audit matters

How our audit addressed the key audit matter

(a) Acquisition of equity shares in Maharashtra Scooters Ltd. (as described in note 10 of the consolidated financial statements)

The Holding Company holds 2,742,848 equity shares amounting to ₹ 0.24 crore in Maharashtra Scooters Ltd. (MSL). Western Maharashtra Development Corporation Ltd. (WMDC), who holds (3,085,712 equity shares) in MSL had offered to sell its entire shareholding in MSL in 2003. The purchase price of such shares was under dispute for several years and the matter was pending with the Honorable Supreme Court of India ('Supreme Court') vide a special leave petition (SLP) filed by WMDC on 15 September 2015. On 9 January 2019, Supreme Court dismissed the SLP and instructed the Company to pay ₹ 232 per share along with simple interest @ 18% per annum from 14 January 2006.

The Company issued cheques to WMDC amounting to ₹ 222.48 crore (including interest of ₹ 150.89 crore); which has not been banked by WMDC as on date, pending their internal approvals. The cheques turned stale post 31 March 2019 and fresh cheques of ₹ 222.48 crore have been issued on 12 April 2019. As at 31 March 2019, the cheques issued by the Company have been disclosed as an advance; with a suitable note. MSL would become a subsidiary of the Company only post completion of banking of the cheques by WMDC and transfer of MSL shares by WMDC, in accordance with the terms of Supreme Court order.

In view of the significant impact upon completion of banking of cheques, the same is considered a key audit matter.

(b) Transition to Ind AS accounting framework in Bajaj Finserv Ltd. (BFS)

BFS has adopted Ind AS from 1 April 2018 with an effective date of 1 April 2017 for such transition. For periods up to and including the year ended 31 March 2018, BFS had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS these financial statements for the year ended 31 March 2019, together with the comparative financial information for the previous year ended 31 March 2018 and the transition date Balance Sheet as at 1 April 2017 have been prepared under Ind AS.

The transition has involved significant change in BFS's policies and processes for financial reporting, including generation of supportable information and exercise of estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.

In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition have been areas of key focus in our audit.

(c) Impairment of financial assets (expected credit losses) of BFS

Ind AS 109 requires to recognise impairment allowance towards its financial assets (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including

- unbiased, probability weighted outcome under various scenarios;
- time value of money;
- impact arising from forward looking macro-economic factors and;
- availability of reasonable and supportable information without undue costs.
- Applying these principles involves significant estimation in various aspects, such as grouping of borrowers on the basis of homogeneity by using appropriate statistical techniques;
- staging of loans and estimation of behavioral life;
- determining macro-economic factors impacting credit quality of receivables;
- estimation of losses for loan products with no/minimal historical defaults.

Considering the significance of such allowance to the overall financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.

Our audit procedures included the following:

- Obtained and read a copy of the final judgment passed by the Supreme Court from the official website of Supreme Court.
- Read the filings made by the Holding Company with the stock exchanges in respect of the judgment of the Supreme Court.
- Assessed the accounting treatment of the amount paid by the Holding Company to WMDC.
- Read and assessed the disclosures made by the Holding Company in the consolidated financial statements as at 31 March 2019 for compliance with disclosure requirements under the Accounting Standards and the quarterly results for the quarter and year ended 31 March 2019.

Our audit procedures included the following:

- Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies in light of the requirements of the new framework.
- Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.
- Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.
- Tested regulatory disclosures prescribed under Ind AS.

Our audit procedures included the following:

- Read and assessed BFS's accounting policies for impairment of financial assets and also their compliance with respect to Ind AS 109.
- Tested the criteria for staging of loans based on their past-due status is in compliance with requirement of Ind AS 109 by testing a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa.
- Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.
- Tested the ECL model, including assumptions and underlying computation.
- Assessed the floor/minimum rates of provisioning applied by BFS for loan products with inadequate historical defaults.
- Audited disclosures included in the Ind AS financial statements in respect of expected credit losses.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Key audit matters

How our audit addressed the key audit matter

(d) IT systems and controls of BFS

Financial accounting and reporting systems, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Group.

Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.

Our audit procedures included the following:

- Tested the design and operating effectiveness of BFS's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.
- Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorised.
- Tested BFS's periodic review of access rights. Also tested requests of changes to systems for approval and authorisation.
- Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

(e) Outstanding Motor Third Party (TP) claims in Bajaj Allianz General Insurance Company Ltd. ('BAGIC')

The joint auditors of BAGIC, a subsidiary of BFS, have reported that outstanding Motor TP claims represent estimates of future payments of reported claims for losses and related expenses at balance sheet date. The valuation of reported third party loss involves a high degree of subjectivity and estimation. For such claims, a provision is made on the basis of the amounts that are likely to be paid against each claim as estimated by BAGIC in light of the information available at the balance sheet date and which is subsequently modified for changes, as appropriate, based on availability of additional information.

Resultantly, outstanding Motor TP claims is an area which requires auditors' attention, especially considering the significant degree of judgment which is required to be applied to determine this amount

The procedures performed by the joint auditors of BAGIC, as reported by them to determine the appropriateness of the outstanding Motor TP claims by undertaking the following procedures:

- Obtained an understanding of the BAGIC's process of Motor TP claims provisioning, which takes into consideration factors such as evaluation of legal precedents and professional judgments of lawyers.
- Tested the design, implementation and operating effectiveness of key controls over the Motor TP claims provisioning as at the year-end.
- Performed substantive audit procedures and tested samples of outstanding Motor TP claims along with their underlying documentation for assessing existence and accuracy.
- Assessed the appropriateness of the overall Motor TP estimate made by BAGIC.

(f) Accounting for investments by Bajaj Auto Ltd. (BAL)

BAL has investments aggregating ₹ 17,936.64 crore in equity shares, bonds, liquid mutual funds, short term funds, fixed maturity plans ('FMPs') and commercial papers as at 31 March 2019. These investments are measured either at amortised cost, Fair Value through Profit and Loss ('FVTPL') or Fair Value through Other Comprehensive Income ('FVTOCI') based on fulfilment of required criteria which involve management judgment. Of the above total investments, BAL's investments in FMPs as at 31 March 2019 amounted to ₹ 12,338.10 crore (63% of total investments). These investments were measured at FVTPL till 31 March 2018.

BAL applies amortised cost, where it has ability to demonstrate that the underlying instruments in the portfolio fulfill the solely payments of principal and interest ('SPPI') test and the churn in the portfolio is negligible. As these conditions have been fulfilled effective from 1 April 2018, BAL has classified FMPs, as subsequently measured at amortised cost.

Our audit procedures included the following:

- Read the minutes of the meetings of the Investment Committee.
- Performed test of controls on a sample basis on the operating effectiveness of internal controls on investments.
- Tested on a sample basis, the investments underlying the FMPs to ascertain whether those investments would satisfy the conditions of Ind AS.
- Compared on a sample basis the indicative yields used by BAL for accounting for interest income on amortised cost basis, with the actual yields earned by the Company on those FMPs at the time of redemption.
- Tested on a sample basis the portfolio churn in case of FMPs to ascertain whether majority of the instruments in the FMP are held till maturity.
- Tested the disclosures made by BAL.

Information other than the financial statements and auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report and Corporate Governance, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Responsibilities of management for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and jointly controlled entity for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for assessing the ability of the Group and of its associates and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are also responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entity.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

on the ability of the Group and its associates and jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entity of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31 March 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

- (a) The consolidated financial statements also include the Group's share of net profit of ₹6.01 crore for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of a jointly controlled entity and two companies forming part of the Group, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity and two companies forming part of the Group and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity and two companies forming part of the Group, is based solely on the reports of such other auditors.
- (b) The auditors of Bajaj Allianz Life Insurance Company Ltd. ('BALIC'), a company forming part of the Group, have reported that the actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2019 is the responsibility of the BALIC's Senior Vice President – Actuary (the 'SVP Actuary'). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2019 has been duly certified by the BALIC's SVP Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 'Insurance Contracts', Ind AS 109 'Financial Instruments', the guidelines and norms issued by the Insurance Regulatory Development Authority of India ('IRDAI'/'Authority') and the Institute of Actuaries of India in concurrence with the IRDAI. BALIC's auditors have relied upon SVP Actuary's certificate in this regard for forming their opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in Financial Statements of BALIC.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

(c) The auditors of Bajaj Allianz General Insurance Company Ltd. ('BAGIC'), a Company forming part of the Group, have reported that the actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER) of BAGIC is the responsibility of the BAGIC's Appointed Actuary. The actuarial valuation of these liabilities as at 31 March 2019 has been duly certified by the BAGIC's Appointed Actuary. The BAGIC's Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 'Insurance Contracts', Ind AS 109 'Financial Instruments', the guidelines and norms issued by the Insurance Regulatory Development Authority of India ('IRDAI')/Authority and the Institute of Actuaries of India in concurrence with the IRDAI. BAGIC's auditors have relied upon the BAGIC's Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of BAGIC.

Our opinion above on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on other legal and regulatory requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and jointly controlled entity, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled entity none of the directors of the Group's companies, its associates and jointly controlled entity incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary company, associate companies and jointly controlled entity incorporated in India, refer to our separate Report in 'Annexure 1' to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, associates and jointly controlled company incorporated in India, the managerial remuneration for the year ended 31 March 2019 has been paid/provided by the Holding Company, its subsidiary, associates and jointly controlled entity incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, associates and jointly controlled entity, as noted in the 'Other matter' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entity in its consolidated financial statements – Refer Note 25 to the consolidated financial statements;
- ii. The Group, its associates and jointly controlled entity did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March 2019;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary, associates and jointly controlled entity incorporated in India during the year ended 31 March 2019.

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Annexure 1 to Independent Auditors' Report

Annexure 1 referred to in paragraph (f) under the heading 'Report on other legal and regulatory requirements' of our report of even date

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of Bajaj Holdings & Investment Ltd. as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Bajaj Holdings & Investment Ltd. (hereinafter referred to as the 'Holding Company') and its subsidiary company, its associate companies and jointly controlled entity, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Holding Company, its subsidiary company, its associate companies and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of internal financial controls over financial reporting with reference to these consolidated financial statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Annexure 1 to Independent Auditors' Report (Contd.)

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary company, its associate company and jointly controlled entity, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

- a) The auditors of Bajaj Allianz Life Insurance Company Ltd. ('BALIC'), a company forming part of the Group, have reported that the actuarial valuation of liabilities for life policies in force and policies where premium is discontinued is required to be certified by the BALIC's Panel Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the 'IRDA Financial Statements Regulations'), and has been relied upon by them, as mentioned in 'Other Matter' paragraph of their audit report on the financial statements of BALIC as at and for the year ended 31 March 2019. Accordingly the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuarial valuation is also certified by the Panel Actuary and has been relied upon by them.
- b) The auditors of Bajaj Allianz General Insurance Company Ltd. ('BAGIC'), a company forming part of the Group, have reported that the actuarial valuation for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), has been duly certified by the BAGIC's Appointed Actuary in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (the 'Authority') and the Institute of Actuaries of India in concurrence with the Authority and has been relied upon by them, as mentioned in 'Other Matter' paragraph of their audit report on the financial statements of BAGIC as at and for the year ended 31 March 2019. Accordingly, their opinion on the internal financial controls over financial reporting does not include reporting on the adequacy and operating effectiveness of internal controls over valuation and accuracy of aforesaid actuarial liabilities.

Annexure 1 to Independent Auditors' Report (Contd.)

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to these one subsidiary company, two associate companies and one jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associates and jointly controlled entity incorporated in India.

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Consolidated Balance Sheet

Particulars	Note No.	As at			
		31 March 2019	31 March 2018	1 April 2017	
ASSETS					
Financial assets					
Cash and cash equivalents	3	3.48	75.13	0.99	
Bank balance other than cash and cash equivalents	4	6.71	6.08	4.92	
Investment in subsidiary, associates and joint venture	5A	18,618.26	16,036.52	13,187.74	
Other investments	5B	7,638.60	8,538.91	7,589.04	
Other financial assets	6	126.74	169.25	104.18	
		26,393.79	24,825.89	20,886.87	
Non-financial assets					
Current tax assets (net)		36.32	36.22	32.82	
Deferred tax assets (net)	7A	139.39	188.49	127.54	
Investment property	8	187.19	191.13	196.20	
Property, plant and equipment	9	6.30	6.42	6.59	
Lease adjustment account - plant and machinery		-	17.50	17.50	
Other non-financial assets	10	246.41	4.32	4.35	
		615.61	444.08	385.00	
Total		27,009.40	25,269.97	21,271.87	

Consolidated Balance Sheet (Contd.)

Particulars	Note No.	As at			
		31 March 2019	31 March 2018	1 April 2017	
LIABILITIES AND EQUITY					
LIABILITIES					
Financial liabilities					
Trade payables					
Total outstanding dues of micro enterprises and small enterprises		-	-	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises		1.13	0.48	0.71	
Other financial liabilities	11	34.53	31.24	24.97	
		35.66	31.72	25.68	
Non-financial liabilities					
Current tax liabilities (net)		12.78	12.78	12.78	
Deferred tax liabilities (net)	7B	0.99	1.13	1.16	
Provisions	12	5.52	4.37	3.06	
Other non-financial liabilities	13	2.15	18.74	18.15	
		21.44	37.02	35.15	
EQUITY					
Equity share capital	14	111.29	111.29	111.29	
Other equity	15	26,841.01	25,089.94	21,099.75	
		26,952.30	25,201.23	21,211.04	
Total		27,009.40	25,269.97	21,271.87	
Summary of significant accounting policies followed by the Company	2				

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Anant Marathe
Chief Financial Officer
Sriram Subbramaniam
Company Secretary

Sanjiv Bajaj
Managing Director & CEO
D J Balaji Rao
Chairman – Audit Committee

Consolidated Statement of Profit and Loss

(₹ In Crore)

For the year ended 31 March

Particulars	Note No.	2019	2018
Revenue from operations			
Interest income	16	360.99	314.12
Dividend income		40.36	39.60
Rental income		18.12	17.78
Net gain on fair value changes	17	7.23	44.10
Other investment income	18	-	4.07
Total revenue from operations		426.70	419.67
Other income	19	4.65	4.74
Total income		431.35	424.41
Expenses			
Employee benefits expenses	20	28.13	23.78
Depreciation, amortisation and impairment	21	4.10	5.24
Other expenses	22	56.43	40.82
Total expenses		88.66	69.84
Share of profits of associates and joint venture		2,827.33	2,384.88
Profit before tax		3,170.02	2,739.45
Tax expense			
Current tax		130.27	183.55
Less: MAT credit entitlement		0.29	58.05
Net current tax		129.98	125.50
Deferred tax		(8.34)	(7.30)
MAT credit entitlement, earlier provided, now reversed		-	(33.50)
Total tax expense	23	121.64	84.70
Profit after tax		3,048.38	2,654.75
Profit attributable to non-controlling interests		-	-
Profit for the year		3,048.38	2,654.75

Consolidated Statement of Profit and Loss (Contd.)

Particulars	Note No.	(₹ In Crore)	
		2019	2018
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/losses of defined benefit plans		(12.56)	(10.26)
Tax impacts on above		3.63	4.31
Net gain on equity instruments designated at FVTOCI		1,216.19	1,136.28
Tax impacts on above		(106.55)	(38.01)
Items that will be reclassified to profit or loss			
Valuation gains/losses on derivative hedging instruments		1.75	(46.39)
Tax impacts on above		(0.61)	15.99
Other adjustments		(1.58)	3.56
Change in foreign currency translation reserve of subsidiary of associate		(35.26)	106.03
Debt instruments through other comprehensive income		81.21	(256.52)
Tax impacts on above		(18.27)	77.11
Other comprehensive income for the year (net of tax)		1,127.95	992.10
Total comprehensive income for the year		4,176.33	3,646.85
Profit attributable to			
Owners of the company		3,048.38	2,654.75
Non-controlling interests		-	-
Total comprehensive income attributable to		4,176.33	3,646.85
Owners of the company		4,176.33	3,646.85
Non-controlling interests		-	-
Basic and diluted Earnings per share (in ₹)	24	273.9	238.5
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Company	2		

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Anant Marathe
Chief Financial Officer
Sriram Subbramaniam
Company Secretary

Rahul Bajaj
Chairman
Sanjiv Bajaj
Managing Director & CEO
D J Balaji Rao
Chairman – Audit Committee

Consolidated Statement of Changes in Equity

A Equity share capital

Particulars	Note No.	(₹ In Crore)	
		2019	2018
At the beginning of the year		111.29	111.29
Changes in equity share capital during the year		-	-
At the end of the year	14	111.29	111.29

B Other equity

Particulars	Note No.	Reserves and surplus				Other Reserves		
		Securities premium	General reserve	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Retained earnings	Equity instruments through other comprehensive income	Share of associates and joint venture	Total other equity
Balance as at 1 April 2017	15	444.42	15,834.18	1,321.62	1,766.28	1,733.25		21,099.75
Profit for the year		-	-	-	2,654.75	-	-	2,654.75
Other comprehensive income (net of tax)		-	-	-	(5.96)	1,098.27	(100.21)	992.10
Total comprehensive income for the year ended 31 March 2018		-	-	-	2,648.79	1,098.27	(100.21)	3,646.85
Transactions with owners in their capacity as owners								
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	262.71	(262.71)	-	-	-
Reclassification of gain on sale of FVTOCI equity instruments		-	-	-	501.20	(501.20)	-	-
Share of accumulated reserves of associate		-	778.68	-	-	-	-	778.68
Final dividend, declared and paid during the year		-	-	-	(361.70)	-	-	(361.70)
Tax on final dividend		-	-	-	(73.64)	-	-	(73.64)
Balance as at 31 March 2018	15	444.42	16,612.86	1,584.33	4,218.22	2,330.32	(100.21)	25,089.94
Profit for the year					3,048.38	-	-	3,048.38
Other comprehensive income (net of tax)		-	-	-	(8.93)	1,109.64	27.24	1,127.95
Total comprehensive income for the year ended 31 March 2019		-	-	-	3,039.45	1,109.64	27.24	4,176.33
Transactions with owners in their capacity as owners								
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	157.64	(157.64)	-	-	-
Reclassification of gain on sale of FVTOCI equity instruments		-	-	-	92.50	(92.50)	-	-
Share of accumulated reserves of associate		-	(1,888.58)	-	-	-	-	(1,888.58)
Final dividend, declared and paid during the year		-	-	-	(445.17)	-	-	(445.17)
Tax on final dividend		-	-	-	(91.51)	-	-	(91.51)
Balance as at 31 March 2019	15	444.42	14,724.28	1,741.97	6,655.85	3,347.46	(72.97)	26,841.01
Summary of significant accounting policies followed by the Company		2						

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Anant Marathe
Chief Financial Officer
Sriram Subramaniam
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

D J Balaji Rao
Chairman – Audit Committee

Consolidated Statement of Cash Flows

(₹ In Crore)

For the year ended 31 March

Particulars	2019	2018
I. Operating activities		
Profit before tax	3,170.02	2,739.45
Less: Share of profits of associates and joint venture	2,827.33	2,384.88
Add: Dividend from associates	567.67	521.21
	910.36	875.78
Adjustments to reconcile profit before tax to net cash flows		
Add:		
i) Depreciation, amortisation and impairment	4.10	5.24
	4.10	5.24
Less:		
i) Provision for diminution in value of investments written back	-	4.07
ii) Profit on sale of investments, net	5.05	36.02
iii) Income from units of mutual fund	2.18	8.08
iv) Amortisation of premium/discount on acquisition of debt securities	13.37	14.55
	20.60	62.72
	893.86	818.30
Change in assets and liabilities		
i) (Increase)/decrease in loans and other assets	(199.58)	(65.04)
ii) (Increase)/decrease in other bank balances	(0.63)	(1.16)
iii) Increase/(decrease) in liabilities and provisions	4.92	6.38
	(195.29)	(59.82)
(Purchase)/sale of money market mutual funds, etc., net *	27.33	1,059.57
Net cash flow from/(used in) from operating activities before income-tax	725.90	1,818.05
Income-tax paid	(98.26)	(186.95)
Net cash flow from/(used in) operating activities	627.64	1,631.10
Carried forward	627.64	1,631.10

Consolidated Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2019	2018
Brought forward	627.64	1,631.10
II. Investing activities		
i) Purchase of property, plant and equipment	(0.04)	-
ii) Investment in subsidiary, associates and joint venture*	(1,598.71)	-
iii) Sale of investments*	2,774.23	2,106.97
iv) Purchase of investments*	(1,338.72)	(3,229.75)
Net cash flow from/(used in) investing activities	(163.24)	(1,122.78)
III. Financing activities		
i) Dividend paid	(444.54)	(360.54)
ii) Corporate dividend tax paid	(91.51)	(73.64)
Net cash from/(used in) financing activities	(536.05)	(434.18)
Net change in cash and cash equivalents	(71.65)	74.14
Cash and cash equivalents as at the beginning of the year	75.13	0.99
Cash and cash equivalents as at the end of the year	3.48	75.13

* As the Company is an investment company, dividend received and interest earned are considered as part of cash flow from operating activities. Purchase and sale of investments has been classified into operating and investing activity based on the intention of the Management at the time of purchase of securities or subsequent reassessment of intention and transfers made inter se between long-term and current investments, in accordance with the prudential norms specified by RBI.

Summary of significant accounting policies followed by the Company

2

On behalf of the Board of Directors

As per our report of even date

Rahul Bajaj
Chairman

For S R B C & CO LLP

ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Arvind Sethi
Partner
Membership Number: 89802

Pune: 17 May 2019

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director & CEO

Sriram Subbramaniam
Company Secretary

D J Balaji Rao
Chairman – Audit Committee

Notes to consolidated financial statements for the year ended 31 March 2019

1 Background

Bajaj Holdings & Investment Ltd. (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution – Investment and Credit Company ('NBFC-ICC') with the Reserve Bank of India (RBI). The Company's registered office is at Bajaj Auto Ltd. Complex, Mumbai-Pune road, Pune, Maharashtra, India. Its shares are listed on two recognised stock exchanges in India.

The consolidated financial statements comprise financial statements of Bajaj Holdings & Investment Ltd. (the 'Company'), its subsidiary, associates and joint venture (collectively, the 'Group') for the year ended 31 March 2019.

The consolidated financial statements include financial statements of the subsidiary, associates and joint venture of Bajaj Holdings & Investment Ltd. ('the Company'), consolidated in accordance with Indian Accounting Standard 110 'Consolidated Financial Statements' and Indian Accounting Standard 28 'Investments in Associates and Joint Ventures'.

Name of the company	Country of incorporation	% Shareholding of Bajaj Holdings & Investment Ltd. and its subsidiary	Consolidated as
Bajaj Auto Ltd.*	India	33.43%	Associate
Bajaj Finserv Ltd.**	India	39.29%	Associate
Bajaj Auto Holdings Ltd.	India	100.00%	Subsidiary
Maharashtra Scooters Ltd.	India	24.00%	Joint Venture

* The consolidated financial results of Bajaj Auto Ltd. include results of following companies

Name of the company	Country of incorporation	% Shareholding of Bajaj Auto Ltd.	Consolidated as
PT. Bajaj Auto Indonesia	Indonesia	99.25%	Subsidiary
Bajaj Auto International Holdings BV	Netherlands	100.00%	Subsidiary

The consolidated financial statements of Bajaj Auto International Holdings BV include 47.99% interest in KTM AG as an associate.

** The consolidated financial results of Bajaj Finserv Ltd. include results of following companies

Name of the company	Country of incorporation	% Shareholding of Bajaj Finserv Ltd.	Consolidated as
Bajaj Allianz General Insurance Company Ltd.	India	74.00%	Subsidiary
Bajaj Allianz Life Insurance Company Ltd.	India	74.00%	Subsidiary
Bajaj Finance Ltd. @	India	54.99%	Subsidiary
Bajaj Finserv Direct Ltd. (formerly Bajaj Financial Holdings Ltd.)	India	100.00%	Subsidiary
Bajaj Allianz Financial Distributors Ltd. ^	India	50.00%	Joint Venture

@ The consolidated financial results of Bajaj Finance Ltd. include 100% interest in both, Bajaj Housing Finance Ltd. and Bajaj Financial Securities Ltd. as a subsidiary

^ The consolidated financial results of Bajaj Allianz Financial Distributors Ltd. include 100% interest in Bajaj Allianz Staffing Solutions Ltd.

Notes to consolidated financial statements for the year ended 31 March 2019

2 First time adoption and summary of significant accounting policies followed by the Company

2A Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on an accrual basis.

The financial statements up to year ended 31 March 2018 were prepared in accordance with the Accounting Standards notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended and the companies (Accounting Standards) Amendment Rules, 2016, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable (Indian GAAP or previous GAAP).

These financial statements are the first financial statements of the Company under Ind AS. Refer note 2B for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

Notes to consolidated financial statements for the year ended 31 March 2019

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2B First-time adoption of Ind AS

Transition to Ind AS

These are the company's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2C have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2017 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS, which are considered to be material or significant by the Company.

1 Ind AS optional exemptions

a. Deemed cost for investment in subsidiary, associates and joint venture

Ind AS 101 provides a one time option to a first-time adopter either to measure its investment in subsidiary, associates and joint venture as per previous GAAP carrying value or at fair value on the date of transition.

The Company has elected to measure its investment in subsidiary, associates and joint venture as per previous GAAP carrying value.

b. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

2 Ind AS mandatory exceptions

a. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as this was not required under previous GAAP

- Investment in mutual funds carried at fair value through profit or loss
- Investment in equity instruments carried at fair value through other comprehensive income
- Impairment of financial assets based on expected credit loss model

b. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)**2B First-time adoption of Ind AS** (Contd.)**B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (1 April 2017)

Particulars	Notes to first-time adoption	(₹ In Crore)		Ind AS		
		Previous GAAP	Adjustments			
ASSETS						
Financial assets						
Cash and cash equivalents		1.04	(0.05)	0.99		
Bank balance other than cash and cash equivalents		11.49	(6.57)	4.92		
Trade receivables		0.53	(0.53)	-		
Investment in subsidiary, associates and joint venture		11,452.31	1,735.43	13,187.74		
Other investments	1, 3, 4	5,911.97	1,677.07	7,589.04		
Other financial assets		106.82	(2.64)	104.18		
		17,484.16	3,402.71	20,886.87		
Non-financial assets						
Current tax assets (net)		34.52	(1.70)	32.82		
Deferred tax assets (net)	2, 3, 4	135.86	(8.32)	127.54		
Investment property	1	196.20	-	196.20		
Property, plant and equipment		8.28	(1.69)	6.59		
Lease adjustment account – plant and machinery		17.50	-	17.50		
Inventories		0.28	(0.28)	-		
Other non-financial assets	2	5.48	(1.13)	4.35		
		398.12	(13.12)	385.00		
Total		17,882.28	3,389.59	21,271.87		
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade payables						
Total outstanding dues of micro enterprises and small enterprises		-	-	-		
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.81	(0.10)	0.71		
Other financial liabilities		28.46	(3.49)	24.97		
		29.27	(3.59)	25.68		

Notes to consolidated financial statements for the year ended 31 March 2019

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2B First-time adoption of Ind AS (Contd.)

(₹ In Crore)

Particulars	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
Non-financial liabilities				
Current tax liabilities (net)		12.78	-	12.78
Deferred tax liabilities (net)	2	-	1.16	1.16
Provisions		3.24	(0.18)	3.06
Other non-financial liabilities		19.09	(0.94)	18.15
	35.11	0.04		35.15
EQUITY				
Equity share capital		111.29	-	111.29
Other equity	3, 4	17,706.61	3,393.14	21,099.75
	17,817.90	3,393.14		21,211.04
Total		17,882.28	3,389.59	21,271.87

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of equity as at 31 March 2018

(₹ In Crore)

Particulars	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		75.24	(0.11)	75.13
Bank balance other than cash and cash equivalents		9.17	(3.09)	6.08
Trade receivables		0.82	(0.82)	-
Investment in subsidiary, associates and joint venture		14,151.20	1,885.32	16,036.52
Other investments	1, 3, 4	6,566.26	1,972.65	8,538.91
Other financial assets		169.77	(0.52)	169.25
	20,972.46	3,853.43		24,825.89
Non-financial assets				
Current tax assets (net)		38.19	(1.97)	36.22
Deferred tax assets (net)	2, 3, 4	228.11	(39.62)	188.49
Investment property	1	191.13	-	191.13
Property, plant and equipment		9.43	(3.01)	6.42
Lease adjustment account – plant and machinery		17.50	-	17.50
Inventories		0.29	(0.29)	-
Other non-financial assets	2	5.67	(1.35)	4.32
	490.32	(46.24)		444.08
	21,462.78	3,807.19		25,269.97

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)**2B First-time adoption of Ind AS** (Contd.)

(₹ In Crore)

Particulars	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.68	(0.20)	0.48	
Other financial liabilities	32.40	(1.16)	31.24	
	33.08	(1.36)	31.72	
Non-financial liabilities				
Current tax liabilities (net)	12.78	-	12.78	
Deferred tax liabilities (net)	2	-	1.13	1.13
Provisions	4.59	(0.22)	4.37	
Other non-financial liabilities	21.36	(2.62)	18.74	
	38.73	(1.71)	37.02	
EQUITY				
Equity share capital	111.29	-	111.29	
Other equity	3, 4	21,279.68	3,810.26	25,089.94
	21,390.97	3,810.26	25,201.23	
	21,462.78	3,807.19	25,269.97	

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2B First-time adoption of Ind AS (Contd.)

Reconciliation of total comprehensive income for the year ended 31 March 2018

(₹ In Crore)

Particulars	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
Revenue from operations				
Sale of products		2.96	(2.96)	-
Interest income		316.92	(2.80)	314.12
Dividend income		52.98	(13.38)	39.60
Rental income		17.78	-	17.78
Net gain on fair value changes	3, 4	565.20	(521.10)	44.10
Other investment income		4.07	-	4.07
Total revenue from operations		959.91	(540.24)	419.67
Other income		4.92	(0.18)	4.74
Total income		964.83	(540.42)	424.41
Expenses				
Cost of materials consumed		1.81	(1.81)	-
Purchases of Stock-in-trade		0.02	(0.02)	-
Employee benefits expenses	5	26.15	(2.37)	23.78
Depreciation, amortisation and impairment		5.42	(0.18)	5.24
Other expenses		41.83	(1.01)	40.82
Total expenses		75.23	(5.39)	69.84
Share of profit of associates and joint venture		2,387.48	(2.60)	2,384.88
Profit before tax		3,277.08	(537.63)	2,739.45
Tax expense				
Current tax		183.90	(0.35)	183.55
MAT credit entitlement		(58.28)	0.23	(58.05)
Deferred tax	3, 4	(0.70)	(6.60)	(7.30)
MAT credit entitlement, earlier provided, now reversed		(33.52)	0.02	(33.50)
Total tax expense		91.40	(6.70)	84.70
Profit for the year		3,185.68	(530.93)	2,654.75
Other comprehensive income for the year (net of tax)	8	-	992.10	992.10
Total comprehensive income for the year		3,185.68	461.17	3,646.85

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)**2B First-time adoption of Ind AS** (Contd.)**Reconciliation of total equity as at 31 March 2018 and 1 April 2017**

All figures are net of related tax impacts.

(₹ In Crore)

Particulars	Notes to first-time adoption	31 March 2018	1 April 2017
Total equity (shareholder's funds) as reported under previous GAAP		21,390.97	17,817.90
Ind-AS adjustments increasing/(decreasing) equity as reported under previous GAAP			
Fair valuation of equity investments	3	2,005.27	1,720.54
Fair valuation of investments in mutual funds	4	2.27	15.05
Impact of change in share of associates	6	339.51	506.07
Impact of change in the method of consolidation of joint venture	7	1,463.21	1,151.48
Total adjustments		3,810.26	3,393.14
Total equity as per Ind AS		25,201.23	21,211.04

Reconciliation of total comprehensive income for the year ended 31 March 2018

All figures are net of related tax impacts.

(₹ In Crore)

Particulars	Notes to first-time adoption	31 March 2018
Net profit after tax as reported under previous GAAP		3,185.68
Ind-AS adjustments increasing/(decreasing) net profit as reported under previous GAAP		
Realised gain on equity instruments	3	(501.20)
Fair valuation of investments in mutual funds	4	(12.78)
Actuarial gain/loss on valuation of gratuity	5	0.26
Share of change in associates and joint venture	6,7	(17.21)
Total adjustments		(530.93)
Net profit after tax as per Ind AS		2,654.75
Other comprehensive income, net of tax	6	992.10
Total comprehensive income as per Ind AS		3,646.85

Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2018

There are no material adjustment of transition to the Statement of Cash flows to conform to Ind AS presentation for the year ended 31 March 2018.

C. Notes to first-time adoption**Note 1: Investment property**

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the Balance Sheet. There is no impact on the total equity or profit as a result of this adjustment.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2B First-time adoption of Ind AS (Contd.)

Note 2: Deferred tax

Under the previous GAAP, MAT credit entitlement was presented as part of long-term loans and advances. Under Ind AS, MAT credit entitlement is required to be presented as part of Deferred tax assets. There is no impact on the total equity or profit as a result of this adjustment.

Note 3: Fair value through other comprehensive income (FVTOCI) financial assets

Under the previous GAAP, the Company accounted for investments in unquoted and quoted equity shares, alternative investment funds as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and previous GAAP carrying amount has been recognised as a separate component of equity in the FVTOCI reserve, net of related deferred taxes.

Note 4: Fair valuation of investments (mutual funds)

Under the previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2018.

Note 5: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity.

Note 6: Impact of change in share of associates

The impact is the Company's share of Ind AS changes in the consolidated financial statements of the associates.

Note 7: Impact of change in the method of consolidation of joint venture

Under Ind AS, method of consolidation of joint venture has changed to equity pick-up. Under the previous GAAP, the method was line by line proportionate consolidation.

Note 8: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

2C Summary of significant accounting policies followed by the Company

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiary is prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiary to align the accounting policies in line with accounting policies of the Group. For non-wholly owned subsidiary, a share of the

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2C Summary of significant accounting policies followed by the Company (Contd.)

profit/loss for the financial year and net assets is attributed to the non-controlling interests as shown in the consolidated Statement of Profit and Loss and consolidated Balance Sheet. For acquisitions of additional interests in subsidiary, where there is no change in control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. The financial statements of subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless costs cannot be recovered.

2) Investment in associates and joint venture

Investments in associates and joint venture are accounted for using the equity method.

An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies. The considerations made in determining whether significant influence is being exercised are similar to those necessary to determine control over the subsidiaries. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of an associate or a joint venture since the acquisition date. Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of an associate or a joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of an associate or a joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and an associate or a joint venture are eliminated to the extent of the interest in an associate or a joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in an associate or a joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in an associate or a joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate or a joint venture. If an associate or a joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of the associates and joint venture is shown on the face of the Statement of Profit and Loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in an associate or a joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in an associate or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of an associate or a joint venture and its carrying value, and then recognises the loss in the Statement of Profit and Loss.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

2 First time adoption and summary of significant accounting policies followed by the Company (Contd.)

2C Summary of significant accounting policies followed by the Company (Contd.)

Upon loss of significant influence over an associate or a joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of an associate or a joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the Statement of Profit and Loss.

3) Other significant accounting policies

Other significant accounting policies followed by the Group are exactly similar to the significant accounting policies of the parent, Bajaj Holdings & Investment Ltd.; and hence have not been reproduced here. Refer note 2C of standalone financial statements of Bajaj Holdings & Investment Ltd. for the year ended 31 March 2019 for details in regard to other significant accounting policies.

2D. Other notes

Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such notes from the standalone financial statements, which fairly present the needed disclosures.

3 Cash and cash equivalents

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Balances with banks	3.48	1.16	0.99
Cash on hand			
Cash equivalents			
Certificate of Deposits with maturity of less than three months from date of acquisition	-	24.73	-
Commercial Paper with maturity of less than three months from date of acquisition	-	49.24	-
	3.48	75.13	0.99

4 Bank balances other than cash and cash equivalents

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Unclaimed dividend accounts	6.71	6.08	4.92
	6.71	6.08	4.92

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

5A Investment in subsidiary, associates and joint venture

Particulars	(₹ In Crore)
	At Cost
As at 31 March 2019	
Equity instruments	
associates	16,473.35
joint venture	2,144.91
Total	18,618.26
As at 31 March 2018	
Equity instruments	
associates	14,490.71
joint venture	1,545.81
Total	16,036.52
As at 1 April 2017	
Equity instruments	
associates	11,958.38
joint venture	1,229.36
Total	13,187.74

5B Other investments

Particulars	(₹ In Crore)			
	At fair value			
	At amortised cost	through other comprehensive Income	designated at fair value through profit and loss	Total
As at 31 March 2019				
Government debt securities	363.87	-	-	363.87
Debt securities	2,832.88	-	-	2,832.88
Commercial paper	-	-	-	-
Mutual funds	-	-	26.26	26.26
Preference share	0.20	-	-	0.20
Equity instruments	-	4,302.80	-	4,302.80
Real estate funds	-	15.81	-	15.81
Alternative investment funds	-	96.78	-	96.78
Total - gross	3,196.95	4,415.39	26.26	7,638.60
Less: Impairment loss allowance	-	-	-	-
Total - Net	3,196.95	4,415.39	26.26	7,638.60

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

5B Other investments (Contd.)

(₹ In Crore)

Particulars	At fair value			Total
	At amortised cost	through other comprehensive Income	designated at fair value through profit and loss	
As at 31 March 2018				
Government debt securities	366.32	-	-	366.32
Debt securities	4,141.01	-	-	4,141.01
Commercial paper	465.62	-	-	465.62
Mutual funds	-	-	43.76	43.76
Certificate of deposit	-	-	-	-
Preference share	0.20	-	-	0.20
Equity instruments	-	3,463.41	-	3,463.41
Real estate funds	-	8.74	-	8.74
Alternative investment funds	-	49.85	-	49.85
Total - gross	4,973.15	3,522.00	43.76	8,538.91
Less: Impairment loss allowance	-	-	-	-
Total - Net	4,973.15	3,522.00	43.76	8,538.91
As at 1 April 2017				
Government debt securities	129.68	-	-	129.68
Debt securities	2,616.53	-	-	2,616.53
Commercial paper	143.11	-	-	143.11
Mutual funds	-	-	1,433.24	1,433.24
Preference shares	0.20	-	-	0.20
Equity instruments	-	3,221.53	-	3,221.53
Real estate funds	-	14.02	-	14.02
Alternative investment funds	-	30.73	-	30.73
Total - gross	2,889.52	3,266.28	1,433.24	7,589.04
Less: Impairment loss allowance	-	-	-	-
Total - Net	2,889.52	3,266.28	1,433.24	7,589.04

All investments in 5A and 5B above are within India

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

6 Other financial assets

(Unsecured, considered good, unless stated otherwise)

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Interest receivable on investments, considered good	112.41	167.58	95.55
Interest receivable on investments, doubtful	1.18	1.18	1.18
Less: Impairment loss allowance	1.18	1.18	1.18
Dividend receivable	-	-	7.27
Security deposits	14.28	1.54	1.25
Deposit with IDBI	-	0.11	0.11
Others	0.05	0.02	-
	126.74	169.25	104.18

7A Deferred tax assets (net)

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Deferred tax liabilities			
On account of timing difference in Property, plant and equipment	1.42	7.54	7.48
Financial instruments			
Amortisation of discount on acquisition of fixed income securities	1.96	3.85	2.15
Movement in fair value of financial assets designated at FVTPL	0.02	0.02	6.73
Movement in fair value of financial assets designated at FVTOCI	65.54	39.60	1.59
	67.52	43.47	10.47
Gross deferred tax liabilities	68.94	51.01	17.95
Deferred tax assets			
On account of timing difference in retiral and other employee benefits			
Provision for compensated absences	0.31	0.20	0.15
Defined benefit plan provisions – P&L	0.10	0.41	0.46
Defined benefit plan provisions – OCI	0.30	0.14	-
	0.71	0.75	0.61
Financial instruments			
Amortisation of premium/discount on acquisition of fixed income securities	1.03	0.46	0.08
Impairment allowance for financial asset	2.53	2.53	2.51
	3.56	2.99	2.59

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

7A Deferred tax assets (net) (Contd.)

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Long-term capital loss	2.05	1.93	-
Other temporary differences	0.03	0.03	0.04
	2.08	1.96	0.04
MAT credit entitlement	201.98	233.80	175.75
Less: Impairment loss allowance for possible unutilisation	-	-	(33.50)
Gross deferred tax assets	208.33	239.50	145.49
	139.39	188.49	127.54
7B Deferred tax liabilities (net)	0.99	1.13	1.16

Movement in deferred tax assets

Particulars	Property, plant and equipment	Financial instruments	Retiral and other employee benefits	MAT credit entitlement	Total
	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)	(₹ In Crore)	
At 1 April 2017	(7.48)	(9.04)	0.61	142.29	126.38
(Charged)/credited					
To profit and loss	(0.06)	5.44	-	93.47	98.85
To other comprehensive income	-	(38.01)	0.14	-	(37.87)
At 31 March 2018	(7.54)	(41.61)	0.75	235.76	187.36
(Charged)/credited					
To profit and loss	6.12	2.60	(0.20)	(31.70)	(23.18)
To other comprehensive income	-	(25.94)	0.16	-	(25.78)
At 31 March 2019	(1.42)	(64.95)	0.71	204.06	138.40

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

8 Investment property

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Gross carrying amount			
Opening balance	218.48	218.48	218.48
Additions	-	-	-
Closing balance	218.48	218.48	218.48
Accumulated depreciation			
Opening balance	27.35	22.28	17.19
Depreciation charge	3.94	5.07	5.09
Closing balance	31.29	27.35	22.28
Net carrying amount			
	187.19	191.13	196.20

Note: Investment property has been carried at the cost less accumulated depreciation as at 1 April 2017, as the cost and depreciation determined under the previous GAAP, in case of the Company, is in line with the principles of Ind AS 40.

i) Amounts recognised in profit or loss for investment properties

Particulars	For the year ended 31 March	
	2019	2018
Rental income	18.10	17.76
Direct operating expenses from property that generated rental income	(3.03)	(2.15)
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	15.07	15.61
Depreciation	(3.94)	(5.07)
Profit from investment property	11.13	10.54

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property.

iii) Leasing arrangements

Certain investment properties are leased out to tenants under operating leases.

iv) Fair value

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Investment property	281.07	273.41	265.55

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Company are cancellable and non-cancellable leases, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a level 2 valuation.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

9 Property, plant and equipment

Current year

Particulars	Gross block						Accumulated depreciation			Net block	
	As at 1 April 2018	Additions	Deductions/ adjustments	As at 31 March 2019		As at 1 April 2018	Deductions/ adjustments	For the year	As at 31 March 2019	As at 31 March 2019	
Land freehold	0.04	-	-	0.04		-	-	-	-	0.04	
Land leasehold	1.16	-	0.02	1.14		-	-	-	-	1.14	
Buildings	8.28	-	-	8.28	3.06	-	0.14	3.20	5.08		
Computers	-	0.04	-	0.04		-	-	-	-	0.04	
Leased assets											
Plant and machinery	87.50	-	87.50	-	87.50	87.50	-	-	-	-	
Total	96.98	0.04	87.52	9.50	90.56	87.50	0.14	3.20	6.30		

Previous year

Particulars	Gross block						Accumulated depreciation			Net block	
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018		As at 1 April 2017	Deductions/ adjustments	For the year	As at 31 March 2018	As at 31 March 2018	
Land freehold	0.04	-	-	0.04		-	-	-	-	0.04	
Land leasehold	1.18	-	0.02	1.16		-	-	-	-	1.16	
Buildings	8.28	-	-	8.28	2.91	-	0.15	3.06	5.22		
Computers	-	-	-	-		-	-	-	-	-	
Leased assets											
Plant and machinery	87.50	-	-	87.50	87.50	-	-	87.50	-	-	
Total	97.00	-	0.02	96.98	90.41	-	0.15	90.56	6.42		

10 Other non-financial assets

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Income tax refund receivable	3.81	3.81	3.81
Amount remitted against purchase of shares *	222.48	-	-
Pre-paid expenses	19.56	-	-
Others	0.56	0.51	0.54
	246.41	4.32	4.35

* represents cheques issued to WMDC (Western Maharashtra Development Corporation), co-promoter in the Company's joint venture in MSL (Maharashtra Scooters Ltd.). WMDC had filed SLP in the matter of 27% stake sale in MSL to the Company. The Hon'ble Supreme Court (SC) dismissed WMDC's SLP on 9 January 2019. The Hon'ble SC ordered that the Company shall pay ₹ 232 per share along with interest at the rate of 18% p.a. from the date of Arbitral Award (14 January 2006) and that as soon as payment is made by the Company, shares in question shall be transferred to the Company. Accordingly, on 14 January 2019 the Company has tendered an amount of ₹ 71.59 crore towards purchase price and ₹ 150.89 crore towards interest, aggregating to ₹ 222.48 crore to WMDC. These cheques have remained unencashed as on 31 March 2019 and have turned stale subsequent to year end on 14 April 2019. The Company has issued fresh cheques on 12 April 2019. The transfer of 3,085,712 shares of MSL is awaited.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

11 Other financial liabilities

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Unclaimed dividend	6.71	6.08	4.92
Directors' remuneration and commission payable	14.53	12.66	9.98
Employee benefits payable	2.40	1.85	1.48
Security deposits	10.89	10.65	8.59
	34.53	31.24	24.97

12 Provisions

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Provision for employee benefits			
Provision for gratuity	1.12	1.56	1.34
Provision for compensated absences	0.76	0.56	0.47
Provision for long-term incentive plan	3.64	2.25	1.25
	5.52	4.37	3.06

13 Other non-financial liabilities

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Lease security deposit	-	17.50	17.50
Taxes and duties payable	1.88	1.03	0.46
Others payables	0.27	0.21	0.19
	2.15	18.74	18.15

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

14 Equity share capital

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Authorised			
150,000,000 equity shares of ₹ 10 each	150.00	150.00	150.00
Issued, subscribed and fully paid-up shares			
111,293,510 equity shares of ₹ 10 each	111.29	111.29	111.29
	111.29	111.29	111.29

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Nos.	₹ In Crore	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares						
At the beginning of the year	111,293,510	111.29	111,293,510	111.29	111,293,510	111.29
Equity shares issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	111,293,510	111.29	111,293,510	111.29	111,293,510	111.29

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The interim dividend declared by the Board of Directors and the final dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Nos.	% Holding	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid						
Jamnalal Sons Pvt. Ltd.	19,517,715	17.54%	18,943,660	17.02%	18,527,504	16.65%
Jaya Hind Industries Ltd. (formally known as Jaya Hind Investments Pvt. Ltd.)	5,905,401	5.31%	5,805,256	5.22%	5,805,256	5.22%

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

15 Other equity

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
a. Reserves and surplus			
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934			
Balance as at the beginning of the year	1,584.33	1,321.62	
Add: Transferred from surplus in Statement of Profit and Loss	157.64	262.71	
Balance as at the end of the year	1,741.97	1,584.33	1,321.62
Securities premium account			
	444.42	444.42	444.42
General reserve			
Balance as at the beginning of the year	16,612.86	15,834.18	
Add: Share of accumulated reserves of associate	(1,888.58)	778.68	
Balance as at the end of the year	14,724.28	16,612.86	15,834.18
Retained earnings			
Balance as at the beginning of the year	4,218.22	1,766.28	
Profit for the year	3,048.38	2,654.75	
Items of other comprehensive income recognised directly in retained earnings			
Actuarial gains/losses of defined benefit plans	(8.93)	(5.96)	
Reclassification of gain on sale of FVTOCI equity instruments	92.50	501.20	
Less: Appropriations			
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	157.64	262.71	
Final dividend, declared and paid during the year	445.17	361.70	
Tax on final dividend	91.51	73.64	
Total appropriations	694.32	698.05	
Balance as at the end of the year	6,655.85	4,218.22	1,766.28
Other reserves			
Equity instruments through other comprehensive income	3,347.46	2,330.32	1,733.25
Valuation gains/losses on derivative hedging instruments	(29.26)	(30.40)	
Change in foreign currency translation reserve of subsidiary	70.77	106.03	
Other adjustments	1.99	3.56	
Debt instruments through other comprehensive income	(116.47)	(179.40)	
	26,841.01	25,089.94	21,099.75

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

15 Other equity (Contd.)

Nature and purpose of reserve

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

FVTOCI equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

General reserve

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

16 Interest income

Particulars	(₹ In Crore)	
	For the year ended 31 March	2019
Interest income on		
Investments (at amortised cost)	360.20	314.12
Others	0.79	-
	<u>360.99</u>	<u>314.12</u>

17 Net gain on fair value changes

Particulars	(₹ In Crore)	
	For the year ended 31 March	2019
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Income from real estate and other funds	2.18	8.08
On financial instruments designated at fair value through profit or loss	10.13	32.76
Others		
Gain/(loss) on sale of debt instrument at amortised cost	(5.08)	3.26
Total net gain on fair value changes	<u>7.23</u>	<u>44.10</u>
Fair value changes		
Realised	5.96	44.06
Unrealised	1.27	0.04
	<u>7.23</u>	<u>44.10</u>

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

18 Other investment income

Particulars	For the year ended 31 March	
	2019	2018
Provision for diminution in value of investments written back	-	4.07
	-	4.07

19 Other income

Particulars	For the year ended 31 March	
	2019	2018
Provision no longer required	0.02	0.04
Miscellaneous receipts	4.63	4.70
	4.65	4.74

20 Employee benefits expenses

Particulars	For the year ended 31 March	
	2019	2018
Salaries, wages and bonus to employees	25.99	21.91
Contribution to provident and other funds	2.06	1.78
Staff welfare expenses	0.08	0.09
	28.13	23.78

21 Depreciation, amortisation and impairment

Particulars	For the year ended 31 March	
	2019	2018
Depreciation on property, plant and equipment	0.14	0.15
Depreciation on investment property	3.94	5.07
Amount written off against leasehold land	0.02	0.02
	4.10	5.24

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

22 Other expenses

Particulars	For the year ended 31 March	
	2019	2018
Repairs to buildings	1.69	1.45
Rental charges payable under operating leases	1.06	0.04
Rates and taxes	2.39	2.03
Insurance	0.54	0.06
Payment to auditor	0.15	0.14
Directors' fees and travelling expenses	2.50	0.62
Exchange loss*	11.15	-
Commission to non-executive directors	1.66	1.09
Business support service expenses	12.91	16.15
Expenditure towards Corporate Social Responsibility (CSR) activities	11.88	9.15
Legal and professional charges	1.83	1.80
Miscellaneous expenses	8.67	8.29
	56.43	40.82

*pertains to foreign exchange loss on payment from lessor against assignment of aircraft purchase agreement

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

23 Tax expense

Particulars	For the year ended 31 March	
	2019	2018
(a) Tax expense		
Current tax		
Current tax on profits for the year	130.27	183.55
Less: MAT credit entitlement	(0.29)	(58.05)
Total current tax expense	129.98	125.50
Deferred tax		
Decrease/(increase) in deferred tax assets	(0.49)	(2.32)
(Decrease)/increase in deferred tax liabilities	(7.85)	(4.98)
Total deferred tax expenses/(benefit)	(8.34)	(7.30)
MAT credit entitlement, earlier provided, now reversed	-	(33.50)
Tax expense	121.64	84.70
(b) Reconciliation of tax expenses and the accounting profit multiplied by Statutory tax rate		
Profit before tax	3,170.02	2,739.45
Less: Share of profits of associates and joint venture, already after tax	2,827.33	2,384.88
Profit before tax and share of profits of associates and joint venture	342.69	354.57
Tax at the Indian tax rate of 34.944% (Previous year - 34.608%)	119.75	122.71
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure	2.08	1.59
Disallowance under section 14A	10.36	9.41
Others	3.97	0.36
Tax effect of amounts which are deductible (non taxable) in calculating taxable income		
Dividend income	(14.09)	(13.57)
Others	(0.43)	(2.30)
MAT credit entitlement, earlier provided, now reversed	-	(33.50)
Tax expense	121.64	84.70

24 Earnings per share (EPS)

Particulars	For the year ended 31 March	
	2019	2018
Profit for the year (₹ In Crore)		
Profit for the year (₹ In Crore)	3,048.38	2,654.75
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	273.9	238.5
Face value per share ₹	10.0	10.0

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

25 Other notes to account

Other notes to account to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Bajaj Holdings & Investment Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

Particulars	Note Reference of standalone financial statements
Contingent liabilities	Note 25
Capital commitments	Note 26
Disclosure of transactions with related parties	Note 30

The amounts of contingent liabilities and capital commitments of the associates and joint venture and group's share in those amounts are separately disclosed in note 26 and 27.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

26 Investments in associates

The Group has a 33.43% interest in Bajaj Auto Ltd. and a 39.29% interest in Bajaj Finserv Ltd.

The following table illustrates the summarised financial information of the Group's investment in these companies

(₹ In Crore)

Bajaj Auto Ltd.

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Non-current assets	21,761.25	15,890.17	12,169.09
Current assets	7,073.16	9,250.83	9,468.53
Non-current liabilities	(726.81)	(604.34)	(568.18)
Current liabilities	(4,873.78)	(4,111.40)	(3,212.84)
Non-controlling interest	(0.01)	(0.02)	(0.03)
Equity	23,233.81	20,425.24	17,856.57
Proportion of the Group's ownership	33.43%	31.54%	31.54%
Group's share of equity	7,766.39	6,443.08	5,632.80
Inter company eliminations	(630.47)	(0.00)	-
Carrying amount of the investment	7,135.92	6,443.08	5,632.80
Contingent liabilities	1,785.06	1,719.70	1,933.56
Capital commitments	68.82	51.82	86.23
Group's share of contingent liabilities	596.69	542.47	609.94
Group's share of capital commitments	23.00	16.35	27.20
Revenue from operations	30,249.96	25,617.27	
Other income	1,555.01	1,158.26	
Cost of raw materials and components consumed	(20,301.35)	(15,999.16)	
Purchase of traded goods	(1,579.38)	(1,401.25)	
Changes in inventories of finished goods, work-in-progress and traded goods	56.42	(9.68)	
Excise duty	-	(398.34)	
Employee benefits expense	(1,256.89)	(1,069.48)	
Finance costs	(4.48)	(1.31)	
Depreciation and amortisation expense	(265.69)	(314.80)	
Other expenses	(2,219.87)	(1,927.78)	
Expenses, included in above items, capitalised	30.10	24.07	
Total expenses	(25,541.14)	(21,097.73)	
Share of profits of associate	349.75	287.61	
Exceptional items	342.00	(32.00)	
Profit before tax	6,955.58	5,933.41	
Tax expense	(2,027.98)	(1,714.47)	
Profit attributable to non-controlling interest	0.01	0.01	
Profit for the year	4,927.61	4,218.95	
Other comprehensive income (net of tax)	(45.35)	237.74	
Total comprehensive income for the year	4,882.26	4,456.69	
Group's share of profit	1,647.16	1,330.86	
Inter company eliminations	(99.83)	0.00	
Group's share of profit for the year	1,547.33	1,330.86	

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

26 Investments in associates (Contd.)

(₹ In Crore)

Bajaj Finserv Ltd.

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Financial assets	200,780.79	154,091.33	125,601.23
Non-financial assets	7,767.92	7,470.66	6,786.40
Financial liabilities	(169,529.11)	(128,322.33)	(107,370.33)
Non-financial liabilities	(2,446.03)	(1,982.37)	(1,742.14)
Non-controlling interest	(12,807.65)	(10,774.35)	(7,175.52)
Equity	23,765.92	20,482.94	16,099.64
Proportion of the Group's ownership	39.29%	39.29%	39.29%
Group's share of equity	9,337.43	8,047.63	6,325.58
Inter company eliminations	0.00	(0.00)	0.00
Carrying amount of the investment	9,337.43	8,047.63	6,325.58
Contingent liabilities	1,855.66	1,635.00	1,394.20
Capital commitments	625.35	421.01	2,279.58
Group's share of contingent liabilities	729.07	642.38	547.78
Group's share of capital commitments	245.69	165.41	895.65
Revenue from operations	42,604.00	32,862.37	
Other income	1.57	0.29	
Employee benefits expenses	(3,801.77)	(2,744.83)	
Finance costs	(6,540.03)	(4,531.00)	
Fees and commission expense	(1,692.77)	(1,281.52)	
Impairment on financial instruments	(1,688.67)	(1,034.89)	
Claims incurred pertaining to insurance business	(10,663.70)	(10,791.39)	
Reinsurance ceded	(3,119.33)	(2,727.22)	
Net change in insurance/investment contract liabilities	(3,701.96)	(894.68)	
Depreciation, amortisation and impairment	(226.09)	(159.89)	
Other expenses	(3,017.87)	(2,599.82)	
Total expenses	(34,452.19)	(26,765.24)	
Share of profits of joint venture	1.36	1.29	
Profit before tax	8,154.74	6,098.71	
Tax expense	(2,780.89)	(1,922.36)	
Profit attributable to non-controlling interest	(2,154.81)	(1,526.09)	
Profit for the year	3,219.04	2,650.26	
Other comprehensive income (net of tax)	143.56	(626.79)	
Total comprehensive income for the year	5,517.41	3,549.56	
Group's share of profit for the year	1,264.74	1,041.29	

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

27 Investment in joint venture

The Group has a 24% interest in Maharashtra Scooters Ltd.

The following table illustrates the summarised financial information of the Group's investment in these companies

(₹ In Crore)

Maharashtra Scooters Ltd.

Particulars	As at		
	31 March 2019	31 March 2018	1 April 2017
Non-current assets	11,655.96	8,138.91	6,487.94
Current assets	67.05	104.19	84.38
Non-current liabilities	(389.97)	(7.65)	(10.71)
Current liabilities	(9.82)	(10.18)	(9.12)
Equity	11,323.22	8,225.27	6,552.49
Proportion of the Group's ownership	24.00%	24.00%	24.00%
Group's share of equity	2,717.57	1,974.06	1,572.60
Inter company eliminations	(572.66)	(428.25)	(343.24)
Carrying amount of the investment	2,144.91	1,545.81	1,229.36
Contingent liabilities	11.79	12.24	11.72
Capital commitments	0.56	0.02	-
Group's share of contingent liabilities	2.83	2.94	2.81
Group's share of capital commitments	0.13	0.00	-
Revenue from operations	14.50	12.64	
Other income	81.43	69.79	
Cost of raw materials and components consumed	(7.79)	(7.54)	
Changes in inventories of finished goods, work-in-progress and traded goods	0.11	(0.10)	
Excise duty	-	(0.31)	
Employee benefits expense	(8.22)	(8.21)	
Depreciation and amortisation expense	(1.55)	(0.75)	
Other expenses	(4.08)	(4.18)	
Total expenses	(21.53)	(21.09)	
Profit before tax	74.40	61.34	
Tax expense	(1.60)	(0.58)	
Profit for the year	72.80	60.76	
Other comprehensive income (net of tax)	3,070.61	1,653.29	
Total comprehensive income for the year	3,143.41	1,714.05	
Group's share of profit	17.47	14.58	
Inter company eliminations	(2.21)	(1.85)	
Group's share of profit for the year	15.26	12.73	

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

28 Segment information

The Company's business activity, including its subsidiary, associates and joint venture, falls within a single business segment i.e. investment and therefore, segment reporting in terms of Ind AS 108 on Segment Reporting is not applicable.

29 Fair value measurement

i) Financial instruments by category

Particulars	31 March 2019			31 March 2018			1 April 2017			(₹ In Crore)
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	
Financial assets										
Investments										
Government securities, bonds and debentures	-	-	3,196.75	-	-	4,507.33	-	-	2,746.21	
Liquid mutual funds	26.26	-	-	43.76	-	-	1,433.24	-	-	
Commercial papers	-	-	-	-	-	465.62	-	-	143.11	
Preference shares	-	-	0.20	-	-	0.20	-	-	0.20	
Equity shares	-	4,302.80	-	-	3,463.41	-	-	3,221.53	-	
Real estate funds	-	15.81	-	-	8.74	-	-	14.02	-	
Alternative investment funds	-	96.78	-	-	49.85	-	-	30.73	-	
Other financial assets	-	-	126.74	-	-	169.25	-	-	104.18	
Cash and cash equivalents	-	-	3.48	-	-	75.13	-	-	0.99	
Other bank balances	-	-	6.71	-	-	6.08	-	-	4.92	
Total financial assets	26.26	4,415.39	3,333.88	43.76	3,522.00	5,223.61	1,433.24	3,266.28	2,999.61	
Financial liabilities										
Trade payables	-	-	1.13	-	-	0.48	-	-	0.71	
Other financial liabilities	-	-	34.53	-	-	31.24	-	-	24.97	
Total financial liabilities	-	-	35.66	-	-	31.72	-	-	25.68	

ii) Fair value hierarchy

This section explains the basis of estimates made in determining the fair values of the financial instruments that are

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value – recurring fair value measurements at 31 March 2019

Particulars	Notes	₹ In Crore			
		Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
Liquid mutual funds	5B	26.26	-	-	26.26
Financial investments at FVTOCI					
Equity shares	5B	3,895.89	406.91	-	4,302.80
Real estate funds	5B	-	15.81	-	15.81
Alternative investment funds	5B	-	96.78	-	96.78
Total financial assets		3,922.15	519.50	-	4,441.65

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

29 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

Financial assets which are measured at amortised cost for which fair values as at 31 March 2019 are disclosed below.

Particulars	Notes	Level 1	Level 2	Level 3	Total
Government securities, bonds and debentures	5B	3,176.26	-	-	3,176.26
Preference shares	5B	-	0.20	-	0.20
Total financial assets		3,176.26	0.20	-	3,176.46

Assets disclosed at fair value – at 31 March 2019

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investment property	8	-	281.07	-	281.07

Financial assets measured at fair value – recurring fair value measurements at 31 March 2018

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
Liquid mutual funds	5B	43.76	-	-	43.76
Financial investments at FVTOCI					
Equity shares	5B	3,077.04	386.37	-	3,463.41
Real estate funds	5B	-	8.74	-	8.74
Alternative investment funds	5B	-	49.85	-	49.85
Total financial assets		3,120.80	444.96	-	3,565.76

Financial assets which are measured at amortised cost for which fair values as at 31 March 2018 are disclosed below.

Particulars	Notes	Level 1	Level 2	Level 3	Total
Government securities, bonds and debentures	5B	4,468.89	-	-	4,468.89
Commercial papers	5B	-	465.62	-	465.62
Preference shares	5B	-	0.20	-	0.20
Total financial assets		4,468.89	465.82	-	4,934.71

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

29 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

Assets disclosed at fair value – at 31 March 2018

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Investment property	8	-	273.41	-	273.41

Financial assets measured at fair value – recurring fair value measurements at 1 April 2017

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Financial investments at FVTPL					
Liquid mutual funds	5B	1,433.24	-	-	1,433.24
Financial investments at FVTOCI					
Equity shares	5B	2,930.54	290.99	-	3,221.53
Real estate funds	5B	-	14.02	-	14.02
Alternative investment funds	5B	-	30.73	-	30.73
Total financial assets		4,363.78	335.74	-	4,699.52

Financial assets which are measured at amortised cost for which fair values as at 1 April 2017 are disclosed below.

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Government securities, bonds and debentures	5B	2,758.52	-	-	2,758.52
Commercial papers	5B	-	143.11	-	143.11
Preference shares	5B	-	0.20	-	0.20
Total financial assets		2,758.52	143.31	-	2,901.83

Assets disclosed at fair value – at 1 April 2017

Particulars	Notes	₹ In Crore			Total
		Level 1	Level 2	Level 3	
Investment property	8	-	265.55	-	265.55

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

29 Fair value measurement (Contd.)**ii) Fair value hierarchy** (Contd.)**Valuation principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques used to determine fair value

Valuation techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted
- Close ended mutual funds at NAV's declared by AMFI
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as FIMMDA (Fixed Income Money Market and Derivative Association of India)
- Commercial papers and certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value

iii) Fair value of financial assets and liabilities measured at amortised cost

Particulars	(₹ In Crore)					
	31 March 2019		31 March 2018		1 April 2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Investments						
Government securities, bonds and debentures	3,196.75	3,176.26	4,507.33	4,468.89	2,746.21	2,758.52
Commercial papers	-	-	465.62	465.62	143.11	143.11
Preference shares	0.20	0.20	0.20	0.20	0.20	0.20
Total financial assets	3,196.95	3,176.46	4,973.15	4,934.71	2,889.52	2,901.83

The carrying amounts of commercial papers, certificate of deposits, trade payables, other financial assets/liabilities, loans and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

30 Capital management

a) Objectives, policies and processes of capital management

The Group is cash surplus and has only equity capital. The Group operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution – Investment and Credit Company (NBFC-ICC) with Reserve Bank of India (RBI).

The cash surpluses are currently invested in equity instruments, income generating debt instruments (including through mutual funds) and money market instruments depending on economic conditions in line with investment policy set by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings.

Particulars	(₹ In Crore)		
	As at 31 March	2019	2018
Equity			
Less: Tangible and other assets		26,952.30	25,201.23
Working capital		193.49	215.05
Deferred tax assets (net)		363.55	223.39
Investments in subsidiary, associates and joint venture		138.40	187.36
Investments in debt and similar investments		18,618.26	16,036.52
		7,638.60	8,538.91

No changes were made in the objectives, policies and processes of capital management during the year.

b) Dividends distributed and proposed

Particulars	(₹ In Crore)		
	As at 31 March	2019	2018
Dividends recognised in the financial statements			
Final dividend for the year ended 31 March 2018 of ₹ 40 (31 March 2017 – ₹ 32.50) per equity share, declared and paid		445.17	361.70
Dividends not recognised at the end of the reporting period			
Directors have recommended the payment of a final dividend of ₹ 32.50 per equity share (31 March 2018 – ₹ 40). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		361.70	445.17

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

31 Maturity analysis of assets and liabilities

(₹ In Crore)

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	3.48	-	3.48	75.13	-	75.13	0.99	-	0.99
Bank balance other than cash and cash equivalents	-	6.71	6.71	-	6.08	6.08	-	4.92	4.92
Investment in subsidiary, associates and joint venture	-	18,618.26	18,618.26	-	16,036.52	16,036.52	-	13,187.74	13,187.74
Other investments	257.01	7,381.59	7,638.60	781.95	7,756.96	8,538.91	1,827.34	5,761.70	7,589.04
Other financial assets	112.46	14.28	126.74	167.60	1.65	169.25	102.82	1.36	104.18
Non-financial assets									
Current tax assets (net)	-	36.32	36.32	-	36.22	36.22	-	32.82	32.82
Deferred tax assets (net)	-	139.39	139.39	24.75	163.74	188.49	-	127.54	127.54
Investment property	-	187.19	187.19	-	191.13	191.13	-	196.20	196.20
Property, plant and equipment	-	6.30	6.30	-	23.92	23.92	-	24.09	24.09
Other non-financial assets	242.13	4.28	246.41	0.02	4.30	4.32	0.05	4.30	4.35
Total	615.08	26,394.32	27,009.40	1,049.45	24,220.52	25,269.97	1,931.20	19,340.67	21,271.87
Liabilities									
Financial liabilities									
Trade payables	1.13	-	1.13	0.48	-	0.48	0.71	-	0.71
Other financial liabilities	16.93	17.60	34.53	22.88	8.36	31.24	11.81	13.16	24.97
Non-financial liabilities									
Current tax liabilities (net)	-	12.78	12.78	-	12.78	12.78	-	12.78	12.78
Deferred tax liabilities (net)	-	0.99	0.99	-	1.13	1.13	-	1.16	1.16
Provisions	1.04	4.48	5.52	0.56	3.81	4.37	0.47	2.59	3.06
Other non-financial liabilities	2.15	-	2.15	1.24	17.50	18.74	0.65	17.50	18.15
Total	21.25	35.85	57.10	25.16	43.58	68.74	13.64	47.19	60.83
Net	593.83	26,358.47	26,952.30	1,024.29	24,176.94	25,201.23	1,917.56	19,293.48	21,211.04

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

32 Disclosure in terms of Schedule III of the Companies Act, 2013

Particulars								(₹ In Crore)	
	Net assets (i.e. Total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income		
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount	
1 Parent:									
Bajaj Holdings & Investment Ltd.	40.78%	10,989.42	25.86%	788.19	45.74%	515.99	31.24%	1,304.18	
2 Subsidiaries (Indian)									
Bajaj Auto Holdings Ltd.	0.17%	46.78	0.05%	1.39	-	-	0.03%	1.39	
(Less): Minority interests in subsidiary	-	-	-	-	-	-	-	-	
(Less): Inter-company eliminations	(0.01%)	(2.16)	(0.03%)	(0.86)	-	-	(0.02%)	(0.86)	
3. Associates (Investment as per equity method) Indian									
Bajaj Auto Ltd.	26.48%	7,135.92	50.76%	1,547.33	(3.35%)	(37.81)	36.15%	1,509.52	
Bajaj Finserv Ltd.	34.64%	9,337.43	41.49%	1,264.74	5.00%	56.40	31.63%	1,321.14	
(Less): Inter-company eliminations	(10.02%)	(2,699.76)	(18.33%)	(558.62)	-	-	(13.38%)	(558.62)	
4. Joint venture (Investment as per equity method) Indian									
Maharashtra Scooters Ltd.	7.96%	2,144.91	0.50%	15.26	52.61%	593.37	14.57%	608.63	
(Less): Inter-company eliminations	-	(0.24)	(0.30%)	(9.05)	-	-	(0.22%)	(9.05)	
Total	100.00%	26,952.30	100.00%	3,048.38	100.00%	1,127.95	100.00%	4,176.33	

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

33 Other disclosures

Other notes and disclosures to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Bajaj Holdings & Investment Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

Particulars	Note Reference of standalone financial statements
Employee benefits	Note 27
Financial risk management	Note 32
Dues to micro, small and medium enterprises	Note 36
Standards issued but not yet affective	Note 37

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures.

34 Miscellaneous

Amounts less than ₹ 50,000 have been shown at actual against respective line items statutorily required to be disclosed.

As per our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

D J Balaji Rao
Chairman – Audit Committee

Anant Marathe
Chief Financial Officer

Sriram Subramaniam
Company Secretary

Salient features of the financial statements of subsidiaries for the year ended 31 March 2018

Form AOC-1

In accordance with section 129(3) of the Companies Act, 2013, the salient features of the financial statements of subsidiaries is given below

Part A: Subsidiary

Particulars	(₹ In Crore)
Bajaj Auto Holdings Ltd.	
a The date since when subsidiary was acquired	26 February 1979
b Reporting period for the subsidiary	1 April 2018 to 31 March 2019
c Paid-up share capital	0.25
d Reserves and surplus	46.54
e Total assets	47.79
f Total liabilities	47.79
g Investments	45.90
h Turnover	1.61
i Profit before tax	1.58
j Provision for tax	0.19
k Profit after tax	1.39
l Proposed Dividend	0%
m % of shareholding	100.00%

Part B: Associates and Joint Venture

Particulars	(₹ In Crore)	Bajaj Auto Ltd. (Associate)	Bajaj Finserv Ltd. (Associate)	Maharashtra Scooters Ltd. (Joint Venture)
a Date on which the associate or joint venture was associated or acquired		20 February 2008 (being the effective date of demerger of erstwhile Bajaj Auto Ltd.)	20 February 2008 (being the effective date of demerger of erstwhile Bajaj Auto Ltd.)	11 June 1975
b Latest audited Balance Sheet date		31 March 2019	31 March 2019	31 March 2019
c Shares of associate/joint venture held by the Company and its subsidiary on the year end				
- Number	96,727,050	62,523,219	2,742,848	
- Amount of investment in associate/joint venture	1,929.79	769.97	0.24	
- Extent of holding %	33.43%	39.29%	24.00%	
d Description of how there is significant influence		By way of shareholding	By way of shareholding	By way of shareholding
e Reason why associate/joint venture is not consolidated		N.A.	N.A.	N.A.
f Net worth attributable to shareholding as per latest audited Balance Sheet		7,135.92	9,337.43	2,144.91
g Profit/(loss) for the year		4,927.61	3,219.04	72.80
- Considered in consolidation		-	-	-
- Not considered in consolidation		-	-	-

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

D J Balaji Rao
Chairman - Audit Committee

Anant Marathe
Chief Financial Officer

Sriram Subbramaniam
Company Secretary

Notes



Indus, Ladakh



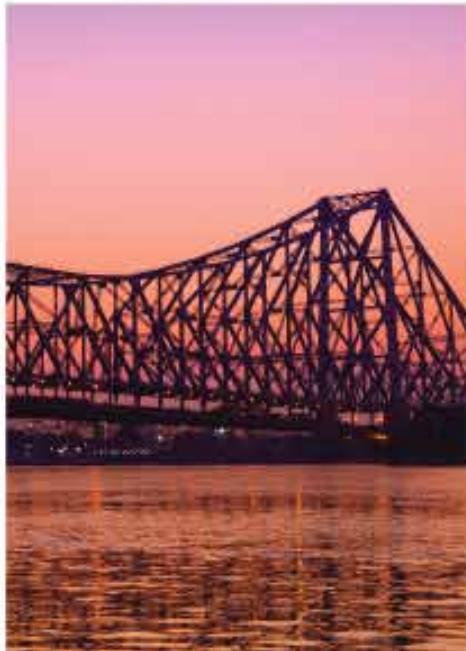
Ganga, Varanasi



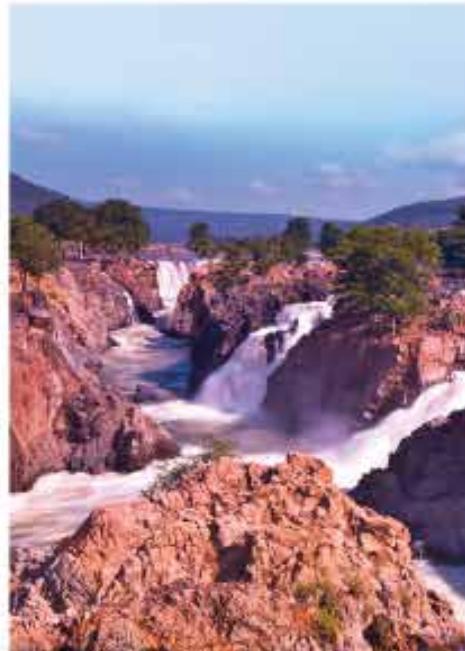
Yamuna, Agra



Godavari, Nashik



Hooghly, Kolkata



Kaveri, Hogenakkal Falls

*Just as rivers and their network of tributaries keep our habitat alive and dynamic,
our companies and their products reach far and wide, providing smart financial solutions for India.*

BAJAJ

BAJAJ HOLDINGS & INVESTMENT LIMITED

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