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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

Dr. Gita Piramal

Dr. Naushad Forbes

Audit Committee

D J Balaji Rao
Chairman

Nanoo Pamnani

Manish Kejriwal

Dr. Naushad Forbes

Stakeholders Relationship Committee

P Murari
Chairman

Nanoo Pamnani

Manish Kejriwal

Dr. Gita Piramal

Nomination and Remuneration Committee

Nanoo Pamnani
Chairman

Rahul Bajaj

D J Balaji Rao

Dr. Gita Piramal

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

Vallari Gupte

Auditors

S R B C & CO LLP
Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye
Practising Company Secretary

Bankers

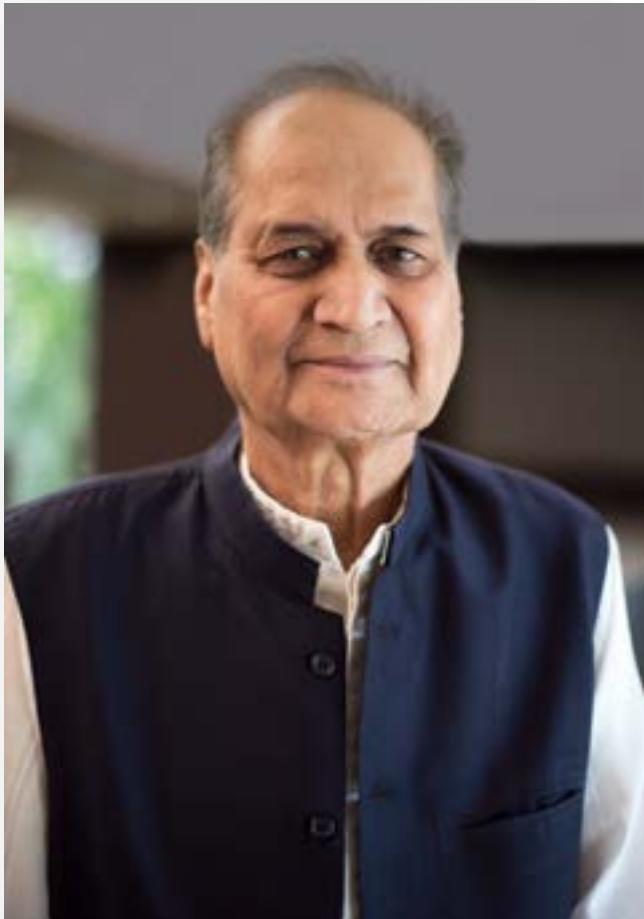
Citibank N A
HDFC Bank

**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

The directors present their Seventy Third Annual Report and audited financial statements for the year ended 31 March 2018.

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:

(₹ In Crore)

Particulars	FY2018	FY2017
Total revenue	1,474.42	888.43
Total expenses	70.12	215.94
Profit before tax	1,404.30	672.49
Tax expense	90.75	134.31
Profit for the year	1,313.55	538.18
Transfer to Reserve fund u/s 45-IC(1) of Reserve Bank of India Act, 1934	262.71	107.64
Transfer to General reserve	–	53.82
Balance carried to Balance Sheet	1,050.84	376.72
Earnings per share (₹)	118.0	48.4
Proposed dividend (%)	400%	325%
Dividend and tax thereon	536.68	435.33

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

(₹ In Crore)

Particulars	FY2018	FY2017
Total revenue	964.83	850.08
Profit before tax	889.60	630.26
Share of profit after tax of associates	2,387.48	1,977.50
Profit for the year	3,185.68	2,473.19
Earnings per share (₹)	286.2	222.2

Dividend

The directors recommend for consideration of the shareholders at the ensuing annual general meeting, payment of dividend of ₹ 40 per equity share (400%) for the year ended 31 March 2018. The amount of dividend and the tax thereon to the extent applicable aggregate to ₹ 536.68 crore.

For the year ended 31 March 2017, the dividend paid was ₹ 32.50 per equity share of ₹ 10 each (325%) and the total dividend and the tax thereon to the extent applicable aggregated to ₹ 435.33 crore.

Share Capital

The paid up equity share capital as on 31 March 2018 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. The Company has formed a Risk Management Committee and Asset Liability Management Committee in terms of the applicable directions/regulations of the Reserve Bank of India in this regard. An Information Technology (IT) Strategy Committee has also been formed under the RBI IT framework.

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.

Extract of annual return

The extract of annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013, in the prescribed form MGT-9 is annexed to this Report.

Number of meetings of the Board

Six meetings of the Board were held during the year. Detailed information is given in the Corporate Governance Report.

Directors' responsibility statement

As required under clause (c) of sub-section (3) of section 134 of the Companies Act, 2013, the directors, to the best of their knowledge and belief, 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 Companies Act, 2013.

Declaration by independent directors

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in section 149(6) of the said Act.

Directors' Remuneration Policy and criteria for matters under section 178

Information regarding Directors' Remuneration Policy and criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 are provided in the Corporate Governance Report.

Particulars of loans, guarantees or investments

Information regarding loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are detailed in the financial statements.

Related party transactions

No related party transactions (RPTs) were entered into by the Company during the financial year, which attracted the provisions of section 188 of the Companies Act, 2013. There being no 'material' related party transactions as defined under regulation 23 of the SEBI Listing Regulations, 2015, there are no details to be disclosed in Form AOC-2 in that regard.

During the year 2017-18, pursuant to section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, 2015, all RPTs were placed before the Audit Committee for its approval.

The Policy on RPTs as approved by the Board is uploaded on the Company's website www.bhil.in

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

The Company primarily being an investment company and not involved in any industrial or manufacturing activities, has no particulars to report regarding conservation of energy and technology absorption as required under section 134 of the Companies Act, 2013 and Rules made thereunder. During the year under review, the Company did not have any foreign exchange earnings, whereas the foreign exchange outgo amounted to ₹ 1.21 crore.

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 information 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 Companies Act, 2013 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.	31.54%	Associate
Bajaj Finserv Ltd.	39.29%	Associate
Bajaj Auto Holdings Ltd.	100%	Subsidiary
Maharashtra Scooters Ltd.	24%	Joint Venture

Detailed information on the performance and financial position of subsidiary, associates and joint venture of the Company is covered in the Management Discussion and Analysis Report.

As regards Maharashtra Scooters Ltd. (MSL), a company jointly promoted by the Company (erstwhile Bajaj Auto Ltd.) and Western Maharashtra Development Corporation Ltd. (WMDC), WMDC had offered to sell its 27% shareholding in MSL and the Company had confirmed its willingness to purchase these shares.

As reported in the past, in the matter of Appeal No. 153 of 2010, concerning the Award of the Arbitrator between BHIL and WMDC, passed on 14 January 2006, the Division Bench of the Hon'ble Bombay High Court had pronounced its Order on 8 May 2015, inter alia, stipulating the following:

1. The Company's Appeal No. 153 of 2010 is allowed and the impugned order of the Single Judge dated 15 February 2010 is set aside in so far as it set aside the arbitral Award on the ground that clause 7 of the Protocol Agreement was in the nature of a restriction on free transferability of the shares and was therefore contrary to section 111A of the Companies Act, 1956.
2. The Cross Objections filed by the Respondent (WMDC) have no merit and therefore stand dismissed.
3. In the peculiar circumstances of the case and in the interest of justice, the Appellant (BHIL), for the purchase of the 3,085,712 equity shares of MSL, shall pay to the Respondent (WMDC) a sum of ₹ 46.79 crore (calculated at Arbitral Award price of ₹ 151.63 per share) together with simple interest @ 18% per annum from 14 January 2006 (date of Arbitral Award) till payment.

WMDC has subsequently filed a Special Leave Petition (SLP) in the Supreme Court on 15 September 2015 which is registered as SLP No.- 27194-95 of 2015, against the impugned Division Bench judgment of the Hon'ble Bombay High Court dated 8 May 2015, challenging the judgment amongst other grounds, on the basis of validity of the Protocol Agreement in the context of section 111A of the Companies Act, 1956, prescribing free transferability of shares.

The above mentioned SLP filed by WMDC is currently pending before the Supreme Court.

Directors and Key Managerial Personnel-changes

The Directors regret to report the sad demise of Naresh Chandra, an independent director of the Company, on 9 July 2017. The Directors record their very sincere appreciation of the valuable contribution made by him during his long tenure as director of the Company.

Pursuant to section 149 and regulation 17(1)(b) read with regulation 25(6) of the SEBI Listing Regulations, 2015, the Board at its meeting held on 15 September 2017 appointed Dr. Naushad Forbes as an Additional Director in the category of non-executive, independent director, in place of Late Naresh Chandra, to hold office up to the date of the ensuing annual general meeting of the Company.

As required under the said Act and the Rules made thereunder, the same is now put up for approval of shareholders at the ensuing annual general meeting. Necessary details have been annexed to the Notice of the meeting in terms of section 102(1) of the Companies Act, 2013 and regulation 36(3) of the SEBI Listing Regulations, 2015. Dr. Forbes has submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that he meets the criteria of independence as provided in section 149(6) and regulation 16(1)(b) of the SEBI Listing Regulations, 2015.

As per the provisions of the Companies Act, 2013, Rahul Bajaj retires from the Board by rotation this year and being eligible, offers himself for re-appointment. The information as required to be disclosed under regulation 36(3) of the SEBI Listing Regulations, 2015, in case of re-appointment of the director, is provided in the Notice of the ensuing annual general meeting.

Apart from the above, there was no change in the directors and Key Managerial Personnel during the year under review.

Detailed information on the directors is provided in the Corporate Governance Report.

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.

Details 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

The financial statements of the Company for the year ended 31 March 2018 have been disclosed as per Division I of Schedule III to the Companies Act, 2013.

Consolidated financial statements

The directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries, including the associates and joint venture and as prepared in compliance with the Companies Act, 2013, applicable Accounting Standards and the SEBI Listing Regulations, 2015.

A statement containing the salient features of the subsidiaries (including associates and joint venture) in the prescribed form AOC-1 is annexed separately.

Statutory disclosures

The summary of the key financials of the Company's subsidiary, associate companies and joint venture (Form AOC-1) is included in this Annual Report. A copy of the audited financial statements of the said companies 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 business hours. The same are placed on the Company's website www.bhil.in

Details as required under the provisions of section 197(12) of the Companies Act, 2013, read with rule 5(1) of 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 Companies Act, 2013, read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any shareholder on request, as per the provisions of section 136(1) of the said Act.

Disclosures as prescribed under the Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and other applicable NBFC Regulations have been made in this Annual Report.

A Cash Flow Statement for the year 2017-18 is attached to the Balance Sheet.

Pursuant to the legislation 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has a Policy on Prevention of Sexual Harassment at Workplace. There was no case reported during the year under review under the said Policy.

Corporate governance

Pursuant to the SEBI Listing Regulations, 2015, 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 2017-18. A declaration to this effect signed by the Managing Director & CEO of the Company is contained in this Annual Report.

The Managing Director & CEO and 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, 2015.

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

Business Responsibility Report

Regulation 34(2) of the SEBI Listing Regulations, 2015, as amended, inter alia, provides that the annual report of the top 500 listed entities based on market capitalisation (calculated as on 31 March of every financial year) shall include a Business Responsibility Report (BRR).

Since BHIL is one of the top 500 listed companies, the Company, as in the previous years, has presented its BRR for the financial year 2017-18, which is part of this Annual Report. As a green initiative, the BRR has been hosted on the Company's website www.bhil.in

A physical copy of the BRR will be made available to any shareholder 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 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 Companies Act, 2013, the members at the Annual General Meeting of the Company held on 20 July 2017 appointed S R B C & 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, covering one term of five consecutive years, subject to ratification by the members at each intervening annual general meeting.

In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7 May 2018, ratification of auditors' appointment is no longer required. However, as required under section 142 of the Companies Act, 2013, a proposal is put up for approval of members for authorising the Board of Directors of the Company to fix Auditors' remuneration for the year 2018-19 and thereafter. The members are requested to approve the same.

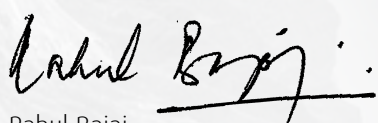
The statutory audit report for the year 2017-18 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

Secretarial auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 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 2017-18 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.

On behalf of the Board of Directors



Rahul Bajaj
Chairman

Pune: 18 May 2018

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 the 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, the 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 the approvals of the CSR Committee and the 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

The 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', which was constituted by the Board at its meeting held on 28 March 2014, has the following members:

Rahul Bajaj, Chairman
Nanoo Pamnani
Sanjiv Bajaj

During the year under review, the Committee met four times on 11 July 2017, 17 August 2017, 20 November 2017 and 12 February 2018.

3. Average net profit of the Company for last three financial years prior to 2017-18: ₹ 456.49 crore.

4. Prescribed CSR Expenditure (2% of amount as in item No. 3): ₹ 9.13 crore.

5. Details of CSR spent during the financial year:

Particulars	(₹ In Crore)
a. Total amount to be spent	9.13
b. Amount spent	9.15
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, the 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 www.bhil.in and a physical copy of this report will be made available to any shareholder on request.

7. Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company

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

Rahul Bajaj
Chairman of CSR Committee

Sanjiv Bajaj
Managing Director & CEO

Pune: 18 May 2018

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2018

(₹ 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 2017-18	Cumulative Expenditure up to 2017-18
Magic Bus India Foundation, Mumbai	Holistic development and work readiness programmes for adolescent children	Enhancing vocational skills among children	Pune and Aurangabad, Maharashtra	8.34	2.21	2.44
Eklavya Foundation, Bhopal	To construct Eklavya Bhopal Campus building	Education	Bhopal, Madhya Pradesh	3.20	1.10	2.70
Gene Campaign, New Delhi	Improving the food and nutrition security of rural communities	Malnutrition	Nainital and Almora, Uttarakhand	3.03	0.61	0.61
Round Table India Trust, Chennai	Construction of Infrastructure for Education/classrooms	Education	Pune, Maharashtra	0.85	0.61	0.76
Gramprabodhini, Nigdi, Pune	Rural educational development Centre -Construction of science & computer labs	Education	Pune, Maharashtra	0.85	0.54	0.85
Jai Hind Sindhu Education Trust, Pune	Renovation of old buildings	Education	Pune, Maharashtra	0.50	0.50	0.50
Social Entrepreneurs Foundation, Mumbai (UnLtd India)	Find, fund and support Social Entrepreneurs	Rural Development	Mumbai, Maharashtra	3.50	0.50	0.50
Others - through implementing agencies, such as Mahan Trust, Basic Health Care Services Trust, Shashwat Trust, Vidya Bhawan Society, Yuva Mitra, Janarth Adivasi Vikas Sanstha, Seva Mandir, Amhi Amchya Arogyasathi, etc.	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.	Eradicating hunger, Poverty and Malnutrition, Education, Environmental Sustainability	For different locations in Maharashtra and Rajasthan	11.34	3.08	3.81
TOTAL				31.61	9.15	

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 2018

[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/Limited 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 Computershare 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 Fax No: (040) 2300 1153 Toll Free No: 1800 345 4001 E-mail: mohsin.mohd@karvy.com Website: www.karvy.com

II. Principal business activities of the Company

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	99.70%

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 2018	Applicable section
1	Bajaj Auto Ltd.	L65993PN2007PLC130076	Associate Company	31.54%	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 2017				No. of Shares held at the end of the year as on 31 March 2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1 Indian									
a) Individual/HUF	18,199,712	-	18,199,712	16.35	18,703,012	-	18,703,012	16.80	0.45
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	30,483,308	150*	30,483,458	27.39	30,623,204	150	30,623,354	27.52	0.13
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	48,683,020	150	48,683,170	43.74	49,326,216	150	49,326,366	44.32	0.58
*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)	48,683,020	150	48,683,170	43.74	49,326,216	150	49,326,366	44.32	0.58
B. Public Shareholding									
1 Institutions									
a) Mutual Funds	1,726,776	875	1,727,651	1.55	1,404,208	425	1,404,633	1.26	(0.29)
b) Banks/FI	44,857	10,395	55,252	0.05	46,827	9,945	56,772	0.05	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	4,918,242	300	4,918,542	4.42	4,226,721	300	4,227,021	3.80	(0.62)
g) FIs/FPIs	17,202,015	1,425	17,203,440	15.46	17,767,447	1,150	17,768,597	15.97	0.51
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	23,891,890	12,995	23,904,885	21.48	23,445,203	11,820	23,457,023	21.08	(0.40)
2 Non-Institutions									
a) Bodies Corp.									
i) Indian	11,651,771	418,065	12,069,836	10.85	11,511,987	417,615	11,929,602	10.72	(0.13)
ii) Overseas	-	675	675	0.00	-	75	75	0.00	(0.00)
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	7,644,893	990,262	8,635,155	7.76	7,608,405	872,799	8,481,204	7.62	(0.14)

i) Category-wise shareholding (Contd.)

Category of shareholders	No. of Shares held at the beginning of the year as on 1 April 2017				No. of Shares held at the end of the year as on 31 March 2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,607,588	8,194,974	16,802,562	15.10	8,880,809	8,148,174	17,028,983	15.30	0.20
c) Others (specify)									
i) Non Resident Indians	259,170	12,510	271,680	0.24	224,776	11,765	236,541	0.21	(0.03)
ii) Clearing members	102,827	-	102,827	0.09	10,570	-	10,570	0.01	(0.08)
iii) Trusts	348,794	-	348,794	0.31	348,905	-	348,905	0.31	0.00
iv) NRI - Non-Repatriate	361,859	-	361,859	0.33	442,531	-	442,531	0.40	0.07
v) Foreign Nationals	-	-	-	-	190	-	190	0.00	0.00
vi) Foreign Bodies - DR	31,584	-	31,584	0.03	2,333	-	2,333	0.00	(0.03)
vii) NBFC Registered with RBI	745	-	745	0.00	1,634	-	1,634	0.00	0.00
viii) IEPF	-	-	-	-	27,553	-	27,553	0.02	0.02
Sub-Total (B)(2)	29,009,231	9,616,486	38,625,717	34.71	29,059,693	9,450,428	38,510,121	34.60	(0.10)
Total Public Shareholding (B)=(B)(1)+(B)(2)	52,901,121	9,629,481	62,530,602	56.19	52,504,896	9,462,248	61,967,144	55.68	(0.51)
C. Shares held by Custodian for GDRs and ADRs	79,738	-	79,738	0.07	-	-	-	-	(0.07)
Grand Total (A+B+C)	101,663,879	9,629,631	111,293,510	100.00	101,831,112	9,462,398	111,293,510	100.00	-

ii) Shareholding of promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2017			Shareholding at the end of the year as on 31 March 2018			% 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	Anant Bajaj	746,807	0.67	-	1,000	0.00	-	(0.67)
2	Deepa Bajaj	10,575	0.01	-	1,000	0.00	-	(0.01)
3	Geetika Bajaj	300,000	0.27	-	1,000	0.00	-	(0.27)
4	Kiran Bajaj	744,825	0.67	-	1,000	0.00	-	(0.67)
5	Kriti Bajaj	33,000	0.03	-	1,000	0.00	-	(0.03)
6	Kumud Bajaj	1,213,340	1.09	-	1,000	0.00	-	(1.09)
7	Madhur Bajaj	1,899,876	1.71	-	1,000	0.00	-	(1.71)
8	Minal Bajaj	62,900	0.06	-	1,000	0.00	-	(0.06)
9	Neelima Bajaj Swamy	267,719	0.24	-	1,000	0.00	-	(0.24)
10	Nimisha Jaipuria	159,785	0.14	-	1,000	0.00	-	(0.14)
11	Niraj Bajaj	2,733,938	2.46	-	5,178,529	4.65	-	2.20
12	Niravnayan Bajaj	479,066	0.43	-	1,000	0.00	-	(0.43)
13	Rahul Bajaj	5,126,285	4.61	-	8,059,671	7.24	-	2.64
14	Rajiv Bajaj	1,323,050	1.19	-	2,000	0.00	-	(1.19)
15	Rishabhayan Bajaj	8,500	0.01	-	1,000	0.00	-	(0.01)
16	Sanjali Bajaj	9,100	0.01	-	1,000	0.00	-	(0.01)
17	Sanjiv Bajaj	1,362,724	1.22	-	4,000	0.00	-	(1.22)

ii) Shareholding of promoters (Contd.)

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2017			Shareholding at the end of the year as on 31 March 2018			% 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	
18	Shelfali Bajaj	10,000	0.01	-	1,000	0.00	-	(0.01)
19	Shekhar Bajaj	1,520,041	1.37	-	4,919,208	4.42	-	3.05
20	Siddhantnayan Bajaj	7,500	0.01	-	1,000	0.00	-	(0.01)
21	Suman Jain	523,504	0.47	-	523,504	0.47	-	0.00
22	Sunaina Kejriwal	214,037	0.19	-	1,100	0.00	-	(0.19)
23	Bachhraj And Company Pvt. Ltd.	2,675,378	2.40	-	2,675,378	2.40	-	0.00
24	Bachhraj Factories Pvt. Ltd.	1,176,549	1.06	-	1,219,249	1.10	-	0.04
25	Bajaj Finance Ltd.	75	0.00	-	75	0.00	-	0.00
26	Bajaj Sevashram Pvt. Ltd.	2,968,419	2.67	-	3,101,619	2.79	-	0.12
27	Baroda Industries Pvt. Ltd.	965,740	0.87	-	1,012,240	0.91	-	0.04
28	Hercules Hoists Ltd.	286,094	0.26	-	286,094	0.26	-	0.00
29	The Hindustan Housing Company Ltd.	15,391	0.01	-	15,391	0.01	-	0.00
30	Jamnallal Sons Pvt. Ltd.	18,527,504	16.65	-	18,943,660	17.02	-	0.37
31	Kamalnayan Investment & Trading Pvt. Ltd.	88,800	0.08	-	91,600	0.08	-	0.00
32	Madhur Securities Pvt. Ltd.	66,800	0.06	-	73,810	0.07	-	0.01
33	Niraj Holdings Pvt. Ltd.	44,400	0.04	-	47,200	0.04	-	0.00
34	Rahul Securities Pvt. Ltd.	171,900	0.15	-	178,910	0.16	-	0.01
35	Rupa Equities Pvt. Ltd.	201,000	0.18	-	201,000	0.18	-	0.00
36	Sanraj Nayan Investments Pvt. Ltd.	2,681,948	2.41	-	2,713,518	2.44	-	0.03
37	Shekhar Holdings Pvt. Ltd.	56,450	0.05	-	63,460	0.06	-	0.01
38	Shishir Holdings Pvt. Ltd.	150	0.00	-	150	0.00	-	0.00
Total		48,683,170	43.74	-	49,326,366	44.32	-	0.58

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

iii) Change in promoters' 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 2017	48,683,170	43.74		
	Date-wise Increase/(decrease)				
1	Anant Bajaj				
	12-01-2018 - Gift Given	(745,807)	(0.67)	47,937,363	43.07
2	Bachhraj Factories Pvt. Ltd.				
	01-09-2017 - Purchase	42,700	0.04	47,980,063	43.11

iii) Change in promoters' 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
3	Bajaj Sevashram Pvt. Ltd.				
	25-08-2017 - Purchase	117,500	0.11	48,097,563	43.22
	01-09-2017 - Purchase	15,700	0.01	48,113,263	43.23
4	Baroda Industries Pvt. Ltd.				
	25-08-2017 - Purchase	46,500	0.04	48,159,763	43.27
5	Deepa Bajaj				
	12-01-2018 - Gift Given	(9,575)	(0.01)	48,150,188	43.26
6	Geetika Bajaj				
	29-12-2017 - Inter-se transfer between the Promoters	(299,000)	(0.27)	47,851,188	43.00
7	Jamnalal Sons Pvt. Ltd.				
	11-08-2017 - Purchase	61,400	0.06	47,912,588	43.05
	18-08-2017 - Purchase	25,000	0.02	47,937,588	43.07
	25-08-2017 - Purchase	50,000	0.04	47,987,588	43.12
	01-09-2017 - Purchase	145,851	0.13	48,133,439	43.25
	16-03-2018 - Purchase	53,560	0.05	48,186,999	43.30
	23-03-2018 - Purchase	55,045	0.05	48,242,044	43.35
	30-03-2018 - Purchase	25,300	0.02	48,267,344	43.37
8	Kamalnayan Investment & Trading Pvt. Ltd.				
	01-09-2017 - Purchase	2,800	0.00	48,270,144	43.37
9	Kiran Bajaj				
	12-01-2018 - Gift Given	(542,025)	(0.49)	47,728,119	42.88
10	Kiran Bajaj (A/c Geetika Trust)				
	29-12-2017 - Inter-se transfer between the Promoters	(201,800)	(0.18)	47,526,319	42.70
11	Kriti Bajaj				
	29-12-2017 - Inter-se transfer between the Promoters	(32,000)	(0.03)	47,494,319	42.67

iii) Change in promoters' 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
12	Kumud Bajaj				
	29-12-2017 - Inter-se transfer between the Promoters	(1,212,340)	(1.09)	46,281,979	41.59
13	Madhur Bajaj				
	29-12-2017 - Inter-se transfer between the Promoters	(1,897,676)	(1.71)	44,384,303	39.88
14	Madhur Bajaj (A/c Nimisha Trust)				
	29-12-2017 - Inter-se transfer between the Promoters	(1,200)	(0.00)	44,383,103	39.88
15	Madhur Securities Pvt. Ltd.				
	01-09-2017 - Purchase	7,010	0.01	44,390,113	39.89
16	Minal Bajaj				
	12-01-2018 - Gift Given	(61,900)	(0.06)	44,328,213	39.83
17	Neelima Bajaj Swamy				
	29-12-2017 - Inter-se transfer between the Promoters	(266,719)	(0.24)	44,061,494	39.59
18	Nimisha Jaipuria				
	29-12-2017 - Inter-se transfer between the Promoters	(158,785)	(0.14)	43,902,709	39.45
19	Niraj Bajaj				
	12-01-2018 - Gift Given	(2,437,338)	(2.19)	41,465,371	37.26
20	Niraj Bajaj (A/c Kriti Trust)				
	29-12-2017 - Inter-se transfer between the Promoters	(32,400)	(0.03)	41,432,971	37.23
21	Niraj Bajaj (A/c Nirav Trust)				
	29-12-2017 - Inter-se transfer between the Promoters	2,199,225	1.98	43,632,196	39.20
	12-01-2018 - Gift Received	2,977,304	2.68	46,609,500	41.88

iii) Change in promoters' 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
22	Niraj Bajaj (A/c Niravnayan Trust)				
	29-12-2017 - Inter-se transfer between the Promoters	(262,200)	(0.24)	46,347,300	41.64
23	Niraj Holdings Pvt. Ltd.				
	01-09-2017 - Purchase	2,800	0.00	46,350,100	41.65
24	Niravnayan Bajaj				
	12-01-2018 - Gift Given	(478,066)	(0.43)	45,872,034	41.22
25	Rahul Bajaj				
	12-01-2018 - Gift Given	(5,125,285)	(4.61)	40,746,749	36.61
26	Rahul Bajaj (A/c Rajiv Trust)				
	29-12-2017 - Inter-se transfer between the Promoters	106,469	0.10	40,853,218	36.71
	12-01-2018 - Gift Received	3,900,768	3.50	44,753,986	40.21
27	Rahul Bajaj (A/c Sanjiv Trust)				
	29-12-2017 - Inter-se transfer between the Promoters	114,568	0.10	44,868,554	40.32
	12-01-2018 - Gift Received	3,936,866	3.54	48,805,420	43.85
28	Rahul Securities Pvt. Ltd.				
	01-09-2017 - Purchase	7,010	0.01	48,812,430	43.86
29	Rajiv Bajaj				
	12-01-2018 - Gift Given	(1,321,050)	(1.19)	47,491,380	42.67
30	Rishabhayan Bajaj				
	12-01-2018 - Gift Given	(7,500)	(0.01)	47,483,880	42.67
31	Sanjali Bajaj				
	29-12-2017 - Inter-se transfer between the Promoters	(8,100)	(0.01)	47,475,780	42.66

iii) Change in promoters' 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
32	Sanjiv Bajaj				
	12-01-2018 - Gift Given	(1,358,724)	(1.22)	46,117,056	41.44
33	Sanraj Nayan Investments Pvt. Ltd.				
	01-09-2017 - Purchase	31,570	0.03	46,148,626	41.47
34	Shefali Bajaj				
	12-01-2018 - Gift Given	(9,000)	(0.01)	46,139,626	41.46
35	Shekhar Bajaj				
	12-01-2018 - Gift Given	(1,464,881)	(1.32)	44,674,745	40.14
36	Shekhar Bajaj (A/c Anant Bajaj Trust)				
	29-12-2017 - Inter-se transfer between the Promoters	2,165,495	1.95	46,840,240	42.09
	12-01-2018 - Gift Received	2,752,713	2.47	49,592,953	44.56
37	Shekhar Bajaj (A/c Bajaj Trading Company)				
	16-03-2018 - Sale	(53,560)	(0.05)	49,539,393	44.51
38	Shekhar Bajaj (A/c Geetika Trust)				
	29-12-2017 - Inter-se transfer between the Promoters	(600)	(0.00)	49,538,793	44.51
39	Shekhar Holdings Pvt. Ltd.				
	01-09-2017 - Purchase	7,010	0.01	49,545,803	44.52
40	Siddhantnayan Bajaj				
	12-01-2018 - Gift Given	(6,500)	(0.01)	49,539,303	44.51
41	Sunaina Kejriwal				
	29-12-2017 - Inter-se transfer between the Promoters	(212,937)	(0.19)	49,326,366	44.32
	At the end of the year 31 March 2018			49,326,366	44.32

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 2017)		Cumulative shareholding during the year (31 March 2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	M/s Jaya Hind Investments Pvt. Ltd.				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2018	5,805,256	5.22	5,805,256	5.22
2	Franklin Templeton Investment Funds				
	At the beginning of the year 1 April 2017	4,008,353	3.60		
	Date-wise Increase/(decrease)				
	12-05-2017 - Purchase	3,000	0.00	4,011,353	3.60
	26-05-2017 - Purchase	9,833	0.01	4,021,186	3.61
	02-06-2017 - Purchase	11,093	0.01	4,032,279	3.62
	09-06-2017 - Purchase	2,145	0.00	4,034,424	3.63
	30-06-2017 - Purchase	14,600	0.01	4,049,024	3.64
	07-07-2017 - Purchase	10,911	0.01	4,059,935	3.65
	14-07-2017 - Purchase	14,993	0.01	4,074,928	3.66
	28-07-2017 - Purchase	221	0.00	4,075,149	3.66
	04-08-2017 - Purchase	5,901	0.01	4,081,050	3.67
	11-08-2017 - Purchase	600	0.00	4,081,650	3.67
	25-08-2017 - Purchase	22,411	0.02	4,104,061	3.69
	01-09-2017 - Sale	(1,671)	(0.00)	4,102,390	3.69
	29-09-2017 - Sale	(429)	(0.00)	4,101,961	3.69
	06-10-2017 - Purchase	6,557	0.01	4,108,518	3.69
	13-10-2017 - Sale	(12,749)	(0.01)	4,095,769	3.68
	20-10-2017 - Sale	(266)	(0.00)	4,095,503	3.68
	27-10-2017 - Sale	(2,190)	(0.00)	4,093,313	3.68
	15-12-2017 - Sale	(18,200)	(0.02)	4,075,113	3.66
	22-12-2017 - Sale	(94,335)	(0.08)	3,980,778	3.58
	29-12-2017 - Sale	(11,800)	(0.01)	3,968,978	3.57
	19-01-2018 - Sale	(19,878)	(0.02)	3,949,100	3.55
	26-01-2018 - Purchase	14,544	0.01	3,963,644	3.56
	02-02-2018 - Purchase	16,371	0.01	3,980,015	3.58
	09-02-2018 - Purchase	29,698	0.03	4,009,713	3.60
	16-02-2018 - Purchase	5,502	0.00	4,015,215	3.61
	23-02-2018 - Purchase	68,550	0.06	4,083,765	3.67
	02-03-2018 - Purchase	6,526	0.01	4,090,291	3.68

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 2017)		Cumulative shareholding during the year (31 March 2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	09-03-2018 - Purchase	10,286	0.01	4,100,577	3.68
	16-03-2018 - Purchase	15,323	0.01	4,115,900	3.70
	At the end of the year 31 March 2018			4,115,900	3.70
3	Life Insurance Corporation of India				
	At the beginning of the year 1 April 2017	4,138,926	3.72		
	Date-wise Increase/(decrease)				
	07-04-2017 - Sale	(3,834)	(0.00)	4,135,092	3.72
	14-04-2017 - Sale	(4,696)	(0.00)	4,130,396	3.71
	28-04-2017 - Sale	(11,566)	(0.01)	4,118,830	3.70
	05-05-2017 - Sale	(2,931)	(0.00)	4,115,899	3.70
	12-05-2017 - Sale	(20,995)	(0.02)	4,094,904	3.68
	19-05-2017 - Sale	(81,380)	(0.07)	4,013,524	3.61
	09-06-2017 - Sale	(38,327)	(0.03)	3,975,197	3.57
	16-06-2017 - Sale	(1,220)	(0.00)	3,973,977	3.57
	04-08-2017 - Sale	(25,000)	(0.02)	3,948,977	3.55
	11-08-2017 - Sale	(164,537)	(0.15)	3,784,440	3.40
	18-08-2017 - Sale	(51,000)	(0.05)	3,733,440	3.35
	25-08-2017 - Sale	(85,000)	(0.08)	3,648,440	3.28
	01-09-2017 - Sale	(38,475)	(0.03)	3,609,965	3.24
	08-09-2017 - Sale	(531)	(0.00)	3,609,434	3.24
	13-10-2017 - Sale	(25,721)	(0.02)	3,583,713	3.22
	20-10-2017 - Sale	(4,248)	(0.00)	3,579,465	3.22
	27-10-2017 - Sale	(9,566)	(0.01)	3,569,899	3.21
	03-11-2017 - Sale	(2,708)	(0.00)	3,567,191	3.21
	17-11-2017 - Sale	(2,000)	(0.00)	3,565,191	3.20
	24-11-2017 - Sale	(20,613)	(0.02)	3,544,578	3.18
	01-12-2017 - Sale	(22,336)	(0.02)	3,522,242	3.16
	15-12-2017 - Sale	(1,480)	(0.00)	3,520,762	3.16
	22-12-2017 - Sale	(27,895)	(0.03)	3,492,867	3.14
	05-01-2018 - Sale	(3,868)	(0.00)	3,488,999	3.13
	12-01-2018 - Sale	(2,393)	(0.00)	3,486,606	3.13
	09-02-2018 - Sale	(3,553)	(0.00)	3,483,053	3.13
	16-02-2018 - Sale	(35,648)	(0.03)	3,447,405	3.10
	At the end of the year 31 March 2018			3,447,405	3.10

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 2017)		Cumulative shareholding during the year (31 March 2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Maharashtra Scooters Ltd.				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2018	3,387,036	3.04	3,387,036	3.04
5	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 2018	1,829,958	1.64	1,829,958	1.64
6	Acacia Partners, LP				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2018	1,777,498	1.60	1,777,498	1.60
7	Meenakshi Bhargava				
	At the beginning of the year 1 April 2017	1,000,190	0.90		
	Date-wise Increase/(decrease)				
	05-05-2017 - Purchase	15,000	0.01	1,015,190	0.91
	05-05-2017 - Sale	(15,000)	(0.01)	1,000,190	0.90
	12-05-2017 - Sale	(30,000)	(0.03)	970,190	0.87
	30-06-2017 - Sale	(19,500)	(0.02)	950,690	0.85
	21-07-2017 - Purchase	17,000	0.02	967,690	0.87
	21-07-2017 - Sale	(17,000)	(0.02)	950,690	0.85
	28-07-2017 - Sale	(17,000)	(0.02)	933,690	0.84
	11-08-2017 - Purchase	62,000	0.06	995,690	0.89
	11-08-2017 - Sale	(26,000)	(0.02)	969,690	0.87
	18-08-2017 - Purchase	4,000	0.00	973,690	0.87
	01-09-2017 - Purchase	7,214	0.01	980,904	0.88
	15-09-2017 - Purchase	23,000	0.02	1,003,904	0.90
	15-09-2017 - Sale	(23,000)	(0.02)	980,904	0.88
	06-10-2017 - Purchase	30,000	0.03	1,010,904	0.91
	27-10-2017 - Purchase	12,000	0.01	1,022,904	0.92
	03-11-2017 - Purchase	19,151	0.02	1,042,055	0.94
	10-11-2017 - Purchase	68,850	0.06	1,110,905	1.00
	17-11-2017 - Purchase	25,782	0.02	1,136,687	1.02
	24-11-2017 - Purchase	18,980	0.02	1,155,667	1.04

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 2017)		Cumulative shareholding during the year (31 March 2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	22-12-2017 - Purchase	76,000	0.07	1,231,667	1.11
	22-12-2017 - Sale	(60,000)	(0.05)	1,171,667	1.05
	29-12-2017 - Purchase	17,391	0.02	1,189,058	1.07
	05-01-2018 - Purchase	28,000	0.03	1,217,058	1.09
	05-01-2018 - Sale	(18,000)	(0.02)	1,199,058	1.08
	At the end of the year 31 March 2018			1,199,058	1.08
8	Acacia Institutional Partners, LP				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2018	1,171,200	1.05	1,171,200	1.05
9	WF Asian Reconnaissance Fund Ltd.				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2018	1,167,995	1.05	1,167,995	1.05
10	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 2018	1,092,075	0.98	1,092,075	0.98

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 2017	5,126,285	4.61		
	Date-wise Increase/(decrease)				
	29-12-2017 - Inter-se transfer between the Promoters	221,037	0.20	5,347,322	4.81
	12-01-2018 - Gift Received	7,837,634	7.04	13,184,956	11.85
	12-01-2018 - Gift Given	(5,125,285)	(4.61)	8,059,671	7.24
	At the end of the year 31 March 2018			8,059,671	7.24
2	Sanjiv Bajaj				
	At the beginning of the year 1 April 2017	1,362,724	1.22		
	Date-wise Increase/(decrease)				
	12-01-2018 - Gift Given	(1,358,724)	(1.22)	4,000	0.00
	At the end of the year 31 March 2018			4,000	0.00
3	Rajiv Bajaj				
	At the beginning of the year 1 April 2017	1,323,050	1.19		
	Date-wise Increase/(decrease)				
	12-01-2018 - Gift Given	(1,321,050)	(1.19)	2,000	0.00
	At the end of the year 31 March 2018			2,000	0.00
4	Madhur Bajaj				
	At the beginning of the year 1 April 2017	1,899,876	1.71		
	Date-wise Increase/(decrease)				
	29-12-2017 - Inter-se transfer between the Promoters	(1,898,876)	(1.71)	1,000	0.00
	At the end of the year 31 March 2018			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 2018	100	0.00	100	0.00

Note: (1) Above shareholding includes shares held in different capacities.
(2) Shareholding of other Directors-Nil
(3) Vallari Gupte (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 2018, 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 & CEO)	Total amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41,484,000	41,484,000
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	6,012,622	6,012,622
	(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)	114,480,000	114,480,000
5	Others - contribution to Provident Fund, etc.	7,775,100	7,775,100
	TOTAL (A)	169,751,722	169,751,722
	Ceiling as per the Act		711,200,000

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*	Late Naresh Chandra**	P Murari	Dr. Gita Piramal	Dr. Naushad Forbes	Total amount
i. Fee for attending Board/Committee Meetings	450,000	600,000	150,000	100,000	450,000	250,000	2,000,000
ii. Commission	900,000	5,200,000	300,000	200,000	900,000	500,000	8,000,000
iii. Other	–	–	–	–	–	–	–
TOTAL (B)(1)	1,350,000	5,800,000	450,000	300,000	1,350,000	750,000	10,000,000

*As approved by the Board, Nanoo Pamnani is being paid an additional commission of ₹ 40 lakh, for certain additional services rendered by him during the year, at the request of the Management.

**Naresh Chandra passed away on 9 July 2017.

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	450,000	300,000	250,000	450,000	1,450,000
ii Commission	900,000	600,000	500,000	900,000	2,900,000
iii Other	-	-	-	-	-
TOTAL (B)(2)	1,350,000	900,000	750,000	1,350,000	4,350,000
TOTAL (B)(1) + (B)(2)					14,350,000
Total Managerial Remuneration					184,101,722
Overall ceiling as per the Act*					853,400,000

*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 Vallari Gupte	Chief Financial Officer Anant Marathe	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,694,779	6,496,082	9,190,861
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	24,996	50,004	75,000
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as% of profit	-	-	-
	- others	-	-	-
5	Others - contribution to Provident Fund, etc.	209,423	426,227	635,650
	TOTAL (C)	2,929,198	6,972,313	9,901,511

VII. Penalties/Punishment/Compounding of offences:

During the year 2017-18, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

Annexure to Directors' Report

Remuneration Details under rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), for the year ended 31 March 2018

Name of Director/KMP	Ratio of remuneration of director to median remuneration of employees	% increase in the financial year
(A) Whole-time director(s)/Managerial Personnel		
Sanjiv Bajaj - Managing Director & CEO	82.19	32.13
(B) Non-Executive directors¹		
Rahul Bajaj	0.44	12.50
Madhur Bajaj	0.29	-
Rajiv Bajaj	0.24	(16.67)
D J Balaji Rao	0.44	50.00
Naresh Chandra ²	0.15	(75.00)
Nanoo Pamnani ³	2.52	(1.89)
Manish Kejriwal	0.44	12.50
P Murari	0.10	(60.00)
Dr Gita Piramal	0.44	50.00
Dr. Naushad Forbes ⁴	0.24	NA
(C) Key Managerial Personnel		
Sanjiv Bajaj, Managing Director & CEO		32.13
Anant Marathe, CFO		43.34
Vallari Gupte, CS		18.83
(D) Remuneration of Median employee (other than whole-time directors)		24.58
(E) Permanent employees as on 31 March 2018⁵: 9		

- 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. Naresh Chandra, an independent director on the Board, passed away on 9 July 2017. Figures in his case are therefore not comparable.
3. As approved by the Board, Nanoo Pamnani is being paid an additional commission of ₹ 40 lakh, for certain additional services rendered by him during the year, at the request of the Management.
4. Dr. Naushad Forbes was appointed w.e.f. 15 September 2017. Figures in his case are therefore not comparable.
5. The term 'Permanent employees' does not include trainees, probationers and contract employees.

Notes on Disclosures under Rule 5

1. During the year 2017-18, the remuneration of median employee other than whole-time directors increased by 24.58% over the previous year.
2. Increase in the remuneration of the Managerial Person, which was 32.13% during the year under review, was given keeping in view the remuneration trends 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 2018.

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 the adherence to good corporate practices by Bajaj Holdings & 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 authorised 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 2018, 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 2018, 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: 18 May 2018

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

Independent Auditor's 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 & 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 31 March 2018. 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 judgment, 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 2018 and verified that atleast one woman director was on the Board during the year;
- iv. Obtained and read the minutes of the following meetings held between 1 April 2017 to 31 March 2018:
 - (a) Board of Directors' meetings;
 - (b) Audit Committee meetings;
 - (c) Annual general meeting;
 - (d) Nomination and Remuneration Committee meetings;
 - (e) Stakeholders Relationship Committee meeting;
 - (f) Independent Directors' meeting; and
 - (g) 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 31 March 2018, referred to in paragraph 3 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 & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 89802

Pune: 18 May 2018

Declaration by Chief Executive Officer (MD)

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

I, Sanjiv Bajaj, Managing Director & CEO of Bajaj Holdings & Investment Ltd., hereby declare that all the members of Board of Directors and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company.

Sanjiv Bajaj
Managing Director & CEO

Pune: 18 May 2018

Management Discussion and Analysis

Background

It is just over a decade now, since Bajaj Holdings & Investment Ltd. ('BHIL' or 'the Company') came into existence post the demerger in 2007-08 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.)

The combined market capitalisation of the three entities stood at ₹ 191,156 crore as on 31 March 2018 compared to just ₹ 24,542 crore as on 31 March 2007 of erstwhile Bajaj Auto Ltd. – an increase of almost eight times! Indeed, the demerger has met its foremost objective of unlocking shareholder value. The combined annualised return of the three companies post demerger is 20.5% compared to 8.8% of Sensex for the corresponding period.

BHIL remains essentially a holding and investment company.

As on 31 March 2018, the Company held

- strategic stakes of 31.54% in Bajaj Auto Ltd.(BAL), 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 ₹ 7,500 crore at market value.

The market value of the said portfolio stood at ₹ 66,406 crore as on 31 March 2018.

BHIL is registered with the Reserve Bank of India as a Non-Banking Financial Institution and is categorised as 'Systemically Important Non-Deposit taking NBFC (NBFC-ND-SI)'.

Economy and markets

Financial year 2017-18 (FY2018) began in an uncertain environment with the economy coming to terms with the impact of demonetisation. The second quarter (July-September 2017) saw considerable disruption in economic activity on account of widespread teething troubles that accompanied the nation-wide rollout of the Goods and Services Tax (GST). The third quarter, however, has shown a much needed uptick in growth. Although we await the fourth quarter estimates, some believe that the economy has finally recovered from the twin shocks of demonetisation as well as the transition to the new GST regime, and that we are now set for a period of higher growth.

The advance estimate on national income for FY2018, released in February 2018 by the Central Statistics Office (CSO) point to India's real GDP growth at 6.6%, a drop of 50 basis points from 7.1% GDP growth achieved in FY2017.

On a positive side, the CSO has estimated a relatively sharp growth in gross fixed capital formation at 31.4% in FY2018. Although this is probably still less than what it should be to sustain a steady-state GDP growth, reversal of the downward trend ought to augur well for the economy in FY2019 and thereafter.

During FY2018, the Indian equity markets touched all-time highs before correcting in Q4 FY2018 with quantitative tightening by most of the central banks, fear of a trade war between USA and China and increase in oil prices. The US Federal Reserve hiked interest rates thrice during FY2018 and also commenced its quantitative tightening plan.

The bond markets in India remained volatile during the year. While yields dropped in H1 FY2018 due to moderating inflation, in H2 FY2018 yields hardened owing to fiscal uncertainties, rise in oil prices and announcement of additional borrowing by the Government.

Currently, the Indian equity market is led by a few stocks and many stocks are trading at steep valuations primarily led by flows. Further upside to the equity markets will be dependent, on corporate earnings. Bond yields, too, are expected to remain elevated due to rising inflation trajectory, higher fiscal deficits and global monetary policy tightening.

Performance Highlights

Particulars	(₹ In Crore)	
	FY2018	FY2017
Standalone		
Total revenue	1,474.42	888.43
Profit for the year	1,313.55	538.18
Investments, at cost	7,817	7,090
Investments, at market value	66,406	59,352
Consolidated		
Total revenue *	964.83	850.08
Profit for the year	3,185.68	2,473.19

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

These are the best ever results of BHIL on standalone and consolidated basis.

Standalone results

Table 1: Standalone financials of BHIL

Particulars	(₹ In Crore)	
	FY2018	FY2017
Interest on fixed income securities	314.11	233.22
Dividend		
From associates, subsidiary and joint venture	530.97	45.56
From others	39.60	51.93
	570.57	97.49
Profit on sale of investments (net)		
From equity investments	493.12	361.58
From fixed income securities	61.97	169.83
	555.09	531.41
Rent from investment property	17.76	16.71
Others	16.89	9.60
Total revenue	1,474.42	888.43
Provision for diminution in value of investments	–	160.00
Other expenses	70.12	55.94
Total expenses	70.12	215.94
Profit before tax	1,404.30	672.49
Profit for the year	1,313.55	538.18

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

Sharply rising equity markets provided an opportunity to realise gains on listed equity investments. BHIL was also able to realise gains on its unlisted equity investment in NSE. Profit on sale of equity investments (net) for FY2018 was ₹ 493 crore v/s ₹ 362 crore in FY2017.

BHIL's dividend income for FY2018 was ₹ 571 crore v/s ₹ 97 crore in FY2017. Previous year (FY2017) dividends were significantly lower as many companies declared interim dividends in Q4 FY2016.

Consequently, BHIL's standalone profit for the year stood at ₹ 1,314 crore in FY2018 v/s ₹ 538 crore in FY2017.

Investments

The objective of BHIL's investments portfolio is to balance risk with adequate return. The Company has a Board approved investment policy which prescribes that a minimum of 40% of surplus funds at cost (excluding strategic investments) is to be invested in fixed income securities and a maximum of 60% of the surplus funds at cost into equity and equity linked products.

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

The Company, being a NBFC-ND-SI, also complies with RBI's prudential norms on investments.

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

Table 2: Position of investments held by the Company

(₹ In Crore)

Particulars	FY2018			FY2017		
	Cost	Market value *	% to Total surplus (At cost)	Cost	Market value *	% to Total surplus (At cost)
[a] Strategic investments - equities	1,232	58,962		1,232	52,351	
[b] Other equities						
Other listed equities	1,126	2,025	17.7	1,134	2,245	20.0
Unlisted equities	187	187	2.9	242	242	4.3
Real estate funds	9	9	0.1	14	14	0.2
Subtotal	1,322	2,221	20.7	1,390	2,501	24.5
[c] Fixed income securities						
Debentures and bonds	4,142	4,114	64.8	2,616	2,633	46.3
Government securities	366	354	5.7	130	125	2.3
Mutual funds	24	24	0.4	1,383	1,403	24.4
CD and CP	540	540	8.4	143	143	2.5
Subtotal	5,072	5,032	79.3	4,272	4,304	75.5
Total (b+c)	6,394	7,253	100.0	5,662	6,805	100.0
[d] Investment in property (net of depreciation)	191	191		196	196	
[e] Grand total (a+b+c+d)	7,817	66,406		7,090	59,352	

* Only quoted investments are shown at market value, others are valued at cost.

Equity investments

Strategic/group investments

BHIL, subsequent to the demerger in 2007-08, 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 2018

(₹ In Crore)

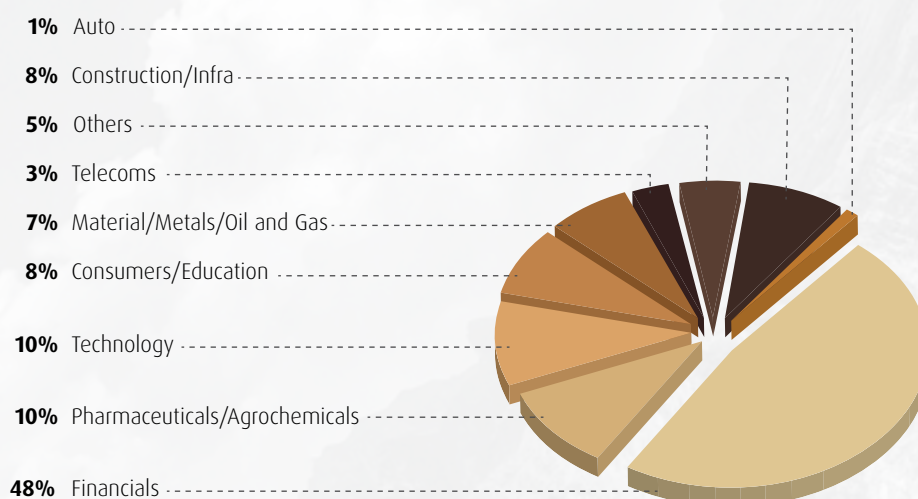
Equity shares held in	Cost	Market value
Bajaj Auto Ltd.	331.08	25,053.62
Bajaj Finserv Ltd.	743.82	32,226.11
Bajaj Auto Holdings Ltd.	0.25	0.25
Maharashtra Scooters Ltd.	0.24	627.75
Bajaj Electricals Ltd.	111.77	941.92
Mukand Ltd.	32.89	47.22
Hercules Hoists Ltd.	12.34	64.70
Mukand Engineers Ltd.	0.10	0.20
Subtotal	157.59	1,682.04
Total	1,232.49	58,961.77

Other equities

BHIL invests in equities normally with a 5 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.

In FY2018, BHIL rebalanced the sector weights of its equity portfolio by enhancing allocation to companies in pharmaceuticals, agrochemicals, healthcare, technology and consumer goods while taking away allocation from financials. Chart A below shows the sector specific stock allocation as on 31 March 2018.

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



Sensex and BSE Midcap index closed the year with returns of 11.3% and 13.2% respectively. Most sectors outperformed the Sensex with the exception of pharmaceuticals, utilities and autos (except Maruti Suzuki).

BHIL's other equities portfolio is a combination of listed and unlisted investments. Listed investments dominate the pie with a 85.2% share of other equity investments.

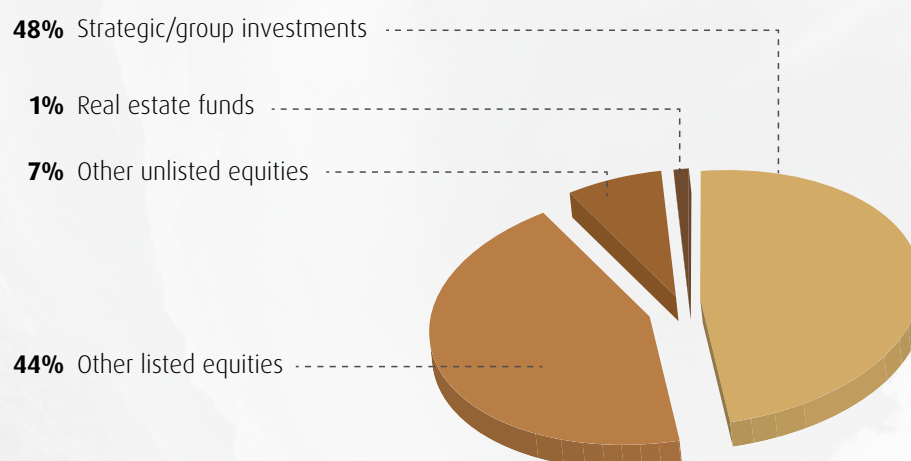
BHIL's investments in unlisted companies are in National Stock Exchange of India Ltd. (NSE) and National Multi-Commodity Exchange of India Ltd. BHIL was able to monetise a good part of its investment in NSE for substantial gains in FY2018.

During the year, BHIL sold a part of its investments in ICICI Bank, Bharti Infratel and CARE. It completely exited Coal India and IPCA Laboratories and sold a substantial portion of its investment in Power Finance Corporation.

Key new stocks added to portfolio in FY2018 were Infosys, Narayana Hrudayalaya, Heidelberg Cement and South Indian Bank. Additions were made to our existing investments in HDFC Bank, L&T, United Phosphorous and Tech Mahindra.

BHIL's other equities portfolio generated returns of 21.3% for FY2018, outperforming the Sensex. BHIL's other equities portfolio has a high weight in financials (48% of other equities portfolio at cost) as a proxy for growth in the domestic economy. In FY2018, investments in HDFC Bank, Reliance Industries, Container Corporation, L&T, Tech Mahindra and Bata outperformed the Sensex, while ICICI Bank, Ujjivan, CARE, BSE, Lupin, Bharti Infratel and United Phosphorous underperformed the Sensex.

Chart B: Composition of equity investments (at cost)



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.

In H1 FY2018 bond yields dropped as inflation surprised on its downside and RBI cut repo rate by 25 basis points in August 2017. However, in H2 FY2018, bond yields reversed as open market operations (OMO) sale programme disrupted the demand supply balance along with the Government announcing additional market borrowing. Rising crude oil prices and breach of fiscal deficit target also impacted bonds negatively.

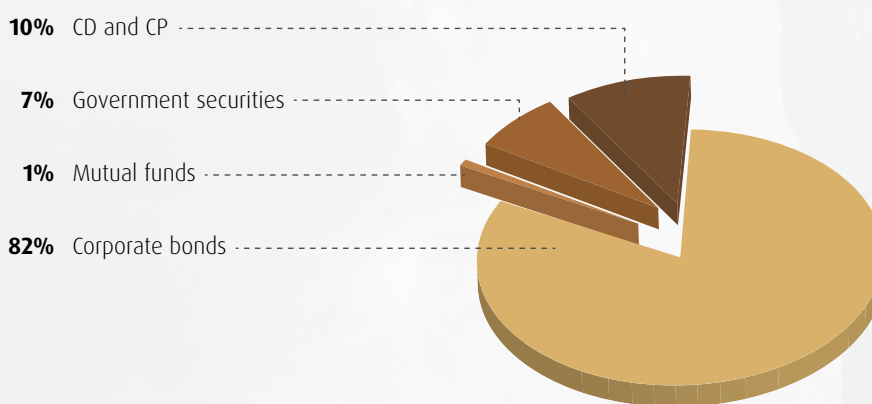
The 10 year Government security ended the year at a yield of 7.4%, hardening 70 basis points from last year's closing of 6.7%.

Based on the cautious outlook on interest rates for FY2018, BHIL booked most gains in Q1 FY2018 by exiting from long tenure securities and invested proceeds in shorter end of the curve – mainly debentures and bonds. The Company had already significantly reduced the tenure of its portfolio in FY2017 as bonds rallied sharply post the announcement of demonetisation. As a result, debentures and bonds constitute 82% of its fixed income portfolio.

For FY2018, BHIL's realised yield on the portfolio was 8.0%. The total return (realised and unrealised) was 6.5% compared to Crisil bond index return of 5.1%, thus outperforming the market. At year end, BHIL's portfolio yield was 7.5% with average maturity of 2.7 years.

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

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



Consolidated results

Consolidated financial results include consolidated results of the companies 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.	31.54%	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).

BHIL, being an NBFC, is not covered under Ind AS and is required to prepare its financials under erstwhile Indian GAAP. Accordingly, BAL's consolidated results as prepared under Indian GAAP (not Ind AS) are consolidated in BHIL.

Due to a strong performance of all components of BHIL on consolidated basis, be it BHIL (standalone), BAL (consolidated) or BFS (consolidated), BHIL recorded its **highest annual profit** on a **consolidated** basis of ₹ 3,185.68 crore in FY2018 v/s ₹ 2,473.19 crore in FY2017 – an increase of 29%.

Table 5: Consolidated financials of BHIL

(₹ In Crore)

Particulars	FY2018	FY2017
Total revenue	964.83	850.08
Share of profit after tax of associates	2,387.48	1,977.50
Profit before tax and after share of profit after tax of associates	3,277.08	2,607.76
Profit for the year	3,185.68	2,473.19

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

(₹ In Crore)

Particulars	FY2018	FY2017
Total revenue	1.71	0.19
Profit before tax	1.60	0.04
Profit for the year	1.05	0.06
Profit attributable to BHIL (100%)	1.05	0.06

Associates

Bajaj Auto Ltd. (BAL)

The consolidated financials of BAL under Indian GAAP are given below:

Table 7: Consolidated financials of BAL

(₹ In Crore)

Particulars	FY2018	FY2017
Total revenue	26,357.09	22,477.12
Profit before tax	5,508.61	4,869.37
Profit for the year	4,154.00	3,457.68
Profit attributable to BHIL (31.54%)	1,310.37	1,088.79

Bajaj Finserv Ltd. (BFS)

The consolidated financials of BFS are given below:

Table 8: Consolidated financials of BFS

Particulars	(₹ In Crore)	
	FY2018	FY2017
Total revenue	30,599.41	24,507.72
Profit before tax	6,310.17	4,924.53
Profit for the year	2,741.44	2,261.92
Profit attributable to BHIL (39.29%)	1,077.11	888.71

Joint venture

Maharashtra Scooters Ltd. (MSL)

The financials of MSL under Indian GAAP are given below:

Table 9: Financials of MSL

Particulars	(₹ In Crore)	
	FY2018	FY2017
Total revenue	82.11	29.24
Profit before tax	61.34	13.70
Profit for the year	60.93	12.56
Profit attributable to BHIL (24%)	14.61	3.01

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 (hereinafter referred to as the 'SEBI Listing Regulations, 2015'), given below are the corporate governance policies and practices of Bajaj Holdings & Investment Ltd. ('the Company' or 'BHIL') for the year 2017-18.

This Report, therefore, states compliance as per requirements of the Companies Act, 2013, SEBI Listing Regulations, 2015 and NBFC 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 the SEBI Listing Regulations, 2015.

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, 2015. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Bajaj Group. Bajaj Holdings & Investment Ltd. 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 and management.

Composition

As on 31 March 2018, the Board of the Company consisted of ten directors, of whom one was executive (Managing Director & CEO), five were non-executive independent (including one woman director) and four were non-executive and non-independent. The Board has no institutional nominee director. The Company has a Non-executive Chairman.

During the year under review, Naresh Chandra, an independent director, passed away on 9 July 2017. In the vacancy so caused, the Board at its meeting held on 15 September 2017 appointed Dr. Naushad Forbes as an additional director in the category of non-executive, independent director of the Company, w.e.f. 15 September 2017, in due compliance with the provisions under regulation 25 of the SEBI Listing Regulations, 2015.

According to regulation 17(1)(b) of the SEBI Listing Regulations, 2015, where the non-executive chairman is a promoter, at least one half of the Board of the Company should consist of independent directors. As Table 1 shows, this provision is met at BHIL.

Number of meetings of the Board

During the financial year 2017-18, the Board met six times, viz. 18 May 2017, 20 July 2017, 15 September 2017, 17 October 2017, 2 February 2018 and 14 March 2018. 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 2017-18

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	6/6	Yes
Sanjiv Bajaj	Managing Director & 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	5/6	Yes
D J Balaji Rao	Non-executive, independent	–	5/6	Yes
Nanoo Pamnani	Non-executive, independent	–	5/6	Yes
Manish Kejriwal	Non-executive	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	5/6	Yes
Naresh Chandra*	Non-executive, independent	–	1/1	NA
P Murari	Non-executive, independent	–	2/6	Yes
Dr. Gita Piramal	Non-executive, independent	–	6/6	Yes
Dr. Naushad Forbes**	Non-executive, independent	–	3/3	NA

*Naresh Chandra passed away on 9 July 2017

**Dr. Naushad Forbes was appointed w.e.f. 15 September 2017

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 Companies Act, 2013, 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.

In consideration of the extra services rendered by Nanoo Pamnani, at the request of the Management during the year 2017-18, Nanoo Pamnani will be paid ₹ 4,000,000 as additional commission for the year 2017-18, 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, 2015. As stated elsewhere, the independent directors of the Company at their meeting held on 14 March 2018 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 the environment, the Company has 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 the 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 2018

Name of the director	Directorships			Committee positions in listed and unlisted public limited companies	
	In listed companies	In unlisted public limited companies	In private limited companies	As Member (including as Chairman)	As Chairman
Rahul Bajaj	4	2	8	–	–
Sanjiv Bajaj	6	4	7	7	–
Madhur Bajaj	6	–	3	–	–
Rajiv Bajaj	4	–	2	–	–
D J Balaji Rao	6	–	–	7	3
Nanoo Pamnani	5	2	–	10	5
Manish Kejriwal	3	1	1	3	–
P Murari	6	–	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 listed companies. Further, the whole-time director in the Company does not serve as an independent director in more than three listed companies.

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 stakeholders relationship committee are considered for the purpose of reckoning committee positions.

Review of legal compliance reports

During the year, the Board periodically reviewed 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, 2015 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.

As required under clause 49 of the erstwhile Listing Agreement (now corresponding to regulation 17(5) of the SEBI Listing Regulations, 2015), 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 www.bhil.in

All Directors and Senior Management personnel have affirmed compliance with the Code for 2017-18. A declaration to this effect signed by the Managing Director & 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, 2015.

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 Companies Act, 2013. As per regulation 46(2) of the SEBI Listing Regulations, 2015, the terms and conditions of appointment of independent directors are placed on the Company's website www.bhil.in

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees, Chairperson and individual directors. The manner in which such formal annual evaluation was made by the Board during the year 2017-18 is given below:

- Performance evaluation criteria for Board, Committees of the Board, Chairperson and Directors as approved by the Board at its meeting held on 10 September 2014 were revised on 16 March 2017 suitably in line with the Guidance Note of Board Evaluation by SEBI issued on 5 January 2017. The revised criteria are placed on the Company's website www.bhil.in
- Based on the said revised criteria, rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of the performance of the Board, its Committees, Chairperson and Directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the ratings given by each of the directors was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees, Chairperson and Directors during the year under review.
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and the Board at their meetings held on 14 March 2018.
- Under the law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment did not arise.

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 in March 2018 have been furnished in a separate para elsewhere in this Report.

Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee, has framed a Remuneration Policy providing (a) 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 <http://www.bhil.in/inv/remuneration.html>

Board Diversity Policy

In compliance with the provisions of the SEBI Listing Regulations, 2015, 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 familiarise the independent directors with the Company's operations, as required under regulation 25(7) of the SEBI Listing Regulations, 2015, 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 the Companies Act, 2013 and clause 49 of the erstwhile Listing Agreement (now corresponding to regulation 22 of the SEBI Listing Regulations, 2015), the Board at its meeting held on 15 May 2014, suitably amended the existing Whistle Blower Policy, which was also as per the requirements under the applicable NBFC Guidelines.

The Whistle Blower Policy/Vigil Mechanism provides a mechanism for the director/employee to report violations, without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct, etc. which are detrimental to the organisation's interest. The mechanism protects the 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 www.bhil.in

Dividend Distribution Policy

As mandated under regulation 43A of the SEBI Listing Regulations, 2015, 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, 2015.

A Policy on 'material subsidiaries' in terms of clause 49 of the erstwhile Listing Agreement was formulated by the Board at its meeting held on 10 September 2014, which was subsequently modified by the Board at its meeting held on 4 February 2016, pursuant to regulation 16(1)(c) of the SEBI Listing Regulations, 2015. The same 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, 2015, 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 the unlisted subsidiary company 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 the related party transactions (RPTs) entered into by the Company during the year under review were on arms' length basis and in ordinary course of business. These RPTs did not attract provisions of section 188 of the Companies Act, 2013 and were also not material RPTs under regulation 23 of the SEBI Listing Regulations, 2015.

During the year 2017-18, as required under section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, 2015, all RPTs were placed before the Audit Committee for approval.

A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in this Annual Report.

There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

A Policy on materiality of RPTs and also on dealing with RPTs has been formulated by the Board at its meeting held on 17 July 2014 and amended on 15 October 2014. The same is placed on <http://www.bhil.in/inv/pdf/final-policy-on-materiality-of-rpts-bhil.pdf>

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 Accounting Standards.

Audit Committee

Constitution and composition

The Company had set up its Audit Committee way back in 1987 under the erstwhile Companies Act, 1956 and clause 49 of the erstwhile Listing Agreement. To meet the additional requirement of the Companies Act, 2013 and clause 49 (now corresponding to regulation 18 of the SEBI Listing Regulations, 2015), the terms of reference of the Committee were amended by the Board at its meeting held on 15 May 2014. The said terms of reference are placed on <http://www.bhil.in/profile/BHIL-terms-of-reference-of-auditCommittee.pdf>. The Board has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013, SEBI Listing Regulations, 2015 and NBFC Regulations.

In view of the sad demise of Naresh Chandra, who was chairman of the Audit Committee, the Board at its meeting held on 20 July 2017, inducted D J Balaji Rao as a member of the Audit Committee and also appointed him as its Chairman. Further, to strengthen the Committee, the Board at its meeting held on 15 September 2017 appointed Dr. Naushad Forbes as a member of the Audit Committee.

In compliance with the Companies Act, 2013 and regulation 18(1)(c) of the SEBI Listing Regulations, 2015, three members of the Audit Committee, viz. D J Balaji Rao (Chairman), Nanoo Pamnani and Dr. Naushad Forbes are independent and all the members of the Audit Committee are 'financially literate'. Moreover, the Audit Committee has members who have 'accounting or related financial management expertise'.

Meetings and attendance

During 2017-18, the Audit Committee met four times, viz. on 18 May 2017, 20 July 2017, 17 October 2017, and 2 February 2018. 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. Further, on invitation, directors who are not members of the Committee also attended the meetings of the Committee.

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

Table 3: Composition of Audit Committee and attendance record of members for 2017-18

Name of director	Category	No. of meetings attended
D J Balaji Rao*	Chairman, Non-executive, independent	1/2
Nanoo Pamnani	Non-executive, independent	3/4
Manish Kejriwal	Non-executive	3/4
Dr. Naushad Forbes**	Non-executive, independent	2/2
Naresh Chandra***	Non-executive, independent	1/1

*D J Balaji Rao was appointed as member and Chairman of the Committee w.e.f. 20 July 2017

**Dr. Naushad Forbes was appointed as a member of the Committee w.e.f. 15 September 2017.

***Naresh Chandra passed away on 9 July 2017.

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, current Chairman of the Audit Committee, was present at the annual general meeting of the Company held on 20 July 2017, to answer shareholders' queries.

Nomination and Remuneration Committee

BHIL constituted the Remuneration Committee of the Board in January 2002. Subsequently, the Board extended the terms of reference of the said Committee to include nomination functions and restyled the said Committee as 'Remuneration and Nomination Committee'. Further, in January 2010, it extended the terms of reference of this Committee to ensure 'Fit and Proper' status of proposed/existing directors as required under the NBFC Guidelines on Corporate Governance.

The Board, at its meeting, held on 15 May 2014, renamed the Committee as 'Nomination and Remuneration Committee' and also revised the terms of reference for this Committee at its meeting held on 10 September 2014, in compliance with section 178 of the Companies Act, 2013 and clause 49 of the erstwhile Listing Agreement (now corresponding to regulation 19 of the SEBI Listing Regulations, 2015). The terms of reference of the Committee were amended by the Board at its meeting held on 2 February 2018 to give effect to the amendment proposed to section 178 under the Companies (Amendment) Act, 2017 and to incorporate the recommendations made in SEBI Guidance Note dated 5 January 2017. The updated terms of reference are placed on <http://www.bhil.in/profile/BHIL-terms-of-reference-of-NRC.pdf>

In view of the vacancy arising out of the sad demise of Naresh Chandra (erstwhile Chairman of the Nomination and Remuneration Committee), the Board at its meeting held on 20 July 2017 appointed Nanoo Pamnani as the Chairman of the Nomination and Remuneration Committee of the Company.

The Board at its meeting held on 20 July 2017 appointed Dr. Gita Piramal as a member of the committee.

During the year under review, the Committee met thrice, i.e. on 18 May 2017, 15 September 2017 and 14 March 2018.

Table 4: Composition of Nomination and Remuneration Committee and attendance record of members for 2017-18

Name of director	Category	No. of meetings attended
Nanoo Pamnani*	Chairman, non-executive, independent	3/3
D J Balaji Rao	Non-executive, independent	3/3
Rahul Bajaj	Non-executive	3/3
Dr. Gita Piramal**	Non-executive, independent	2/2
Naresh Chandra***	Non-executive, independent	1/1

*Nanoo Pamnani was appointed as Chairman of the Committee w.e.f. 20 July 2017

**Dr. Gita Piramal was appointed as a member of the Committee w.e.f. 20 July 2017

***Naresh Chandra passed away on 9 July 2017.

Further, on invitation, directors who are not members of the Committee also attended the meetings of the Committee.

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

- i) Revision in the remuneration of Managing Director.
- ii) Review of change in remuneration to Senior Managerial Personnel.
- iii) Appointment of Dr. Naushad Forbes as an independent director.
- iv) Specifying the manner for performance evaluation.
- v) Evaluation of the Board, Committees, Chairman and the Directors.
- vi) Recommendation of payment of additional commission to Nanoo Pamnani.
- vii) Noting of Directors' annual declarations regarding 'fit and proper' status for the year 2018-19, as per NBFC Regulations/Directions.

Nanoo Pamnani, current Chairman of the Nomination and Remuneration Committee, was present at the annual general meeting of the Company held on 20 July 2017, to answer shareholders' queries.

Risk Management Committee

Regulation 21 of the SEBI Listing Regulations, 2015 mandates constitution of risk management committee applicable to the top 100 listed companies by market capitalisation as at the end of the immediate previous financial year. BHIL was not covered under the said regulation as on 31 March 2017.

However, as required under the RBI Guidelines on Corporate Governance norms for NBFCs, the Board of the Company has constituted a Risk Management Committee consisting of senior executives, which is functioning since 2010, with regular meetings being held.

The Committee has laid down procedures to inform it of the Company's risk assessment and minimisation procedures. These are periodically reviewed to ensure that Management identifies and controls risk through a properly defined framework.

As per the new legal requirements for the Company, the Board has now constituted a Risk Management Committee of the Board, which would also take care of the applicable RBI Directions, comprising the following –

Nanoo Pamnani, Chairman
Sanjiv Bajaj
Anant Marathe

Stakeholders Relationship Committee

The Board of Directors of the Company constituted its Shareholders' and Investors' Grievance Committee in 2000. 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 section 178 of the Companies Act, 2013 and clause 49 of the erstwhile Listing Agreement (now corresponding to regulation 20 of the SEBI Listing Regulations, 2015), the Board renamed the Committee as 'Stakeholders Relationship Committee' and revised the terms of reference of said Committee as follows:

1. To look into the redressal of complaints of security-holders on matters relating to transfer of shares, dematerialisation of shares, non-receipt of annual report, non-receipt of dividend, matters relating to issue of new share certificates, etc.
2. To look into matters that can facilitate better security-holders services and relations.

During the year under review, the Committee met on 2 February 2018 to, inter alia, review the status of investors' services rendered.

Table 5: Composition of Stakeholders Relationship Committee and attendance record of members for 2017-18

Name of director	Category	Attendance at the meeting held on 2 February 2018
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

Vallari Gupte, Company Secretary of the Company acts as the Compliance Officer.

On invitation, directors who are not members of the Committee also attended the meeting of the Committee. The secretarial auditor was also present.

The Committee expressed its satisfaction on the overall status of compliances 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 2017, to answer shareholders' queries.

Table 6: Investors' complaints attended and resolved during 2017-18

Investors' complaints	Attended/resolved during 2017-18
Pending at the beginning of the year	Nil
Received during the year	5
Disposed of during the year	5
Remaining unresolved at the end of the year	Nil

Pursuant to circular issued by SEBI in December 2010 (now corresponding to regulation 39(4) of the SEBI Listing Regulations, 2015) 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 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.

Independent Directors' Meeting

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the SEBI Listing Regulations, 2015, the independent directors held their separate meeting on 14 March 2018, without the attendance of non-independent directors and members of the Management to, inter alia, discuss the following:

- i) review the performance of non-independent directors and the Board as a whole;
- ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
- iii) 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 the independent directors were present at the meeting, who elected Dr. Gita Piramal as Chairperson for the meeting.

The independent directors deliberated on the above and expressed their satisfaction on each of the matters.

Duplicate Share Certificate Issuance Committee

The Board at its meeting held on 4 February 2016, to meet the requirement of section 46 of the Companies Act, 2013, read with rule 6 of the Companies (Share Capital and Debentures) Rules, 2014 and regulation 39 of the SEBI Listing Regulations, 2015, 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 5 February 2018.

Table 7: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of members for 2017-18

Name of director	Category	Attendance at the meeting held on 5 February 2018
Rahul Bajaj	Chairman, non-executive	Yes
Sanjiv Bajaj	Managing Director & CEO, executive	Yes
Rajiv Bajaj	Non-executive	Yes

Remuneration of directors

Pecuniary transactions with non-executive directors

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

The register of contracts is maintained by the Company pursuant to section 189 of the Companies Act, 2013. 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 <http://www.bhil.in/inv/remuneration.html>

Non-executive directors

Non-executive directors are paid sitting fees and commission as earlier stated in this Report.

Managing Director

During the year under review, the Company paid remuneration to Sanjiv Bajaj, Managing Director & 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.

Details of remuneration to directors

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 2017-18, 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 2017-18 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 2018 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, 2015, 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

The Company had in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended. These regulations have been substituted by the SEBI (Prohibition of Insider Trading) Regulations, 2015, with effect from 15 May 2015.

Accordingly, the Board at its meeting held on 25 March 2015, approved and adopted:

- a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
- b) Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.

The said codes are being adhered to with effect from 15 May 2015.

The Code referred to in (a) above is placed on the Company's website www.bhil.in

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 Companies Act, 2013 and the SEBI Listing Regulations, 2015, including details of the corporate contact persons and share transfer agent of the Company, shareholding pattern, etc.

Section 20 and 129 of the Companies Act, 2013, 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, 2015 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 Annual General Meetings, if any
70th AGM	23 July 2015 at 4.15 p.m.	No special resolutions were passed
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

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 Managing Director & 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, 2015.

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 2017-18. 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, 2015.

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, 2015. 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, 2015.

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 Chief Executive Officer

The Company has appointed separate persons to the posts of Chairman and Managing Director & CEO.

5. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

General Shareholder Information

73rd Annual General Meeting

Date	20 July 2018
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/early February

Dividend

The Board of Directors of the Company has proposed a dividend of ₹ 40 per equity share (400%) for the financial year 2017-18, subject to approval by the shareholders at the ensuing annual general meeting. Dividend in the previous year was ₹ 32.50 per equity share of ₹ 10 each (325%).

Dates of book closure

The register of members and share transfer books of the Company will remain closed from **Saturday, 7 July 2018** to **Friday, 20 July 2018**, both days inclusive.

Date of dividend payment

Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 24 July 2018 and/or 25 July 2018:

- 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, 6 July 2018**; and
- to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/share transfer agent (i.e. Karvy Computershare Pvt. Ltd.) on or before the close of business hours on **Friday, 6 July 2018**.

Payment of dividend

As per the SEBI Listing Regulations, 2015, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Where dividend payments are made through electronic mode, intimations regarding such remittance would be sent separately to the members. 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.

For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish updated particulars of their bank account to the share transfer agent of the Company, i.e. Karvy, along with a photocopy of a cancelled cheque of the bank account and self-attested copy of PAN card.

Beneficial owners holding shares in electronic form are requested to furnish their bank account details to their respective depository participants and make sure that changes, if any, are recorded by them correctly. The request for updating particulars of bank account should be signed as per the specimen signature registered with Karvy/depository participants, as the case may be.

Unclaimed dividends

Unclaimed dividends up to 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, Maharashtra, Pune, situated at PCNTDA Green Building, Block A, 1st and 2nd floor, Near Akurdi Railway Station, Akurdi, Pune 411 044.

As per the erstwhile section 205-C 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 a fund called the Investor Education and Protection Fund (Fund) set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1995-96 to 2008-09 were transferred by the Company to the said Fund in the respective years 2003 to 2016.

The Ministry of Corporate Affairs (MCA) notified 7 September 2016 as the commencement date for section 124 and few sub-sections of section 125 of the Companies Act, 2013 and also notified the new Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016'), outlining the detailed procedure for implementation regarding the Fund and Authority under the Companies Act, 2013. Accordingly, the unpaid/unclaimed dividend for the year 2009-10 was transferred to the Fund in September 2017.

As previously provided under the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 and now under the IEPF Rules, 2016, the Company filed the necessary particulars of all the unclaimed amounts through e-form IEPF-2 with MCA on 4 October 2017 for the financial year ended 31 March 2017 and the details of unpaid and unclaimed dividends for the financial years 2009-10 to 2016-17 were uploaded on the Company's website www.bhil.in

Unpaid/unclaimed dividend for 2010-11 shall become due for transfer to the Fund in August 2018. Members are requested to verify their records and send their claim, if any, for the financial year 2010-11, before the amount becomes due for transfer to the Fund. Communication is being sent to the members, who have not yet claimed dividend for the financial year 2010-11, requesting them to claim the same as well as unpaid dividends, if any, for the subsequent years.

Transfer of shares to IEPF

As informed in the previous year, under section 124(6) of the Companies Act, 2013, as amended, there has been a further provision 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 in the name of IEPF.

Accordingly, in due compliance of the provisions of rule 6(3) of aforesaid IEPF Rules, the Company sent individual letters through Speed Post to such shareholders, in respect of whom the dividend for a consecutive period of seven years had remained unpaid, requesting them to claim the amount of unpaid dividend.

Further, as mandated by the Rules aforesaid, Public Notices were released in the newspapers on 10 December 2016 and 25 April 2017 and the particulars of shares liable to be transferred to IEPF Suspense Account, were made available on the website of the Company, viz. www.bhil.in

MCA vide its notification dated 28 February 2017 amended the IEPF Rules 2016 called as the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017, prescribing certain modified procedure for the activities under the IEPF Rules, 2016. Further, after a series of other changes, MCA by circular dated 13 October 2017, fixed a fresh due date for transfer of shares whose dividend has remained unpaid or unclaimed for seven consecutive years or more as at 31 October 2017.

In view of the same, during the year under review, the Company transferred 27,553 equity shares of ₹ 10 each in respect of 202 shareholders to the Demat Account of the IEPF Authority held with NSDL and filed necessary e-form IEPF-4 with MCA on 20 December 2017. 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 Company website.

As provided under these Rules, the shareholder shall be allowed to claim such unpaid dividends and shares transferred to the funds by following the required procedure under the said IEPF Rules, 2016 and IEPF Amendment Rules, 2017, which are available on the Company's website www.bhil.in

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

Share transfer agent

The Company has appointed Karvy Computershare Pvt. Ltd. as its share transfer agent and accordingly, processing of share transfer/dematerialisation/rematerialisation and allied activities have been outsourced to Karvy Computershare Pvt. Ltd., Hyderabad (Karvy) with effect from 10 July 2008.

All physical transfers, transmissions, transpositions, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants, etc. as well as requests for dematerialisation/rematerialisation are being processed in periodical cycles at Karvy. The work related to dematerialisation/rematerialisation is handled by Karvy through connectivity with NSDL and CDSL.

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 2017-18 was 4,449,824 shares as against 4,690,528 shares during 2016-17, the details of which were placed before the Board on a quarterly basis.

Dematerialisation/rematerialisation of shares and liquidity

During 2017-18, 154,703 shares were dematerialised, compared to 342,785 shares during 2016-17. Total number of 170 shares were rematerialised, during the year 2017-18.

Shares held in physical and electronic mode as on 31 March 2018 are as given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2018		Position as on 31 March 2017		Net change during 2017-18	
	No. of shares	% of total shareholding	No. of shares	% of total shareholding	No. of shares	% of total shareholding
Physical	9,462,398	8.50	9,629,631	8.65	(167,233)	(0.15)
Demat:						
NSDL	98,690,993	88.68	98,785,388	88.76	(94,395)	(0.08)
CDSL	3,140,119	2.82	2,878,491	2.59	261,628	0.23
Sub Total	101,831,112	91.50	101,663,879	91.35	167,233	0.15
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.	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, 2015, the Company has entered into an Uniform Listing Agreement with BSE and NSE.

For the year 2017-18, the listing fees payable to these stock exchanges have been paid in full.

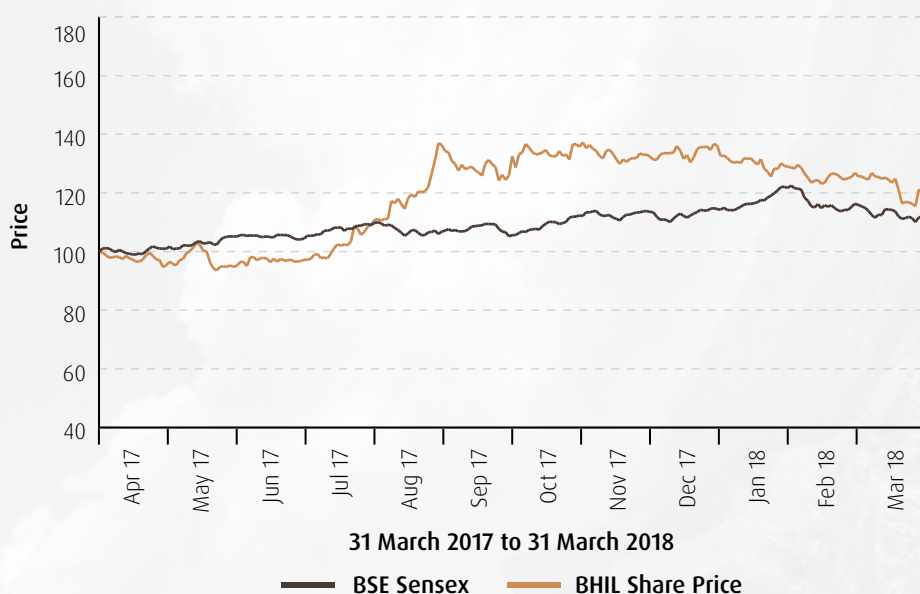
Market price data

Table 2 gives the monthly highs and lows of the Company's shares on the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE) for the year 2017-18.

Table 2: Monthly highs and lows of equity shares of Bajaj Holdings & Investment Ltd. during 2017-18 (₹ vis-à-vis BSE Sensex)

Month	BSE		NSE		Closing BSE Sensex
	High	Low	High	Low	
Apr-17	2,198.00	2,070.00	2,204.85	2,091.10	29,918.40
May-17	2,264.90	2,020.00	2,259.00	2,025.00	31,145.80
Jun-17	2,180.00	2,038.00	2,164.90	2,058.00	30,921.61
Jul-17	2,433.90	2,098.80	2,434.80	1,750.00	32,514.94
Aug-17	3,003.40	2,395.00	3,000.30	2,388.00	31,730.49
Sep-17	3,000.00	2,591.60	2,963.65	2,586.00	31,283.72
Oct-17	3,020.25	2,759.00	3,025.00	2,751.05	33,213.13
Nov-17	2,989.00	2,801.00	2,994.95	2,774.65	33,149.35
Dec-17	3,035.75	2,810.00	3,020.00	2,804.90	34,056.83
Jan-18	2,898.30	2,694.80	2,905.00	2,700.00	35,965.02
Feb-18	2,837.95	2,547.20	2,830.15	2,527.00	34,184.04
Mar-18	2,930.00	2,500.00	2,955.00	2,501.00	32,968.68

Bajaj Holdings & Investment Ltd. stock performance Vs BSE Sensex, during 2017-18 indexed to 100 on 31 March 2017



Distribution of shareholding

Table 3 gives details about the pattern of shareholding across various categories as on 31 March 2018, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholding across categories as on

Categories	31 March 2018		31 March 2017	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	49,326,366	44.32	48,683,170	43.74
Friends and associates of Promoters	14,315,465	12.86	14,495,032	13.02
GDR	–	–	79,738	0.07
Foreign Institutional Investors/Foreign Portfolio Investors	17,768,597	15.97	17,203,440	15.46
Public financial institutions	4,226,721	3.80	4,918,242	4.42
Mutual Funds	1,404,633	1.26	1,727,651	1.55
Nationalised and other Banks	56,772	0.05	55,252	0.05
NRIs and OCBs	679,147	0.61	634,214	0.58
Others	23,515,809	21.13	23,496,771	21.11
Total	111,293,510	100.00	111,293,510	100.00

Table 4: Distribution of shareholding according to size class as on 31 March 2018

Category	Number of shareholders	% to total shareholders	Number of shares	% to total shares
1 to 500	42,756	91.65	2,332,612	2.09
501 to 1000	1,404	3.01	1,039,477	0.93
1001 to 2000	935	2.00	1,332,105	1.20
2001 to 3000	436	0.93	1,086,646	0.98
3001 to 4000	217	0.47	763,073	0.68
4001 to 5000	151	0.32	695,933	0.63
5001 to 10000	320	0.69	2,235,980	2.01
10001 And Above	432	0.93	101,807,684	91.48
Total	46,651	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 2018, there were no pending issues to be addressed or resolved.

During the year, letters were received from SEBI/ROC/Stock Exchanges/Investors concerning 5 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, 2015), as amended by the 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, 2015.

The summary of this account for the year 2017-18 is as follows:

Sr. No.	Particulars	No. of shareholders	No. of 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 2017	88	9,419
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2017-18	2	170
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2017-18	2	170
iv.	No. of shareholders whose shares were transferred to IEPF Authority during the year 2017-18	73	7,955
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 2018	13	1,294

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 www.bhil.in

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

Voting through electronic means

Pursuant to section 108 of the Companies Act, 2013 and the Rules made thereunder and provisions under the SEBI Listing Regulations, 2015, every listed company is required to provide its members the facility to exercise their right to vote at general meetings by electronic means.

General Shareholder Information

The Company has entered into an arrangement with Karvy Computershare Pvt. Ltd., 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 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 **13 July 2018** and the remote e-voting shall be open for a period of three days, from **17 July 2018 (9.00 a.m.)** till **19 July 2018 (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 third annual general meeting and is also placed on the Company's website.

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

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 Computershare 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.karvy.com

Company

Bajaj Holdings & Investment Ltd.

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

Company Secretary and Compliance Officer

Vallari Gupte
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 financial statements

We have audited the accompanying standalone financial statements of Bajaj Holdings & Investment Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('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 and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by 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 2018, its profit, and its cash flows for the year ended on that date.

Other matter

The financial statements of the Company for the year ended 31 March 2017, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 18 May 2017.

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

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.
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 purpose 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 books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, 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) 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, 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 financial statements – Refer note 21 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; and
 - 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
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 18 May 2018

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

- (i) (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) where title transfer is pending and leasehold land aggregating to ₹ 1.18 crore (net block of ₹ 1.16 crore) where title transfer is pending as disclosed in Note 10 to the standalone financial statements of the Company.
- (ii) 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.
- (iii) 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.
- (iv) 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 of the Act are applicable and hence not commented upon. The provisions of section 186 of the Act in respect of investments are not applicable to the Company.
- (v) 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.
- (vi) 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.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, goods and service tax, cess and other statutory dues applicable to it. The Company did not have any statutory dues towards sales tax, value added tax, employees' state insurance, custom duty, and excise duty.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service 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.
- (c) According to the records of the Company, the dues of income-tax and service tax 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	0.58	Financial Year 1989-90 and 1990-91	ITAT
Income-tax Act, 1961	Income-tax	391.17	Financial Year 1994-95 to 2006- 07	ITAT

Annexure 1 to Independent Auditors' Report (Contd.)

- (viii) 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.
- (ix) 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) are not applicable to the Company and hence not commented upon.
- (x) 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 no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) 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.
- (xii) 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.
- (xiii) 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.
- (xiv) 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 provision of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) 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.
- (xvi) 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
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 18 May 2018

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 2018 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 (the 'Guidance Note') 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 Act.

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 and the Standards on Auditing as specified under section 143(10) of the Act, 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to these standalone financial statements 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 system over financial reporting.

Meaning of internal financial controls over financial reporting with reference to these standalone 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;
- (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

Annexure 2 to Independent Auditors' Report (Contd.)

(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 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 system 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 2018, 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 issued by the Institute of Chartered Accountants of India.

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 18 May 2018

Balance Sheet

(₹ In Crore)			
As at 31 March			
Particulars	Note No.	2018	2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	111.29	111.29
Reserves and surplus	4	8,105.15	7,224.94
		8,216.44	7,336.23
Non-current liabilities			
Deferred tax liabilities (net)	5	5.69	6.39
Other long-term liabilities	6	19.97	25.73
Long-term provisions	7	3.81	2.59
		29.47	34.71
Current liabilities			
Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.48	0.70
Other current liabilities	9	30.00	17.38
Short-term provisions	7	13.34	13.25
		43.82	31.33
Total		8,289.73	7,402.27
ASSETS			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	6.36	6.52
Lease adjustment account – plant and machinery		17.50	17.50
		23.86	24.02
Non-current investments	11	6,960.91	5,282.58
Long-term loans and advances	12	249.55	179.07
Other non-current assets	13	-	-
		7,234.32	5,485.67
Current assets			
Current investments	11	781.90	1,807.90
Cash and bank balances	14	81.14	5.83
Short-term loans and advances	12	24.79	0.05
Other current assets	13	167.58	102.82
		1,055.41	1,916.60
Total		8,289.73	7,402.27
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: 18 May 2018

Anant Marathe
Chief Financial Officer

Vallari Gupte
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 Profit and Loss

Particulars	Note No.	(₹ In Crore)	
		For the year ended 31 March	
		2018	2017
Revenue from operations	15	1,469.68	880.49
Other income	16	4.74	7.94
Total revenue		1,474.42	888.43
Expenses			
Employee benefits expense	17	24.18	18.80
Depreciation and amortisation expense	18	5.23	5.26
Other expenses	19	40.71	191.88
Total expenses		70.12	215.94
Profit before tax		1,404.30	672.49
Tax expense			
Current tax		183.00	163.00
Less: MAT credit entitlement		58.05	28.92
Net current tax		124.95	134.08
MAT credit entitlement, earlier provided, now reversed		(33.50)	-
Deferred tax		(0.70)	0.23
Total tax expense		90.75	134.31
Profit for the year		1,313.55	538.18
Basic and diluted Earnings per share (In ₹)	20	118.0	48.4
(Nominal value per share ₹ 10)			

Summary of significant accounting policies followed by the Company
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: 18 May 2018

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

D J Balaji Rao
Chairman – Audit Committee

Cash Flow Statement

(₹ In Crore)

Particulars	For the year ended 31 March	
	2018	2017
I. Operating activities		
Profit before tax	1,404.30	672.49
Adjustments to reconcile profit before tax to net cash flows:		
Add:		
i) Depreciation and amortisation expense	5.23	5.26
ii) Provision for diminution in value of investments	-	160.00
iii) Loss on sale of assets	-	0.09
	5.23	165.35
Less:		
i) Provision for diminution in value of investments written back	4.07	-
ii) Profit on sale of investments, net	555.09	531.41
iii) Income from units of mutual fund	8.08	1.66
iv) Amortisation of premium/discount on acquisition of debt securities	14.55	35.72
	581.79	568.79
	827.74	269.05
Change in assets and liabilities		
i) (Increase)/decrease in loans and advances	(0.28)	2.57
ii) (Increase)/decrease in other assets	(64.76)	(36.84)
iii) (Increase)/decrease in other bank balances	(1.16)	9.63
iv) Increase/(decrease) in liabilities and provisions	6.79	3.91
	(59.41)	(20.73)
(Purchase)/sale of money market mutual funds, etc., net*	1,047.17	(995.45)
Net cash flow from/(used in) from operating activities before income-tax	1,815.50	(747.13)
Income-tax refund/(paid) for earlier years (net)	-	(3.34)
Income-tax paid	(186.39)	(162.62)
Net cash flow from/(used in) operating activities	1,629.11	(913.09)
Carried forward	1,629.11	(913.09)

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2018	2017
Brought forward	1,629.11	(913.09)
II. Investing activities		
i) Sales proceeds of assets	–	0.14
ii) Investment in subsidiary, associate and joint venture*	–	(44.86)
iii) Sale of current and long-term investments*	2,106.97	4,587.39
iv) Purchase of current and long-term investments*	(3,229.75)	(4,925.49)
Net cash flow from/(used in) investing activities	(1,122.78)	(382.82)
III. Financing activities		
i) Dividend paid	(360.54)	(93.10)
ii) Corporate dividend tax paid	(71.64)	(16.99)
Net cash from/(used in) financing activities	(432.18)	(110.09)
Net change in cash and cash equivalents	74.15	(1,406.00)
Cash and cash equivalents as at the beginning of the year	0.91	1,406.91
Cash and cash equivalents as at the end of the year	75.06	0.91
	–	–

* 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
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: 18 May 2018

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

D J Balaji Rao
Chairman – Audit Committee

Notes to standalone financial statements for the year ended 31 March 2018

- 1 Bajaj Holdings & Investment Ltd. (the 'Company') operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution (Non-Deposit taking) with Reserve Bank of India (RBI).

2 Summary of significant accounting policies followed by the Company

Basis of preparation

These financial statements have been prepared in accordance with the accounting principles generally accepted in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under 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 and the RBI guidelines/regulations to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The accounting policy adopted in preparation of financial statements are consistent with those followed in previous year.

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

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) Income from debentures and bonds is accrued over the maturity of the security, net of amortisation of premium/discount, thereby recognising the implicit yield to maturity, with reference to the coupon dates, where applicable.
- (2) Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.
- (3) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. Profit/loss on sale of investments is recognised on the trade date.

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. The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

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

- ii) Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- iii) Land and buildings acquired/constructed, not intended to be used in the operations of the Company are categorised as investment property under Investments.

B. Depreciation and amortisation

- (a) Leasehold land
Premium on leasehold land is amortised over the period of lease.
- (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. 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

- iii. Depreciation on additions is being provided on pro rata basis from the month of such additions.
- iv. 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.
- v. 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.

C. Impairment of assets

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 2018 (Contd.)

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

4) Investments

- a) Current investments representing debt securities with a maturity less than 1 year and those intended to be held for a period less than 1 year from the date on which the investment is made are stated at the lower of cost adjusted for amortisation and diminution; and fair value.
- b) Debt securities, other than current, are carried at cost, less amortisation of premium/discount, as the case may be, and provision for diminution, if any, as considered necessary.
- c) Other long-term investments (eg. equity, mutual funds, etc.) are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments. Current investments are valued at the lower of cost or fair value.
- d) Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments.
- e) Long-term investments maturing within 12 months from the close of the year (current maturities) are disclosed as current investments.
- f) Where the Management reassesses its intention of holding a security for long-term or short-term, necessary transfers are made inter se between long-term and current investments, in accordance with the prudential norms specified by RBI, applicable to the Company in this behalf.
- g) The Management has laid out guidelines for the purpose of assessing likely impairments in investments and for making provisions based on given criteria. Appropriate provisions are accordingly made, which in the opinion of the Management are considered adequate.
- h) Investment property represents immovable property not intended to be used for the Company's own operations and is carried at cost, less depreciation computed in the manner prescribed under Schedule II to the Companies Act, 2013.

5) 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 or Loss.

b) Gratuity

The Company operates defined benefit plan for its employees, viz., gratuity. Payment for present liability of future payment of gratuity is being made to an approved gratuity fund, which fully covers the same under cash

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

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

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 an independent actuarial valuation using the projected unit credit method in conformity with the principles and manner of computation specified in Accounting Standard 15. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit or Loss.

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.

6) 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) Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.
- c) Deferred tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystallise with reasonable certainty. However, in case of deferred tax assets (representing unabsorbed depreciation or carried forward losses) are recognised, if and only if there is virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

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

7) Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources 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 that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

8) 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.

As a lessor

Leases where the lessor substantially retains 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 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.

9) Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of 3 months or less.

10) 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.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

3 Share capital

Particulars	As at 31 March	
	2018	2017
	₹ In Crore	
Authorised		
150,000,000 equity shares of ₹ 10 each	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

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

	As at 31 March			
	2018		2017	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	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

b. Terms/rights/restrictions 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

	As at 31 March			
	2018		2017	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	18,943,660	17.02%	18,527,504	16.65%
Jaya Hind Investments Pvt. Ltd.	5,805,256	5.22%	5,805,256	5.22%

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

4 Reserves and surplus

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
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	1,321.62	1,213.98
Add: Transferred from surplus in Statement of Profit and Loss	262.71	107.64
Balance as at the end of the year	1,584.33	1,321.62
Securities premium account	444.42	444.42
General reserve		
Balance as at the beginning of the year	3,706.96	3,653.14
Add: Transferred from surplus in Statement of Profit and Loss	–	53.82
Balance as at the end of the year	3,706.96	3,706.96
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,751.94	1,375.22
Profit for the year	1,313.55	538.18
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	262.71	107.64
Transfer to General reserve	–	53.82
Final dividend, declared and paid during the year	361.70	–
Tax on final dividend	71.64	–
Total appropriations	696.05	161.46
Balance as at the end of the year	2,369.44	1,751.94
	8,105.15	7,224.94

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

5 Deferred tax liabilities (net)

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Deferred tax liabilities		
On account of timing difference in		
Depreciation	7.54	7.48
Amortisation of discount on acquisition of debt securities	3.85	2.15
Gross deferred tax liabilities	11.39	9.63
Deferred tax assets		
On account of timing difference in		
Diminution in value of investments	2.12	2.08
Provision for bad and doubtful debts, ICDs etc.	0.41	0.43
Provision for compensated absences	0.20	0.15
Taxes, duties etc.	0.03	0.04
Amortisation of premium/discount on acquisition of debt securities	0.46	0.08
Provision for gratuity	0.55	0.46
Long-term capital loss	1.93	–
Gross deferred tax assets	5.70	3.24
	5.69	6.39

6 Other long-term liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Lease security deposit	17.50	17.50
Other security deposits	2.47	8.23
	19.97	25.73

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

7 Provisions

Particulars	(₹ In Crore)			
	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Provision for employee benefits [See note 25]				
Provision for gratuity	1.56	1.34	-	-
Provision for compensated absence	-	-	0.56	0.47
Provision for long-term incentive plan	2.25	1.25	-	-
	3.81	2.59	0.56	0.47
Other provisions				
Provision for tax (net of tax paid in advance)	-	-	12.78	12.78
	-	-	12.78	12.78
	3.81	2.59	13.34	13.25

8 Trade payables

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.48	0.70
	0.48	0.70

* 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 at the close of the current and previous year and hence no disclosures have been made in this regard.

9 Other current liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Security deposits	8.18	0.35
Unclaimed dividend	6.08	4.92
Directors' remuneration and commission payable	12.66	9.98
Employee benefits payable	1.85	1.48
Taxes payable	1.03	0.46
Other payables	0.20	0.19
	30.00	17.38

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

10 Property, plant and equipment**Current year**

(₹ In Crore)

Particulars	Gross block (a) (c)				Accumulated depreciation			Net block	
	As at 1 April 17	Additions	Deductions/ adjustments	As at 31 March 18	As at 1 April 17	Deductions/ adjustments	For the year (c)	As at 31 March 18	As at 31 March 18
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 11.

(c) Refer note 2 clauses 3) A. and B. 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

(₹ In Crore)

Particulars	Gross block (a) (c)				Accumulated depreciation			Net block	
	As at 1 April 16	Additions	Deductions/ adjustments	As at 31 March 17	As at 1 April 16	Deductions/ adjustments	For the year (c)	As at 31 March 17	As at 31 March 17
Land freehold (d) (f)	-	-	-	-	-	-	-	-	-
Land leasehold (f)	1.19	-	0.01(e)	1.18	-	-	-	-	1.18
Buildings (b)	8.18	-	-	8.18	2.70	-	0.14	2.84	5.34
Vehicles	0.44	-	0.44	-	0.19	0.21	0.02	-	-
Leased assets: Plant and machinery	87.50	-	-	87.50	87.50	-	-	87.50	-
Total	97.31	-	0.45	96.86	90.39	0.21	0.16	90.34	6.52

(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 ₹ 5.09 crore (previous year ₹ 5.09 crore) has been reduced from the said Investments under note 11.

(c) Refer note 2 clauses 3) A. and B. 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 2018 (Contd.)

11 Investments

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
(A) Long-term investments:				
In Investment Property:				
Unquoted:				
Cost of premises given on operating lease	218.48	218.48	-	-
Add: Additions during the year	-	-	-	-
Less: Accumulated depreciation	27.35	22.28	-	-
Net block	191.13	196.20	-	-
In Government and Trust Securities:				
Quoted:				
6.94% Government of Maharashtra Stock 2022 of face value of ₹ 1,000,000,000 (previous year - Nil)	100.08	-	-	-
7.59% Government of India Stock 2026 of face value of ₹ 600,000,000 (previous year ₹ 600,000,000)	65.21	65.21	-	-
7.68% Government of India Stock 2023 of face value of ₹ 600,000,000 (previous year ₹ 600,000,000)	64.79	64.79	-	-
8.24% Government of Gujarat Stock 2023 of face value of ₹ 100,000,000 (previous year - Nil)	10.52	-	-	-
8.25% Government of Kerala Stock 2023 of face value of ₹ 100,000,000 (previous year - Nil)	10.53	-	-	-
8.60% Government of Tamil Nadu Stock 2023 of face value of ₹ 350,000,000 (previous year - Nil)	37.11	-	-	-
8.62% Government of Maharashtra Stock 2023 of face value of ₹ 250,000,000 (previous year - Nil)	26.77	-	-	-
8.63% Government of Kerala Stock 2023 of face value of ₹ 250,000,000 (previous year - Nil)	26.53	-	-	-
8.65% Government of Kerala Stock 2023 of face value of ₹ 250,000,000 (previous year - Nil)	26.76	-	-	-
	368.30	130.00	-	-
Less: Amortisation of premium/(discount) on acquisition	1.98	0.32	-	-
	366.32	129.68	-	-
In Fully Paid Preference Shares:				
Unquoted:				
196,169 (196,169) 0.01% Cumulative Redeemable Preference Shares of ₹ 10 each in Mukand Ltd.	0.19	0.19	-	-
300,000 (300,000) 14.50% Redeemable Cumulative Non Convertible Preference Shares of ₹ 100 each in Southern Petrochemical Industries Corporation Ltd. (net of provision for diminution amounting to ₹ 2.99 crore - previous year ₹ 2.99 crore)	-	-	-	-
	0.19	0.19	-	-
Carried over	557.64	326.07	-	-

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Brought over	557.64	326.07	-	-
In Fully Paid Equity Shares:				
Associate Company:				
Trade:				
Quoted:				
91,280,000 (91,280,000) Shares of ₹ 10 each in Bajaj Auto Ltd.	331.08	331.08	-	-
62,314,214 (62,314,214) Shares of ₹ 5 each in Bajaj Finserv Ltd.	743.82	743.82	-	-
	1,074.90	1,074.90	-	-
Joint Venture:				
Trade:				
Quoted:				
2,742,848 (2,742,848) Shares of ₹ 10 each in Maharashtra Scooters Ltd.	0.24	0.24	-	-
Subsidiary Company:				
Trade:				
Unquoted:				
24,500 (24,500) Shares of ₹ 100 each in Bajaj Auto Holdings Ltd.	0.25	0.25	-	-
Others:				
Trade:				
Quoted:				
16,697,840 (16,697,840) Shares of ₹ 2 each in Bajaj Electricals Ltd. (Group Company)	111.77	111.77	-	-
6,251,040 (6,251,040) Shares of ₹ 1 each in Hercules Hoists Ltd. (Group Company)	12.34	12.34	-	-
54,000 (54,000) Shares of ₹ 10 each in Mukand Engineers Ltd. (Group Company)	0.10	0.10	-	-
8,113,204 (8,113,204) Shares of ₹ 10 each in Mukand Ltd. (Group Company)	32.89	32.89	-	-
	157.10	157.10	-	-
Others:				
Quoted:				
13,068,511 (13,068,511) Shares of ₹ 1 each in Bajaj Hindusthan Sugar Ltd. (Net of provision for diminution amounting to ₹ 75.68 crore - previous year ₹ 70.25 crore)	11.50	16.93	-	-
Carried over	11.50	16.93	-	-
Carried over	1,790.13	1,558.56	-	-

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Brought over	1,790.13	1,558.56	-	-
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	11.50	16.93	-	-
1,574,180 (1,902,210) Shares of ₹ 10 each in Bharti Infratel Ltd.	34.26	41.41	-	-
751,699 (751,699) Shares of ₹ 2 each in BSE Ltd.	60.81	60.81	-	-
1,067,022 (1,067,022) Shares of ₹ 5 each in Bata India Ltd.	55.98	55.98	-	-
497,907 (608,386) Shares of ₹ 10 each in Credit Analysis & Research Ltd.	27.90	34.11	-	-
- (1,516,428) Shares of ₹ 10 each in Coal India Ltd.	-	49.51	-	-
342,896 (274,317) Shares of ₹ 10 each in Container Corporation of India Ltd. (Bonus issue 1:4)	19.83	19.83	-	-
1,487,074 (1,302,074) Shares of ₹ 2 each in HDFC Bank Ltd.	172.37	137.93	-	-
2,880,136 (Nil) Shares of ₹ 10 each in Heidelberg Cement India Ltd.	38.04	-	-	-
20,583,308 (32,343,906) Shares of ₹ 2 each in ICICI Bank Ltd. (Bonus issue 1:10)	137.08	236.93	-	-
530,000 (Nil) Shares of ₹ 5 each in Infosys Ltd.	48.82	-	-	-
271,150 (271,150) Shares of ₹ 1 each in Innovision E-Commerce Ltd. (net of provision for diminution amounting to ₹ 0.22 crore - previous year ₹ 0.22 crore)	-	-	-	-
- (706,519) Shares of ₹ 2 each in IPCA Laboratories Ltd. (previous year net of provision for diminution amounting to ₹ 12.50 crore)	-	43.21	-	-
1,065,473 (583,649) Shares of ₹ 2 each in Larsen & Toubro Ltd. (Bonus issue 1:2)	95.46	70.90	-	-
378,500 (315,000) Shares of ₹ 2 each in Lupin Ltd.	55.13	46.37	-	-
3,123,092 (3,123,092) Shares of ₹ 1 each in Marico Ltd.	52.98	52.98	-	-
10,000 (Nil) Shares of ₹ 5 each in Maruti Suzuki Ltd.	8.62	-	-	-
1,521,158 (Nil) Shares of ₹ 10 each in Narayana Hrudayalaya Ltd.	45.46	-	-	-
1,200 (1,200) Shares of ₹ 10 each in Pilani Investment & Industries Corporation Ltd.	0.14	0.14	-	-
360,635 (3,937,691) Shares of ₹ 10 each in Power Finance Corporation Ltd.	3.81	41.62	-	-
1,375,730 (687,865) Shares of ₹ 10 each in Reliance Industries Ltd. (Bonus issue 1:1)	61.62	61.62	-	-
12,827,719 (Nil) Shares of ₹ 1 each in South Indian Bank Ltd.	34.35	-	-	-
1,726,833 (1,492,504) Shares of ₹ 5 each in Tech Mahindra Ltd.	85.02	74.15	-	-
2,430,882 (2,430,882) Shares of ₹ 10 each in Tree House Education & Accessories Ltd. (Net of provision for diminution amounting to ₹ 73.01 crore - previous year ₹ 71.50 crore)	2.21	3.72	-	-
Carried over	1,051.39	1,048.15	-	-
Carried over	1,790.13	1,558.56	-	-

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Brought over	1,790.13	1,558.56	-	-
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	1,051.39	1,048.15	-	-
1,002,877 (739,944) Shares of ₹ 2 each in UPL Ltd.	28.96	10.40	-	-
3,125,407 (5,124,702) Shares of ₹ 10 each in Ujjivan Financial Services Ltd.	45.74	75.00	-	-
	1,126.09	1,133.55	-	-
Others:				
Unquoted:				
1 (1) Shares of ₹ 10 each Hero Motors Ltd.	-	-	-	-
1 (1) Share of ₹ 100 each in The Poona District Motor Transport Co-operative Co Ltd. (₹ 100)	-	-	-	-
4,182,000 (6,182,000) Shares of ₹ 1 each in National Stock Exchange of India Ltd.	142.18	210.18	-	-
2,450,000 (2,450,000) Shares of ₹ 10 each in National Multi-Commodity Exchange of India Ltd. (Net of provision for diminution amounting to ₹ 15 crore - previous year ₹ 15 crore)	9.99	9.99	-	-
	152.17	220.17	-	-
In Bonds and Debentures:				
Fully paid:				
Others:				
Quoted:				
500 (500) 7.76% Aditya Birla Finance Ltd. of ₹ 1,000,000 each	-	49.86	49.86	-
500 (Nil) 7.85% Aditya Birla Finance Ltd. of ₹ 1,000,000 each	50.17	-	-	-
250 (Nil) 8.70% Aditya Birla Finance Ltd. of ₹ 1,000,000 each	25.37	-	-	-
250 (Nil) 8.86% Aditya Birla Finance Ltd. of ₹ 1,000,000 each	25.48	-	-	-
1,550 (Nil) 7.35% EXIM Bank Ltd. of ₹ 1,000,000 each	156.54	-	-	-
900 (Nil) 8.50% EXIM Bank Ltd. of ₹ 1,000,000 each	95.26	-	-	-
500 (Nil) 7.28% HDB Financial Services Ltd. of ₹ 1,000,000 each	50.00	-	-	-
250 (Nil) 7.30% HDB Financial Services Ltd. of ₹ 1,000,000 each	24.95	-	-	-
Carried over	427.77	49.86	49.86	-
Carried over	3,068.39	2,912.28	-	-

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

(₹ In Crore)				
Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Brought over	3,068.39	2,912.28	-	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	427.77	49.86	49.86	-
750 (750) 7.90% HDB Financial Services Ltd. of ₹ 1,000,000 each	75.17	75.17	-	-
- (1,000) 8.35% HDB Financial Services Ltd. of ₹ 1,000,000 each	-	100.00	-	-
25 (25) 8.38% HDFC Ltd. of ₹ 10,000,000 each	25.08	25.08	-	-
250 (250) 9.45% HDFC Ltd. of ₹ 1,000,000 each	25.25	25.25	-	-
75 (75) 8.50% HDFC Ltd. of ₹ 10,000,000 each	75.06	75.06	-	-
20 (20) 8.65% HDFC Ltd. of ₹ 10,000,000 each	20.19	20.19	-	-
3,000 (3,000) 8.70% HDFC Ltd. of ₹ 500,000 each	150.80	150.80	-	-
300 (Nil) 6.70% Indian Railway Finance Corporation Ltd. of ₹ 1,000,000 each	29.78	-	-	-
1,500 (1,000) 7.20% Indian Railway Finance Corporation Ltd. of ₹ 1,000,000 each	149.84	100.00	-	-
1,200 (950) 7.24% Indian Railway Finance Corporation Ltd. of ₹ 1,000,000 each	120.30	95.19	-	-
750 (Nil) 7.50% Kotak Mahindra Prime Ltd. of ₹ 1,000,000 each	75.00	-	-	-
500 (Nil) 7.55% Kotak Mahindra Prime Ltd. of ₹ 1,000,000 each	50.22	-	-	-
250 (Nil) 7.75% Kotak Mahindra Prime Ltd. of ₹ 1,000,000 each	25.22	-	-	-
- (1,000) 8.40% Kotak Mahindra Prime Ltd. of ₹ 1,000,000 each	-	100.00	-	-
- (500) 8.57% Kotak Mahindra Prime Ltd. of ₹ 1,000,000 each	-	-	-	50.48
- (500) 8.65% Kotak Mahindra Prime Ltd. of ₹ 1,000,000 each	-	50.19	-	-
150 (150) 7.79% LIC Housing Finance Ltd. of ₹ 1,000,000 each	15.00	15.00	-	-
1,250 (1,250) 8.65% LIC Housing Finance Ltd. of ₹ 1,000,000 each	125.01	125.01	-	-
300 (300) 8.67% LIC Housing Finance Ltd. of ₹ 1,000,000 each	30.03	30.03	-	-
250 (250) 9.44% LIC Housing Finance Ltd. of ₹ 1,000,000 each	25.00	25.00	-	-
500 (500) 9.45% LIC Housing Finance Ltd. of ₹ 1,000,000 each	49.97	49.97	-	-
500 (500) 9.51% LIC Housing Finance Ltd. of ₹ 1,000,000 each	50.01	50.01	-	-
Carried over	1,544.70	1,161.81	49.86	50.48
Carried over	3,068.39	2,912.28	-	-

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Brought over	3,068.39	2,912.28	-	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	1,544.70	1,161.81	49.86	50.48
1,100 (500) 6.72% NTPC Ltd. of ₹ 1,000,000 each	109.14	50.00	-	-
500 (Nil) 8.33% NTPC Ltd. of ₹ 1,000,000 each	51.88	-	-	-
1,236,843 (1,236,843) 8.49% NTPC Ltd. of ₹ 12.5 each	1.54	1.54	-	-
5,787 (21,397) Zero Percent National Bank for Agriculture and Rural Development Ltd. of ₹ 20,000 each	-	8.61	8.61	25.79
2,000 (Nil) 6.98% National Bank for Agriculture and Rural Development Ltd. of ₹ 1,000,000 each	199.17	-	-	-
- (500) 7.18% National Bank for Agriculture and Rural Development Ltd. of ₹ 1,000,000 each	-	50.03	-	-
500 (Nil) 7.95% National Bank For Agriculture And Rural Development Ltd. of ₹ 1,000,000 each	-	-	50.55	-
2,500 (1,000) 7.17% National Highway Authority Of India of ₹ 1,000,000 each	247.59	98.89	-	-
750 (Nil) 7.27% National Highway Authority Of India of ₹ 1,000,000 each	75.51	-	-	-
1,000 (750) 7.60% National Highway Authority Of India of ₹ 1,000,000 each	100.14	75.00	-	-
6,000 (6,000) Zero Percent National Housing Bank of ₹ 10,000 each	-	4.50	4.50	-
9,400 (9,400) Zero Percent Power Finance Corporation Ltd. of ₹ 100,000 each	51.29	51.29	-	-
500 (500) 7.42% Power Finance Corporation Ltd. of ₹ 1,000,000 each	50.00	50.00	-	-
750 (600) 7.47% Power Finance Corporation Ltd. of ₹ 1,000,000 each	76.32	61.14	-	-
1,500 (1,500) 7.50% Power Finance Corporation Ltd. of ₹ 1,000,000 each	150.49	150.49	-	-
500 (500) 8.52% Power Finance Corporation Ltd. of ₹ 1,000,000 each	52.30	52.30	-	-
2,500 (Nil) 7.20% Power Grid Corporation Ltd. of ₹ 1,000,000 each	248.91	-	-	-
500 (Nil) 8.20% Power Grid Corporation Of India Ltd. of ₹ 1,000,000 each	52.20	-	-	-
Carried over	3,011.18	1,815.60	113.52	76.27
Carried over	3,068.39	2,912.28	-	-

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

(₹ In Crore)				
Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Brought over	3,068.39	2,912.28	-	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	3,011.18	1,815.60	113.52	76.27
2,830 (2,830) Zero Percent Rural Electrification Corporation Ltd. of ₹ 30,000 each	5.45	5.45	-	-
250 (250) 6.83% Rural Electrification Corporation Ltd. of ₹ 1,000,000 each	24.69	24.69	-	-
1,500 (1,250) 7.24% Rural Electrification Corporation Ltd. of ₹ 1,000,000 each	150.04	125.20	-	-
500 (500) 7.42% Rural Electrification Corporation Ltd. of ₹ 1,000,000 each	50.00	50.00	-	-
100 (100) 8.36% Rural Electrification Corporation Ltd. of ₹ 1,000,000 each	10.43	10.43	-	-
750 (500) 8.37% Rural Electrification Corporation Ltd. of ₹ 1,000,000 each	78.23	52.55	-	-
750 (750) 8.44% Rural Electrification Corporation Ltd. of ₹ 1,000,000 each	79.31	79.31	-	-
250 (250) 9.02% Rural Electrification Corporation Ltd. of ₹ 1,000,000 each	24.76	24.76	-	-
250 (Nil) 8.39% State Bank of India of ₹ 1,000,000 each	24.90	-	-	-
250 (Nil) 8.75% State Bank of India of ₹ 1,000,000 each	25.18	-	-	-
500 (Nil) 9.00% State Bank of India of ₹ 1,000,000 each	50.73	-	-	-
- (250) 8.90% Sundaram Finance Ltd. of ₹ 1,000,000 each	-	25.01	-	-
1,250 (Nil) 7.47% Sundaram Finance Ltd. of ₹ 1,000,000 each	125.00	-	-	-
250 (Nil) 7.65% Sundaram Finance Ltd. of ₹ 1,000,000 each	25.11	-	-	-
- (1,000) 7.72% Sundaram Finance Ltd. of ₹ 1,000,000 each	-	99.84	-	-
500 (Nil) 7.67% Tata Capital Financial Services Ltd. of ₹ 1,000,000 each	49.95	-	-	-
750 (Nil) 7.87% Tata Capital Financial Services Ltd. of ₹ 1,000,000 each	75.03	-	-	-
250 (Nil) 8.10% Tata Capital Financial Services Ltd. of ₹ 1,000,000 each	25.01	-	-	-
- (100) 9.05% Tata Capital Financial Services Ltd. of ₹ 1,000,000 each	-	10.12	-	-
	3,835.00	2,322.96	113.52	76.27
Less: Amortisation of premium/(discount) on acquisition	(13.84)	(12.10)	(3.20)	(4.23)
	3,848.84	2,335.06	116.72	80.50
Carried over	6,917.23	5,247.34	116.72	80.50

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

(₹ In Crore)				
Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Brought over	6,917.23	5,247.34	116.72	80.50
In Mutual Fund Unit:				
Fully Paid:				
Unquoted:				
10,000 (10,000) J M Financial Property Fund - I of Face Value of ₹ 10,000 each, fully paid up (Balance after part redemption) (Net of provision for diminution amounting to ₹ 1.09 crore - previous year ₹ 0.25 crore)	2.79	4.54	-	-
834.284 (834.284) Leadership Equity Fund of ₹ 10 each of Unit Trust of India (Received on merger of UTI Masterplus units)	-	-	-	-
2,320 (2,320) Urban Infrastructure Opportunities Fund-Face Value ₹ 100,000 each (Balance after part redemption) (Net of provision for diminution amounting to ₹ 6.15 crore - previous year ₹ 5.50 crore)	5.96	9.16	-	-
	8.75	13.70	-	-
Other Alternative Investment Fund:				
Unquoted:				
19,928,437.5 (16,537,562.5) Units of ₹ 10 each of Kedaara Capital Advisors- LLP AIF	19.93	16.54	-	-
- (50,000) Units of ₹ 1,000 each of V.E.C. Strategic Advantage Scheme III	-	5.00	-	-
150,000 (Nil) Units of ₹ 1,000 each of V.E.C. Strategic Advantage Scheme II	15.00	-	-	-
	34.93	21.54	-	-
Total (A)	6,960.91	5,282.58	116.72	80.50
(B) Current investments:				
In Bonds:				
Quoted:				
- (500) 9.62% Aditya Birla Finance Ltd. of ₹ 1,000,000 each	-	-	-	50.80
250 (Nil) 8.65% HDB Financial Services Ltd. of ₹ 1,000,000 each	-	-	25.27	-
250 (Nil) 8.81% HDB Financial Services Ltd. of ₹ 1,000,000 each	-	-	25.35	-
500 (Nil) 8.00% Kotak Mahindra Prime Ltd. of ₹ 1,000,000 each	-	-	50.33	-
250 (Nil) 7.65% Sundaram Finance Ltd. of ₹ 1,000,000 each	-	-	24.98	-
- (750) 7.91% Sundaram Finance Ltd. of ₹ 1,000,000 each	-	-	-	75.29
500 (Nil) 7.77% Tata Capital Financial Services Ltd. of ₹ 1,000,000 each	-	-	50.09	-
Carried over	-	-	176.02	126.09

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
(B) Current investments: (Contd.)				
In Bonds: (Contd.)				
Quoted: (Contd.)				
Brought over	-	-	176.02	126.09
- (750) 7.88% Tata Capital Financial Services Ltd. of ₹ 1,000,000 each	-	-	-	75.24
	-	-	176.02	201.33
Less: Amortisation of premium/(discount) on acquisition	-	-	0.56	0.33
	-	-	175.46	201.00
In Commercial Paper:				
Unquoted:				
- (1,000) Commercial Paper of Aditya Birla Finance Ltd. of ₹ 500,000 each 15-03-2018	-	-	-	46.68
1,000 (Nil) Commercial Paper of Aditya Birla Finance Ltd. of ₹ 500,000 each 29-05-2018	-	-	49.05	-
1,000 (Nil) Commercial Paper of Axis Finance Ltd. of ₹ 500,000 each 13-06-2018	-	-	49.07	-
1,000 (Nil) Commercial Paper of Axis Finance Ltd. of ₹ 500,000 each 14-09-2018	-	-	48.24	-
- (1,500) Commercial Paper of Kotak Mahindra Investments Ltd. of ₹ 500,000 each 19-09-2017	-	-	-	72.36
2,000 (Nil) Commercial Paper of Kotak Mahindra Investments Ltd. of ₹ 500,000 each 21-08-2018	-	-	93.37	-
- (500) Commercial Paper of Kotak Mahindra Investments Ltd. of ₹ 500,000 each 07-11-2017	-	-	-	23.17
1,000 (Nil) Commercial Paper of National Bank For Agriculture And Rural Development Ltd. of ₹ 500,000 each 31-07-2018	-	-	48.75	-
1,000 (Nil) Commercial Paper of Power Finance Corporation Ltd. of ₹ 500,000 each 25-06-2018	-	-	49.15	-
1,500 (Nil) Commercial Paper of Sundaram Finance Ltd of ₹ 500,000 each 05-06-2018	-	-	73.58	-
1,000 (Nil) Commercial Paper of Tata Capital Financial Services Ltd of ₹ 500,000 each 28-05-2018	-	-	49.05	-
	-	-	460.26	142.21
Less: Amortisation of premium/(discount) on acquisition	-	-	(5.36)	(0.90)
	-	-	465.62	143.11
Carried over	-	-	641.08	344.11

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Brought over	-	-	641.08	344.11
In Mutual Fund Units:				
Quoted:				
- (1,274,329) Birla Sun Life Cash Plus-Direct Plan-Growth	-	-	-	33.29
- (3,182,937) Birla Sun Life Saving Fund Growth Direct	-	-	-	100.00
- (11,964,394) DHFL Pramerica Insta Cash Plus Fund-Direct Plan-Growth	-	-	-	250.00
- (17,957,771) HDFC Floating Rate Income Fund-STP-Direct-Wholesale-Growth	-	-	-	50.00
- (10,531,886) ICICI Prudential Liquid-Direct Plan -Growth	-	-	-	250.00
- (1,630,945) ICICI Prudential Flexible Income Direct Plan Growth	-	-	-	50.00
- (29,629,805) IDFC Super Saver Income Fund-Short Term Plan-Growth-Direct	-	-	-	100.00
- (772,845) Kotak Liquid Scheme Plan A-Direct Plan-Growth	-	-	-	250.00
- (15,992,222) Kotak Bond-Short Term-Direct Plan Growth	-	-	-	50.00
56,927 (635,447) Reliance Liquid Fund-Direct Treasury Plan -Growth	-	-	24.10	250.00
	-	-	24.10	1,383.29
Total (B)	-	-	665.18	1,727.40
Total (A+B)	6,960.91	5,282.58	781.90	1,807.90
Aggregate provision for diminution in value of investments	174.14	178.21	-	-

Particulars	(₹ In Crore)			
	Book value		Market value	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Quoted	6,889.77	6,495.32	65,479.47	58,756.65
Unquoted	853.04	595.16	NA	NA
Total	7,742.81	7,090.48		

Notes to Investments

- Quoted investments for which quotations are not available, if any, have been included in market value at the face value/paid-up value, whichever is lower, except in case of Debentures and Bonds, where the Net Present Value at current yield to maturity have been considered. Mutual funds (open ended) though not listed are quoted on National Stock Exchange (NSE) at transactable NAVs with fund houses through the exchange and hence categorised as quoted.
- Investments made by the Company other than those investments with a maturity of less than one year, are intended to be held for long-term and, hence diminutions in the value of quoted investments are considered to be of a temporary nature. On an assessment of the non-performing investments (quoted and unquoted) and keeping in mind the relevant provisioning norms applicable to the Company as a NBFC and the guidelines adopted by the Management, a provision of ₹ Nil (previous year ₹ 160 crore) was determined during the year ended 31 March 2018.
- Refer note 2 clause 4 for accounting policy and valuation principles for investments.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

12 Loans and advances

Particulars	(₹ In Crore)			
	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Security deposits	1.54	1.25	–	–
Other loans and advances				
Advances to related parties [See note 26]	–	–	0.02	0.05
Advance income-tax (net of provision for tax)	34.66	31.27	–	–
MAT credit entitlement*	209.05	175.75	24.75	–
Less: Provision for possible unutilisation	–	33.50	–	–
	209.05	142.25	24.75	–
Others	4.30	4.30	0.02	–
	248.01	177.82	24.79	0.05
	249.55	179.07	24.79	0.05

* On an assessment of its ability to utilise the available MAT credit within the prescribed limits under the Income-tax Act, 1961 and recent changes in taxation of long-term capital gains on listed equity instruments, the Management has determined that entire MAT credit entitlement is likely to be set off/adjusted against tax payable in the available future periods. Hence the provision for possible unutilisation of MAT credit of ₹ 33.50 crore earlier made has been reversed and shown under MAT credit entitlement, earlier provided, now reversed.

13 Other assets

(Unsecured, considered good, unless stated otherwise)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Interest receivable on investments, considered good	–	–	167.58	95.55
Interest receivable on investments/loans, doubtful	1.18	1.18	–	–
Less: Provision for doubtful receivable	1.18	1.18	–	–
Dividend receivable	–	–	–	7.27
	–	–	167.58	102.82

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

14 Cash and bank balances

Particulars	(₹ In Crore)	
	Current	
	As at 31 March	
	2018	2017
Cash and cash equivalents		
Balances with banks		
In current accounts	1.09	0.91
Cash equivalents		
Certificate of Deposits with maturity of less than 3 months from date of acquisition	24.73	-
Commercial Paper with maturity of less than 3 months from date of acquisition	49.24	-
	75.06	0.91
Other bank balances		
In unclaimed dividend accounts	6.08	4.92
	81.14	5.83

15 Revenue from operations

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Interest		
Interest income on		
Long-term investments	288.18	174.47
Current investments	11.38	23.03
Amortisation of (premium)/discount on acquisition of debt securities on		
Long-term investments	4.10	7.93
Current investments	10.45	27.79
	314.11	233.22
Other financial services		
Dividend income on		
Long-term investments in subsidiaries, associates and joint ventures	530.97	45.56
Other long-term investments	39.60	51.93
Profit on sale of investments, net*	555.09	531.41
Provision for diminution in value of investments written back	4.07	-
Income from real estate and other funds	8.08	1.66
	1,451.92	863.78
Other revenue from operations		
Rent from investment property	17.76	16.71
	1,469.68	880.49

* Including on current investments ₹ 58.85 crore (previous year ₹ 56.05 crore)

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

16 Other income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Interest on income-tax refunds	–	2.80
Miscellaneous receipts	4.70	5.02
Provision no longer required	0.04	0.12
	4.74	7.94

17 Employee benefits expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Salaries, wages and bonus to employees	21.91	16.82
Contribution to provident and other funds	2.18	1.90
Staff welfare expenses	0.09	0.08
	24.18	18.80

18 Depreciation and amortisation expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Depreciation on property, plant and equipment	0.14	0.16
Depreciation on investment property	5.07	5.09
Amount written off against leasehold land	0.02	0.01
	5.23	5.26

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

19 Other expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Repairs to buildings	1.45	1.33
Rent	0.04	0.01
Rates and taxes	2.03	1.59
Insurance	0.06	0.06
Payment to auditor	0.14	0.15
Directors' fees and travelling expenses	0.62	0.98
Commission to non-executive directors	1.09	1.10
Brokerage on letting of investment property	0.45	–
Business support service expenses	16.15	13.88
Expenditure towards Corporate Social Responsibility (CSR) activities	9.15	7.53
Legal and professional charges	1.80	0.76
Miscellaneous expenses	7.73	4.40
Loss on sale of assets	–	0.09
Investment written off (Previous year ₹ 50,000)	–	–
Provision for diminution in value of investments	–	160.00
	40.71	191.88

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Payment to auditor		
As auditor:		
Audit fee	0.07	0.07
Tax audit fee	0.02	0.02
Limited review	0.02	0.02
Other services (certification fees)	0.01	0.02
Reimbursement of expenses [₹ 46,279 (previous year ₹ 6,797)]		
Service tax, on above	0.02	0.02
	0.14	0.15

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Expenditure towards Corporate Social Responsibility (CSR) activities		
a) Gross amount required to be spent by the Company during the year	9.13	7.47
b) Amount spent in cash during the year on:		
i) Construction/acquisition of any asset	–	–
ii) On purposes other than (i) above	9.15	7.53
	9.15	7.53

Standalone Financial Statements

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

20 Earnings Per Share (EPS)

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Profit for the year (₹ In Crore)	1,313.55	538.18
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	118.0	48.4
Face value per share ₹	10.0	10.0

21 Contingent liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
a. Claims against the Company not acknowledged as debts	0.05	0.04
b. Income-tax matters under dispute		
Appeal by the Company	4.00	4.00
Appeal by the Department	391.75	391.75
c. Service tax matters under dispute	28.43	2.34

In all the cases mentioned above, outflow is not probable and hence not provided by the Company.

22 Capital and other commitments

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Capital commitments, net of capital advances	0.43	-

23 Proposed dividend

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
On equity shares of ₹ 10 each		
Amount of dividend proposed (₹ In Crore)	445.17	361.70
Dividend per equity share ₹	40.00	32.50
Dividend %	400%	325%

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

24 Expenditure in foreign currency (accrual basis)

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Travelling expenses	0.03	0.07
Other matters	1.18	1.23
	1.21	1.30

25 Employee benefits

Liability for employee benefits has been determined on the basis of an independent actuarial valuation, in conformity with the principles set out in the Accounting Standard 15 (Revised) the details of which are as hereunder.

Funded scheme

Particulars	(₹ In Crore)	
	Gratuity	
	As at 31 March	
	2018	2017
Amount to be recognised in Balance Sheet		
Present value of funded obligations	3.81	2.77
Fair value of plan assets	(2.25)	(1.43)
Net liability	1.56	1.34
Amounts in Balance Sheet		
Liability	1.56	1.34
Assets	-	-
Net liability	1.56	1.34
Expense to be recognised in the Statement of Profit and Loss		
Current service cost	0.44	0.33
Interest on defined benefit obligation	0.24	0.16
Expected return on plan assets	(0.12)	(0.09)
Net actuarial losses/(gains) recognised in year	0.40	0.57
Total, included in 'Employee benefits expense'	0.96	0.97
Actual return on plan assets	0.08	0.05
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	2.77	1.75
Current service cost	0.44	0.33
Interest cost	0.24	0.16
Actuarial losses/(gains)	0.36	0.53
Closing defined benefit obligation	3.81	2.77

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

25 Employee benefits (Contd.)**Funded scheme** (Contd.)

Particulars	(₹ In Crore)	
	Gratuity	
	As at 31 March	
	2018	2017
Change in fair value of assets		
Opening fair value of plan assets	1.43	1.04
Expected return on plan assets	0.12	0.09
Actuarial gains/(losses)	(0.04)	(0.04)
Contributions by employer	0.74	0.34
Closing fair value of plan assets	2.25	1.43
Expected employer's contribution next year	0.79	0.25

Particulars	(₹ In Crore)		
	As at 31 March		
	2018	2018	2017
Assets information			
Insurer managed funds	2.25	100.00%	100.00%

Particulars	(₹ In Crore)				
	Year ended 31 March				
	2014	2015	2016	2017	2018
Experience adjustments					
Defined benefit obligation	0.20	0.44	1.75	2.77	3.81
Plan assets	0.16	0.29	1.04	1.43	2.25
Surplus/(deficit)	(0.04)	(0.15)	(0.71)	(1.34)	(1.56)
Experience adjustment on plan liabilities	0.07	0.05	0.63	0.32	0.56
Experience adjustment on plan assets	-	-	0.05	(0.03)	(0.04)

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Principal actuarial assumptions (Expressed as weighted averages)		
Discount rate (p.a.)	7.75%	7.35%
Expected rate of return on assets (p.a.)	7.50%	7.50%
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 2018 (Contd.)

25 Employee benefits (Contd.)**Unfunded schemes**

Particulars	As at 31 March 2018		As at 31 March 2017	
	Compensated	Long-term	Compensated	Long-term
	absences	incentive plan	absences	incentive plan
Present value of unfunded obligations	0.56	2.25	0.47	1.25
Expense recognised in the Statement of Profit and Loss	0.37	0.99	0.27	0.70
Discount rate (p.a.)	7.75%	7.75%	7.35%	7.35%
Salary escalation rate (p.a.) – senior staff	10.00%		10.00%	
Salary escalation rate (p.a.) – junior staff	10.00%		10.00%	

Particulars	As at 31 March	
	2018	2017
Amount recognised in the Statement of Profit and Loss		
Defined Contribution Plans:		
Provident fund paid to Government authorities	0.62	0.48
Superannuation paid to Trust	0.57	0.43
Pension fund paid to Government authorities	0.02	0.01
Others (₹ 9,570 – previous year ₹ 10,215)		
Defined Benefit Plans:		
Gratuity	0.96	0.97
Others	0.01	0.01
	2.18	1.90

Standalone Financial Statements

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

26 Disclosure of transactions with related parties as required by the Accounting Standard 18

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2017-18		2016-17	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Holding company, subsidiaries and fellow subsidiary:					
Bajaj Auto Holdings Ltd. (Fully owned subsidiary)	Contribution to equity (24,500 shares of ₹ 100 each)	-	0.25	-	0.25
	Dividend received	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	8.23	-	-	-
	Shares of BHIL held by MSL (3,387,036 shares of ₹ 10 each)	-	3.39	-	3.39
	Dividend paid	11.01	-	2.54	-
Bajaj Auto Ltd. (An associate - 31.54% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity (91,280,000 shares of ₹ 10 each)	-	331.08	44.86	331.08
	Dividend received	502.04	-	45.56	-
	Business support services rendered	1.55	-	1.33	-
	Business support services received	15.26	-	11.80	-
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	-	-	-
	Business support services rendered	0.06	-	0.07	-
C Individuals controlling voting power/exercising significant influence and their relatives:					
Rahul Bajaj (Chairman)	Sitting fees	0.05	-	0.04	-
	Commission	0.09	(0.09)	0.08	(0.08)
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	0.05	(0.05)	0.06	(0.06)
Sanjiv Bajaj (Managing Director & CEO) (Also Key management personnel)	Remuneration	5.53	-	4.21	-
	Commission	11.45	(11.45)	8.64	(8.64)
	Sale of shares of Bajaj Auto to BHIL	-	-	44.86	-
Shekhar Bajaj	Nil	-	-	-	-
Niraj Bajaj	Nil	-	-	-	-
D Key management personnel and their relatives:	Included in 'C' above				
E Enterprises over which anyone in (c) and (d) exercises significant influence:					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	0.02	0.02	0.06	0.04
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	0.31	-	0.26	-
	Dividend paid (Current Year - ₹ 2,438 Previous Year - ₹ 563)	-	-	-	-
Bajaj Electricals Ltd.	Contribution to equity (16,697,840 shares of ₹ 2 each)	-	111.77	-	111.77
	Dividend received	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	0.05	-	0.01	-
	Maintenance charges paid	1.40	-	1.41	0.01
	Security deposit paid/(received back)	0.30	0.43	(0.03)	0.13
Hind Musafir Agency Ltd.	Services received	0.12	-	0.11	-
Mukand Ltd.	Contribution to equity (8,113,204 shares of ₹ 10 each)	-	32.89	-	32.89
	0.01% 196,169 redeemable preference shares of ₹ 10 each	-	0.19	-	0.19
	Security deposit received/(refunded)	-	(0.25)	(0.75)	(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	0.63	-	0.94	-
	Shares of BHIL held by Hercules Hoists (286,094 shares of ₹ 10 each)	-	0.29	-	0.29
	Dividend paid	0.93	-	0.21	-

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 clause 3 of the Accounting Standard 18 '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 2018 (Contd.)

27 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	(₹ In Crore)	
	As at 31 March	
	2018	2017
i) Premises		
Gross carrying amount	218.48	218.48
Depreciation for the year	5.07	5.09
Accumulated depreciation	27.35	22.28

ii) The total future minimum lease rentals receivable at the Balance Sheet date is as under:

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Receivable		
Within one year	10.10	16.68
After one year but not more than five years	10.91	8.40
More than five years	–	–
	21.01	25.08

As a lessee

The Company has not taken any asset under an operating lease arrangement.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

28 Schedule to Balance Sheet as at 31 March 2018

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)

		(₹ In Lakh)	
Liabilities side		Amount outstanding	Amount overdue
(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)		-	-
* Please see note 1 below			
(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)	
Asset side		Amount outstanding	
(3) Break-up of loans and advances including bills receivables (other than those included in (4) below)			
(a) Secured			
(b) Unsecured		27,434	
(Comprises advance income-tax paid and other miscellaneous receivables)			
(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 2018 (Contd.)

28 Schedule to Balance Sheet as at 31 March 2018 (Contd.)**(5) Break-up of investments**

Category	(₹ In Lakh) Amount outstanding
Current investments	
1. Quoted:	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	17,546
(iii) Units of mutual funds	2,410
(iv) Government securities	-
(v) Others	-
2. 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	46,562
Long-term investments	
1. Quoted	
(i) Shares: (a) Equity	235,833
(b) Preference	-
(ii) Debentures and bonds	396,556
(iii) Units of mutual funds	-
(iv) Government securities	36,632
(v) Others (please specify)	-
2. Unquoted:	
(i) Shares: (a) Equity	15,242
(b) Preference	19
(ii) Debentures and bonds	-
(iii) Units of mutual funds	4,368
(iv) Government securities	-
(v) Others (please specify): Investment property	19,113
Total	774,281

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

28 Schedule to Balance Sheet as at 31 March 2018 (Contd.)

(6) Borrower group-wise classifications of assets financed as in (3) and (4) above: (Please see 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	-	45	45
2. Other than related parties	-	27,389	27,389
Total	-	27,434	27,434

(7) Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) Please see Note 3 below.

(₹ In Lakh)

Category	Market value/break up or fair value or NAV	Book value (net of provisions)
1. Related parties**		
(a) Subsidiaries (unquoted, hence disclosed at break up value)	4,419	25
(b) Companies in the same group (disclosed at market value)	5,727,973	107,490
(c) Other related parties		
- Unquoted (disclosed at face value)	19	19
- Quoted	168,180	15,734
2. Other than related parties		
- Unquoted @	57,764	66,147
- Quoted (disclosed at market value)	651,794	565,753
Total	6,610,149	755,168

** 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.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

28 Schedule to Balance Sheet as at 31 March 2018 (Contd.)**(8) Other information**

Particulars	(₹ In Lakh)
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.

(9) Investments

Particulars	As at 31 March	
	2018	2017
(1) Value of investments		
(i) Gross value of investments		
(a) In India	791,695	726,869
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	17,414	17,821
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	774,281	709,048
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	17,821	1,821
(ii) Add: Provisions made during the year	-	16,000
(iii) Less: Write-off/write-back of excess provisions during the year	407	-
(iv) Closing balance	17,414	17,821

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

28 Schedule to Balance Sheet as at 31 March 2018 (Contd.)**(10) Provisions and contingencies**

Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit and Loss Account	(₹ In Lakh)	
	As at 31 March	
	2018	2017
(i) Provisions for depreciation on investment.	–	16,000
(ii) Provision towards NPA	–	–
(iii) Provision made towards income-tax	9,075	13,431
(iv) Other provision and contingencies	–	–
(v) Provision for standard assets	–	–

(11) CRAR

Items	As at 31 March	
	2018	2017
(i) CRAR %	98%	100%
(ii) CRAR – Tier I capital (%)	98%	100%
(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 2018 (Contd.)

28 Schedule to Balance Sheet as at 31 March 2018 (Contd.)**(12) Exposures**

Category	(₹ In Lakh)	
	As at 31 March	
	2018	2017
12.1 Exposures to real estate sector		
(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	-	-
12.2 Exposures to capital market		
(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;	239,326	238,733
(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;	-	-
(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;	-	-
(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;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(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;	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market	239,326	238,733

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

28 Schedule to Balance Sheet as at 31 March 2018 (Contd.)

(13) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(₹ In Lakh)

Particulars	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities	-	-	-	-	-	-	-	-	-
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
Assets	2,410	9,877	17,242	29,484	19,177	208,134	193,152	294,805	774,281
Deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	2,410	9,877	17,242	29,484	19,177	208,134	193,152	294,805	774,281
Foreign currency assets	-	-	-	-	-	-	-	-	-

(14) Miscellaneous disclosures

- Registration obtained from other financial sector regulators:
Apart from RBI, Company is also governed by SEBI and MCA.
- Disclosure of penalties imposed by RBI and other regulators:
During previous year, no penalty was imposed by RBI or other regulators.
- Related party transactions:
Please refer note 26 for details of related party transactions.
- 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 Limit (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 2018 (Contd.)

29 Joint ventures

The Company has the following investment in jointly controlled entity:

Name of joint venture	Country of incorporation	Proportion of ownership interest	
		As at 31 March	
		2018	2017
Maharashtra Scooters Ltd.	India	24%	24%

The Company's share of each of the assets, liabilities, income and expenses in the joint venture, based on the audited financial statements are as below:

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
(a) Assets		
Fixed assets	3.01	1.69
Non-current investments	56.30	56.30
Long-term loans and advances	2.59	2.35
Other non-current assets	-	2.08
Current investments	19.32	11.68
Inventories	0.29	0.28
Trade receivables	0.83	0.53
Cash and bank balances	3.20	6.62
Short-term loans and advances	0.66	0.42
Other current assets	0.60	0.62
(b) Liabilities		
Other long-term liabilities	1.72	2.51
Long-term provisions	-	-
Trade payables	0.20	0.10
Current liabilities	2.05	1.90
Short-term provisions	0.22	0.18
(c) Income		
Revenue from operations	2.96	2.04
Other income	16.75	4.97
(d) Expenses		
Cost of raw material and components consumed	1.81	1.10
(Increase)/decrease in inventories of finished goods, and work-in-progress	0.02	(0.17)
Employee benefits expense	1.97	1.95
Depreciation and write downs	0.18	0.13
Other expenses	1.00	0.72
Current and deferred tax	0.10	0.27
(e) Share of the Company in the contingent liabilities and commitments has been disclosed in note 24 and 25 to consolidated financial statements.		

Standalone Financial Statements

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

30 The Company's business activity, including its subsidiaries and joint ventures, falls within a single business segment i.e. investment and therefore, segment reporting in terms of Accounting Standard 17 on Segment Reporting is not applicable.

31 Previous year figures

Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year.

32 Miscellaneous

a. ₹ 1 crore is equal to ₹ 10 million.

b. 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: 18 May 2018

Anant Marathe
Chief Financial Officer

Vallari Gupte
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 Financial Statements

Independent Auditors' Report on the Consolidated Financial Statements

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

Report on the consolidated financial statements

We have audited the accompanying consolidated 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 2018, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entity in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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 and for preventing and detecting frauds and other irregularities; the 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 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 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 2018, their consolidated profit, and their consolidated cash flows for the year ended on that date.

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

Other matters

- (a) The consolidated financial statements of the Company for the year ended 31 March 2017, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 18 May 2017.
- (b) We did not audit the financial statements and other financial information, in respect of a jointly controlled entity, whose financial statements include total assets of ₹ 86.79 crore and net assets of ₹ 82.60 crore as at 31 March 2018, and total revenues of ₹ 19.70 crore and net cash outflows of ₹ 3.43 crore for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose auditor's reports together with the financial statements and other financial information have been furnished to us by the Management. The consolidated financial statements also include the Company's share of net profit of ₹ 267.82 crore for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of three 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 such jointly controlled entity and 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 companies forming part of the and associates, is based solely on the reports of such other auditors. Our opinion is not modified in respect of this matter.
- (c) 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 of BALIC for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2018 is the responsibility of BALIC's Appointed 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 2018 has been duly certified by the Appointed Actuary and in Appointed Actuary's opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. BALIC's auditors have relied on the Appointed 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. Our opinion is not modified in respect of this matter.
- (d) 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 and Claims Incurred But Not Enough Reported of BAGIC is the responsibility of BAGIC's Appointed Actuary. The actuarial valuation of these liabilities as at 31 March 2018 has been duly certified by 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 the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI. BAGIC's auditors have relied on the BAGIC's Appointed Actuary's certificate in this regard for forming their opinion on the financial statements of BAGIC. Our conclusion is not modified in respect of this matter.

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 subsidiary, associates and jointly controlled entity as noted in the Other matters paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose reports 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 purpose of our audit of the aforesaid consolidated financial statements;

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

- (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, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 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 company, associate companies and jointly controlled entity incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled company incorporated in India is disqualified as on 31 March 2018 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) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - 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 – Refer note 24 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 2018.
 - 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 company incorporated in India during the year ended 31 March 2018.

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 18 May 2018

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 on the consolidated financial statements of Bajaj Holdings & Investment Ltd.

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 2018, we have audited the internal financial controls over financial reporting of Bajaj Holdings and 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.

Auditor's 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 system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to these consolidated financial statements 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 system over financial reporting.

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

Annexure 1 to Independent Auditors' Report (Contd.)

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;
- (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 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 companies and jointly controlled entity, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system 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 2018, 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 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 Appointed Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the 'IRDA Financial Statements Regulations'), and has been relied upon by the auditors, as mentioned in 'Other matter' para of their audit report on the financial statements of BALIC as at and for the year ended 31 March 2018. 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 BALIC's Appointed Actuary and has been relied upon by the auditors.

Annexure 1 to Independent Auditors' Report (Contd.)

- 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 the auditors, 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 2018. 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.

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 one jointly controlled entity and two companies forming part of the Group, which are companies incorporated in India, is based on the corresponding reports of the auditors of such jointly controlled entity and company incorporated in India.

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 18 May 2018

Consolidated Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2018	2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	111.29	111.29
Reserves and surplus	3	21,279.68	17,706.61
		21,390.97	17,817.90
Non-current liabilities			
Deferred tax liabilities (net)		5.69	6.39
Other long-term liabilities	4	21.71	28.25
Long-term provisions	5	3.84	2.59
		31.24	37.23
Current liabilities			
Trade payables	6		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.68	0.81
Other current liabilities	7	32.05	19.30
Short-term provisions	5	13.53	13.43
		46.26	33.54
Total		21,468.47	17,888.67
ASSETS			
Non-current assets			
Fixed assets			
Property, plant and equipment	8	9.43	8.28
Lease adjustment account - plant and machinery		17.50	17.50
		26.93	25.78
Non-current investments	9	20,091.12	15,713.90
Long-term loans and advances	10	253.80	183.08
Other non-current assets	11	-	2.08
		20,371.85	15,924.84
Current assets			
Current investments	9	817.47	1,846.58
Inventories	12	0.29	0.28
Trade receivables	13	0.82	0.53
Cash and bank balances	14	84.41	12.53
Short-term loans and advances	10	25.45	0.47
Other current assets	11	168.18	103.44
		1,096.62	1,963.83
Total		21,468.47	17,888.67
Summary of significant accounting policies followed by the Company	23		

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: 18 May 2018

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

Rahul Bajaj
Chairman

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.	2018	2017
Revenue			
Sales		3.03	2.29
Less: Excise duty		0.07	0.25
Net Sales		2.96	2.04
Other operating revenue		956.93	840.07
Revenue from operations (net)	15	959.89	842.11
Other income	16	4.94	7.97
Total revenue		964.83	850.08
Expenses			
Cost of raw material and components consumed	17	1.81	1.10
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	18	0.02	(0.17)
Employee benefits expense	19	26.15	20.76
Depreciation and amortisation expense	20	5.42	5.39
Other expenses	21	41.83	192.74
Total expenses		75.23	219.82
Profit before tax		889.60	630.26
Tax expense			
Current tax		183.55	163.01
Share of current tax of joint venture		0.35	0.36
Less: MAT credit entitlement		58.05	28.92
Less: Share of MAT credit entitlement of joint venture		0.23	0.08
Net current tax		125.62	134.37
MAT credit entitlement, earlier provided, now reversed and others		(33.52)	(0.03)
Deferred tax		(0.70)	0.23
Total tax expense		91.40	134.57
Profit after tax		798.20	495.69
Share of profit after tax of associates		2,387.48	1,977.50
Profit for the year		3,185.68	2,473.19
Basic and diluted Earnings per share (in ₹)		286.2	222.2
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Company	23		

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: 18 May 2018

Anant Marathe
Chief Financial Officer

Vallari Gupte
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 Cash Flow Statement

(₹ In Crore)

Particulars	For the year ended 31 March	
	2018	2017
I. Operating activities		
Profit before tax	889.60	630.26
Add: Dividend from associates	512.98	45.56
	1,402.58	675.82
Adjustments to reconcile profit before tax to net cash flows:		
Add:		
i) Depreciation and amortisation expense	5.42	5.39
ii) Provision for diminution in value of investments	–	160.00
iii) Loss on sale of assets	0.01	0.09
	5.43	165.48
Less:		
i) Provision for diminution in value of investments written back	4.07	–
ii) Profit on sale of investments, net	556.74	532.15
iii) Surplus on redemption of securities, net	0.38	0.12
iv) Income from units of mutual fund	8.08	1.66
v) Amortisation of premium/discount on acquisition of debt securities	14.54	35.71
vi) Surplus on sale of assets	0.17	–
	583.98	569.64
	824.03	271.66
Change in assets and liabilities		
i) (Increase)/decrease in inventories	(0.01)	(0.15)
ii) (Increase)/decrease in trade receivables	(0.29)	0.06
iii) (Increase)/decrease in loans and advances	(0.48)	2.82
iv) (Increase)/decrease in other assets	(64.74)	(36.53)
v) (Increase)/decrease in other bank balances	(1.33)	10.03
vi) Increase/(decrease) in liabilities and provisions	6.10	2.93
	(60.75)	(20.84)
(Purchase)/sale of money market mutual funds, etc., net *	1,074.55	(1,007.52)
Net cash flow from/(used in) operating activities before income-tax	1,837.83	(756.70)
Income-tax paid	(187.32)	(166.64)
Net cash flow from/(used in) operating activities	1,650.51	(923.34)
Carried forward	1,650.51	(923.34)

Consolidated Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2018	2017
Brought forward	1,650.51	(923.34)
II. Investing activities		
i) Purchases of capital assets	(1.59)	(0.11)
ii) Sales proceeds of assets	0.25	0.15
iii) Investment in subsidiary, associate and joint venture*	–	(44.86)
iv) Sale of current and long-term investments*	2,129.57	4,598.20
v) Purchase of current and long-term investments*	(3,268.87)	(4,925.49)
Net cash flow from/(used in) investing activities	(1,140.64)	(372.11)
III. Financing activities		
i) Dividend paid	(360.37)	(93.50)
ii) Corporate dividend tax paid	(75.30)	(16.99)
Net cash flow from/(used in) financing activities	(435.67)	(110.49)
Net change in cash and cash equivalents	74.20	(1,405.94)
Cash and cash equivalents as at the beginning of the year	1.04	1,406.98
Cash and cash equivalents as at the end of the year	75.24	1.04
	–	–

* 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 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 23

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: 18 May 2018

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

D J Balaji Rao
Chairman – Audit Committee

Notes to consolidated financial statements for the year ended 31 March 2018

- 1 a) 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 Accounting Standard 21 'Consolidated Financial Statements', Accounting Standard 23 'Accounting for Investment in Associates in Consolidated Financial Statements' and Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures'.

Name of the company	Country of incorporation	% Shareholding of Bajaj Holdings & Investment Ltd. and its subsidiary	Consolidated as
Bajaj Auto Ltd.*	India	31.54%	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 Bajaj Housing Finance Ltd. (alongwith later's wholly-owned subsidiary 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.

- b) These financial statements have been prepared in accordance with the accounting principles generally accepted in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under 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 and the RBI guidelines/regulations to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The accounting policy adopted in preparation of financial statements are consistent with those followed in previous year.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

2 Share capital

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Authorised		
150,000,000 equity shares of ₹ 10 each	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

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

	As at 31 March			
	2018		2017	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	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

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

	As at 31 March			
	2018		2017	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	18,943,660	17.02%	18,527,504	16.65%
Jaya Hind Investments Pvt. Ltd.	5,805,256	5.22%	5,805,256	5.22%

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

3 Reserves and surplus

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
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	1,321.62	1,213.98
Add: Transferred from surplus in Statement of Profit and Loss	262.71	107.64
Balance as at the end of the year	1,584.33	1,321.62
Securities premium account	444.42	444.42
General reserve		
Balance as at the beginning of the year	14,183.14	12,145.69
Add/(Less): Share of accumulated reserves of associate	824.39	51.39
Add: Transferred from surplus in Statement of Profit and Loss	1,874.50	1,931.94
Add: Transferred from surplus in Statement of Profit and Loss (share of joint venture)	1.46	54.12
Balance as at the end of the year	16,883.49	14,183.14
Capital reserve arising on consolidation of joint venture	2.50	2.50
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,754.93	1,375.44
Profit for the year	3,185.68	2,473.19
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	262.71	107.64
Transfer to General reserve	1,874.50	1,931.94
Transfer to General reserve (share of joint venture)	1.46	54.12
Final dividend, declared and paid during the year	361.70	–
Tax on final dividend	75.30	–
Total appropriations	2,575.67	2,093.70
Balance as at the end of the year	2,364.94	1,754.93
	21,279.68	17,706.61

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

4 Other long-term liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Share of annuity payable to VRS optees of joint venture	1.72	2.51
Lease security deposit	17.50	17.50
Other security deposits	2.48	8.24
Other payables	0.01	-
	21.71	28.25

5 Provisions

Particulars	(₹ In Crore)			
	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Provision for employee benefits				
Provision for gratuity	1.56	1.34	-	-
Share of provision for gratuity of joint venture	0.03	-	-	-
Provision for compensated absences	-	-	0.56	0.47
Share of provision for compensated absences of joint venture	-	-	0.19	0.18
Provision for long-term incentive plan	2.25	1.25	-	-
	3.84	2.59	0.75	0.65
Other provisions				
Provision for tax (net of tax paid in advance)	-	-	12.78	12.78
	3.84	2.59	13.53	13.43

6 Trade payables

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Total outstanding dues of micro enterprises and small enterprises (share of joint venture)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.48	0.01
Total outstanding dues of creditors other than micro enterprises and small enterprises (share of joint venture)	0.20	0.80
	0.68	0.81

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

7 Other current liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Security deposits	8.18	0.35
Unclaimed dividend	6.08	4.92
Share of unclaimed dividend of joint venture	1.01	0.84
Directors' remuneration and commission payable	12.66	9.98
Employee benefits payable	1.85	1.48
Share of employee benefits payable of joint venture	0.14	0.13
Taxes payable	1.03	0.46
Share of taxes payable of joint venture	0.01	0.02
Other payables	0.20	0.20
Share of other payables of joint venture	0.03	0.03
Share of advance against order of joint venture	0.07	0.05
Share of annuity payable to VRS optees of joint venture	0.79	0.84
	32.05	19.30

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

8 Property, plant and equipment

Current year

(₹ In Crore)

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 1 April 17	Additions	Deductions/ adjustments	As at 31 March 18	As at 1 April 17	Deductions/ adjustments	For the year	As at 31 March 18	As at 31 March 18
Land freehold	0.04	-	-	0.04	-	-	-	-	0.04
Land leasehold	1.19	-	0.02	1.17	-	-	-	-	1.17
Buildings	9.65	-	-	9.65	4.18	-	0.15	4.33	5.32
Plant and machinery	5.86	1.57	1.58	5.85	4.35	1.50	0.17	3.02	2.83
Furniture and fixtures	0.07	-	-	0.07	0.06	-	-	0.06	0.01
Vehicles	0.10	0.02	0.02	0.10	0.04	0.01	0.01	0.04	0.06
Leased assets: Plant and machinery	87.50	-	-	87.50	87.50	-	-	87.50	-
Total	104.41	1.59	1.62	104.38	96.13	1.51	0.33	94.95	9.43
Share of fixed assets of joint ventures	7.41	1.59	1.60	7.40	5.72	1.51	0.18	4.39	3.01

Previous year

(₹ In Crore)

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 1 April 16	Additions	Deductions/ adjustments	As at 31 March 17	As at 1 April 16	Deductions/ adjustments	For the year	As at 31 March 17	As at 31 March 17
Land freehold	0.04	-	-	0.04	-	-	-	-	0.04
Land leasehold	1.20	-	0.01	1.19	-	-	-	-	1.19
Buildings	9.65	-	-	9.65	4.04	-	0.14	4.18	5.47
Plant and machinery	5.81	0.08	0.03	5.86	4.26	0.03	0.12	4.35	1.51
Furniture and fixtures	0.07	-	-	0.07	0.06	-	-	0.06	0.01
Vehicles	0.52	0.03	0.45	0.10	0.22	0.21	0.03	0.04	0.06
Leased assets: Plant and machinery	87.50	-	-	87.50	87.50	-	-	87.50	-
Total	104.79	0.11	0.49	104.41	96.08	0.24	0.29	96.13	8.28
Share of fixed assets of joint ventures	7.34	0.11	0.04	7.41	5.62	0.03	0.13	5.72	1.69

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

9 Investments

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
In Investment property	191.13	196.20	-	-
In Government and trust securities	366.32	129.68	-	-
In Fully paid preference shares	0.19	0.19	-	-
In Equity shares				
Long-term: associate company *	14,151.20	11,452.31	-	-
Others	1,433.45	1,508.91	-	-
Share of joint venture	37.12	37.12	-	-
	15,621.77	12,998.34	-	-
In Debentures, bonds and secured premium notes	3,848.84	2,335.06	292.18	281.50
Share of joint venture	19.19	19.19	-	-
In Mutual fund units	8.75	13.70	40.35	1,410.29
Share of joint venture	-	-	2.28	11.68
In Other alternative investment fund	34.93	21.54	-	-
In Certificate of deposits (share of joint venture)	-	-	14.69	-
In Commercial paper	-	-	465.62	143.11
Share of joint venture	-	-	2.35	-
	20,091.12	15,713.90	817.47	1,846.58

* Includes goodwill on consolidation of associate of ₹ 554.32 crore in both the years.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

10 Loans and advances

(Unsecured, considered good, unless stated otherwise)

Particulars	(₹ In Crore)			
	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Security deposits	1.54	1.25	-	-
Share of security deposits of joint venture	0.01	0.01	-	-
Advances recoverable in cash or kind	0.86	0.86	-	-
Share of advances recoverable in cash or kind of joint venture	-	-	0.02	0.03
Other loans and advances				
Loan and advances to related parties	-	-	0.02	0.05
Share of VAT refund receivable of joint venture	0.07	0.07	-	-
Advance income-tax (net of provision for tax)	35.36	31.96	-	-
Share of Advance income-tax (net of provision for tax) of joint venture	2.49	2.24	0.34	0.32
MAT credit entitlement	209.05	175.75	24.75	-
Less: Provision for possible unutilisation	-	33.50	-	-
	209.05	142.25	24.75	-
Share of loans to former employees of joint venture	0.01	0.03	0.01	0.01
Others	4.41	4.41	0.02	-
Share of others of joint venture	-	-	0.29	0.06
	251.39	180.96	25.43	0.44
	253.80	183.08	25.45	0.47

11 Other assets

(Unsecured, considered good, unless stated otherwise)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Non-current bank balances [See note 14]	-	2.08	-	-
Others				
Dividend receivable	-	-	-	7.27
Interest receivable on investments/loans, considered good	-	-	167.58	95.55
Share of interest receivable on investments/loans of joint venture, considered good	-	-	0.60	0.62
Interest receivable on investments/loans, doubtful	1.18	1.18	-	-
Less: Provision for doubtful receivable	1.18	1.18	-	-
	-	2.08	168.18	103.44

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

12 Inventories

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Raw materials and components (share of joint venture)	0.06	0.03
Work-in-progress (share of joint venture)	0.22	0.24
Stores (share of joint venture)	0.01	0.01
	0.29	0.28

13 Trade receivables

(Unsecured, considered good, unless stated otherwise)

Particulars	(₹ In Crore)	
	Current	
	As at 31 March	
	2018	2017
Outstanding for a period exceeding six months from the date they are due for payment (share of joint venture)	0.04	0.09
Share of others, good of joint venture	0.78	0.44
	0.82	0.53

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

14 Cash and bank balances

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Cash and cash equivalents				
Balances with banks				
In current accounts	-	-	1.16	0.99
Share of current accounts of joint venture	-	-	0.11	0.05
Cash equivalents				
Certificate of deposits with maturity of less than 3 months from date of acquisition	-	-	24.73	-
Commercial paper with maturity of less than 3 months from date of acquisition	-	-	49.24	-
	-	-	75.24	1.04
Other bank balances				
In unclaimed dividend account	-	-	6.08	4.92
Share of unclaimed dividend account of joint venture	-	-	1.01	0.84
Deposits with residual maturity for less than 12 months (share of joint venture)	-	-	2.08	5.73
Deposits with residual maturity for more than 12 months (share of joint venture)	-	2.08	-	-
	-	2.08	9.17	11.49
Amount disclosed under 'other non-current assets' [See note 11]	-	(2.08)	-	-
	-	-	84.41	12.53

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

15 Revenue from operations

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Sale of products (share of joint venture)	3.03	2.29
Less: Excise duty on sale of products (share of joint venture)	0.07	0.25
Net sales (share of joint venture)	2.96	2.04
Other operating revenue		
Interest		
Interest income on		
Share of bank deposits of joint venture	0.49	0.62
Long-term investments	288.19	174.64
Share of long-term investments of joint venture	2.32	1.73
Current investments	11.38	23.03
Share of others of joint venture	–	0.03
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	4.10	7.92
Current investments	10.45	27.79
Share of amortisation of (premium)/discount on acquisition of fixed income securities of joint venture	(0.01)	–
	316.92	235.76
Other financial services		
Dividend income on		
Long-term investments	39.60	51.93
Share of long-term investments of joint venture	13.38	1.74
Profit on sale of investments, net	556.74	531.43
Share of profit on sale of investments, net of joint venture	–	0.72
Share of surplus on redemption of securities, net of joint venture	0.38	0.12
Provision for diminution in value of investments write back	4.07	–
Income from real estate and other funds	8.08	1.66
	939.17	823.36
Other revenue from operations		
Rent from investment property	17.76	16.71
	956.93	840.07
	959.89	842.11

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

16 Other income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Miscellaneous receipts	4.72	2.81
Share of miscellaneous receipts of joint venture	0.01	5.04
Provision no longer required	0.04	0.12
Share of surplus on sale of assets of joint venture	0.17	-
	4.94	7.97

17 Cost of raw material and components consumed

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Raw materials and boughtout items (share of joint venture)	1.81	1.10
	1.81	1.10

18 (Increase)/decrease in inventories (share of joint venture)

Particulars	₹ In Crore		
	For the year ended 31 March		
	2018	2017	(Increase)/decrease
Inventories at the end of the year			
Work-in-progress	0.22	0.24	0.02
Finished goods	-	-	-
	0.22	0.24	0.02
Inventories at the beginning of the year			
Work-in-progress	0.24	0.07	(0.17)
Finished goods	-	-	-
	0.24	0.07	(0.17)
	0.02	(0.17)	

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

19 Employee benefits expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Salaries, wages and bonus to employees	21.91	16.82
Share of salaries, wages and bonus to employees of joint venture	1.59	1.51
Contribution to provident and other funds	2.18	1.90
Share of contribution to provident and other funds of joint venture	0.20	0.29
Staff welfare expenses	0.09	0.08
Share of staff welfare expenses of joint venture	0.18	0.16
	26.15	20.76

20 Depreciation and amortisation expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Depreciation on property, plant and equipment	0.15	0.16
Share of depreciation on property, plant and equipment of joint venture	0.18	0.13
Depreciation on investment property	5.07	5.09
Amount written off against leasehold land	0.02	0.01
	5.42	5.39

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

21 Other expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Share of stores and tools consumed of joint venture	0.12	0.10
Share of power, fuel and water of joint venture	0.17	0.15
Repairs to buildings	1.45	1.33
Share of repairs to buildings of joint venture	0.04	0.04
Share of repairs to machinery of joint venture	0.30	0.08
Share of repairs to others of joint venture	0.11	0.09
Rent	0.04	0.01
Rates and taxes	2.03	1.59
Share of rates and taxes of joint venture	0.01	0.01
Insurance	0.06	0.06
Share of insurance of joint venture	0.01	0.01
Payment to auditor	0.15	0.16
Share of payment to auditor of joint venture	0.02	0.03
Directors' fees and travelling expenses	0.62	0.98
Share of directors' fees and travelling expenses of joint venture	0.03	0.03
Commission to non-executive directors	1.09	1.10
Brokerage on letting of investment property	0.45	-
Expenditure towards Corporate Social Responsibility (CSR) activities	9.23	7.62
Share of expenditure towards Corporate Social Responsibility (CSR) activities of joint venture	0.03	0.03
Legal and professional charges	1.82	0.80
Share of legal and professional charges of joint venture	0.05	0.03
Business support service expenses	16.15	13.88
Miscellaneous expenses	7.73	4.38
Share of miscellaneous expenses of joint venture	0.11	0.14
Provision for diminution in value of investments	-	160.00
Loss on sale of assets	-	0.09
Share of loss on sale of assets of joint venture	0.01	-
	41.83	192.74

22 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.

23 Significant accounting policies followed by the Group are similar to the significant accounting policies of the parent, Bajaj Holdings & Investment Ltd.; and hence have not been reproduced here. Refer note 2 of standalone financial statements of Bajaj Holdings & Investment Ltd. for the year ended 31 March 2018 for details in regard to other significant accounting policies.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

24 Consolidated contingent liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
i) Claims against the Company not acknowledged as debts [including ₹ 160.47 crore (previous year ₹ 150.98 crore) being share of joint venture and associate]	160.52	151.02
ii) Income tax matters under dispute [including ₹ 267.03 crore (previous year ₹ 238.24 crore) being share of joint venture and associate]	662.78	635.89
iii) Value added tax (VAT), Excise & Customs and service tax matters under dispute [including ₹ 892.61 crore (previous year ₹ 749.83 crore) being share of joint venture and associate]	921.04	752.17
iv) Other matters under dispute (being share of associate)	2.72	2.72
v) Claims made by temporary workmen (of associate)	Liability unascertained	Liability unascertained
vi) Claims, under policies, not acknowledged as debts (being share of associate)	18.55	20.76
vii) Guarantees given on behalf of Company (being share of associate)	-	3.18

In all the cases mentioned above, outflow is not probable and hence not provided by the Company.

25 Capital and other commitments

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Capital commitments to the extent not provided for, net of capital advances [including ₹ 80.12 crore (previous year ₹ 132.93 crore) being share of joint venture and associate]	80.55	132.93

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

26 Disclosure of transactions with related parties as required by the Accounting Standard 18

Consolidated related party transactions are same as related party transactions of standalone Bajaj Holdings & Investment Ltd. except for following transactions which are additional in consolidated financial statements:

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2017-18		2016-17	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Holding company, subsidiaries and fellow subsidiary:					
Western Maharashtra Development Corporation Ltd. (Investing party- holds 27% shares of Maharashtra Scooters Ltd.)	Purchase of shares by WMDC (3,085,712 shares of ₹ 10 each)	-	0.06	-	0.06
	Dividend paid	2.22	-	-	-
B Associates, joint ventures and investing parties:					
Bajaj Auto Ltd.	Dividend received	8.94	-	0.81	-
	Purchases	0.08	-	-	-
	Sales	0.07	-	0.15	-
	Services received	0.02	-	0.03	(0.01)
	Revenue expenses reimbursed	0.01	-	0.02	-
Bajaj Finserv Ltd.	Dividend received	0.16	-	-	-
Bajaj Finance Ltd.	Investment in non-convertible debentures	-	19.20	(5.00)	19.20
	Dividend received	1.64	-	0.32	-
	Interest received	1.73	-	2.20	-
	Services received	0.03	-	0.02	0.01
C Individuals controlling voting power/exercising significant influence and their relatives:					
D Key management personnel and their relatives:	Included in 'C' above				
E Enterprises over which anyone in (C) exercises significant influence:					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	0.02	(0.02)	0.02	(0.01)

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

27 Disclosure in terms of Schedule III of the Companies Act, 2013

(₹ In Crore)

Particulars	Net assets (i.e. Total assets minus total liabilities)		Share in profit or (loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
1 Parent:				
Bajaj Holdings & Investment Ltd.	38.41%	8,216.44	41.24%	1,313.55
2 Subsidiaries (Indian):				
Bajaj Auto Holdings Ltd.	0.21%	44.18	0.03%	1.05
(Less): Minority interests in all subsidiaries	-	-	-	-
(Less): Inter-company eliminations	-	(0.25)	(0.57%)	(18.03)
3 Associates (Investment as per equity method) (Indian):				
Bajaj Auto Ltd.	28.05%	5,999.79	41.13%	1,310.37
Bajaj Finserv Ltd.	38.10%	8,151.41	33.81%	1,077.11
(Less): Inter-company eliminations	(5.15%)	(1,101.05)	(16.10%)	(512.98)
4 Joint venture (as per proportionate consolidation method) (Indian):				
Maharashtra Scooters Ltd.	0.39%	82.60	0.46%	14.61
(Less): Inter-company eliminations	(0.01%)	(2.15)	-	-
Total	100.00%	21,390.97	100.00%	3,185.68

28 Previous year figures

Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year.

29 Miscellaneous

- Post the applicability of GST with effect from 1 July 2017, Revenue from operations (i.e. Sales) are required to be disclosed net of GST. Sales before this date are disclosed as gross of excise duty. Accordingly, Revenue from operations for the current year is not comparable with the previous year.
- ₹ 1 crore is equal to ₹ 10 million.

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: 18 May 2018

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director & CEO

D J Balaji Rao
Chairman – Audit Committee

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

		(₹ In Crore)
Particulars		Bajaj Auto Holdings Ltd.
a The date since when subsidiary was acquired		26 February 1979
b Reporting period for the subsidiary		1 April 2017 to 31 March 2018
c Paid-up share capital		0.25
d Reserves and surplus		43.93
e Total assets		44.20
f Total liabilities		44.20
g Investments		42.40
h Turnover		1.71
i Profit before tax		1.60
j Provision for tax		0.55
k Profit after tax		1.05
l Proposed Dividend		350%
m % of shareholding		100.00%

Part B: Associates and Joint Venture

		(₹ In Crore)		
Particulars		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 2018	31 March 2018	31 March 2018
c Shares of associate/joint venture held by the Company and its subsidiary on the year end				
- Number		91,280,000	62,523,219	2,742,848
- Amount of investment in associate/joint venture		331.08	769.97	0.24
- Extent of holding %		31.54%	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		5,999.79	8,151.41	82.60
g Profit/(loss) for the year				
- Considered in consolidation		4,154.00	2,741.44	60.93
- 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

Vallari Gupte
Company Secretary

Pune: 18 May 2018

A faint, light gray background image of a mountain range with a prominent peak, overlaid with horizontal ruling lines. The image is a grayscale photograph of a mountain landscape, with a large, rounded peak dominating the left side. The sky is filled with soft, white clouds. The entire image is covered with thin, horizontal gray lines, similar to those on a piece of lined paper. The lines are evenly spaced and run across the width of the image. The overall effect is that of a notebook page with a scenic mountain background.

The image features a light gray, textured background that resembles a snowy mountain peak or a close-up of a snow-covered surface. Overlaid on this background are thin, horizontal, light gray lines, spaced evenly apart, which give the impression of a ruled notebook page. The lines are slightly darker than the background, creating a subtle contrast. The overall composition is simple and clean, with a focus on texture and line work.





Like the five elements of nature work in harmony, so do our companies through symbiotic relationships.

BAJAJ

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