BAJAJ

Bajaj Holdings & Investment Limited
(formerly Bajaj Auto Limited)
CIN: L35911PN1945PLC004656
Regd. Office : Bajaj Auto Limited Complex,
Mumbai Pune Road, Akurdi, Pune 411035.
Tel.: 020-27472851, Fax :020-27407380
Website: www.bhil.in

27 July 2017

Corporate Relations Department.
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P J Tower
Dalal Street,
Mumbai 400 001

Corporate Listing Department.
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C-1, G Block
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051

BSE Code: 500490

NSE Code: BAJAJHLDNG

Dear Sir/s:

Sub: **Submission of Annual Report (including Business Responsibility Report) under Regulation 34 of SEBI Listing Regulations, 2015**

Pursuant to Regulation 34(1), we submit herewith a soft copy of the Annual Report for the year 2016-17, including the first Business Responsibility Report and other necessary documents and disclosures as stated under Regulation 34(2) and 34(3) of the above referred Regulations.

Kindly acknowledge receipt and take the same on record.

Thanking you,

Yours faithfully,
For **Bajaj Holdings & Investment Limited**,

Vallari Gupte
Company Secretary

Encl. A/a

BAJAJ

BAJAJ HOLDINGS & INVESTMENT LIMITED

72nd ANNUAL REPORT 2016-17

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Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Madhur Bajaj

Rajiv Bajaj

D J Balaji Rao

Nanoo Pamnani

Manish Kejriwal

Naresh Chandra

P Murari

Dr. Gita Piramal

Audit Committee

Naresh Chandra
Chairman

Nanoo Pamnani

Manish Kejriwal

Stakeholders Relationship Committee

P Murari
Chairman

Nanoo Pamnani

Manish Kejriwal

Dr. Gita Piramal

Nomination and Remuneration Committee

Naresh Chandra
Chairman

D J Balaji Rao

Nanoo Pamnani

Rahul Bajaj

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

Dalal & Shah 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: L35911PN1945PLC004656



Rahul Bajaj
Chairman



Sanjiv Bajaj
Managing Director

Directors' Report

The directors present their Seventy Second Annual Report and audited financial statements for the year ended 31 March 2017.

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	FY2017	FY2016
Total revenue	888.43	1,401.28
Total expenses	215.94	42.72
Profit before tax	672.49	1,358.56
Tax expense	134.31	88.05
Profit for the year	**538.18**	**1,270.51**
Transfer to Reserve fund u/s 45-IC(1) of Reserve Bank of India Act, 1934	107.64	254.10
Transfer to General reserve	53.82	127.05
Balance carried to Balance Sheet	376.72	454.03
Earnings per share (₹)	48.4	114.2
Proposed dividend (%)	325%	325%
Dividend and tax thereon	435.33	435.33

The highlights of the Consolidated Financial Results are as under:

(₹ In Crore)

Particulars	FY2017	FY2016
Total revenue	850.08	476.69
Profit before tax	630.26	429.90
Share of profit after tax of associates	1,977.50	1,923.65
Profit for the year	**2,473.19**	**2,265.24**
Earnings per share (₹)	222.2	203.5

Dividend

The directors recommend for consideration of the shareholders at the ensuing annual general meeting, payment of dividend of ₹ 32.50 per equity share (325%) for the year ended 31 March 2017. The amount of dividend and the tax thereon to the extent applicable aggregate to ₹ 435.33 crore.

For the year ended 31 March 2016, the total dividend paid (including interim dividend), was also ₹ 32.50 per equity share of ₹ 10 each (325%) and the total dividend and the tax thereon to the extent applicable also aggregated to ₹ 435.33 crore.

Share Capital

The paid up equity share capital as on 31 March 2017 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, 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 (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, 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 Risk Management Committee and Asset Liability Management Committee in terms of the applicable directions/regulations of the Reserve Bank of India in this regard.

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

There were six meetings of the Board 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, 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 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 were 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 were operating effectively.

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

During the year under review, there were no frauds 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 2016-17, 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 ₹ 1.30 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 companies, which are 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

Sanjiv Bajaj was appointed as Managing Director of the Company w.e.f. 1 April 2012 for a period of five years, up to 31 March 2017. The Board at its meeting held on 16 March 2017, approved the re-appointment of Sanjiv Bajaj as Managing Director for a fresh term of five years and fixed his remuneration at its meeting held on 18 May 2017, based on the recommendations of the Nomination and Remuneration Committee, subject to necessary approvals of the shareholders. The matter is being separately put up for shareholders' approvals through the Notice of the ensuing seventy second annual general meeting of the Company.

There was no change in the non-executive directors and other Key Managerial Personnel during the year under review.

In light of the provisions of the Companies Act, 2013, Madhur 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.

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.

Global Depository Receipts (GDRs)

During the year under review, the Company terminated its GDR programme w.e.f. 20 March 2017 and these GDRs were consequently delisted from the London Stock Exchange w.e.f. 24 March 2017. Detailed information about GDRs is given in the chapter on General Shareholder Information.

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 2017 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 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 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 2016-17 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 2016-17. 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 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, which was amended on 22 December 2015 to come into force from 1 April 2016, 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 by way of market capitalisation as on 31 March 2016, the Company has presented its maiden BRR for the financial year 2016-17, 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 BR Report 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. The Company is in compliance with the same.

Auditors

Statutory auditor

The current auditors, viz. Dalal & Shah LLP, Chartered Accountants (Firm Registration No. 102021W/W100110) were last re-appointed by the members at their annual general meeting held on 17 July 2014 to hold the office of auditor from the conclusion of the sixty ninth annual general meeting till the conclusion of this seventy second annual general meeting.

As per the provisions of section 139 of the Companies Act, 2013, no listed company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided for an additional transition period of three years from the commencement of the Act i.e. 1 April 2014. The current auditors had completed a period of ten years at the commencement of the said Act, hence on their completing the additional transition period of three years provided under the Act, the term of the current auditors expires at the conclusion of the ensuing annual general meeting.

The Board at its meeting held on 18 May 2017, based on the recommendation of the Audit Committee has recommended the appointment of S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/E300003), as the statutory auditors of the Company for approval by the members.

S R B C & Co LLP, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of section 143 of the Act.

S R B C & Co LLP, Chartered Accountants will be appointed as the statutory auditors of the Company from the conclusion of seventy second annual general meeting till the conclusion of seventy seventh annual general meeting, covering one term of five consecutive years, subject to ratification by the members at each intervening annual general meeting, on a remuneration, out-of-pocket expenses, etc. incurred in connection with the audit as may be decided by the Board in consultation with the auditors from year to year.

The members are therefore requested to appoint S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/E300003), as auditors of the Company for a term of five years from the conclusion of the ensuing annual general meeting till the conclusion of the seventy seventh annual general meeting, to be scheduled in 2022, subject to ratification at each annual general meeting and to fix their remuneration for the year 2017-18.

The statutory audit report for the year 2016-17 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 2016-17 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 2017

Annual Report on CSR activities

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

Introduction:

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

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

Through its social investments, Bajaj Group addresses the needs of communities residing in the vicinity of its facilities, taking sustainable initiatives in the areas of health, education, 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 for self-help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Be focused:** The Company believes that activities should be preferably focused around locations where the Company has a presence and hence can effectively guide, monitor and implement specific projects.
- **Target those who need it most:** Care for sections of society, which are socially and economically at the lowest rung, irrespective of their religion or caste or language or colour.
- **Sustain natural resources:** The Company encourages balanced development and ensures least adverse impact on the environment - growth with Mother Nature's-blessings

CSR Policy:

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

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

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

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

2. The composition of the CSR Committee:

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

Rahul Bajaj, Chairman
Nanoo Pamnani
Sanjiv Bajaj

During the year under review, the Committee met five times on 17 May 2016, 20 July 2016, 23 November 2016, 25 January 2017 and 1 March 2017.

3. Average net profit of the Company for last three financial years prior to 2016-17: ₹ 373.69 crore.

4. Prescribed CSR Expenditure (2% of amount as in item No. 3): ₹ 7.47 crore.

5. Details of CSR spent during the financial year:

(₹ In Crore)

Particulars	
a. Total amount to be spent	7.47
b. Amount spent	7.53
c. Amount unspent, if any (a-b)	Nil
d. Manner in which the amount spent during the financial year:	As provided in enclosed Table 1

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

In addition to what is stated above, Bajaj Group implements many CSR initiatives of substantial value through its Group Charitable Trusts operating at various locations in the country. Major initiatives that continued and/or that were taken up anew by the Bajaj Group through such entities during the year under review are given in another detailed Report, which is hosted on the Company's website 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 CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.

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

Rahul Bajaj
Chairman of CSR Committee

Sanjiv Bajaj
Managing Director

Pune: 18 May 2017

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2017

(₹ 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 2016-17	Cumulative Expenditure up to 2016-17
Bhartiya Yuva Shakti Trust (BYST), New Delhi	Corpus grant	Vocational skills	PAN India	0.50	0.50	0.50
Eklavya Foundation, Bhopal	To construct Eklavya Bhopal Campus building	Education	Bhopal	3.20	1.60	1.60
Gramprabodhini, Nigdi, Pune	Rural educational development centre – Construction of science and computer labs	Education	Pune	0.85	0.30	0.30
ISKON Food Relief Foundation, Mumbai	Insulated food containers at Annamrita, Aurangabad	Eradicating hunger, poverty and malnutrition	Aurangabad	0.60	0.30	0.30
Jai Hind Sindhu Education Trust, Pune	Rebuilding of the existing buildings which were built around 1960	Education	Pune	0.50	0.50	0.50
Jankidevi Bajaj Gram Vikas Sanstha, Pune	Water conservation project	Environmental sustainability	Aurangabad	0.70	0.65	0.65
Lend A Hand India, Pune	Mobile Multi Skill Development Centre	Education	Pune and rural Maharashtra	0.44	0.22	0.22
Magic Bus India Foundation, Mumbai	Holistic development and work readiness programmes for adolescent children	Enhancing vocational skills among children	Pune and Aurangabad	8.34	0.23	0.23
Round Table India Trust, Chennai	Construction of infrastructure for education/ classrooms	Education	Pune	0.50	0.15	0.15
Shiksha Mandal Madhya Pradesh Shakha, Jabalpur	New land and building for expansion	Education	Jabalpur	2.00	2.00	2.00
Social Work and Research Centre (SWRC), Ajmer ('The Barefoot College')	Contribution to corpus of SWRC	Rural Development	Ajmer	0.50	0.50	0.50
St. Ursula Society, Pune	Repairs/general maintenance of drinking water tanks, replacement of school main gate, replacing furniture, re-doing of school staircase and re-locating the school logo	Education	Pune	0.15	0.06	0.06
Vidya Bhawan Society, Udaipur	Building a hostel for tribal girls and a Teacher Training Centre	Education	Udaipur	3.00	0.15	0.15
Vision Spring, New Delhi	Scaling up Bajaj Drishti: 'See to Learn: See to Work: See to be safe'	Healthcare	Pune and Aurangabad	0.37	0.37	0.37
TOTAL				**21.65**	**7.53**	

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 2017

[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)	L35911PN1945PLC004656
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%

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 2017	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 2016				No. of Shares held at the end of the year as on 31 March 2017				
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	% change during the year
A. Promoters									
1) Indian									
a) Individual/HUF	18,663,672	–	18,663,672	16.77	18,199,712	–	18,199,712	16.35	(0.42)
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	28,378,895	150*	28,379,045	25.50	30,483,308	150*	30,483,458	27.39	1.89
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-Total (A)(1)	**47,042,567**	**150**	**47,042,717**	**42.27**	**48,683,020**	**150**	**48,683,170**	**43.74**	**1.47**
*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)	**47,042,567**	**150**	**47,042,717**	**42.27**	**48,683,020**	**150**	**48,683,170**	**43.74**	**1.47**
B) Public Shareholding									
1) Institutions									
a) Mutual Funds	1,372,926	875	1,373,801	1.23	1,726,776	875	1,727,651	1.55	0.32
b) Banks/FI	41,527	10,395	51,922	0.05	44,857	10,395	55,252	0.05	0.00
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	6,468,762	300	6,469,062	5.81	4,918,242	300	4,918,542	4.42	(1.39)
g) FIIs/FPIs	19,144,797	1,425	19,146,222	17.21	17,202,015	1,425	17,203,440	15.46	(1.75)
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)		–	–	–	–	–	–	–	–
Sub-Total (B)(1)	**27,028,012**	**12,995**	**27,041,007**	**24.30**	**23,891,890**	**12,995**	**23,904,885**	**21.48**	**(2.82)**
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	10,675,106	417,740	11,092,846	9.97	11,651,771	418,065	12,069,836	10.85	0.88
ii) Overseas	–	675	675	0.00	–	675	675	0.00	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	7,480,439	1,088,781	8,569,220	7.70	7,644,893	990,262	8,635,155	7.76	0.06

i) Category-wise shareholding (Contd.)

Category of shareholders	No. of Shares held at the beginning of the year as on 1 April 2016				No. of Shares held at the end of the year as on 31 March 2017				
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	% change during the year
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11,017,806	5,517,141	16,534,947	14.86	8,607,588	8,194,974	16,802,562	15.10	0.24
c) Others (specify)									
i) Non Resident Indians	592,699	12,510	605,209	0.54	259,170	12,510	271,680	0.24	(0.30)
ii) Clearing members	6,141	–	6,141	0.00	102,827	–	102,827	0.09	0.09
iii) Trusts	177,279	–	177,279	0.16	348,794	–	348,794	0.31	0.15
iv) NRI – Non-Repat	–	–	–	–	361,859	–	361,859	0.33	0.33
v) Foreign Bodies - DR	30,131	–	30,131	0.03	31,584	–	31,584	0.03	0.00
vi) NBFC registered with RBI	–	–	–	–	745	–	745	0.00	0.00
Sub-Total (B)(2)	**29,979,601**	**7,036,847**	**37,016,448**	**33.26**	**29,009,231**	**9,616,486**	**38,625,717**	**34.71**	**1.45**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**57,007,613**	**7,049,842**	**64,057,455**	**57.56**	**52,901,121**	**9,629,481**	**62,530,602**	**56.19**	**(1.37)**
C. Shares held by Custodian for GDRs and ADRs	**193,338**	**–**	**193,338**	**0.17**	**79,738**	**–**	**79,738**	**0.07**	**(0.10)**
Grand Total (A+B+C)	**104,243,518**	**7,049,992**	**111,293,510**	**100.00**	**101,663,879**	**9,629,631**	**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 2016			Shareholding at the end of the year as on 31 March 2017			
		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	% change in shareholding during the year
1	Anant Bajaj	746,807	0.67	–	746,807	0.67	–	–
2	Deepa Bajaj	10,575	0.01	–	10,575	0.01	–	–
3	Geetika Bajaj	300,000	0.27	–	300,000	0.27	–	–
4	Kiran Bajaj	744,825	0.67	–	744,825	0.67	–	–
5	Kriti Bajaj	33,000	0.03	–	33,000	0.03	–	–
6	Kumud Bajaj	1,213,340	1.09	–	1,213,340	1.09	–	–
7	Madhur Bajaj	1,899,876	1.71	–	1,899,876	1.71	–	–
8	Minal Bajaj	62,900	0.06	–	62,900	0.06	–	–
9	Neelima Bajaj Swamy	267,719	0.24	–	267,719	0.24	–	–
10	Nimisha Jaipuria	159,785	0.14	–	159,785	0.14	–	–
11	Niraj Bajaj	2,664,238	2.39	–	2,733,938	2.45	–	0.06
12	Niravnayan Bajaj	479,066	0.43	–	479,066	0.43	–	–
13	Rahulkumar Bajaj	5,126,285	4.61	–	5,126,285	4.61	–	–
14	Rajivnayan Bajaj	1,323,050	1.19	–	1,323,050	1.19	–	–
15	Rishabnayan Bajaj	8,500	0.01	–	8,500	0.01	–	–
16	Sanjali Bajaj	9,100	0.01	–	9,100	0.01	–	–
17	Sanjivnayan Bajaj	1,362,724	1.22	–	1,362,724	1.22	–	–
18	Shefali Bajaj	10,000	0.01	–	10,000	0.01	–	–
19	Shekhar Bajaj	1,496,841	1.34	–	1,520,041	1.37	–	0.03
20	Siddhantnayan Bajaj	7,500	0.01	–	7,500	0.01	–	–

ii) Shareholding of promoters (Contd.)

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2016			Shareholding at the end of the year as on 31 March 2017			
		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	% change in shareholding during the year
21	Suman Jain	523,504	0.47	–	523,504	0.47	–	–
22	Sunaina Kejriwal	214,037	0.19	–	214,037	0.19	–	–
23	Bachhraj And Company Pvt. Ltd.	2,165,878	1.95	–	2,675,378	2.40	–	0.45
24	Bachhraj Factories Pvt. Ltd.	1,118,649	1.01	–	1,176,549	1.06	–	0.05
25	Bajaj Finance Ltd.	75	0.00	–	75	0.00	–	–
26	Bajaj Sevashram Pvt. Ltd.	2,763,919	2.48	–	2,968,419	2.66	–	0.18
27	Baroda Industries Pvt. Ltd.	905,740	0.81	–	965,740	0.86	–	0.05
28	Hercules Hoists Ltd.	286,094	0.26	–	286,094	0.26	–	–
29	The Hindustan Housing Company Ltd.	15,391	0.01	–	15,391	0.01	–	–
30	Jamnalal Sons Pvt. Ltd.	17,914,001	16.10	–	18,527,504	16.65	–	0.55
31	Kamalnayan Investment & Trading Pvt. Ltd.	79,850	0.07	–	88,800	0.08	–	0.01
32	Madhur Securities Pvt. Ltd.	66,800	0.06	–	66,800	0.06	–	–
33	Niraj Holdings Pvt. Ltd.	44,400	0.04	–	44,400	0.04	–	–
34	Rahul Securities Pvt. Ltd.	151,700	0.13	–	171,900	0.15	–	0.02
35	Rupa Equities Pvt. Ltd.	181,900	0.16	–	201,000	0.18	–	0.02
36	Sanraj Nayan Investments Pvt. Ltd.	2,628,048	2.36	–	2,681,948	2.41	–	0.05
37	Shekhar Holdings Pvt. Ltd.	56,450	0.05	–	56,450	0.05	–	–
38	Shishir Holdings Pvt. Ltd.	150	0.00	–	150	0.00	–	–
	Total	**47,042,717**	**42.27**	**–**	**48,683,170**	**43.74**	**–**	**1.47**

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 2016	47,042,717	42.27		
	Date-wise increase/(decrease)				
1	**Bachhraj and Company Pvt. Ltd.**				
	11-11-2016 - Purchase	224,000	0.20	47,266,717	42.47
	02-12-2016 - Purchase	192,500	0.17	47,459,217	42.64
	09-12-2016 - Purchase	93,000	0.08	47,552,217	42.73
2	**Bachhraj Factories Pvt. Ltd.**				
	11-11-2016 - Purchase	57,900	0.05	47,610,117	42.78

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.**				
	11-11-2016 - Purchase	204,500	0.18	47,814,617	42.96
4	**Baroda Industries Pvt. Ltd.**				-
	11-11-2016 - Purchase	60,000	0.05	47,874,617	43.02
5	**Jamnalal Sons Pvt. Ltd.**				
	23-09-2016 - Purchase	15,233	0.01	47,889,850	43.03
	30-09-2016 - Purchase	185,510	0.17	48,075,360	43.20
	07-10-2016 - Purchase	17,035	0.02	48,092,395	43.21
	11-11-2016 - Purchase	291,000	0.26	48,383,395	43.47
	02-12-2016 - Purchase	104,725	0.09	48,488,120	43.57
6	**Kamalnayan Investment & Trading Pvt. Ltd.**				
	11-11-2016 - Purchase	8,950	0.01	48,497,070	43.58
7	**Niraj Bajaj**				
	09-12-2016 - Purchase	69,700	0.06	48,566,770	43.64
8	**Rahul Securities Pvt. Ltd.**				
	11-11-2016 - Purchase	20,200	0.02	48,586,970	43.66
9	**Rupa Equities Pvt. Ltd.**				
	11-11-2016 - Purchase	19,100	0.02	48,606,070	43.67
10	**Sanraj Nayan Investments Pvt. Ltd.**				
	11-11-2016 - Purchase	53,900	0.05	48,659,970	43.72
11	**Shekhar Bajaj**				
	03-06-2016 - Transfer consequent to partition of Shekhar Bajaj HUF	(230,900)	(0.21)	48,429,070	43.51
	03-06-2016 - Acquisition consequent to partition of Shekhar Bajaj HUF	230,900	0.21	48,659,970	43.72
	09-12-2016 - Purchase	23,200	0.02	48,683,170	43.74
	At the end of the year 31 March 2017			48,683,170	43.74

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 2016)		Cumulative shareholding during the year (31 March 2017)	
		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 2017	5,805,256	5.22	5,805,256	5.22
2	**Life Insurance Corporation of India**				
	At the beginning of the year 1 April 2016	4,566,246	4.10		
	Date-wise increase/(decrease)				
	27-05-2016 - Sale	(577)	(0.00)	4,565,669	4.10
	03-06-2016 - Sale	(12,449)	(0.01)	4,553,220	4.09
	01-07-2016 - Sale	(4,211)	(0.00)	4,549,009	4.09
	08-07-2016 - Sale	(62)	(0.00)	4,548,947	4.09
	15-07-2016 - Sale	(8,364)	(0.01)	4,540,583	4.08
	09-09-2016 - Sale	(10,530)	(0.01)	4,530,053	4.07
	23-09-2016 - Sale	(32,026)	(0.03)	4,498,027	4.04
	30-09-2016 - Sale	(182,070)	(0.16)	4,315,957	3.88
	07-10-2016 - Sale	(27,626)	(0.02)	4,288,331	3.85
	14-10-2016 - Sale	(7,458)	(0.01)	4,280,873	3.85
	21-10-2016 - Sale	(15,917)	(0.01)	4,264,956	3.83
	28-10-2016 - Sale	(23,127)	(0.02)	4,241,829	3.81
	04-11-2016 - Sale	(15,338)	(0.01)	4,226,491	3.80
	10-03-2017 - Sale	(75,000)	(0.07)	4,151,491	3.73
	24-03-2017 - Sale	(12,565)	(0.01)	4,138,926	3.72
	At the end of the year 31 March 2017			4,138,926	3.72
3	**Franklin Templeton Investment Funds**				
	At the beginning of the year 1 April 2016	5,847,978	5.25		
	Date-wise increase/(decrease)				
	08-04-2016 - Purchase	818	0.00	5,848,796	5.26
	15-04-2016 - Sale	(15,173)	(0.01)	5,833,623	5.24
	06-05-2016 - Purchase	3,279	0.00	5,836,902	5.24
	13-05-2016 - Purchase	12,416	0.01	5,849,318	5.26
	20-05-2016 - Sale	(190,000)	(0.17)	5,659,318	5.09
	10-06-2016 - Sale	(50,000)	(0.04)	5,609,318	5.04

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 2016)		Cumulative shareholding during the year (31 March 2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	24-06-2016 - Sale	(259,708)	(0.23)	5,349,610	4.81
	29-07-2016 - Sale	(76,947)	(0.07)	5,272,663	4.74
	05-08-2016 - Sale	(49,169)	(0.04)	5,223,494	4.69
	12-08-2016 - Sale	(65,767)	(0.06)	5,157,727	4.63
	19-08-2016 - Sale	(69,501)	(0.06)	5,088,226	4.57
	26-08-2016 - Sale	(22,432)	(0.02)	5,065,794	4.55
	02-09-2016 - Sale	(21,017)	(0.02)	5,044,777	4.53
	07-10-2016 - Sale	(9,442)	(0.01)	5,035,335	4.52
	21-10-2016 - Sale	(39,785)	(0.04)	4,995,550	4.49
	28-10-2016 - Sale	(56,250)	(0.05)	4,939,300	4.44
	04-11-2016 - Sale	(14,246)	(0.01)	4,925,054	4.43
	11-11-2016 - Sale	(643,209)	(0.58)	4,281,845	3.85
	25-11-2016 - Sale	(114,921)	(0.10)	4,166,924	3.74
	02-12-2016 - Sale	(125,000)	(0.11)	4,041,924	3.63
	30-12-2016 - Purchase	18,600	0.02	4,060,524	3.65
	03-02-2017 - Sale	(52,171)	(0.05)	4,008,353	3.60
	At the end of the year 31 March 2017			4,008,353	3.60
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 2017	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 2017	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 2017	1,777,498	1.60	1,777,498	1.60
7	**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 2017	1,171,200	1.05	1,171,200	1.05

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 2016)		Cumulative shareholding during the year (31 March 2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	**WF Asian Reconnaissance Fund Ltd.**				
	At the beginning of the year 1 April 2016	510,738	0.46		
	Date-wise increase/(decrease)				
	29-04-2016 - Purchase	50,000	0.04	560,738	0.50
	13-05-2016 - Purchase	465,205	0.42	1,025,943	0.92
	27-05-2016 - Purchase	13	0.00	1,025,956	0.92
	10-06-2016 - Purchase	142,039	0.13	1,167,995	1.05
	At the end of the year 31 March 2017			1,167,995	1.05
9	**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 2017	1,092,075	0.98	1,092,075	0.98
10	**Abhaykumar Navalmal Firodia**				
	At the beginning of the year 1 April 2016	685,280	0.62		
	Date-wise increase/(decrease)				
	23-12-2016 - Purchase	102,879	0.09	788,159	0.71
	20-01-2017 - Purchase	244,200	0.22	1,032,359	0.93
	At the end of the year 31 March 2017			1,032,359	0.93

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	**Rahulkumar Bajaj**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2017	5,126,285	4.61	5,126,285	4.61
2	**Sanjivnayan Bajaj**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2017	1,362,724	1.22	1,362,724	1.22
3	**Rajivnayan Bajaj**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2017	1,323,050	1.19	1,323,050	1.19
4	**Madhur Bajaj**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2017	1,899,876	1.71	1,899,876	1.71
5	**Manish Kejriwal**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2017	100	0.00	100	0.00

Note: (1) Shareholding of other Directors-Nil
(2) Vallari Gupte (Company Secretary) and Anant Marathe (Chief Financial Officer) do not hold any shares in the Company.

V. Indebtedness

As on 31 March 2017, 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)	Total amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,500,000	30,500,000
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	5,704,361	5,704,361
	(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 (thrice the annual basic salary)	86,400,000	86,400,000
5	Others - contribution to Provident Fund etc.	5,871,900	5,871,900
	TOTAL (A)	**128,476,261**	**128,476,261**
	Ceiling as per the Act		**343,200,000**

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*	Naresh Chandra	P Murari	Dr. Gita Piramal	Total amount
i. Fee for attending Board/Committee Meetings	300,000	650,000	600,000	250,000	300,000	2,100,000
ii. Commission	600,000	5,300,000	1,200,000	500,000	600,000	8,200,000
iii. Other	–	–	–	–	–	–
TOTAL (B)(1)	**900,000**	**5,950,000**	**1,800,000**	**750,000**	**900,000**	**10,300,000**

*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.

B. Remuneration to other directors (Contd.)

2. Other Non-executive Directors

(In ₹)

Particulars of remuneration	Rahul Bajaj	Madhur Bajaj	Rajiv Bajaj	Manish Kejriwal	Total amout
i. Fee for attending Board/Committee Meetings	400,000	300,000	300,000	400,000	1,400,000
ii Commission	800,000	600,000	600,000	800,000	2,800,000
iii Other	-	-	-	-	-
TOTAL (B)(2)	**1,200,000**	**900,000**	**900,000**	**1,200,000**	**4,200,000**
TOTAL (B)(1) + (B)(2)					**14,500,000**
Total Managerial Remuneration					**142,976,261**
Overall ceiling as per the Act**					**411,800,000**

**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	Chief Financial Officer	
		Vallari Gupte	Anant Marathe	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,257,837	4,493,624	6,751,461
	(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.	181,094	319,279	500,373
	TOTAL (C)	**2,463,927**	**4,862,907**	**7,326,834**

VII. Penalties/Punishment/Compounding of offences:

During the year 2016 - 17, 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 2017

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	77.49	25.21
(B) Non-executive directors[1]		
Rahul Bajaj	0.48	(11.11)
Madhur Bajaj	0.36	–
Rajiv Bajaj	0.36	–
D J Balaji Rao	0.36	(25.00)
Naresh Chandra	0.72	–
Nanoo Pamnani[2]	3.20	307.69
Manish Kejriwal	0.48	–
P Murari	0.30	25.00
Dr. Gita Piramal	0.36	–
(C) Key Managerial Personnel		
Sanjiv Bajaj, Managing Director		25.21
Anant Marathe, CFO		51.55
Vallari Gupte, CS		20.18
(D) Remuneration of Median employee (other than whole-time directors)		25.30
(E) Permanent employees as on 31 March 2017[3] : 10		

1 a) Remuneration payable to non-executive directors is based on the number of meetings of the Board and its Committees attended by them as members during the year.

b) Remuneration to directors does not include sitting fees paid to them for attending Board/Committee meetings.

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

3 'Permanent employees' does not include trainees, probationers and contract employees.

Notes on Disclosures under Rule 5

1 During the year 2016-17, the remuneration of median employee other than whole-time directors increased by 25.30% over the previous year.

2 Increase in the remuneration of the Managerial Personnel, which was 25.21% 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 2017.

To the Members,
Bajaj Holdings & Investment Ltd
L35911PN1945PLC004656
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 the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March 2017, 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 2017, 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) Securities Exchange Board of India (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 the 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 the Company's affairs.

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

Pune: 18 May 2017

Auditors' certificate regarding compliance of conditions of Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by Bajaj Holdings & Investment Ltd., for the year ended 31 March 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance 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.

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership No: 40451

Pune: 18 May 2017

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 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

Pune: 18 May 2017

Management Discussion and Analysis

Background

Bajaj Holdings & Investment Ltd. ('BHIL' or 'the Company') came into existence upon 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., which was renamed as Bajaj Holdings & Investment Ltd.

BHIL has now completed 10 years post demerger. The demerger unlocked the value of the shares of the Company as is evident from combined market capitalisation of the three entities- ₹ 170,458 crore as on 31 March 2017 compared to ₹ 24,542 crore as on 31 March 2007 of erstwhile Bajaj Auto Ltd. The combined return of the three companies over 10 years is 21.4% compared to 8.5% of Sensex for the corresponding period.

BHIL remains essentially a holding and investment company.

As on 31 March 2017, 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 property of ~ ₹ 7,000 crore at market value.

The market value of the said portfolio stood at ₹ 59,352 crore as on 31 March 2017.

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

The surprise events of Brexit, the US presidential elections and demonetisation were key highlights of FY2017.

The advance estimate on national income for 2016-17 (FY2017) released in February 2017 by the Central Statistics Office of the Government of India has pegged India's real GDP growth at 7.1% - significantly worse than the 7.9% GDP growth achieved in FY2016.

Insufficient investments in the private sector, high non-performing assets of banks coupled with lack of credit growth continued to reflect the slow pace of recovery in the economy and poor earnings growth for most of corporate India.

During FY2017, the equity markets rose sharply as the US Federal Reserve delayed hike in interest rates till December 2016, allowing substantial inflows into equities in emerging markets including India. This was briefly interrupted in November 2016 by the US Presidential elections and demonetisation announcement. The equity markets, however, recovered in Q4 FY2017 with fresh fund flows, passage of GST legislations in Parliament and the BJP's convincing victory in the UP assembly elections.

The bond markets too witnessed a positive run in FY2017 with sharp drop in yields across tenure because of the largely accommodative monetary policy of the Reserve Bank of India (RBI) for most of the year. RBI did, however, end the year with a neutral stance. With foreign fund flows, the Indian Rupee appreciated sharply against the US Dollar in Q4 FY2017.

Currently, the equity markets are fully priced and many stocks are trading at steep valuations primarily led by flows. Further upside to the equity markets will be dependent on earnings of corporates. The bond markets, too are expected to remain steady after an eventful year.

Performance Highlights

(₹ In Crore)

Particulars	FY2017	FY2016
Standalone		
Total revenue	888.43	1,401.28
Profit for the year	538.18	1,270.51
Investments, at cost	7,090	6,715
Investments, at market value	59,352	39,717
Consolidated		
Total revenue *	850.08	476.69
Profit for the year	2,473.19	2,265.24

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

As explained in detail in subsequent sections, adjusted for interim dividends received, the standalone results of BHIL have been good.

The interim dividends received do not distort the consolidated results of BHIL since intercompany dividends are eliminated. Due to good performance of BHIL (standalone) and underlying companies, BHIL recorded its **highest annual profit for the year** on a consolidated basis.

Standalone results

Table 1: Standalone financials of BHIL

(₹ In Crore)

Particulars	FY2017		FY2016	
Interest on fixed income securities		233.22		243.74
Dividend		97.49		1,017.74
From associates, subsidiary and joint venture	45.56		953.63	
From others	51.93		64.11	
Profit on sale of investments (net)		531.41		113.51
From equity investments	361.58		23.92	
From fixed income securities	169.83		89.59	
Rent from investment property		16.71		16.38
Others		9.60		9.91
Total revenue		**888.43**		**1,401.28**
Provision for diminution in value of investments		160.00		–
Other expenses		55.94		42.72
Total expenses		**215.94**		**42.72**
Profit before tax		**672.49**		**1,358.56**
Profit for the year		**538.18**		**1,270.51**

BHIL, being an investment company, is largely dependent on the stock and money markets for its income. While sharply rising equity markets provided an opportunity to realise gains on equity investments, a decline in interest rates gave an opportunity to book gains on fixed income securities. Profit on sale of investments (net) for FY2017 was ₹ 531 crore v/s ₹ 114 crore in FY2016.

The results of BHIL on a standalone basis for FY2017 are strictly not comparable with its results of FY2016 since the Company received additional interim dividends in Q4 FY2016 and much lower final dividends in Q2 FY2017. BHIL's dividend income for FY2017 stood at ₹ 97 crore v/s ₹ 1,018 crore in FY2016, including interim dividend of ₹ 491 crore.

Consequently, BHIL's standalone profit for the year stood at ₹ 538 crore in FY2017 v/s ₹ 1,271 crore in FY2016.

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 in detail its asset allocation. As per the said investment policy, a minimum of 40% of surplus funds at cost (excluding strategic investments) are 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 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 the prudential norms regarding investments prescribed by RBI.

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

Table 2: Position of investments held by the Company

(₹ In Crore)

Particulars	FY2017			FY2016		
	Cost	Market value *	% to Total surplus (At cost)	Cost	Market value *	% to Total surplus (At cost)
[a] Strategic investments-equities	1,232	52,351		1,188	33,356	
[b] Other equities						
Other listed equities	1,134	2,245	20.0	1,454	2,248	27.3
Unlisted equities	242	242	4.3	432	432	8.1
Real estate funds	14	14	0.2	25	25	0.5
subtotal	**1,390**	**2,501**	**24.5**	**1,911**	**2,705**	**35.9**
[c] Fixed income securities						
Debentures and bonds	2,616	2,633	46.3	705	713	13.2
Government securities	130	125	2.3	1,231	1,252	23.1
Mutual funds	1,383	1,403	24.4	73	84	1.4
CD and CP	143	143	2.5	1,406	1,406	26.4
subtotal	**4,272**	**4,304**	**75.5**	**3,415**	**3,455**	**64.1**
Total (b+c)	**5,662**	**6,805**	**100.0**	**5,326**	**6,160**	**100.0**
[d] Investment in property (net of depreciation)	**196**	**196**		**201**	**201**	
[e] Grand total (a+b+c+d)	**7,090**	**59,352**		**6,715**	**39,717**	

* 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, is holding strategic/group investments, as set out in Table 3.

Table 3: Position of strategic/group investments held by the Company as on 31 March 2017

(₹ In Crore)

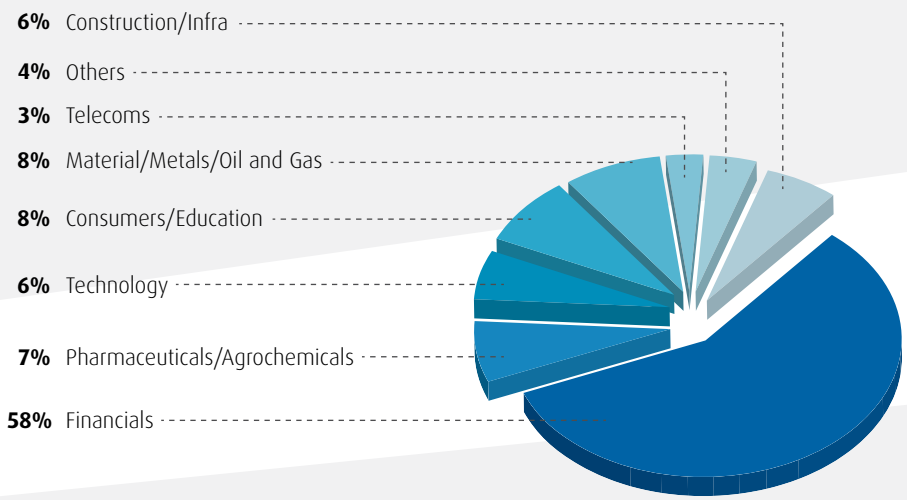
Equity shares held in	Cost		Market value	
Bajaj Auto Ltd.		331.08		25,608.15
Bajaj Finserv Ltd.		743.82		25,538.86
Bajaj Auto Holdings Ltd.	0.25		0.25	
Maharashtra Scooters Ltd.	0.24		515.97	
Bajaj Electricals Ltd.	111.77		522.73	
Mukand Ltd.	32.89		68.88	
Hercules Hoists Ltd.	12.34		95.45	
Mukand Engineers Ltd.	0.10		0.26	
Subtotal		157.59		1,203.54
Total		**1,232.49**		**52,350.55**

Other equities

Keeping in mind the prescribed limit of 60% of surplus funds, BHIL invests dynamically in equities based on the Company's 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. The Company invests in equities normally with a 5 year holding horizon or even longer, based on its views on further growth potential.

Over the past few years, the Company has diversified its portfolio across key sectors to boost returns and manage risk. In FY2017, BHIL rebalanced the sector weights of its equity portfolio by enhancing allocation to companies in pharmaceuticals while taking away allocation from telecom and commodities, thus reducing volatility of the portfolio. Chart A below shows the sector specific stock allocation as on 31 March 2017.

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



Sensex and BSE Midcap index closed the year with returns of 16.9% and 32.8% respectively. Mid-caps outperformed large caps substantially once again, as they did in FY2016. Financials, commodities and energy outperformed the Sensex while pharmaceuticals and technology underperformed.

BHIL's other equities portfolio is a combination of listed and unlisted investments. Listed investments dominate the pie with a 81.6% 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. NSE is expected to list during H1 FY2018. BSE (Bombay Stock Exchange) Ltd. and Ujjivan Financial Services Ltd. listed successfully during the year, achieving a reasonable return for BHIL.

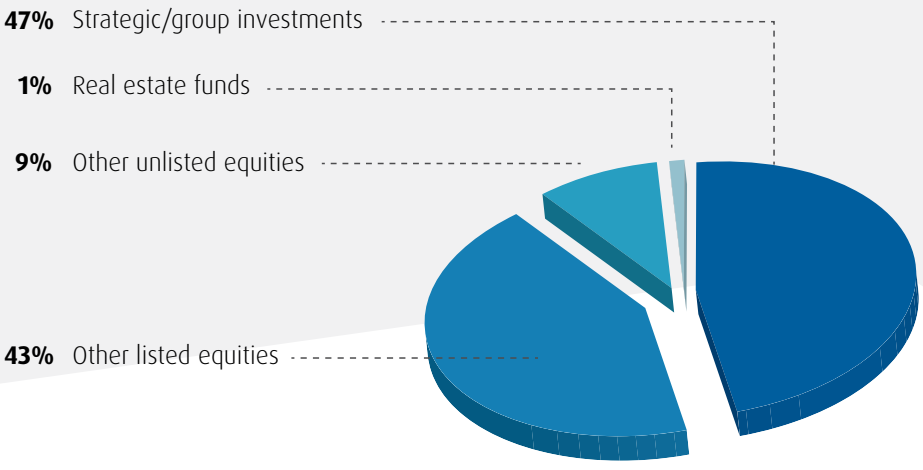
During the year, BHIL sold a part of its investments in ICICI Bank, Bharti Infratel, United Phosphorous, Reliance Industries, L&T, Marico, CARE and Container Corporation, while it completely exited Axis Bank, BHEL, Bharti Airtel, IL&FS Transportation, Tata Steel and NMDC.

Key new stock added to portfolio in FY2017 was Lupin, while additional purchases were made of HDFC Bank.

BHIL's other equities portfolio generated returns of 25.7% for FY2017, outperforming the Sensex. BHIL's other equities portfolio has a high weight in financials (58% of other equities portfolio at cost) as a proxy for growth in the domestic economy. In FY2017, investments in mostly financials like ICICI Bank, HDFC Bank, Ujjivan, CARE, Power Finance Corporation and others like United Phosphorous and Marico, outperformed the markets while investments like Treehouse Education and Bharti Infratel underperformed the Sensex.

As a prudent policy, BHIL has provided for diminution in value of its equity investments in Treehouse Education, Bajaj Hindusthan Sugar, IPCA Laboratories and real estate funds aggregating to ₹ 160 crore.

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.

RBI cut repo rate by 50 basis points during the year. As a result, bond markets witnessed a positive run in FY2017 with a sharp drop in yields across tenures. Bonds rallied even further after demonetisation with the expectation of a surge in liquidity and deeper rate cuts due to negative growth impact. This was followed by the US Federal Reserve rate hike and the RBI's change of monetary policy stance to neutral.

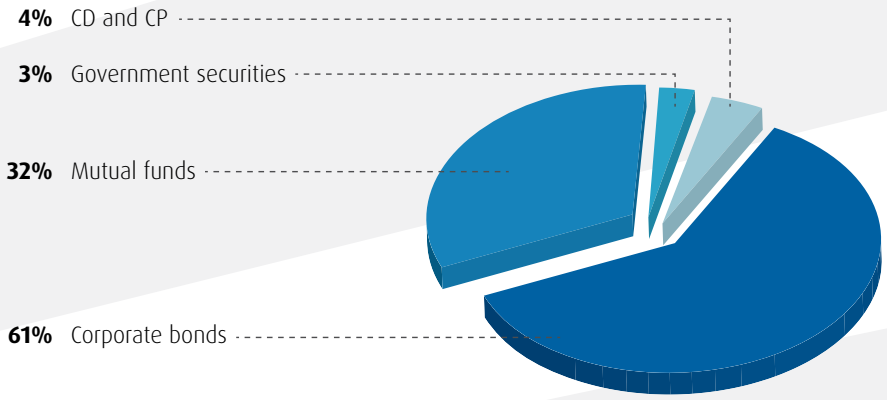
This was reflected in the 10 year government security which started the year at a yield of 7.4%, reached a bottom of 6.2% in November 2016 post demonetisation and closed the year at a yield of 6.7%.

Based on the positive outlook on interest rates for FY2017, BHIL increased portfolio duration at start of the year by investing in longer tenure government securities. Post demonetisation, as bonds rallied expecting de-growth and deeper rate cut, BHIL successfully booked significant profit by selling long tenure government securities throughout Q3 and Q4 FY2017.

For FY2017 BHIL's realised yield on the portfolio was 10.3% while total return (realised and unrealised) was 10.4%. At year end, the portfolio yield was 7.4% with average maturity of 2.3 years.

The break-up of the 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 old 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 BHIL (standalone) and BFS (consolidated), BHIL recorded its **highest annual profit for the year** on a consolidated basis of ₹ 2,473.19 crore in FY2017 v/s ₹ 2,265.24 crore in FY2016 – an increase of 9%.

Table 5: Consolidated financials of BHIL

(₹ In Crore)

Particulars	FY2017	FY2016
Total revenue	850.08	476.69
Share of profit after tax of associates	1,977.50	1,923.65
Profit before tax and after share of profit after tax of associates	2,607.76	2,353.55
Profit for the year	2,473.19	2,265.24

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	FY2017	FY2016
Total revenue	0.19	1.00
Profit before tax	0.04	0.81
Profit for the year	0.06	0.55
Profit attributable to BHIL (100%)	0.06	0.55

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	FY2017	FY2016
Total revenue	22,477.12	23,511.85
Profit before tax	4,869.37	5,516.75
Profit for the year	3,457.68	3,783.98
Profit attributable to BHIL (31.54%/31.49%)	1,088.79	1,191.54

Bajaj Finserv Ltd. (BFS)

The consolidated financials of BFS are given below:

Table 8: Consolidated financials of BFS

(₹ In Crore)

Particulars	FY2017	FY2016
Total revenue	24,522.06	20,533.62
Profit before tax	4,924.53	3,804.05
Profit for the year	2,261.92	1,863.27
Profit attributable to BHIL (39.29%)	888.71	732.11

Joint venture

Maharashtra Scooters Ltd. (MSL)

The financials of MSL are given below:

Table 9: Financials of MSL

(₹ In Crore)

Particulars	FY2017	FY2016
Total revenue	29.24	117.15
Profit before tax	13.70	101.00
Profit for the year	12.56	101.00
Profit attributable to BHIL (24%)	3.01	24.24

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 'SEBI Listing Regulations, 2015'), which were made applicable with effect from 1 December 2015, given below are the corporate governance policies and practices of Bajaj Holdings & Investment Ltd. ('the Company' or 'BHIL') for the year 2016-17.

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 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 recent 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 2017, the Board of the Company consisted of ten directors, of whom one was executive (Managing Director), 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.

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.

Sanjiv Bajaj was appointed as Managing Director w.e.f. 1 April 2012 to hold office up to 31 March 2017. The Board, at its meeting held on 16 March 2017, has, subject to approval by the shareholders, re-appointed Sanjiv Bajaj as Managing Director of the Company for a period of five years with effect from 1 April 2017 to 31 March 2022 and at its meeting held on 18 May 2017 fixed his remuneration, based on the recommendations made by the Nomination and Remuneration Committee. The matter is being separately put up for shareholders' approvals through the Notice of the ensuing seventy second annual general meeting of the Company.

Number of meetings of the Board

During the financial year 2016-17, the Board met six times, viz. 25 May 2016, 27 July 2016, 12 September 2016, 28 October 2016, 31 January 2017 and 16 March 2017. 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 2016-17

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, executive	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	6/6	Yes
Madhur Bajaj	Non-executive	–	6/6	Yes
Rajiv Bajaj	Non-executive	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	6/6	Yes
D J Balaji Rao	Non-executive, independent	–	5/6	Yes
Nanoo Pamnani	Non-executive, independent	–	6/6	Yes
Manish Kejriwal	Non-executive	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	4/6	Yes
Naresh Chandra	Non-executive, independent	–	6/6	Yes
P Murari	Non-executive, independent	–	5/6	Yes
Dr. Gita Piramal	Non-executive, independent	–	5/6	Yes

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 2016-17, Nanoo Pamnani will be paid ₹ 4,000,000 as additional commission for the year 2016-17, 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 16 March 2017 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.

Pursuant to the requirements under the NBFC Regulations, 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 Risk Management Committee and Asset Liability Management Committee meetings.

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 2017

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 Chairman	As member (other than as Chairman)
Rahul Bajaj	4	2	7	–	–
Sanjiv Bajaj	6	4	7	–	6
Madhur Bajaj	6	–	3	–	–
Rajiv Bajaj	4	–	2	–	–
D J Balaji Rao	7	–	–	3	4
Nanoo Pamnani	4	2	–	5	4
Manish Kejriwal	3	1	1	–	3
Naresh Chandra*	9	–	1	1	9
P Murari	7	–	1	2	3
Dr. Gita Piramal	4	–	2	1	3

*Out of the total directorships, Naresh Chandra holds position of 'non-executive non-independent director' in two companies.

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.

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 2016-17. 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 SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance, and that of its Committees and individual directors. The manner in which such formal annual evaluation was made by the Board during the year 2016-17 is given below:

- Performance evaluation criteria for Board, Committees of the Board and Directors were approved by the Board at its meeting held on 10 September 2014. The criteria were placed on the Company's website www.bhil.in
- Based on the said 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 and Directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the ratings given by each of the director 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 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 16 March 2017.
- Under 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 2017 have been furnished in a separate para elsewhere in this Report.

During the year under review, SEBI vide its circular dated 5 January 2017 came out with a Guidance Note of Board Evaluation, which was to be adopted by the Company, as considered appropriate. The performance evaluation criteria for the Board, Committees of the Board, Chairperson and Directors were accordingly modified by the Board at its meeting held on 16 March 2017, as approved and recommended by the Nomination and Remuneration Committee. The updated criteria are placed on the Company's website www.bhil.in and will be applicable for evaluation from the year 2017-18.

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 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 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 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 by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, dated 8 July 2016, for the top 500 companies as on 31 March 2016 by market capitalisation, the Board at its meeting held on 28 October 2016, adopted a Dividend Distribution Policy for the Company. The same is placed on the Company's website www.bhil.in

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_subsidiaries.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 its 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 related party transactions (RPTs) which were entered into by the Company during the year under review, were on arms' length basis and in ordinary course of business and 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 2016-17, 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 compliance with the Companies Act, 2013 and regulation 18(1)(c) of the SEBI Listing Regulations, 2015, two members of the Audit Committee, viz. Naresh Chandra (Chairman), and Nanoo Pamnani 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 2016-17, the Audit Committee met four times viz. on 25 May 2016, 27 July 2016, 28 October 2016, and 31 January 2017. 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 2016-17

Name of director	Category	No. of meetings attended
Naresh Chandra	Chairman, non-executive, independent	4/4
Nanoo Pamnani	Non-executive, independent	4/4
Manish Kejriwal	Non-executive	4/4

Naresh Chandra, Chairman of the Audit Committee, was present at the annual general meeting of the Company held on 27 July 2016, 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. The terms of reference of the Committee are placed on http://www.bhil.in/profile/BHIL-terms-of-reference-of-NRC.pdf

During the year under review, the Committee met twice, i.e. on 25 May 2016 and 16 March 2017.

Table 4: Composition of Nomination and Remuneration Committee and attendance record of members for 2016-17

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

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) Evaluation of the Board, Committees and the Directors.
iv) Re-appointment of Sanjiv Bajaj as Managing Director for a fresh term of five years.
v) Recommendation of payment of additional commission to Nanoo Pamnani.
vi) Approval of revised Board Evaluation criteria.
vii) Noting of Directors' annual declarations regarding 'fit and proper' status for the year 2016-17 as per NBFC Regulations.

Naresh Chandra, Chairman of the Nomination and Remuneration Committee, was present at the annual general meeting of the Company held on 27 July 2016, 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 2016.

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.

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 16 March 2017 to, inter alia, review the status of investors' services rendered.

Table 5: Composition of Stakeholders Relationship Committee and attendance record of members for 2016-17

Name of director	Category	Attendance at the meeting held on 16 March 2017
P Murari	Chairman, non-executive, independent	No
Nanoo Pamnani	Non-executive, independent	Yes
Manish Kejriwal	Non-executive	No
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 compliance and actions taken on various investor related matters.

P Murari, Chairman of the Stakeholders Relationship Committee, was present at the annual general meeting of the Company held on 27 July 2016, to answer shareholders' queries.

Table 6: Investors' complaints attended and resolved during 2016-17

Investors' complaints	Attended/resolved during 2016-17
Pending at the beginning of the year	Nil
Received during the year	7
Disposed of during the year	7
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 16 March 2017, 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;

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; and

iv) review of informal meetings with Senior Management.

All independent directors, except P Murari, were present at the meeting.

The independent directors present elected Dr. Gita Piramal as Chairperson for the meeting, 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 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 for the first time on 6 February 2017.

Table 7: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of members for 2016-17

Name of director	Category	Attendance at the meeting held on 6 February 2017
Rahul Bajaj	Chairman, non-executive	Yes
Sanjiv Bajaj	Managing Director, 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 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 2016-17, 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 during 2016-17 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 2017 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 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 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.

During the year under review, the Company further filed online such information on financial statements and other matters as specified on the approved website of London Stock Exchange up to the effective date of delisting of the Company's GDRs as detailed elsewhere in the Report.

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
69th AGM	17 July 2014 at 4.15 p.m.	No special resolutions were passed
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

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

Details of capital market non-compliance, if any

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

Compliance Certificate

The MD and 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 2016-17. 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 post of Chairman and Managing Director.

5. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

General Shareholder Information

72nd Annual General Meeting

Date	20 July 2017
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 ₹ 32.50 per equity share (325%) for the financial year 2016-17, subject to approval by the shareholders at the ensuing annual general meeting.

Dividend in the previous year was inclusive of ₹ 25 per equity share (250%) as an interim dividend, which was declared by the Board on 9 March 2016 and a further final dividend of ₹ 7.50 per equity share (75%), which was declared by the shareholders on 27 July 2016.

The total dividend (including interim dividend), paid to the shareholder for the year 2015-16 was also ₹ 32.50 per equity share (325%).

Dates of book closure

The register of members and share transfer books of the Company will remain closed from **Saturday, 8 July 2017** to **Thursday, 20 July 2017,** 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 2017 and/or 25 July 2017:

a) 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, 7 July 2017;** and

b) 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, 7 July 2017.**

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 such changes 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 PMT Building, Deccan Gymkhana, Pune 411 004.

As per 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) on 5 September 2016 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'), to come into effect from 7 September 2016, outlining the detailed procedure for implementation regarding the Fund and Authority under the Companies Act, 2013.

As previously provided under the IEPF Rules, 2012 and now under the IEPF Rules, 2016, the Company filed the necessary e-form with MCA on 26 November 2016 for the financial year ended 31 March 2016 and the details of unpaid and unclaimed dividends for the financial years 2008-09 to 2015-16 were uploaded on the Company's website on www.bhil.in.

Unpaid/unclaimed dividend for 2009-10 shall become due for transfer to the Fund in August 2017. Members are requested to verify their records and send their claim, if any, for the financial year 2009-10, before the amount becomes due for transfer to the Fund. Communication has been sent to the members, who have not yet claimed dividend for the financial year 2009-10, requesting them to claim the same as well as unpaid dividends, if any, for the subsequent years.

Under section 124(6) of the Companies Act, 2013, as amended, there is 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, 2016, the Company sent individual letters through Speed Post to such shareholders, in respect of whom dividend for a consecutive period of seven years had remained unpaid and public notice was released in newspapers on 10 December 2016. These details have been made available on the Company's website.

Subsequently, MCA vide its notification dated 28 February 2017 amended the said Rules, stating that due date for transfer of shares under the said Rules shall be 31 May 2017 and hence another public notice was released in newspapers on 25 April 2017 giving such shareholders a fresh opportunity to claim the unpaid dividends, up to such date of transfer. The Company is accordingly in the process of taking appropriate steps with regard to transfer of such shares in accordance with the amended Rules, in line with the necessary instructions/modalities being issued by MCA in this regard.

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. The said IEPF Rules, 2016 and IEPF Amendment Rules, 2017 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 2016-17 was 4,690,528 shares as against 57,189 shares during 2015-16, the details of which were placed before the Board on a quarterly basis.

Dematerialisation/rematerialisation of shares and liquidity

During 2016-17, 342,785 shares were dematerialised, compared to 1,896,804 shares during 2015-16. Total number of 2,922,424 shares were rematerialised, during the year 2016-17.

Shares held in physical and electronic mode as on 31 March 2017 are as given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2017		Position as on 31 March 2016		Net change during 2016-17	
	No. of shares	% of total shareholding	No. of shares	% of total shareholding	No. of shares	% of total shareholding
Physical	9,629,631	8.65	7,049,992	6.33	2,579,639	2.32
Demat:						
NSDL	98,785,388	88.76	101,377,512	91.09	(2,592,124)	(2.33)
CDSL	2,878,491	2.59	2,866,006	2.58	12,485	0.01
Sub Total	101,663,879	91.35	104,243,518	93.67	(2,579,639)	(2.32)
Total	**111,293,510**	**100.00**	**111,293,510**	**100.00**	–	–

Outstanding convertible instruments/ADRs/GDRs/Warrants

The Company (erstwhile Bajaj Auto Ltd) had issued Global Depository Receipts (GDRs) in 1994 and the underlying shares against each GDR were issued in the name of the overseas depository i.e. Deutsche Bank Trust Company Americas (DB). With effect from 10 March 2007, the GDRs of the Company were transferred from the Main Market to the Professional Securities Market of the London Stock Exchange (LSE).

During the year under review, considering the substantially reduced number of GDRs, the Company decided to terminate its GDR programme and accordingly, a notice of termination was issued to DB who in turn informed the holders of GDRs on 12 January 2017 that the GDR programme shall terminate w.e.f. 20 March 2017.

Consequently, as approved by the Board of Directors of the Company, a notice for delisting of these GDRs from the London Stock Exchange was issued by the Company on 21 February 2017, for the delisting to take effect from 24 March 2017. The Financial Conduct Authority and the London Stock Exchange processed the Company's request for delisting and the GDRs were cancelled from admission to trading on the LSE w.e.f. 24 March 2017, as announced by the London Stock Exchange through RNS Notice Ref No. 3891A.

As on 31 March 2017, 79,738 GDRs were outstanding, representing an equal number of underlying equity shares, which are under process of termination/conversion into the underlying shares, as provided under the terms and conditions under the Depository Agreement. The Company did not have any other outstanding convertible instruments/ADRs/GDRs/Warrants as on 31 March 2017.

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.

As reported earlier, GDRs of the Company were delisted from the London Stock Exchange w.e.f. 24 March 2017.

Pursuant to the SEBI Listing Regulations, 2015, the Company has entered into an Uniform Listing Agreement with BSE and NSE.

For the year 2016-17, the listing fees payable to these stock exchanges have been paid in full.

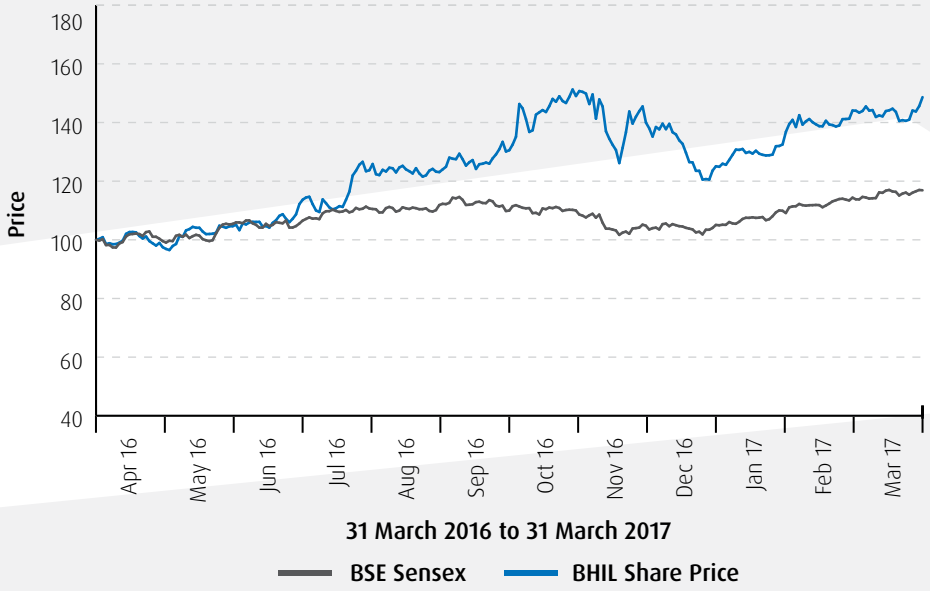
Market price data

Table 2 gives the monthly highs and lows of the Company's shares on the BSE Ltd. (BSE), the National Stock Exchange (NSE) for the full year 2016-17 and for the GDRs listed on the London Stock Exchange (LSE) up to 24 March 2017.

Table 2: Monthly highs and lows of equity shares of Bajaj Holdings & Investment Ltd. during 2016-17 (₹ vis-à-vis BSE Sensex)

Month	BSE		NSE		LONDON SE (GDRs) (up to 24 March 2017)		Closing BSE Sensex
	High	Low	High	Low	High	Low	
Apr-16	1,521.00	1,420.55	1,538.70	1,420.00	1,643.52	1,388.13	25,606.62
May-16	1,590.00	1,410.00	1,595.60	1,395.05	1,425.70	1,396.86	26,667.96
Jun-16	1,689.00	1,502.20	1,695.25	1,493.00	1,433.51	1,402.73	26,999.72
Jul-16	1,898.00	1,578.70	1,897.10	1,576.60	1,423.90	1,409.47	28,051.86
Aug-16	1,894.90	1,768.00	1,894.85	1,766.15	1,745.88	1,406.63	28,452.17
Sep-16	1,964.95	1,780.00	1,965.00	1,760.35	1,848.78	1,731.13	27,865.96
Oct-16	2,235.00	1,901.10	2,241.95	1,871.00	2,173.09	1,794.81	27,930.21
Nov-16	2,223.00	1,837.00	2,245.00	1,840.10	2,169.28	1,990.67	26,652.81
Dec-16	2,150.00	1,745.00	2,155.05	1,742.65	2,047.33	2,022.68	26,626.46
Jan-17	2,009.95	1,805.00	2,010.00	1,801.25	2,051.78	1,741.92	27,655.96
Feb-17	2,097.95	1,992.50	2,099.70	1,990.00	1,889.82	1,270.99	28,743.32
Mar-17	2,195.00	2,039.00	2,195.00	2,038.15	1,938.22	1,866.55	29,620.50

Bajaj Holdings & Investment Ltd. stock performance Vs BSE Sensex, during 2016-17 indexed to 100 on 31 March 2016



Distribution of shareholding

Table 3 gives details about the pattern of shareholding across various categories as on 31 March 2017, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholding across categories as on

Categories	31 March 2017		31 March 2016	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	48,683,170	43.74	47,042,717	42.27
Friends and associates of Promoters	14,495,032	13.02	14,595,844	13.12
GDR	79,738	0.07	193,338	0.17
Foreign Institutional Investors/Foreign Portfolio Investors	17,203,440	15.46	19,146,222	17.20
Public financial institutions	4,918,242	4.42	5,387,520	4.85
Mutual Funds	1,727,651	1.55	1,373,801	1.23
Nationalised and other Banks	55,252	0.05	51,922	0.05
NRIs and OCBs	634,214	0.58	605,884	0.54
Others	23,496,771	21.11	22,896,262	20.57
Total	**111,293,510**	**100.00**	**111,293,510**	**100.00**

Table 4: Distribution of shareholding according to size class as on 31 March 2017

Category	Number of shareholders	% to total shareholders	Number of shares	% to total shares
1 to 500	42,020	91.45	2,406,153	2.16
501 to 1000	1,384	3.01	1,008,430	0.91
1001 to 2000	970	2.11	1,383,778	1.24
2001 to 3000	438	0.96	1,097,363	0.99
3001 to 4000	212	0.46	745,475	0.67
4001 to 5000	150	0.33	692,157	0.62
5001 to 10000	328	0.71	2,282,439	2.05
10001 And Above	448	0.97	101,677,715	91.36
Total	**45,950**	**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 2017, there were no pending issues to be addressed or resolved.

During the year, letters were received from SEBI/ROC/Stock Exchanges/Investors concerning 7 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 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 2016-17 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 2016	92	9,804
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2016-17	4	385
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2016-17	4	385
iv.	Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 March 2017	88	9,419

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.

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 2017** and the remote e-voting shall be open for a period of three days, from **17 July 2017 (9.00 a.m.)** till **19 July 2017 (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 second 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, 2747 2851
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.**

1. We have audited the accompanying standalone financial statements of Bajaj Holdings & Investment Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

2. 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 to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of 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 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.

Auditors' responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 the 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.

7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 2017, and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

9. As required by 'the Companies (Auditors' Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the 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 Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

g) With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at 31 March 2017 on its financial position in its standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts as at 31 March 2017.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2017.

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and same is in accordance with the books of accounts maintained by the Company (Refer note 14).

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Bajaj Holdings & Investment Ltd. on the standalone financial statements for the year ended 31 March 2017

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Bajaj Holdings & Investment Ltd. ('the Company') as of 31 March 2017 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

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

4. 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 included obtaining an understanding of internal financial controls over financial reporting, 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

6. A company's internal financial control over financial reporting 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 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.

Annexure A to Independent Auditors' Report (Contd.)

Inherent limitations of internal financial controls over financial reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Bajaj Holdings & Investment Ltd. on the standalone financial statements as of and for the year ended 31 March 2017

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items 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. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

   (c) The title deeds of immovable properties, as disclosed in Note 10 on fixed assets to the financial statements, are held in the name of the Company, except for leasehold land of gross block amounting to ₹ 1.19 crore and net block of ₹ 1.18 crore wherein title is pending to be transferred in the MIDC records in the name of the Company due to change in the name consequent to the demerger of erstwhile Bajaj Auto Ltd.

2. The Company is an investment company, and consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii) of the said Order are not applicable to the Company.

3. 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 Act. Therefore, the provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

4. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under section 185. Company is registered as a Non Banking Finance Company hence provisions of section 186 in respect of investments made are not applicable to the Company.

5. The Company has not accepted any deposits from the public within the meaning of sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

6. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the products of the Company.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, and other material statutory dues, as applicable, with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax and service tax, as at 31 March 2017 which have not been deposited on account of a 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	Matters arising out of assessment orders received	0.58	Assessment year 1990-91 Assessment year 1991-92	ITAT (Income Tax Appellate Tribunal)
Income tax	Matters arising out of assessment orders received	391.17	Assessment year 1995-96 to Assessment year 2007-08	ITAT (Income Tax Appellate Tribunal)
Service tax	Matters arising out of demand orders received	2.34	Financial Year 2013-14 Financial Year 2014-15	CESTAT

Annexure B to Independent Auditors' Report (Contd.)

8. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the Balance Sheet date, the provisions of clause 3(viii) of the Order are not applicable to the Company.

9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

11. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. The Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

16. The Company is required to, and has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Deposit accepting Non Banking Finance Institution.

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	111.29	111.29
Reserves and surplus	4	7,224.94	6,686.76
		7,336.23	**6,798.05**
Non-current liabilities			
Deferred tax liabilities (net)	5	6.39	6.16
Other long-term liabilities	6	25.73	25.78
Long-term provisions	7	2.59	1.26
		34.71	**33.20**
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		0.70	0.52
Other current liabilities	9	17.38	24.70
Short-term provisions	7	13.25	113.57
		31.33	**138.79**
Total		**7,402.27**	**6,970.04**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	6.52	6.92
Lease adjustment account - plant and machinery		17.50	17.50
		24.02	24.42
Non-current investments	11	5,282.58	5,285.62
Long-term loans and advances	12	179.07	137.23
Other non-current assets	13	–	–
		5,485.67	**5,447.27**
Current assets			
Current investments	11	1,807.90	22.75
Cash and bank balances	14	5.83	1,421.46
Short-term loans and advances	12	0.05	12.58
Other current assets	13	102.82	65.98
		1,916.60	**1,522.77**
Total		**7,402.27**	**6,970.04**
Summary of significant accounting policies followed by the Company	2		

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Naresh Chandra
Chairman - Audit Committee

Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2017	2016
Revenue from operations	15	880.49	1,394.51
Other income	16	7.94	6.77
Total revenue		**888.43**	**1,401.28**
Expenses			
Employee benefits expense	17	18.80	14.43
Depreciation and amortisation	18	5.26	5.30
Other expenses	19	191.88	22.99
Total expenses		**215.94**	**42.72**
Profit before tax		**672.49**	**1,358.56**
Tax expense			
Current tax		163.00	87.10
Less : MAT credit entitlement		28.92	–
Net current tax		134.08	87.10
Deferred tax		0.23	0.95
Total tax expense		134.31	88.05
Profit for the year		**538.18**	**1,270.51**
Basic and diluted Earnings per share (In ₹)	20	48.4	114.2
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Company	2		

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Naresh Chandra
Chairman - Audit Committee

Cash Flow Statement

(₹ In Crore)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
I. Operating activities				
Profit before tax		672.49		1,358.56
Adjustments:				
Add:				
i) Depreciation and amortisation	5.26		5.30	
ii) Provision for diminution in value of investments	160.00		–	
iii) Loss on sale of assets	0.09		–	
		165.35		5.30
Less:				
i) Provision for diminution in value of investments written back	–		3.14	
ii) Profit on sale of investments, net	531.41		113.51	
iii) Income from units of mutual fund	1.66		–	
iv) Amortisation of premium/discount on acquisition of debt securities	35.72		19.03	
		568.79		135.68
		269.05		1,228.18
Change in assets and liabilities				
i) Loans and advances	2.56		0.01	
ii) Other assets	(36.84)		(14.01)	
iii) Other bank balances	9.63		(10.28)	
iv) Liabilities and provisions	3.91		1.03	
		(20.74)		(23.25)
(Purchase)/sale of money market mutual funds, etc., net *		(995.45)		13.11
Net cash from operating activities before income-tax		(747.14)		1,218.04
Income-tax refund/paid for earlier years (net)		(3.34)		–
Income-tax paid		(162.61)		(74.59)
Net cash from operating activities		**(913.09)**		**1,143.45**
Carried forward		(913.09)		1,143.45

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March 2017	2016
Brought forward	(913.09)	1,143.45
II. Investing activities		
i) Sale proceeds of assets	0.14	–
ii) Investment in subsidiary, associates and joint venture*	(44.86)	–
iii) Sale of current and long-term investments*	4,587.39	2,420.62
iv) Purchase of current and long-term investments*	(4,925.49)	(1,399.00)
Net cash from investing activities	**(382.82)**	**1,021.62**
III. Financing activities		
i) Dividend paid	(93.10)	(629.65)
ii) Corporate dividend tax paid	(16.99)	(129.43)
Net cash from financing activities	**(110.09)**	**(759.08)**
Net change in cash and cash equivalents	**(1,406.00)**	**1,405.99**
Cash and cash equivalents as at 1 April 2016 [Opening balance]	1,406.91	0.92
Cash and cash equivalents as at 31 March 2017 [Closing balance]	0.91	1,406.91
	–	–

* As Company is an investment company, dividend received and interest earned are considered as part of cash flow from operating activities. Purchase and sale of investment 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.

In terms of our report of even date

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Vallari Gupte
Company Secretary

Naresh Chandra
Chairman - Audit Committee

Notes to financial statements for the year ended 31 March 2017

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 generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended], other relevant provisions of the Companies Act, 2013 and the RBI guidelines/regulations to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013.

1) System of accounting

i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.

ii) Financial statements are prepared under the historical cost convention. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.

iii) 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. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

(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. However, income is accrued only where interest is serviced regularly and is not in arrears, as per the applicable prudential norms prescribed for NBFCs by RBI to the extent applicable to the Company and the guidelines framed by the Management.

(2) Dividend is accrued in the year in which it is declared whereby a right to receive is established.

(3) Profit/loss on sale of investments is recognised on the contract date.

3) Other income

The Company recognises other income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, income recognition is postponed to the extent of uncertainty.

Notes to financial statements for the year ended 31 March 2017 (Contd.)

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

4) Fixed assets and depreciation

A. Tangible assets

i) Tangible assets except land are carried at cost of acquisition, construction or at manufacturing cost, 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. Subsequent costs related to an item of the asset are recognised in the carrying amount of the item if the recognition criteria are met.

ii) Land and buildings acquired/constructed, not intended to be used in the operations of the Company are categorised as investment property under Investments and not as Fixed assets.

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 a pro rata basis on the straight line method over the useful lives of the assets.

b. 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 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.

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 is made. Where the carrying value of the asset exceeds the recoverable amount, the carrying value is written down to the recoverable amount.

Notes to financial statements for the year ended 31 March 2017 (Contd.)

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

5) 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 cost adjusted for amortisation and diminution with reference to realisable value, as necessary.

b) 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.

c) 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.

d) Investments other than debt securities (Eg. equity, mutual funds etc.) are valued at cost of acquisition, less provision for diminution as considered necessary where they are intended to be held for a long-term, else current investments are valued at lower of cost or realisable value.

e) Long-term investments maturing within 12 months from the close of the year (current maturities) are reclassified as current investments.

f) 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.

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 and also considering the prudential norms specified by RBI, applicable to the Company in this behalf.

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 for Fixed assets.

6) Employee benefits

a) Privilege leave entitlements

Privilege leave 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.

b) Gratuity

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

c) Superannuation

Defined contribution to superannuation fund is being made as per the scheme of the Company.

d) Defined provident fund contribution is made to Government Provident Fund Authority.

e) Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority.

Notes to financial statements for the year ended 31 March 2017 (Contd.)

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

f) Long-term incentive plan

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

7) Taxation

a) Provision for tax is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income-tax Act, 1961 and the Income Computation and Disclosure Standards prescribed therein. Excess/short provisions and interest thereon are recognised only on completion of assessment or where adjustments made by the Assessing Officer are disputed, on receiving the 'Order Giving Effect' to the tax determined by the CIT (Appeals) and thereafter on final settlement of further disputes.

b) MAT is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income-tax during the specified period. 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 crystalise 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. Deferred tax is recognised on adjustments to revenue reserves to the extent the adjustments are allowable as deductions in determination of taxable income and they would reverse out in future periods.

8) 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 or a present obligation that may, but probably will not, require an outflow of resources. 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.

9) 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

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term 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.

10) 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.

Notes to financial statements for the year ended 31 March 2017 (Contd.)

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

11) 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.

3 Share capital

₹ In Crore

Particulars	As at 31 March 2017	As at 31 March 2016
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. 4,342,676 equity shares had been issued by way of Euro equity issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares, excluding 2,171,388 equity shares allotted as bonus shares thereon. During the year 2016-17, the GDR programme of the Company was terminated w.e.f. 20 March 2017 and the GDRs were delisted from the London Stock Exchange, w.e.f. 24 March 2017.

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 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 2017		As at 31 March 2016	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	18,527,504	16.65%	17,914,001	16.10%
Jaya Hind Investments Pvt. Ltd.	5,805,256	5.22%	5,805,256	5.22%
Franklin Templeton Investment Funds	4,008,353	3.60%	5,847,978	5.25%

Notes to financial statements for the year ended 31 March 2017 (Contd.)

4 Reserves and surplus

₹ In Crore

Particulars	As at 31 March 2017	2016
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	1,213.98	959.88
Add: Transferred from surplus in Statement of Profit and Loss	107.64	254.10
Closing balance	1,321.62	1,213.98
Securities premium account		
Balance as at the beginning of the year	444.42	444.42
General reserve		
Balance as at the beginning of the year	3,653.14	3,526.09
Add: Transferred from surplus in Statement of Profit and Loss	53.82	127.05
Closing balance	3,706.96	3,653.14
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,375.22	921.19
Profit for the year	538.18	1,270.51
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	107.64	254.10
Transfer to General reserve	53.82	127.05
Interim dividend	-	278.23
Tax on interim dividend	-	56.64
Proposed dividend	-	83.47
Tax on proposed dividend	-	16.99
Total appropriations	161.46	816.48
Balance in Statement of Profit and Loss	1,751.94	1,375.22
	7,224.94	6,686.76

Notes to financial statements for the year ended 31 March 2017 (Contd.)

5 Deferred tax liabilities (net)

₹ In Crore

Particulars	As at 31 March 2017	As at 31 March 2016
Deferred tax liabilities		
On account of timing difference in		
Depreciation	7.48	7.52
Amortisation of discount on acquisition of debt securities	2.15	2.04
Long-term capital gain	–	5.75
Gross deferred tax liabilities	9.63	15.31
Deferred tax assets		
On account of timing difference in		
Diminution in value of investments	2.08	2.25
Provision for bad and doubtful debts, ICDs etc.	0.43	0.43
Provision for privilege leave etc.	0.15	0.11
Taxes, duties etc.	0.04	0.04
Amortisation of premium/discount on acquisition of debt securities	0.08	0.33
Adjustments on account of gratuity provisions	0.46	0.24
Long-term capital loss	–	5.75
Gross deferred tax assets	3.24	9.15
	6.39	6.16

6 Other long-term liabilities

₹ In Crore

Particulars	As at 31 March 2017	As at 31 March 2016
Lease security deposit	17.50	17.50
Other security deposits	8.23	8.28
	25.73	25.78

Notes to financial statements for the year ended 31 March 2017 (Contd.)

7 Provisions

₹ In Crore

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Provision for employee benefits [See note 24]				
Provision for gratuity	1.34	0.71	–	–
Provision for compensated absence	–	–	0.47	0.33
Provision for long-term incentive plan	1.25	0.55	–	–
	2.59	1.26	0.47	0.33
Other provisions				
Provision for tax (net of tax paid in advance)	–	–	12.78	12.78
Proposed dividend *	–	–	–	83.47
Tax on proposed dividend	–	–	–	16.99
	–	–	12.78	113.24
	2.59	1.26	13.25	113.57

* Consequent to amendment in Accounting Standard 4, the Company should not recognise dividend proposed after the Balance Sheet date as a provision. Hence the proposed dividend amount is ₹ Nil as at 31 March 2017. Such dividend is separately disclosed in note 22.

8 Trade payables

₹ In Crore

Particulars	As at 31 March	
	2017	2016
Total outstanding dues of micro enterprises and small enterprises *	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.70	0.52
	0.70	0.52

* 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 year and hence no disclosures have been made in this regard.

9 Other current liabilities

₹ In Crore

Particulars	As at 31 March	
	2017	2016
Security deposits	0.35	1.00
Unclaimed dividend	4.92	14.55
Directors' remuneration and commission payable	9.98	7.77
Employee benefits payable	1.48	0.97
Taxes payable	0.46	0.26
Other payables	0.19	0.15
	17.38	24.70

Notes to financial statements for the year ended 31 March 2017 (Contd.)

10 Fixed assets (tangible assets)

Current year

(₹ In Crore)

Particulars	Gross block (a) (c)				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)	–	–	–	–	–	–	–	–	–
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 same Investments under note 11.

(c) Refer note 2 clause 4) 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)				Depreciation				Net block
	As at 1 April 15	Additions	Deductions/ adjustments	As at 31 March 16	As at 1 April 15	Deductions/ adjustments	For the year (c)	As at 31 March 16	As at 31 March 16
Land freehold (d)	–	–	–	–	–	–	–	–	–
Land leasehold (f)	1.21	–	0.02(e)	1.19	–	–	–	–	1.19
Buildings (b)	8.18	–	–	8.18	2.57	–	0.13	2.70	5.48
Vehicles	0.44	–	–	0.44	0.13	–	0.06	0.19	0.25
Leased assets: Plant and machinery	87.50	–	–	87.50	87.50	–	–	87.50	–
Total	**97.33**	**–**	**0.02**	**97.31**	**90.20**	**–**	**0.19**	**90.39**	**6.92**

(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 ₹ 4.95 crore) has been reduced from the same Investments under note 11.

(c) Refer note 2 clause 4) 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 financial statements for the year ended 31 March 2017 (Contd.)

11 Investments

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
(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	22.28	17.19	–	–
	196.20	201.29	–	–
In Government and Trust Securities:				
Quoted :				
8.08% Government of India Stock 2022 of face value of ₹ Nil (Previous year - ₹ 600,000,000)	–	60.76	–	–
8.35% Government of India Stock 2022 of face value of ₹ Nil (Previous year - ₹ 3,300,000,000)	–	326.65	–	–
7.68% Government of India Stock 2023 of face value of ₹ 600,000,000 (Previous year - ₹ Nil)	64.79	–	–	–
8.83% Government of India Stock 2023 of face value of ₹ Nil (Previous year - ₹ 1,200,000,000)	–	123.92	–	–
8.40% Government of India Stock 2024 of face value of ₹ Nil (Previous year - ₹ 2,250,000,000)	–	232.78	–	–
7.59% Government of India Stock 2026 of face value of ₹ 600,000,000 (Previous year - ₹ Nil)	65.21	–	–	–
8.15% Government of India Stock 2026 of face value of ₹ Nil (Previous year - ₹ 2,253,730,000)	–	230.11	–	–
8.28% Government of India Stock 2027 of face value of ₹ Nil (Previous year - ₹ 2,500,000,000)	–	257.81	–	–
	130.00	1,232.03	–	–
Less: Amortisation of premium/(discount) on acquisition	0.32	1.41	–	–
	129.68	1,230.62	–	–
In Fully Paid Preference Shares:				
Unquoted:				
196,169 0.01% Cumulative Redeemable Preference Shares of ₹ 10 each in Mukand Ltd.	0.19	0.19	–	–
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	326.07	1,432.10	–	–

Notes to financial statements for the year ended 31 March 2017 (Contd.)

11 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Brought over	326.07	1,432.10	–	–
In Fully Paid Equity Shares:				
Associate Company				
Trade:				
Quoted:				
91,280,000 (91,119,000)Shares of ₹ 10 each in Bajaj Auto Ltd.	331.08	286.22	–	–
62,314,214 Shares of ₹ 5 each in Bajaj Finserv Ltd.	743.82	743.82	–	–
	1,074.90	1,030.04	–	–
Joint Venture				
Trade:				
Quoted:				
2,742,848 Shares of ₹ 10 each in Maharashtra Scooters Ltd.	0.24	0.24	–	–
Subsidiary Company				
Trade:				
Unquoted:				
24,500 Shares of ₹ 100 each in Bajaj Auto Holdings Ltd.	0.25	0.25	–	–
Others				
Trade:				
Quoted:				
16,697,840 Shares of ₹ 2 each in Bajaj Electricals Ltd. (Group Company)	111.77	111.77	–	–
6,251,040 Shares of ₹ 1 each in Hercules Hoists Ltd. (Group Company)	12.34	12.34	–	–
54,000 Shares of ₹ 10 each in Mukand Engineers Ltd. (Group Company)	0.10	0.10	–	–
8,113,204 Shares of ₹ 10 each in Mukand Ltd. (Group Company)	32.89	32.89	–	–
	157.10	157.10	–	–
Others:				
Unquoted:				
1 Share of ₹ 100 each in The Poona District Motor Transport Co-operative Co Ltd. (₹ 100)			–	–
Quoted:				
– (877,123) Shares of ₹ 2 each in Axis Bank Ltd.	–	24.45	–	–
13,068,511 Shares of ₹ 1 each in Bajaj Hindusthan Sugar Ltd.(Net of provision for diminution amounting to ₹ 70.25 crore - previous year ₹ Nil)	16.93	87.18	–	–
Carried over	16.93	111.63	–	–
Carried over	1,558.56	2,619.73	–	–

Notes to financial statements for the year ended 31 March 2017 (Contd.)

11 Investments (Contd.)

(₹ In Crore)

Particulars		Non-current portion As at 31 March 2017	Non-current portion As at 31 March 2016	Current maturities/investments As at 31 March 2017	Current maturities/investments As at 31 March 2016
	Brought over	1,558.56	2,619.73	–	–
In Fully Paid Equity Shares: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	16.93	111.63	–	–
–	(723,276) Shares of ₹ 2 each in Bharat Heavy Electricals Ltd.	–	28.11	–	–
–	(1,068,339) Shares of ₹ 5 each in Bharti Airtel Ltd.	–	35.95	–	–
1,902,210	(2,357,210) Shares of ₹ 10 each in Bharti Infratel Ltd.	41.41	51.32	–	–
751,699	(–) Shares of ₹ 2 each in BSE Ltd. (Previous year, it was unquoted. Current year regrouped) (Reverse stock split 1:2)	60.81	–	–	–
1,067,022	Shares of ₹ 5 each in Bata India Ltd	55.98	55.98	–	–
608,386	(1,002,615) Shares of ₹ 10 each in Credit Analysis and Research Ltd.	34.11	56.21	–	–
1,516,428	(1,609,814) Shares of ₹ 10 each in Coal India Ltd.	49.51	52.56	–	–
274,317	(321,317) Shares of ₹ 10 each in Container Corporation of India Ltd.	19.83	23.22	–	–
1,302,074	(1,138,688) Shares of ₹ 2 each in HDFC Bank Ltd	137.93	118.60	–	–
32,343,906	(49,391,295) Shares of ₹ 2 each in ICICI Bank Ltd.	236.93	361.82	–	–
–	(1,880,412) Shares of ₹ 10 each in IL&FS Transportation Networks Ltd.	–	31.71	–	–
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. (Net of provision for diminution amounting to ₹ 12.50 crore - previous year ₹ Nil)	43.21	55.71	–	–
583,649	(632,432) Shares of ₹ 2 each in Larsen & Toubro Ltd.	70.90	76.82	–	–
315,000	(–) Shares of ₹ 2 each in Lupin Ltd.	46.37	–	–	–
3,123,092	(3,318,092) Shares of ₹ 1 each in Marico Ltd.	52.98	56.29	–	–
1,492,504	Shares of ₹ 5 each in Tech Mahindra Ltd.	74.15	74.15	–	–
–	(1,562,056) Shares of ₹ 1 each in NMDC Ltd.	–	24.50	–	–
1,200	Shares of ₹ 10 each in Pilani Investment and Industries Corporation Ltd.	0.14	0.14	–	–
3,937,691	(2,167,222) Shares of ₹ 10 each in Power Finance Corporation Ltd. (Bonus issue of 1:1)	41.62	45.81	–	–
687,865	(784,445) Shares of ₹ 10 each in Reliance Industries Ltd.	61.62	70.27	–	–
–	(588,423) Shares of ₹ 10 each in Tata Steel Ltd.	–	28.53	–	–
2,430,882	Shares of ₹ 10 each in Tree House Education and Accessories Ltd. (Net of provision for diminution amounting to ₹ 71.50 crore - previous year ₹ Nil)	3.72	75.22	–	–
	Carried over	1,048.15	1,434.55	–	–
	Carried over	1,558.56	2,619.73	–	–

Notes to financial statements for the year ended 31 March 2017 (Contd.)

11 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Brought over	1,558.56	2,619.73	–	–
In Fully Paid Equity Shares: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	1,048.15	1,434.55	–	–
739,944 (1,403,491) Shares of ₹ 2 each in UPL Ltd.	10.40	19.73	–	–
5,124,702 (–) Shares of ₹ 10 each in Ujjivan Financial Services Ltd. (Previous year, it was unquoted. Current year regrouped)	75.00	–	–	–
	1,133.55	1,454.28	–	–
In Fully Paid Equity Shares :				
Others:				
Unquoted :				
– (3,006,796) Shares of ₹ 2 each in BSE Ltd. (Current year, it is quoted) (Reverse stock split 1:2)	–	121.62	–	–
1 Shares of ₹ 10 each Hero Motors Ltd.			–	–
6,182,000 (562,000) Shares of ₹ 1 each in National Stock Exchange of India Ltd. [Bonus issue 1:10 and Face Value Split (Sub-division) from ₹ 10 each to ₹ 1 each]	210.18	210.18	–	–
2,450,000 Shares of ₹ 10 each in National Multi-Commodity Exchange of India Ltd. (Net of provision for diminution amounting to ₹ 15 crore)	9.99	9.99	–	–
– (5,124,702) Shares of ₹ 10 each in Ujjivan Financial Services Ltd. (Current year, it is quoted)	–	75.00		
	220.17	416.79	–	–
In Bonds and Debentures :				
Fully paid:				
Others:				
Quoted:				
500 (–)7.76% Aditya Birla Finance Ltd. of ₹ 1,000,000 each	49.86	–	–	–
250 9.45% HDFC Ltd. of ₹ 1,000,000 each	25.25	25.25	–	–
75 8.50% HDFC Ltd. of ₹ 10,000,000 each	75.06	75.06	–	–
20 8.65% HDFC Ltd. of ₹ 10,000,000 each	20.19	20.19	–	–
3,000 8.70% HDFC Ltd. of ₹ 500,000 each	150.80	150.80	–	–
25 (–)8.38% HDFC Ltd. of ₹ 10,000,000 each	25.08	–	–	–
750 (–)7.90% HDB Financial Services Ltd. of ₹ 1,000,000 each	75.17	–	–	–
1,000 (–)8.35% HDB Financial Services Ltd. of ₹ 1,000,000 each	100.00	–	–	–
Carried over	521.41	271.30	–	–
Carried over	2,912.28	4,490.80	–	–

Notes to financial statements for the year ended 31 March 2017 (Contd.)

11 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Brought over	2,912.28	4,490.80	–	–
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	521.41	271.30	–	–
1,000 (–)7.20% Indian Railway Finance Corporation Ltd. of ₹ 1,000,000 each	100.00	–	–	–
950 (–)7.24% Indian Railway Finance Corporation Ltd. of ₹ 1,000,000 each	95.19	–	–	–
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	–	–	–
250 9.44% LIC Housing Finance Ltd. of ₹ 1,000,000 each	25.00	25.00	–	–
500 9.45% LIC Housing Finance Ltd. of ₹ 1,000,000 each	49.97	49.97	–	–
500 9.51% LIC Housing Finance Ltd. of ₹ 1,000,000 each	50.01	50.01	–	–
1,250 8.65% LIC Housing Finance of ₹ 1,000,000 each	125.01	125.01	–	–
300 8.67% LIC Housing Finance of ₹ 1,000,000 each	30.03	30.03	–	–
150 (–)7.79% LIC Housing Finance Ltd. of ₹ 1,000,000 each	15.00	–	–	–
1,236,843 8.49% NTPC Ltd. of ₹ 12.5 each	1.54	1.54	–	–
21,397 Zero Percent National Bank for Agriculture and Rural Development of ₹ 20,000 each	8.61	34.41	25.79	–
500 (–)7.18% National Bank for Agriculture and Rural Development Ltd. of ₹ 1,000,000 each	50.03	–	–	–
500 (–)6.72% NTPC Ltd. of ₹ 1,000,000 each	50.00	–	–	–
1,000 (–)7.17% National Highway Authority Of India of ₹ 1,000,000 each	98.89	–	–	–
750 (–)7.60% National Highway Authority of India of ₹ 1,000,000 each	75.00	–	–	–
6,000 Zero Percent National Housing Bank of ₹ 10,000 each	4.50	4.50	–	–
9,400 Zero Percent Power Finance Corporation of ₹ 100,000 each	51.29	51.29	–	–
500 (–)7.42% Power Finance Corporation Ltd. of ₹ 1,000,000 each	50.00	–	–	–
600 (–)7.47% Power Finance Corporation Ltd. of ₹ 1,000,000 each	61.14	–	–	–
1,500 (–)7.50% Power Finance Corporation Ltd. of ₹ 1,000,000 each	150.49	–	–	–
500 (–)8.52% Power Finance Corporation Ltd. of ₹ 1,000,000 each	52.30	–	–	–
Carried over	1,815.60	643.06	76.27	–
Carried over	2,912.28	4,490.80	–	–

Notes to financial statements for the year ended 31 March 2017 (Contd.)

11 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Brought over	2,912.28	4,490.80	–	–
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	1,815.60	643.06	76.27	–
2,830 Zero Percent Rural Electification Corporation of ₹ 30,000 each	5.45	5.45	–	–
250 9.02% Rural Electrification Corporation Ltd. of ₹ 1,000,000 each	24.76	24.76	–	–
250 (–)6.83% Rural Electification Corporation Ltd. of ₹ 1,000,000 each	24.69	–	–	–
500 (–)7.42% Rural Electification Corporation Ltd. of ₹ 1,000,000 each	50.00	–	–	–
1,250 (–)7.24% Rural Electification Corporation Ltd. of ₹ 1,000,000 each	125.20	–	–	–
100 (–)8.36% Rural Electification Corporation Ltd. of ₹ 1,000,000 each	10.43	–	–	–
500 (–)8.37% Rural Electification Corporation Ltd. of ₹ 1,000,000 each	52.55	–	–	–
750 (–)8.44% Rural Electification Corporation Ltd. of ₹ 1,000,000 each	79.31	–	–	–
250 8.90% Sundaram Finance Ltd. of ₹ 1,000,000 each	25.01	25.01	–	–
1,000 (–)7.72% Sundaram Finance Ltd. of ₹ 1,000,000 each	99.84	–	–	–
100 (–)9.05% Tata Capital Financial Services Ltd. of ₹ 1,000,000 each	10.12	–	–	–
	2,322.96	698.28	76.27	–
Less: Amortisation of premium/(discount) on acquisition	(12.10)	(6.85)	(4.23)	–
	2,335.06	705.13	80.50	–
In Mutual Fund Unit:				
Fully Paid:				
Quoted:				
– (51,035,586.42) Units of Sundaram Flexi Fund ST Plan Direct Pl Bonus	–	49.87	–	–
In Mutual Fund Unit:				
Fully Paid:				
Unquoted:				
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 ₹ 0.25 crore - Previous year ₹ Nil)	4.54	5.96	–	–
Carried over	4.54	5.96	–	–
Carried over	5,247.34	5,245.80	80.50	–

Notes to financial statements for the year ended 31 March 2017 (Contd.)

11 Investments (Contd.)

(₹ In Crore)

Particulars		Non-current portion As at 31 March 2017	Non-current portion As at 31 March 2016	Current maturities/investments As at 31 March 2017	Current maturities/investments As at 31 March 2016
	Brought over	5,247.34	5,245.80	80.50	–
In Mutual Fund Unit: (Contd.)					
Fully paid: (Contd.)					
Unquoted: (Contd.)					
	Brought over	4.54	5.96	–	–
834.284	Leadership Equity Fund of ₹ 10 each of Unit Trust of India (Received on merger of UTI Masterplus units during the year)			–	–
2,320	Urban Infrastructure Opportunities Fund-Face Value ₹ 100,000 each (Balance after part redemption) (Net of provision for diminution amounting to ₹ 5.50 crore - Previous year ₹ Nil)	9.16	19.18	–	–
		13.70	25.14	–	–
Other Alternative Investment Fund:					
Unquoted:					
16,537,562.5	(9,677,666.5) Units of Kedaara Capital Advisors - LLP AIF	16.54	9.68	–	–
50,000	Units of ₹ 1,000 each of V.E.C. Stragegic Advantage Scheme III	5.00	5.00	–	–
		21.54	14.68	–	–
Total (A)		5,282.58	5,285.62	80.50	–
(B) Current investments:					
In Bonds:					
Fully paid:					
Quoted:					
500	(–)9.62% Aditya Birla Finance Ltd. of ₹ 1,000,000 each	–	–	50.80	–
750	(–)7.91% Sundaram Finance Ltd. of ₹ 1,000,000 each	–	–	75.29	–
750	(–)7.88% Tata Capital Financial Services Ltd. of ₹ 1,000,000 each	–	–	75.24	–
		–	–	201.33	–
	Less: Amortisation of premium/(discount) on acquisition	–	–	0.33	–
		–	–	201.00	–
In Commercial Paper					
Unquoted:					
1,000	(–) Commercial Paper of Aditya Birla Finance Ltd. of ₹ 500,000 each 15-03-2018	–	–	46.68	–
500	(–) Commercial Paper of Kotak Mahindra Investments Ltd. of ₹ 500,000 each 07-11-2017	–	–	23.17	–
1,500	(–) Commercial Paper of Kotak Mahindra Investments Ltd. of ₹ 500,000 each 19-09-2017	–	–	72.36	–
		–	–	142.21	–
	Less: Amortisation of premium/(discount) on acquisition	–	–	(0.90)	–
		–	–	143.11	–
	Carried over	–	–	344.11	–

Notes to financial statements for the year ended 31 March 2017 (Contd.)

11 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Brought over	–	–	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-Short Term Plan-Direct-Wholesale-Growth	–	–	50.00	–
10,531,886 (-) ICICI Prodential 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	–
635,447 (61,626.38) Reliance Liquid Fund-Direct Treasury Plan -Growth	–	–	250.00	22.75
	–	–	1,383.29	22.75
Total (B)	–	–	1,727.40	22.75
Total (A+B)	5,282.58	5,285.62	1,807.90	22.75
Aggregate provision for diminution in value of investments	178.21	18.21	–	–

Particulars	Book value		Market value	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Quoted	6,495.32	4,650.03	58,756.65	37,652.86
Unquoted	595.16	658.34		
Total	7,090.48	5,308.37		

Notes to Investments

1 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.

2 Investments made by the Company other than those with a maturity of less than one year, are intended to be held for long-term, 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, provision of ₹ 160 crore (previous year ₹ Nil) was determined during the year ended 31 March 2017.

3 Refer note 2 clause 5 for accounting policy and valuation principles for investments.

Notes to financial statements for the year ended 31 March 2017 (Contd.)

12 Loans and advances
(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Security deposits	1.25	1.28	–	–
Loan and advances to related parties [See note 25]	–	–	0.05	0.08
Other loans and advances				
Advance income-tax (net of provision for tax)	31.27	28.32	–	–
MAT credit entitlement	175.75	134.33	–	12.49
Less: Provision for possible unutilisation	33.50	33.50	–	–
	142.25	100.83	–	12.49
Others	4.30	6.80	–	0.01
	177.82	135.95	–	12.50
	179.07	137.23	0.05	12.58

13 Other assets
(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Interest receivable on investments	–	–	95.55	60.72
Dividend receivable	–	–	7.27	5.26
Interest receivable on investments/loans, doubtful	1.18	1.18	–	–
Less: Provision for doubtful receivable	1.18	1.18	–	–
	–	–	102.82	65.98

Notes to financial statements for the year ended 31 March 2017 (Contd.)

14 Cash and bank balances

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Cash and cash equivalents				
Balances with banks				
In current accounts	–	–	0.91	0.62
Cash equivalents				
Certificate of Deposits with maturity of less than 3 months from date of acquisition	–	–	–	1,209.16
Commercial Paper with maturity of less than 3 months from date of acquisition	–	–	–	197.13
	–	–	0.91	1,406.91
Other bank balances				
In unclaimed dividend accounts	–	–	4.92	14.55
	–	–	5.83	1,421.46

Details of Specified Bank Notes (SBNs) held and transacted during the period 08.11.2016 to 30.12.2016

(₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	–	–	–
(+) Permitted receipts	–	–	–
(–) Permitted payments	–	–	–
(–) Amount deposited in Banks	–	–	–
Closing cash in hand as on 30.12.2016	–	–	–

Notes to financial statements for the year ended 31 March 2017 (Contd.)

15 Revenue from operations

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Interest		
Interest income on		
Bank deposits	–	4.39
Long-term investments	174.47	215.36
Current investments	23.03	4.96
Amortisation of (premium)/discount on acquisition of debt securities on		
Long-term investments	7.93	6.02
Current investments	27.79	13.01
	233.22	243.74
Other financial services		
Dividend income on		
Long-term investments in subsidiaries, associates and joint ventures	45.56	953.63
Other long-term investments	51.93	64.11
Profit on sale of investments, net *	531.41	113.51
Provision for diminution in value of investments written back	–	3.14
Income from real estate and other funds	1.66	–
	863.78	1,378.13
Other revenue from operations		
Rent from investment property	16.71	16.38
	880.49	1,394.51

* Including on current investments ₹ 56.05 crore (previous year ₹ 13.88 crore)

16 Other income

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Interest on income-tax refunds	2.80	–
Miscellaneous receipts	5.02	4.44
Provision no longer required	0.12	2.33
	7.94	6.77

Notes to financial statements for the year ended 31 March 2017 (Contd.)

17 Employee benefits expense

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Salaries, wages and bonus to employees	5.30	3.79
Remuneration to whole-time director	11.52	9.12
Contribution to provident and other funds	1.90	1.47
Staff welfare expenses	0.08	0.05
	18.80	14.43

18 Depreciation and amortisation

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Depreciation on tangible assets	0.16	0.19
Depreciation on investment property	5.09	5.09
Amount written off against leasehold land	0.01	0.02
	5.26	5.30

19 Other expenses

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Repairs to buildings	1.33	1.37
Repairs to machinery (Previous year ₹ 14,594)	–	
Rent	0.01	0.01
Rates and taxes	1.59	1.59
Insurance	0.06	0.07
Payment to auditor	0.15	0.11
Directors' fees and travelling expenses	0.98	1.47
Commission to non-executive directors	1.10	0.80
Business support service expenses	13.88	4.93
Expenditure towards Corporate Social Responsibility (CSR) activities	7.53	6.91
Legal and professional charges	0.76	1.80
Miscellaneous expenses	4.40	3.93
Loss on sale of assets	0.09	–
Investment written off (₹ 50,000)		–
Provision for diminution in value of investments	160.00	–
	191.88	22.99

Notes to financial statements for the year ended 31 March 2017 (Contd.)

19 Other expenses (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March 2017	2016
Payment to auditor		
As auditor:		
Audit fee	0.07	0.06
Tax audit fee	0.02	0.02
Limited review	0.02	0.02
Other services (certification fees and other matters)	0.02	0.01
Reimbursement of expenses [₹ 6,797 (Previous year ₹ 30,252)]		
Service tax, on above	0.02	–
	0.15	0.11

(₹ In Crore)

Particulars	For the year ended 31 March 2017	2016
Expenditure towards Corporate Social Responsibility (CSR) activities		
a) Gross amount required to be spent by the Company during the year	7.47	6.86
b) Amount spent in cash during the year on:		
i) Construction/acquisition of any asset	–	–
ii) On purposes other than (i) above	7.53	6.91
	7.53	6.91

20 Earnings Per Share (EPS)

Particulars	For the year ended 31 March 2017	2016
Profit for the year (₹ In Crore)	538.18	1,270.51
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	48.4	114.2
Face value per share ₹	10.0	10.0

21 Contingent liabilities

(₹ In Crore)

Particulars	As at 31 March 2017	2016
a. Claims against the Company not acknowledged as debts	0.04	0.04
b. Income-tax matters under dispute		
Appeal by the Company	4.00	3.33
Appeal by the Department	391.75	391.75
c. Service tax matters under dispute	2.34	–

Notes to financial statements for the year ended 31 March 2017 (Contd.)

22 Proposed dividend

(₹ In Crore)

Particulars	As at 31 March 2017	2016
On equity shares of ₹ 10 each		
Amount of dividend proposed (₹ In Crore)	361.70	83.47
Dividend per equity share ₹	32.50	7.50
Dividend %	325%	75%

* The Company had declared and paid dividend per equity share of ₹ 32.50 (325%) comprising of interim dividend of ₹ 25 (250%) and final dividend of ₹ 7.50 (75%) for the year ended 31 March 2016. The final dividend for the year ended 31 March 2017 is also ₹ 32.50 per equity share (325%).

23 Expenditure in foreign currency (accrual basis)

(₹ In Crore)

Particulars	For the year ended 31 March 2017	2016
Travelling expenses	0.07	–
Other matters	1.23	1.19
	1.30	1.19

24 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

(₹ In Crore)

Particulars	Gratuity As at 31 March 2017	2016
Amount to be recognised in Balance Sheet		
Present value of funded obligations	2.77	1.75
Fair value of plan assets	(1.43)	(1.04)
Net liability	**1.34**	**0.71**
Amounts in Balance Sheet		
Liability	1.34	0.71
Assets	–	–
Net liability	**1.34**	**0.71**
Expense to be recognised in the Statement of Profit and Loss		
Current service cost	0.33	0.15
Interest on defined benefit obligation	0.16	0.05
Expected return on plan assets	(0.09)	(0.03)
Net actuarial losses/(gains) recognised in year	0.57	0.57
Total, included in 'Employee benefits expense'	**0.97**	**0.74**
Actual return on plan assets	0.05	0.08

Notes to financial statements for the year ended 31 March 2017 (Contd.)

24 Employee benefits (Contd.)

Funded scheme (Contd.)

(₹ In Crore)

Particulars	Gratuity	
	As at 31 March	
	2017	2016
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	**1.75**	**0.44**
Current service cost	0.33	0.15
Interest cost	0.16	0.05
Actuarial losses/(gains)	0.53	0.62
Liabilities assumed on acquisition/(settled on divestiture)	–	0.49
Closing defined benefit obligation	**2.77**	**1.75**
Change in fair value of assets		
Opening fair value of plan assets	**1.04**	**0.29**
Expected return on plan assets	0.09	0.03
Actuarial gains/(losses)	(0.04)	0.05
Contributions by employer	0.34	0.18
Assets acquired on acquisition/(distributed on divestiture)	–	0.49
Closing fair value of plan assets	**1.43**	**1.04**
Expected employer's contribution next year	0.25	0.25

(₹ In Crore)

Particulars		As at 31 March	
	2017	2017	2016
Assets information			
Insurer managed funds	1.43	100.00%	100.00%

Particulars	Year ended 31 March				
	2013	2014	2015	2016	2017
Experience adjustments					
Defined benefit obligation	0.05	0.20	0.44	1.75	2.77
Plan assets	0.05	0.16	0.29	1.04	1.43
Surplus/(deficit)	–	(0.04)	(0.15)	(0.71)	(1.34)
Exp. adj. on plan liabilities	–	0.07	0.05	0.63	0.32
Exp. adj. on plan assets	–	–	–	0.05	(0.03)

Notes to financial statements for the year ended 31 March 2017 (Contd.)

24 Employee benefits (Contd.)

Funded scheme (Contd.)

Particulars	As at 31 March 2017	As at 31 March 2016
Principal actuarial assumptions (Expressed as weighted averages)		
Discount rate (p.a.)	7.35%	7.95%
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.

Unfunded schemes

(₹ In Crore)

Particulars	As at 31 March 2017		As at 31 March 2016	
	Compensated absences	Long-term incentive plan	Compensated absences	Long-term incentive plan
Present value of unfunded obligations	0.47	1.25	0.33	0.55
Expense recognised in the Statement of Profit and Loss	0.27	0.70	0.22	0.55
Discount rate (p.a.)	7.35%	7.35%	7.95%	7.95%
Salary escalation rate (p.a.) - senior staff	10.00%		10.00%	
Salary escalation rate (p.a.) - junior staff	10.00%		10.00%	

Amount recognised in the Statement of Profit and Loss

(₹ In Crore)

Particulars	As at 31 March 2017	2016
Defined contribution plans:		
Provident fund paid to Government authorities	0.48	0.38
Superannuation paid to Trust	0.43	0.34
Pension fund paid to Government authorities	0.02	0.01
Others (₹ 10,215 - previous year ₹ 6,917)		
Defined benefit plans:		
Gratuity	0.97	0.74
Others (₹ 69,733 - previous year ₹ 13,036)		
	1.90	1.47

Notes to financial statements for the year ended 31 March 2017 (Contd.)

25 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	2016-17 Transaction value	2016-17 Outstanding amounts carried in Balance Sheet	2015-16 Transaction value	2015-16 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	–	–	4.17	–
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	–	–	16.46	–
	Shares of BHIL held by MSL (3,387,036 shares of ₹ 10 each)	–	3.39	–	3.39
	Dividend paid	2.54	–	19.48	–
Bajaj Auto Ltd. (An associate - 31.54% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity [91,280,000 (previous year - 91,119,000) shares of ₹ 10 each)]	44.86	331.08	–	286.22
	Dividend received	45.56	–	911.19	–
	Business support services rendered	1.33	–	1.07	–
	Business support services received	11.80	–	4.14	–
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	–	–	21.81	–
	Business support services rendered	0.07	–	0.06	–
C Individuals controlling voting power/exercising significant influence and their relatives:					
Rahul Bajaj (Chairman)	Sitting fees	0.04	–	0.05	–
	Commission	0.08	(0.08)	0.09	(0.09)
Madhur Bajaj	Sitting fees	0.03	–	0.03	–
	Commission	0.06	(0.06)	0.06	(0.06)
Rajiv Bajaj	Sitting fees	0.03	–	0.03	–
	Commission	0.06	(0.06)	0.06	(0.06)
Sanjiv Bajaj (Managing Director) (Also Key management personnel)	Remuneration	4.21	–	3.42	–
	Commission	8.64	(8.64)	6.84	(6.84)
	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	0.06	0.04	0.07	0.07
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	0.26	–	0.20	–
	Dividend paid (Current year - ₹ 563, Previous year - ₹ 4,313)		–		–
Bajaj Electricals Ltd.	Contribution to equity (16,697,840 shares of ₹ 2 each)	–	111.77	–	111.77
	Dividend received	–	–	7.18	–
Hindustan Housing Co. Ltd.	Shares of BHIL held by Hindustan Housing (15,391 shares of ₹ 10 each)	–	0.02	–	0.02
	Dividend paid	0.01	–	0.09	–
	Maintenance charges paid	1.41	0.01	1.24	0.01
	Security deposit paid/(received back)	(0.03)	0.13	(0.03)	0.17
Hind Musafir Agency Ltd.	Services received	0.11	–	0.14	–
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)	(0.75)	(0.25)	(2.00)	(1.00)
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	0.94	–	0.94	–
	Shares of BHIL held by Hercules Hoists (286,094 shares of ₹ 10 each)	–	0.29	–	0.29
	Dividend paid	0.21	–	1.65	–

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 financial statements for the year ended 31 March 2017 (Contd.)

26 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.

(₹ In Crore)

Particulars	As at 31 March 2017	2016
i) Premises:		
Gross carrying amount	218.48	218.48
Depreciation for the year	5.09	5.09
Accumulated depreciation	22.28	17.19

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

(₹ In Crore)

Particulars	As at 31 March 2017	2016
Receivable		
Within one year	16.68	16.58
After one year but not more than five years	8.40	24.67
More than five years	–	–
	25.08	41.25

As a lessee:
The Company has not taken any asset under an operating lease arrangement.

27 Schedule to Balance Sheet as at 31 March 2017

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

Notes to financial statements for the year ended 31 March 2017 (Contd.)

27 Schedule to Balance Sheet as at 31 March 2017 (Contd.)

(₹ In Lakh)

Liabilities side	Amount outstanding	Amount overdue
(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	17,912
(Comprises advance income-tax paid, interest receivable 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	–
(5) Break-up of investments	
Current investments	
1. Quoted:	
(i) Shares: (a) Equity	–
(b) Preference	–
(ii) Debentures and bonds	20,100
(iii) Units of mutual funds	138,329
(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	–

Notes to financial statements for the year ended 31 March 2017 (Contd.)

27 Schedule to Balance Sheet as at 31 March 2017 (Contd.)

(₹ In Lakh)

Asset side	Amount outstanding
(v) Others: (a) Certificate of deposit	–
(b) Commercial paper	14,311
Long-term investments	
1. Quoted	
(i) Shares: (a) Equity	236,579
(b) Preference	–
(ii) Debentures and bonds	241,556
(iii) Units of mutual funds	–
(iv) Government securities	12,968
(v) Others (please specify)	–
2. Unquoted:	
(i) Shares: (a) Equity	22,042
(b) Preference	19
(ii) Debentures and bonds	–
(iii) Units of mutual funds	3,524
(iv) Government securities	–
(v) Others (please specify): Investment property	19,620
Total	709,048

(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	–	18	18
2. Other than related parties	–	17,894	17,894
Total	–	17,912	17,912

Notes to financial statements for the year ended 31 March 2017 (Contd.)

27 Schedule to Balance Sheet as at 31 March 2017 (Contd.)

(7) Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unqouted) 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)	5,493	25
(b) Companies in the same group (disclosed at market value)	5,114,702	107,490
(c) Other related parties		
- Unquoted (disclosed at face value)	19	19
- Quoted	120,329	15,734
2. Other than related parties		
- Unquoted @	26,735	39,852
- Quoted (disclosed at market value)	640,634	526,308
Total	5,907,912	689,428

** As per Accounting Standard of ICAI (Please see Note 3)
@ Investment in preference shares are disclosed at face value. Investments in equity shares are disclosed at break up value and investments in mutual funds are disclosed at fund value. The break up values are computed based on latest available consolidated financial statements/reports.
The investments in non-performing investments are disclosed at book value net of provisions.

(8) Other information

(₹ In Lakh)

Particulars	Amount
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	17,939
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

Notes:

1. 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.
2. 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.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long-term or current in (5) above.

Notes to financial statements for the year ended 31 March 2017 (Contd.)

27 Schedule to Balance Sheet as at 31 March 2017 (Contd.)

(9) Investments

(₹ In Lakh)

Particulars	As at 31 March 2017	As at 31 March 2016
(1) Value of investments		
(i) Gross value of investments		
(a) In India	726,869	532,658
(b) Outside India	–	–
(ii) Provisions for depreciation		
(a) In India	17,821	1,821
(b) Outside India	–	–
(iii) Net value of investments		
(a) In India	709,048	530,837
(b) Outside India	–	–
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	1,821	2,135
(ii) Add: Provisions made during the year	16,000	–
(iii) Less: Write-off/write-back of excess provisions during the year	–	314
(iv) Closing balance	17,821	1,821

(10) Provisions and contingencies

(₹ In Lakh)

Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit and Loss Account	As at 31 March 2017	As at 31 March 2016
(i) Provisions for depreciation on investment.	16,000	–
(ii) Provision towards NPA	–	–
(iii) Provision made towards income-tax	13,431	8,805
(iv) Other provision and contingencies	–	–
(v) Provision for standard assets	–	–

(11) CRAR

Items	As at 31 March 2017	As at 31 March 2016
(i) CRAR %	100%	162%
(ii) CRAR - Tier I capital (%)	100%	162%
(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 financial statements for the year ended 31 March 2017 (Contd.)

27 Schedule to Balance Sheet as at 31 March 2017 (Contd.)

(12) Exposures

(₹ In Lakh)

Category	As at 31 March 2017	As at 31 March 2016
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 seperately)	–	–
(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;	238,733	265,634
(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	238,733	265,634

Notes to financial statements for the year ended 31 March 2017 (Contd.)

27 Schedule to Balance Sheet as at 31 March 2017 (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	3,329	-	-	144,180	33,281	87,774	142,927	297,557	709,048
Deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	3,329	-	-	144,180	33,281	87,774	142,927	297,557	709,048
Foreign currency assets	-	-	-	-	-	-	-	-	-

(14) Miscellaneous disclosures

a) Registration obtained from other financial sector regulators :
Apart from RBI, Company is also governed by SEBI and MCA.

b) Disclosure of penalties imposed by RBI and other regulators :
During previous year, no penalty was imposed by RBI or other regulators.

c) Related party transactions :
Please refer note 25 for details of related party transactions.

d) Ratings assigned by credit rating agencies and migration of ratings during the year :
Not applicable

Note:

Company is a non-deposit taking/accepting NBFC. It does not carry out lending/securitisation activity. Hence, there are 'Nil' values in respect of following disclosures -

1. 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

2. 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

3. Details of financing of parent company products

4. Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC

5. Unsecured advances

6. 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

7. Overseas assets (for those with joint ventures and subsidiaries abroad)

8. Off-balance sheet SPVs sponsored

9. Disclosure of customer complaints

Notes to financial statements for the year ended 31 March 2017 (Contd.)

28 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 2017	Proportion of ownership interest as at 31 March 2016
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:

(₹ In Crore)

Particulars	31 March 2017	31 March 2016
(a) Assets		
Fixed assets	1.69	1.72
Non-current investments	56.30	56.31
Long-term loans and advances	2.35	2.48
Other non-current assets	2.08	6.45
Current investments	11.68	10.97
Inventories	0.28	0.13
Trade receivables	0.53	0.59
Cash and bank balances	6.62	1.48
Short-term loans and advances	0.42	0.21
Other current assets	0.62	0.62
(b) Liabilities		
Other long-term liabilities	2.51	3.34
Long-term provisions	–	–
Trade payables	0.10	0.11
Current liabilities	1.90	2.47
Short-term provisions	0.18	0.16
(c) Income		
Revenue from operations	2.04	2.16
Other income	4.97	25.96
(d) Expenses		
Cost of raw material and components consumed	1.10	0.92
(Increase)/decrease in inventories of finished goods, and work-in-progress	(0.17)	0.19
Employee benefits expense	1.95	1.92
Depreciation and write downs	0.13	0.18
Other expenses	0.72	0.67
Current and deferred tax	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.		

Notes to financial statements for the year ended 31 March 2017 (Contd.)

29

a. The consolidated financial statements of the Company along with its subsidiary, associates and joint venture are attached to these standalone financial statements. The details of the group regarding the nature of relationship and the basis of consolidation can be referred to in note 1 to the said consolidated financial statements.

b. 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.

30 Previous year figures

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

31 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.

In terms of our report of even date

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Vallari Gupte
Company Secretary

Naresh Chandra
Chairman - Audit Committee

Consolidated Financial Statements

Independent Auditors' Report on the Consolidated Financial Statements

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

1. We have audited the accompanying consolidated financial statements of Bajaj Holdings & Investment Ltd. ('hereinafter referred to as the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), its jointly controlled entity and associate companies; (refer Note [1] to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at 31 March 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as 'the Consolidated Financial Statements').

Management's responsibility for the consolidated financial statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as '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 Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entity respectively 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 has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' responsibility

3. 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 and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the audit report.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. 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 auditors' 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 the 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.

6. 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 sub-paragraph 8, 9, 10 of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, 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 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other matters

8. We did not audit the financial statements of one jointly controlled entity whose financial statements reflect total assets of ₹ 82.58 crore and net assets of ₹ 77.88 crore as at 31 March 2017, total revenue of ₹ 7.02 crore, net profit ₹ 3.01 crore

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

and net cash flows amounting to ₹ 5.14 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 1,090.72 crore for the year ended 31 March 2017 as considered in the consolidated financial statements, in respect of two subsidiaries of associate companies, one jointly controlled entity of associate company and one associate of subsidiary of associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries of associate companies, associate of subsidiary of associate company and jointly controlled entity of associate company and our report in terms of sub-sections (3) of section 143 of the Act insofar as it relates to the aforesaid subsidiaries, jointly controlled entity and associate, is based solely on the reports of the other auditors.

9. The financial statements of Bajaj Allianz Life Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., was audited by other firms of chartered accountants jointly for the year ended 31 March 2017, who vide their report dated 12 May 2017 have reported as follows:
The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2017 is the responsibility of the Company's Appointed Actuary (the '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 2017 has been duly certified by the Appointed Actuary and 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 the IRDAI. We have relied upon Appointed Actuary's certificate in this regard for forming our 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 the Company.

10. The financial statements of Bajaj Allianz General Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., was audited by us and another firm of chartered accountants jointly for the year ended 31 March 2017, and vide report dated 12 May 2017 have reported as follows:

    a) The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at 31 March 2017 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that in her opinion, the assumptions for such valuation are in accordance with the guidelines and norms, if any, issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Company's Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

    b) The financial statements of the Company for the year ended 31 March 2016 were audited by B S R and Co. LLP, Chartered Accountants and Walker Chandiok and Co LLP, Chartered Accountants who, vide their audit report dated 19 May 2016 have expressed an unmodified opinion thereon.

    Our opinion 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.

Report on other legal and regulatory requirements

11. As required by section 143(3) of the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiary included in the Group, associate companies and jointly controlled entitiy incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group, associate companies and jointly controlled entity incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of 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 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its

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

subsidiary company, associate companies and jointly controlled company incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled company incorporated in India is disqualified as on 31 March 2017 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 Holding Company, its subsidiary company, associate companies and jointly controlled company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

g) With respect to the Other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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, if any, of pending litigations as at 31 March 2017 on the consolidated financial position of the Group, its associates and jointly controlled entity.

ii. The Group and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts as at 31 March 2017 except in case of Bajaj Finance Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company, where provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at 31 March 2017.The aforesaid company did not have any outstanding long-term derivative contracts as at 31 March 2017.

In case of Bajaj Allianz Life Insurance Company Ltd.; a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company, audited by other firm of chartered accountants, jointly for the year ended 31 March 2017, who vide their report dated 12 May 2017 have reported as follows:
'The liability for insurance contracts, is determined by the Company's Appointed Actuary and is covered by the Appointed Actuary's certificate, referred to in Other matter paragraph above, on which we have placed reliance; and the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses'.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its associate companies and jointly controlled company incorporated in India during the year ended 31 March 2017 except in case of Bajaj Auto Holdings Ltd., a subsidiary of Holding Company and Bajaj Financial Holdings Ltd., Bajaj Housing Finance Ltd. and Bajaj Financial Securities Ltd., a subsidiary of Bajaj Finserv Ltd. an associate of the Holding Company, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2017.

In case of Bajaj Allianz Life Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company, audited by other firm of chartered accountants, jointly for the year ended 31 March 2017, who vide their report dated 12 May 2017 have reported as follows:
'The Company was not required to deposit or pay any dues in respect of the Investor Education and Protection Fund during the year'.

In case of Bajaj Allianz General Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company, audited by us and another firm of chartered accountants, jointly for the year ended 31 March 2017, vide report dated 12 May 2017 have reported as follows:
'There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Schedule 16 note 28 to the financial statements'.

In case of Bajaj Allianz Financial Distributors Ltd., a jointly controlled entity of Bajaj Finserv Ltd., an associate of the Holding Company, audited by other firm of chartered accountants, for the year ended 31 March 2017, who vide their consolidated report dated 11 May 2017 have reported as follows:
'There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group'.

iv. The Holding Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and same is in accordance with the books of accounts maintained by the Company.

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

In case of Maharashtra Scooters Ltd., a jointly controlled entity of the Holding Company, audited by another firm of chartered accountants, for the year ended 31 March 2017, who vide their consolidated report dated 11 May 2017 have reported as follows:
'The Company has provided requisite disclosures in the Standalone Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Also refer Note 26 to the financial statements'.

In case of Bajaj Auto Ltd., an associate of the Holding Company, audited by us, for the year ended 31 March 2017, vide report dated 18 May 2017 have reported as follows:
'The Holding Company has provided requisite disclosures in its financial statements in note 40 of the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and same is in accordance with the books of accounts maintained by the Holding Company. These details are not disclosed for its foreign subsidiaries, as this disclosure is required only for the companies to which schedule III of the Companies Act, 2013 is applicable'.

The financial statements of Bajaj Finance Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company was audited by us for the year ended 31 March 2017 and vide report dated 17 May 2017 have reported as follows:
'Company has provided requisite disclosures in the financial statements as to its direct holdings as well as dealings in Specified Bank Notes during the period 8 November to 30 December 2016, which based on audit procedures and relying on management representations are in agreement with the books of accounts maintained by the Company and as produced to us for our verification. However, disclosures of holdings on 8 November 2016 and depositions thereof made directly by collecting agents, in SBN and other denomination, in respect of its two wheeler and three wheeler financing business as detailed in Note 28 to the financial statements are only to the extent of information available and received by the Company and hence are not verifiable by us'.

In case of Bajaj Allianz General Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company, audited by us and another firm of chartered accountants jointly for the year ended 31 March 2017, vide report dated 12 May 2017 have reported as follows:
'The disclosure requirement in respect of Specified Bank Notes, as envisaged in Notification no. G.S.R 308(E) dated 30 March 2017 is not applicable to the Company. Refer Schedule 16 note 32 to the financial statements.'

In case of Bajaj Allianz Life Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company, audited by another firm of chartered accountants jointly for the year ended 31 March 2017, who vide their report dated 12 May 2017 have reported as follows:
'The disclosure requirement as envisaged in Notification no. G.S.R 308(E) dated 30 March 2017 is not applicable to the Company. Refer Schedule 16 note 3.29 to the financial statements'.

In case of Bajaj Allianz Financial Distributors Ltd., a jointly controlled entity of Bajaj Finserv Ltd., an associate of the Holding Company, audited by other firm of chartered accountants, for the year ended 31 March 2017, who vide their consolidated report dated 11 May 2017 have reported as follows:
'Company has provided requisite disclosures in the financial statements as to its direct holdings as well as dealings in Specified Bank Notes during the period 8 November to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 31 to the financial statements'.

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Bajaj Holdings & Investment Ltd. on the consolidated financial statements for the year ended 31 March 2017

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Bajaj Holdings & Investment Ltd. (hereinafter referred to as 'the Holding Company') and its subsidiary company, jointly controlled company and associate companies, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

2. The respective Board of Directors of the Holding Company, its subsidiary company, its associate companies and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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') issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

4. 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 included obtaining an understanding of internal financial controls over financial reporting, 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.

5. 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 Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

6. A company's internal financial control over financial reporting 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 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.

Annexure A to Independent Auditors' Report (Contd.)

Inherent limitations of internal financial controls over financial reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary company, its associate companies and jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

9. Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one jointly controlled company, one subsidiary of associate company and one jointly controlled company of associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

10. The financial statements of Bajaj Auto Ltd., an associate of the Holding Company, was audited by us for the year ended 31 March 2017, and vide report dated 18 May 2017 have reported as follows: 'Reporting on internal financial controls over financial reporting is not applicable to subsidiaries incorporated outside India.'

11. The financial statements of Bajaj Allianz General Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., was audited by us and another firm of chartered accountants jointly for the year ended 31 March 2017, and vide report dated 12 May 2017 have reported as follows:
'The actuarial valuation for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), has been duly certified by the Company'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 us, as mentioned in 'Other matter' paragraph of our audit report on the financial statements of the Company as at and for the year ended 31 March 2017. Accordingly, our 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'.

12. The financial statements of Bajaj Allianz Life Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., was audited by other firms of chartered accountants jointly for the year ended 31 March 2017, who vide their report dated 12 May 2017 have reported as follows:
'The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued is required to be certified by the Appointed Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the 'IRDA Financial Statements Regulations'), and has been relied upon by us, as mentioned in 'Other matter' para of our audit report on the financial statements of the Company as at and for the year ended 31 March 2017. 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 Appointed Actuary and has been relied upon by us'.

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

Consolidated Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	111.29	111.29
Reserves and surplus	3	17,706.61	15,182.03
		17,817.90	**15,293.32**
Non-current liabilities			
Deferred tax liabilities (net)		6.39	6.16
Other long-term liabilities	4	28.25	29.13
Long-term provisions	5	2.59	1.26
		37.23	**36.55**
Current liabilities			
Trade payables	6		
Total outstanding dues of micro enterprises and small enterprises		–	0.01
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.81	0.64
Other current liabilities	7	19.30	27.17
Short-term provisions	5	13.43	113.99
		33.54	**141.81**
Total		**17,888.67**	**15,471.68**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	8.28	8.71
Lease adjustment account - plant and machinery		17.50	17.50
		25.78	26.21
Goodwill on investments in associates		554.32	518.21
Non-current investments	9	15,159.58	13,215.41
Long-term loans and advances	10	183.08	141.54
Other non-current assets	11	2.08	6.45
		15,924.84	**13,907.82**
Current assets			
Current investments	9	1,846.58	60.43
Inventories	12	0.28	0.13
Trade receivables	13	0.53	0.59
Cash and bank balances	14	12.53	1,423.01
Short-term loans and advances	10	0.47	12.79
Other current assets	11	103.44	66.91
		1,963.83	**1,563.86**
Total		**17,888.67**	**15,471.68**

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Rahul Bajaj
Chairman

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Vallari Gupte
Company Secretary

Naresh Chandra
Chairman - Audit Committee

Consolidated Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2017	2016
Sales		2.29	2.42
Less: Excise duty		0.25	0.27
Net Sales		2.04	2.15
Other operating revenue		840.07	467.69
Revenue from operations (net)	15	842.11	469.84
Other income	16	7.97	6.85
Total revenue		**850.08**	**476.69**
Expenses			
Cost of raw material and components consumed	17	1.10	0.92
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	18	(0.17)	0.19
Employee benefits expense	19	20.76	16.35
Depreciation and amortisation	20	5.39	5.48
Other expenses	21	192.74	23.85
Total expenses		**219.82**	**46.79**
Profit before tax		**630.26**	**429.90**
Tax expense			
Current tax		163.01	87.64
Share of current tax of joint venture		0.36	0.28
Less: MAT credit entitlement		28.92	0.28
Less: Share of MAT credit entitlement of joint venture		0.08	0.28
		134.37	87.36
Deferred tax		0.23	0.95
Total tax expense		134.60	88.31
Profit after tax		**495.66**	**341.59**
Tax (debits)/credits pertaining to earlier years		0.03	–
Share of profit after tax of associates		1,977.50	1,923.65
Profit for the year		**2,473.19**	**2,265.24**
Basic and diluted Earnings per share (in ₹)		222.2	203.5
(Nominal value per share ₹ 10)			

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Naresh Chandra
Chairman - Audit Committee

Consolidated Cash Flow Statement

(₹ In Crore)

Particulars	For the year ended 31 March 2017	2016
I. Operating activities		
Profit before tax	630.26	429.90
Add: Dividend from associates	45.56	933.08
	675.82	1,362.98
Adjustments:		
Add:		
i) Depreciation and amortisation	5.39	5.48
ii) Provision for diminution in value of investments	160.00	–
iii) Loss on sale of assets	0.09	–
	165.48	5.48
Less:		
i) Provision for diminution in value of investments written back	–	3.14
ii) Profit on sale of investments, net	532.15	114.50
iii) Surplus on redemption of securities, net	0.12	0.10
iv) Income from units of mutual fund	1.66	–
v) Amortisation of premium/discount on acquisition of debt securities	35.71	19.02
	569.64	136.76
	271.66	1,231.70
Change in assets and liabilities		
i) Inventories	(0.15)	0.18
ii) Trade receivable	0.06	0.02
iii) Loans and advances	2.50	0.24
iv) Other assets	(36.53)	(13.95)
v) Other bank balances	10.03	(10.98)
vi) Liabilities and provisions	2.53	1.18
	(21.56)	(23.31)
(Purchase)/sale of money market mutual funds, etc., net *	(1,007.52)	14.31
Net cash from operating activities before income-tax	(757.42)	1,222.70
Income-tax paid	(166.32)	(75.48)
Net cash from operating activities	**(923.74)**	**1,147.22**
Carried forward	(923.74)	1,147.22

Consolidated Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March 2017	2016
Brought forward	(923.74)	1,147.22
II. Investing activities		
i) Capital expenditure	(0.11)	(0.85)
ii) Sales proceeds of assets	0.15	–
iii) Investment in subsidiary, associate and joint venture*	(44.86)	–
iv) Sale of current and long-term investments*	4,598.20	2,434.91
v) Purchase of current and long-term investments*	(4,925.49)	(1,414.63)
Net cash from investing activities	**(372.11)**	**1,019.43**
III. Financing activities		
i) Dividend paid	(93.10)	(629.65)
ii) Corporate dividend tax paid	(16.99)	(131.11)
Net cash from financing activities	**(110.09)**	**(760.76)**
Net change in cash and cash equivalents	**(1,405.94)**	**1,405.89**
Cash and cash equivalents as at 1 April 2016 [Opening balance]	1,406.98	1.09
Cash and cash equivalents as at 31 March 2017 [Closing balance]	1.04	1,406.98
	–	–

* As Company is an investment company, dividend received and interest earned are considered as part of cash flow from operating activities. Purchase and sale of investment 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.

In terms of our report of even date

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Vallari Gupte
Company Secretary

Naresh Chandra
Chairman - Audit Committee

Notes to consolidated financial statements for the year ended 31 March 2017

1 a) The consolidated financial statements include results of the subsidiary, associates and joint venture of Bajaj Holdings and Investment Ltd., 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	57.80%	Subsidiary
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. (along with 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 generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013.

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

2 Share capital

₹ In Crore

Particulars	As at 31 March 2017	As at 31 March 2016
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. 4,342,676 equity shares had been issued by way of Euro equity issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares, excluding 2,171,388 equity shares allotted as bonus shares thereon. During the year 2016-17, the GDR programme of the Company was terminated w.e.f. 20 March 2017 and the GDRs were delisted from the London Stock Exchange, w.e.f. 24 March 2017.

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 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 2017		As at 31 March 2016	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	18,527,504	16.65%	17,914,001	16.10%
Jaya Hind Investments Pvt. Ltd.	5,805,256	5.22%	5,805,256	5.22%
Franklin Templeton Investment Funds	4,008,353	3.60%	5,847,978	5.25%

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

3 Reserves and surplus

₹ In Crore

Particulars	As at 31 March 2017	2016
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	1,213.98	971.12
Add: Transferred from surplus in Statement of Profit and Loss	107.64	254.10
Add/(Less): Transfer to Surplus in Statement of Profit and Loss	–	(11.24)
Closing balance	1,321.62	1,213.98
Securities premium account		
Balance as at the beginning of the year	444.42	444.42
General reserve		
Balance as at the beginning of the year	12,145.69	10,953.74
Add/(Less): Share of accumulated reserves of associate	51.39	74.38
Add/(Less): Adjustment on account of dividend distribution and others	–	(2.52)
Add: Transferred from surplus in Statement of Profit and Loss	1,931.94	1,117.67
Add: Transferred from surplus in Statement of Profit and Loss (share of joint venture)	54.12	2.42
Closing balance	14,183.14	12,145.69
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	1,375.44	910.16
Add/(Less): Transfer from Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	–	11.24
Profit for the year	2,473.19	2,265.24
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	107.64	254.10
Transfer to General reserve	1,931.94	1,117.67
Transfer to General reserve (share of joint venture)	54.12	2.42
Interim dividend	–	278.23
Tax on interim dividend	–	56.64
Share of tax on interim dividend of joint venture	–	1.68
Proposed dividend	–	83.47
Tax on proposed dividend	–	16.99
Total appropriations	2,093.70	1,811.20
Balance in Statement of Profit and Loss	1,754.93	1,375.44
	17,706.61	15,182.03

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

4 Other long-term liabilities

₹ In Crore

Particulars	As at 31 March 2017	As at 31 March 2016
Share of annuity payable to VRS optees of joint venture	2.51	3.34
Lease security deposit	17.50	17.50
Other security deposits	8.24	8.28
Other payables	–	0.01
	28.25	29.13

5 Provisions

₹ In Crore

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Provision for employee benefits				
Provision for gratuity	1.34	0.71	–	–
Share of provision for gratuity of joint venture	–	–	–	0.33
Provision for compensated absences	–	–	0.47	0.16
Share of provision for compensated absences of joint venture	–	–	0.18	–
Provision for long-term incentive plan	1.25	0.55	–	–
	2.59	1.26	0.65	0.49
Other provisions				
Provision for tax (net of tax paid in advance)	–	–	12.78	13.04
Proposed dividend	–	–	–	83.47
Tax on proposed dividend	–	–	–	16.99
	–	–	12.78	113.50
	2.59	1.26	13.43	113.99

6 Trade payables

₹ In Crore

Particulars	As at 31 March 2017	As at 31 March 2016
Total outstanding dues of micro enterprises and small enterprises (share of joint venture)	–	0.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.01	0.53
Total outstanding dues of creditors other than micro enterprises and small enterprises (share of joint venture)	0.80	0.11
	0.81	0.64

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

7 Other current liabilities

₹ In Crore

Particulars	As at 31 March 2017	2016
Security deposits	0.35	1.00
Unclaimed dividend	4.92	14.55
Share of unclaimed dividend of joint venture	0.84	1.24
Share of temporary overdraft of joint venture	–	0.12
Directors' remuneration and commission payable	9.98	7.64
Employee benefits payable	1.48	0.97
Share of employee benefits payable of joint venture	0.13	0.12
Taxes payable	0.46	0.26
Share of taxes payable of joint venture	0.02	0.03
Other payables	0.20	0.28
Share of other payables of joint venture	0.03	0.04
Share of advance against order of joint venture	0.05	0.02
Share of annuity payable to VRS optees of joint venture	0.84	0.90
	19.30	27.17

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

8 Fixed assets (tangible assets)

Current year

(₹ In Crore)

Particulars	Gross block				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

Previous year

(₹ In Crore)

Particulars	Gross block				Depreciation				Net block
	As at 1 April 15	Additions	Deductions/ adjustments	As at 31 March 16	As at 1 April 15	Deductions/ adjustments	For the year	As at 31 March 16	As at 31 March 16
Land freehold	0.04	–	–	0.04	–	–	–	–	0.04
Land leasehold	1.22	–	0.02	1.20	–	–	–	–	1.20
Buildings	9.65	–	–	9.65	3.91	–	0.13	4.04	5.61
Plant and machinery	4.98	0.83	–	5.81	4.09	–	0.17	4.26	1.55
Furniture and fixtures	0.07	–	–	0.07	0.06	–	–	0.06	0.01
Vehicles	0.51	0.02	0.01	0.52	0.16	0.01	0.07	0.22	0.30
Leased assets: Plant and machinery	87.50	–	–	87.50	87.50	–	–	87.50	–
Total	**103.97**	**0.85**	**0.03**	**104.79**	**95.72**	**0.01**	**0.37**	**96.08**	**8.71**
Share of fixed assets of joint ventures	6.50	0.85	0.01	7.34	5.45	0.01	0.18	5.62	1.72

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

9 Investments

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
In Investment property	196.20	201.29	–	–
In Government and trust securities	129.68	1,230.62	–	–
In Fully paid preference shares	0.19	0.19	–	–
In Equity shares				
Long-term: associate company	10,897.99	8,905.91	–	–
Others	1,508.91	2,026.26	–	–
Share of joint venture	37.12	37.12	–	–
	12,444.02	10,969.29	–	–
In Debentures, bonds and secured premium notes	2,335.06	705.13	281.50	5.01
Share of joint venture	19.19	19.20	–	–
In Mutual fund units	13.70	75.01	1,410.29	44.44
Share of joint venture	–	–	11.68	0.90
In Other alternative investment fund	21.54	14.68	–	–
Share of joint venture	–	–	–	10.08
In Commercial paper	–	–	143.11	–
	15,159.58	13,215.41	1,846.58	60.43

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

10 Loans and advances
(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Capital advances	–	–	–	–
Security deposits	1.25	1.28	–	–
Share of security deposits of joint venture	0.01	0.01	–	–
Loan and advances to related parties	–	–	0.05	–
Advances recoverable in cash or kind	0.86	0.85	–	–
Share of advances recoverable in cash or kind of joint venture	–	–	0.03	0.03
Other loans and advances				
Share of VAT refund receivable of joint venture	0.07	0.07	–	–
Advance income-tax (net of provision for tax)	31.96	29.20	–	–
Share of Advance income-tax (net of provision for tax) of joint venture	2.24	2.21	0.32	–
MAT credit entitlement	175.75	134.33	–	12.49
Less: Provision for possible unutilisation	33.50	33.50	–	–
	142.25	100.83	–	12.49
Share of loans to former employees of joint venture	0.03	0.18	0.01	0.04
Others	4.41	6.91	–	0.09
Share of others of joint venture	–	–	0.06	0.14
	180.96	139.40	0.39	12.76
	183.08	141.54	0.47	12.79

11 Other assets
(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Non-current bank balances [See note 14]	2.08	6.45	–	–
Dividend receivable	–	–	7.27	5.26
Interest receivable on investments/loans	–	–	95.55	61.03
Share of interest receivable on investments/loans of joint venture	–	–	0.62	0.62
Interest receivable on investments/loans, doubtful	1.18	1.18	–	–
Less: Provision for doubtful receivable	1.18	1.18	–	–
	2.08	6.45	103.44	66.91

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

12 Inventories

₹ In Crore

Particulars	As at 31 March 2017	As at 31 March 2016
Raw materials and components (share of joint venture)	0.03	0.05
Work-in-progress (share of joint venture)	0.24	0.07
Stores (share of joint venture)	0.01	0.01
	0.28	0.13

13 Trade receivables

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Outstanding for a period exceeding six months from the date they are due for payment (share of joint venture)	–	–	0.09	0.09
Share of others, good of joint venture	–	–	0.44	0.50
	–	–	0.53	0.59

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

14 Cash and bank balances

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Cash and cash equivalents				
Balances with banks				
In current accounts	–	–	0.99	0.69
Share of current accounts of joint venture	–	–	0.05	–
Cash equivalents				
Certificate of deposits with maturity of less than 3 months from date of acquisition	–	–	–	1,209.16
Commercial paper with maturity of less than 3 months from date of acquisition	–	–	–	197.13
	–	–	1.04	1,406.98
Other bank balances				
In unclaimed dividend account	–	–	4.92	14.55
Share of unclaimed dividend account of joint venture	–	–	0.84	1.24
Deposits with residual maturity for less than 12 months (share of joint venture)	2.08	–	–	0.24
Deposits with residual maturity for more than 12 months (share of joint venture)	–	6.45	5.73	–
	2.08	6.45	11.49	16.03
Amount disclosed under 'other non-current assets' [See note 11]	(2.08)	(6.45)	–	–
	–	–	12.53	1,423.01

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

15 Revenue from operations

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Sale of products (share of joint venture)	2.29	2.42
Less: Excise duty on sale of products (share of joint venture)	0.25	0.27
Net sales (share of joint venture)	2.04	2.15
Other operating revenue		
Interest		
Interest income on		
Bank deposits	–	4.39
Share of bank deposits of joint venture	0.62	0.58
Long-term investments	174.64	220.80
Share of long-term investments of joint venture	1.73	1.74
Current investments	23.03	–
Share of others of joint venture	0.03	0.05
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	7.92	5.79
Current investments	27.79	13.22
Share of amortisation of (premium)/discount on acquisition of fixed income securities of joint venture	–	0.01
	235.76	246.58
Other financial services		
Dividend income on		
Long-term investments	51.93	64.11
Share of long-term investments of joint venture	1.74	22.88
Profit on sale of investments, net	531.43	113.91
Share of profit on sale of investments, net of joint venture	0.72	0.59
Share of surplus on redemption of securities, net of joint venture	0.12	0.10
Provision for diminution in value of investments write back	–	3.14
Income from real estate and other funds	1.66	–
	823.36	451.31
Other reveune from operations		
Rent from investment property	16.71	16.38
	840.07	467.69
	842.11	469.84

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

16 Other income

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Miscellaneous receipts	2.81	4.50
Share of miscellaneous receipts of joint venture	5.04	0.02
Provision no longer required	0.12	2.33
	7.97	6.85

17 Cost of raw material and components consumed

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Raw materials and boughtout items (share of joint venture)	1.10	0.92
	1.10	0.92

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

₹ In Crore

Particulars	For the year ended 31 March 2017	2016	(Increase)/ decreasse
Inventories at the end of the year			
Work-in-progress	0.24	0.07	(0.17)
Finished goods	–	–	–
	0.24	0.07	(0.17)
Inventories at the beginning of the year			
Work-in-progress	0.07	0.26	0.19
Finished goods	–	–	–
	0.07	0.26	0.19
	(0.17)	0.19	

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

19 Employee benefits expense

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Salaries, wages and bonus to employees	5.30	3.79
Share of salaries, wages and bonus to employees of joint venture	1.51	1.62
Remuneration to whole time-director	11.52	9.12
Contribution to provident and other funds	1.90	1.47
Share of contribution to provident and other funds of joint venture	0.29	0.17
Staff welfare expenses	0.08	0.05
Share of staff welfare expenses of joint venture	0.16	0.13
	20.76	16.35

20 Depreciation and amortisation

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Depreciation on tangible assets	0.16	0.19
Share of depreciation on tangible assets of joint venture	0.13	0.18
Depreciation on investment property	5.09	5.09
Amount written off against leasehold land	0.01	0.02
	5.39	5.48

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

21 Other expenses

₹ In Crore

Particulars	For the year ended 31 March 2017	2016
Share of stores and tools consumed of joint venture	0.10	0.09
Share of power, fuel and water of joint venture	0.15	0.12
Repairs to buildings	1.33	1.37
Share of repairs to buildings of joint venture	0.04	0.08
Repairs to machinery (previous year ₹ 14,594)	–	
Share of repairs to machinery of joint venture	0.08	0.04
Share of repairs to others of joint venture	0.09	0.08
Rent	0.01	0.01
Rates and taxes	1.59	1.59
Share of rates and taxes of joint venture	0.01	0.01
Insurance	0.06	0.07
Share of insurance of joint venture	0.01	0.01
Payment to auditor	0.16	0.13
Share of payment to auditor of joint venture	0.03	0.03
Directors' fees and travelling expenses	0.98	0.41
Share of directors' fees and travelling expenses of joint venture	0.03	0.03
Commission to non-executive directors	1.10	0.80
Expenditure towards Corporate Social Responsibility (CSR) activities	7.62	7.03
Share of expenditure towards Corporate Social Responsibility (CSR) activities of joint venture	0.03	0.03
Miscellaneous expenses	19.18	11.78
Share of miscellaneous expenses of joint venture	0.14	0.14
Provision for diminution in value of investments	160.00	–
	192.74	23.85

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 individual financial statements, which fairly present the needed disclosures.

23 The accounting policies, notes and disclosures made by the parent are best viewed in its standalone financial statements to which these consolidated financial statements are attached. Differences in accounting policies followed by the other entities consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not significant.

Notes to consolidated financial statements for the year ended 31 March 2017 (Contd.)

24 Contingent liabilities

(₹ In Crore)

Particulars	As at 31 March 2017	As at 31 March 2016
i) Claims against the Company not acknowledged as debts (including ₹ 150.98 crore (previous year ₹ 153.45 crore) being share of joint venture and associate)	151.02	153.49
ii) Taxes, duties and other sums due (including ₹ 990.60 crore (previous year ₹ 509.77 crore) being share of joint venture and associate)	1,388.77	906.75
iii) Claims made by temporary workmen (of associate)	Liability unascertained	Liability unascertained
iv) Claims, under policies, not acknowledged as debts (being share of associate)	20.76	10.43
v) Guarantees given on behalf of Company (being share of associate)	3.18	1.30

25 Capital and other commitments

(₹ In Crore)

Particulars	As at 31 March 2017	As at 31 March 2016
Capital Commitments to the extent not provided for, net of capital advances (being share of joint venture and associate)	132.93	101.04

26 Consolidated related party transactions are same as related party transactions of standalone Bajaj Holdings & Investment Ltd.

Notes to consolidated financial statements for the year ended 31 March 2017 (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.	41.18%	7,336.23	21.77%	538.18
2 Subsidiaries (Indian):				
Bajaj Auto Holdings Ltd.	0.31%	54.93	–	0.06
(Less): Minority interests in all subsidiaries	–	–	–	–
(Less): Inter-company eliminations	–	(0.25)	–	–
3 Associates (Investment as per equity method) (Indian):				
Bajaj Auto Ltd.	29.37%	5,233.15	44.02%	1,088.79
Bajaj Finserv Ltd.	34.89%	6,219.16	35.93%	888.71
(Less): Inter-company eliminations	(6.18%)	(1,101.05)	(1.84%)	(45.56)
4 Joint venture (as per proportionate consolidation method) (Indian):				
Maharashtra Scooters Ltd.	0.44%	77.88	0.12%	3.01
(Less): Inter-company eliminations	(0.01%)	(2.15)	–	–
Total	100.00%	17,817.90	100.00%	2,473.19

28 Previous year figures

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

29 Miscellaneous

₹ 1 crore is equal to ₹ 10 million.

In terms of our report of even date

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 18 May 2017

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Naresh Chandra
Chairman - Audit Committee

Salient features of the financial statements of subsidiaries for the year ended 31 March 2017

Form AOC-1: In accordance with section 129(3) of the Companies Act, 2013, the salient features of the financial statements of subsidiaries are 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 2016 to 31 March 2017
c	Paid-up share capital	0.25
d	Reserves and surplus	54.68
e	Total assets	54.95
f	Total liabilities	54.95
g	Investments	53.15
h	Turnover	0.19
i	Profit before tax	0.04
j	Provision for tax	0.01
k	Profit after tax (including tax credits pertaining to earlier year ₹ 0.03 crore)	0.06
l	Proposed Dividend	4000%
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 2017	31 March 2017	31 March 2017
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	5,233.15	6,219.16	77.88
g	Profit/(loss) for the year			
	– Considered in consolidation	3,457.68	2,261.92	12.56
	– Not considered in consolidation	–	–	–

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Vallari Gupte
Company Secretary

Naresh Chandra
Chairman - Audit Committee

Pune: 18 May 2017

Notes

Notes

BAJAJ

Bajaj Holdings & Investment Limited
Akurdi, Pune - 411 035, India.
www.bhil.in

BAJAJ HOLDINGS & INVESTMENT LTD.
CIN: L35911PN1945PLC004656

Registered office:
Mumbai-Pune Road, Akurdi, Pune 411 035.
Email: investors@bhil.in,**website:** www.bhil.in
Phone: (020) 2747 2851, **Fax:** (020) 2740 7380

NOTICE

Notice is hereby given that the seventy second annual general meeting of the shareholders of Bajaj Holdings & Investment Ltd. will be held on **Thursday, 20 July 2017** at **4.00 p.m.** at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the standalone financial statements and the consolidated financial statements of the Company for the year ended 31 March 2017, together with the Directors' and Auditors' Reports thereon.

2. To declare a dividend.

3. To appoint a director in place of Madhur Bajaj (DIN 00014593), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

4. To consider and if thought fit to pass, with or without modifications, the following resolution as an **ordinary resolution:**

   "RESOLVED that pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) be and are hereby appointed as Statutory Auditors of the Company in place of Dalal & Shah LLP, Chartered Accountants (Firm Registration No. 102021W/W100110) who shall hold office for a period of five years, from the conclusion of this annual general meeting until the conclusion of the seventy seventh annual general meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, on a remuneration of ₹ 650,000 (Rupees six lakh fifty thousand only) plus taxes thereon and reimbursement of travelling and other out-of-pocket expenses for the year 2017-18.

   "RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS:

5. To consider and if thought fit to pass, with or without modifications, the following resolution as a **special resolution:**

   "RESOLVED that pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder and Schedule V thereto (including any amendment(s) thereto or re-enactment thereof for the time being in force) approval be and is hereby given to the re-appointment of Sanjiv Bajaj (DIN 00014615) as the Managing Director of the Company for a term of five years commencing from 1 April 2017 till 31 March 2022 on the terms and conditions including remuneration and minimum remuneration in the event of absence or inadequacy of profits as set out in the explanatory statement relating to this resolution and in the agreement entered into between the Company and Sanjiv Bajaj, which agreement is hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Sanjiv Bajaj.

"FURTHER RESOLVED that in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the Company and Sanjiv Bajaj be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the general meeting.

"AND FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

By order of the Board of Directors
for Bajaj Holdings & Investment Ltd.



Vallari Gupte
Company Secretary

Pune: 18 May 2017

NOTES:

1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UP TO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.

2 During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.

3 Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.

4 Brief details of the director, who is seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the SEBI Listing Regulations, 2015.

5 Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from **Saturday, 8 July 2017** to **Thursday, 20 July 2017,** both days inclusive.

6 Subject to the provisions of section 126 of the Companies Act, 2013, dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between **24 July 2017** and/or **25 July 2017** as under:

a) 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, 7 July 2017;** and

b) 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. ('Karvy')) on or before the close of business hours on **Friday, 7 July 2017.**

7 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 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.

8 **To ensure timely credit of dividend through the electronic mode or dividend warrants/payment instruments, members are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR/relevant details, a photocopy of a 'cancelled' cheque of the bank account and self-attested copy of Permanent Account Number (PAN) card, to the respective depository participant, in case of shares held in demat mode and to the share transfer agent of the Company, in case of shares held in physical mode, on or before 7 July 2017.**

9 To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.

10 The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every person dealing in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Karvy.

11 In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Board Report etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.

12 **To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their email address with Karvy Computershare Pvt. Ltd. on - mohsin.mohd@karvy.com**

13 With a view to help us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

14 Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

15 Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, up to the date of the meeting.

16 The Company has been maintaining, inter alia, the following statutory registers at its registered office at Akurdi, Pune, which are open for inspection in terms of the applicable provisions of Companies Act, 2013 by members and others as specified below:

i) Register of contracts or arrangements in which directors are interested under section 189 of the Companies Act, 2013, on all working days during business hours. The said register shall also be produced at the commencement of the annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

ii) Register of directors and key managerial personnel and their shareholding under section 170 of the Companies Act, 2013, on all working days during business hours. The said register shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to any person attending the meeting.

17 Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the website of the Company) with the Company's share transfer agent. In respect of shares held in electronic form, the members may please contact their respective depository participant.

18 In terms of section 124(5) of the Companies Act, 2013, dividend amount for the year ended 31 March 2010 remaining unclaimed for a period of seven years shall become due for transfer in August 2017 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF demat account.

Members who have not claimed dividends in respect of the financial years from 2009-10 onwards are requested to approach the Company/Karvy for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.

19 Corporate members are requested to send in advance, a duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend the annual general meeting.

20 Members/Proxies are requested to bring the attendance slip/proxy form duly filled and signed for attending the meeting. Proxies are requested to bring their identity proof to the meeting for the purpose of identification.

21 Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.

22 Route map for directions to the venue of the meeting is available on http://www.bhil.in/pdf/agm_route_map.pdf

23 For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.

24 **Voting through electronic means –**

In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, 2015, the Company is providing remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on **13 July 2017** (end of day) being the **Cut-off date** for the purpose of rule 20(4)(vii) of the Rules fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by Karvy Computershare Pvt. Ltd. (Karvy) or to vote at the annual general meeting. Person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

The instructions for remote e-voting are as under:

A. For members who receive Notice of annual general meeting through email:

i. Use the following URL for e-voting: https://evoting.karvy.com

ii. Enter the login credentials i.e., user id and password mentioned in your email. Your Folio No./DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.

iii. After entering the details appropriately, click on LOGIN.

iv. You will reach the Password change menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$ etc.). **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the EVENT i.e., **Bajaj Holdings & Investment Ltd.**

vii. On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution then enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times, till you have confirmed that you have voted on the resolution.

x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutiniser through email cssdlimaye@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'Corporate Name_EVENT No.'

xi. Remote e-voting facility where members can cast their vote online shall be open from **17 July 2017 (9.00 a.m.)** till **19 July 2017 (5.00 p.m.)** and at the end of remote e-voting period, the facility shall forthwith be blocked.

xii. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of https://evoting.karvy.com or call Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).

B. For members who receive the Notice of annual general meeting in physical form:

Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the e-voting facility for which the User Id and initial password are provided on the attendance slip. Please follow steps from Sl. No. (i) to (xii) under heading A above to vote through e-voting platform.

C. Voting facility at Annual General Meeting

i. In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the annual general meeting, through electronic voting system and members attending the meeting, who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting.

ii. Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again.

D. General Instructions:

i. The Board of Directors has appointed Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572) as the scrutiniser to the e-voting process (including voting through ballot form received from the members) and voting at the venue of the annual general meeting in a fair and transparent manner.

ii. The scrutiniser shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

iii. The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutiniser's report shall be placed on the Company's website www.bhil.in and on the website of Karvy – https://evoting.karvy.com, and shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the annual general meeting of the Company scheduled to be held on **Thursday, 20 July 2017.**

ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS, 2015

Item No. 3 of the Notice

Madhur Bajaj (DIN 00014593)

As regards re-appointment of Madhur Bajaj referred to in Item No. 3 of the Notice, the following necessary disclosures are made for the information of the shareholders:

Information about the appointee:

Brief profile

Madhur Bajaj (b. 19 August 1952) graduated in commerce from Sydenham College, Bombay, in 1973, and did his MBA from the International Institute of Management Development (IMD), Lausanne, Switzerland, in 1979. He is the recipient of the Vikas Rattan Award from the International Friendship Society of India, for enriching human life and outstanding achievements.

He is the Past President of SIAM, the apex association of Indian automobile manufacturers as also the Past President of Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA), the apex Industries Association of Pune. He is also the past Chairman of the Western Region of the Confederation of Indian Industry (CII). He is currently a National Council Member of CII.

Major Directorships

Maharashtra Scooters Ltd. – Chairman
Bajaj Auto Ltd. – Vice Chairman
Bajaj Holdings & Investment Ltd.
Bajaj Finserv Ltd.
Bajaj Electricals Ltd.
Bajaj Finance Ltd.

Committee Position: Nil

Shareholding in the Company

He holds 1,899,876 equity shares of ₹ 10 each in the Company as on 31 March 2017.

Madhur Bajaj is not disqualified from being appointed as director in terms of section 164 of the Act and is eligible for payment of sitting fee and commission, as payable to non-executive directors of the Company.

Disclosures of his relationship inter-se with other directors (none) and details on the number of Board meetings attended by him are given in the Corporate Governance Report.

None of the directors or key managerial personnel or their relatives, except Madhur Bajaj, is concerned or interested in the said resolution.

The Board commends the ordinary resolution set out in Item No. 3 of the Notice for approval by shareholders.

BRIEF INFORMATION ABOUT THE AUDITORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING

Item No. 4 of the Notice

As regards appointment of statutory auditors referred to in Item No. 4 of the Notice, following disclosures are made for the information of the shareholders:

The current auditors, viz. Dalal & Shah LLP, Chartered Accountants (Firm Registration No. 102021W/W100110) were last re-appointed by the Members at their annual general meeting held on 17 July 2014 to hold the office of auditor from the conclusion of the sixty ninth annual general meeting till the conclusion of this seventy second annual general meeting.

As per the provisions of section 139 of Companies Act, 2013, no listed company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided for an additional transition period of three years from the commencement of the Act i.e. 1 April 2014. The current auditors, Dalal & Shah LLP, had completed a period of ten years at the commencement of the said Act. Hence, on their completing the additional transition period of three years provided under the Act, their term expires at the conclusion of the ensuing annual general meeting.

The Board of Directors at its meeting held on 18 May 2017, based on the recommendation of the Audit Committee has recommended the appointment of S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/E300003), as the statutory auditors of the Company for approval by the members.

S R B C & Co LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of section 143 of the Act.

S R B C & Co LLP, Chartered Accountants, will be appointed as the statutory auditors of the Company from the conclusion of this annual general meeting till the conclusion of the seventy seventh annual general meeting, subject to ratification of their appointment by the members at every intervening annual general meeting on such terms and conditions as may be mutually agreed.

Brief profile of the Auditors is as under:

S R B C & Co LLP (Firm Registration No. 324982E/E300003) is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 2002 and is a limited liability partnership firm ('LLP') incorporated in India, having its registered office at 22, Camac Street, Kolkata and has 11 branch offices in various cities in India. It has valid Peer Review certificate and is part of S. R. Batliboi & Affiliates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients.

None of the directors or key managerial personnel or their relatives are concerned or interested in the said resolution.

The Board commends the ordinary resolution set out in Item No. 4 of the Notice for approval by shareholders.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 of the Notice

On the recommendations made by the Nomination and Remuneration Committee, the Board at the meeting held on 16 March 2017 re-appointed Sanjiv Bajaj as the Managing Director of the Company for a period of five years with effect from 1 April 2017 till 31 March 2022 and approved the terms of remuneration mentioned hereinbelow at its meeting held on 18 May 2017, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof.

1. Salary

₹ 3,180,000 (Rupees thirty one lakh eighty thousand only) per month, in the scale of ₹ 3,000,000 to ₹ 8,500,000 per month, with such annual increments/increases as may be decided by the Board of Directors from time to time.

2. Commission

Payable for each financial year, subject to such ceilings as may be set out in the Companies Act, 2013 and subject to such ceiling as may be fixed by the Board of Directors from time to time. The amount of commission shall be payable after the annual accounts are approved by the Board of Directors and adopted by the shareholders.

3. Perquisites

i. Company's contribution to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income-tax Act.

ii. Gratuity at the rate of one month's salary, for each year of service.

iii. Leave with full pay as per the rules of the Company, encashment of unavailed leave being allowed.

iv. Free furnished residential accommodation with gas, electricity, water and furnishings.

v. Reimbursement of medical expenses incurred for self and family in India or abroad, including hospitalisation, nursing home and surgical charges and in case of medical treatment abroad, the air-fare and boarding/lodging expenses for patient and attendant.

vi. Reimbursement of actual travelling expenses for proceeding on leave from Pune to any place in India and return therefrom once a year in respect of himself and family.

vii. Reimbursement of membership fees for clubs in India or abroad, including any admission/life membership fees.

viii. Personal accident insurance policy in accordance with the scheme applicable to senior employees.

ix. Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, wrongful act or such other reason as may be approved by the Board of Directors from time to time.

x. Reimbursement of entertainment expenses incurred in the course of business of the Company.

xi. Free use of company's car for company's work as well as for personal purposes along with driver.

xii. Telephone, tele-fax and other communication facilities at Company's cost.

xiii. Subject to any statutory ceiling/s, the Managing Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

4. Valuation of perquisites

Perquisites/allowances shall be valued as per Income-tax Rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

5. Minimum remuneration

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Managing Director shall, subject to the approval of the Central Government, if required, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time.

6. Computation of ceiling

The following shall not be included in the computation of perquisites for the purposes of the ceiling:

a) Contribution to Provident and Superannuation Funds referred to in para 3 (i) above.

b) Gratuity payable as per para 3 (ii), to the extent of half a month's salary for each completed year of service.

c) Encashment of leave as per para 3 (iii) above.

7. Other terms

In the event of any change taking place in the relevant laws, rules, schedules, regulations or guidelines or in the event of their being withdrawn, repealed, substituted or differently interpreted at any time hereafter, the Board of Directors of the Company, including Committee of the Board, if necessary, may revise the terms of remuneration (including minimum remuneration) and perquisites as set out hereinabove and add to, change or delete any of the said terms, if agreed to by the Chairman.

Information about the appointee

Sanjiv Bajaj, 47, is B.E. (Mech), first class with distinction (8th on merit list) from the University of Pune, M.Sc (Manufacturing Systems Engg) with distinction from the University of Warwick, UK and MBA from Harvard Business School, USA.

Since 2008, he is the Managing Director of Bajaj Finserv Ltd. Since 2013, he is the Chairman of Bajaj Allianz Life Insurance Company Ltd. and Bajaj Allianz General Insurance Company Ltd. and Vice Chairman of Bajaj Finance Ltd.

Bajaj Finserv operates in the insurance business through Bajaj Allianz Life Insurance Company Ltd. and Bajaj Allianz General Insurance Company Ltd., as well as in the lending business through Bajaj Finance Ltd. His role includes guiding the current businesses and building new ones in the financial services space.

Since 2012, he is Managing Director of Bajaj Holdings & Investment Ltd., where his role includes building the strategy and team, and guiding this investment company, which has almost ₹ 60,000 crore in cash and investments, including a stake of over 30% in Bajaj Auto Ltd. and around 40% in Bajaj Finserv Ltd.

He was former Executive Director of Bajaj Auto Ltd. (until 31 March 2012), having headed the Finance & Control, Legal & International Business functions of Bajaj Auto Ltd. over different periods from 1994 until 2012 and is currently its Non-executive Director.

He has won the following awards -

- Bombay Management Association (BMA) Entrepreneur of the Year Award 2015-16.
- Listed among 'India's Most Valuable CEOs' by Business World in 2015-16.
- EY Entrepreneur of the Year (EOY) Award 2014 in Financial Services by Ernst and Young.
- Selected as one of India Inc's hundred most powerful CEOs in India by Economic Times' Corporate Dossier magazine in its 2009 survey conducted by IMRB International.
- Business Today magazine's Best CFO Awards 2005 as one of the top CFOs of India for 2005.

Details of his directorships across all the companies and committee positions in other public limited companies:

Chairmanships

Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.

Directorships

Bajaj Finance Ltd. – Vice Chairman
Bajaj Finserv Ltd. – Managing Director
Bajaj Holdings & Investment Ltd. – Managing Director
Bajaj Auto Ltd.
Maharashtra Scooters Ltd.
The Hindustan Housing Company Ltd.
Jeewan Ltd.
Bajaj Auto Holdings Ltd.
Bachhraj and Company Pvt. Ltd.
Bachhraj Factories Pvt. Ltd.
Bajaj Sevasharam Pvt. Ltd.
Jamnalal Sons Pvt. Ltd.
Kamalnayan Investment and Trading Pvt. Ltd.
Rupa Equities Pvt. Ltd.
Sanraj Nayan Investments Pvt. Ltd.

Committee positions

Bajaj Finserv Ltd.
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Bajaj Finance Ltd.
Maharashtra Scooters Ltd.

He holds 1,362,724 equity shares of ₹ 10 each in the Company as on 31 March 2017.

Disclosures of his relationship inter-se with other directors and details on the number of Board meetings attended by him are given in the Corporate Governance Report.

He was first appointed on the Board on 15 September 2004 and his last drawn remuneration during the year 2016-17 was ₹ 2,400,000 per month plus perquisites and commission. More details are available in the Annual Report.

This resolution is being proposed as a special resolution in view of the relevant provisions of Schedule V to the Companies Act, 2013 requiring a special resolution for payment of minimum remuneration in the event of loss or inadequacy of profits. The proposed remuneration is in accordance with the Remuneration Policy of the Company.

The Company has entered into an agreement with Sanjiv Bajaj laying down, inter alia, the terms of remuneration referred to above and the powers and authorities delegated to him. Copy of the said agreement is available for inspection by the members at the registered office of the Company during business hours on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, up to the date of the meeting.

None of the Directors/key managerial personnel and/or their relatives, except Sanjiv Bajaj, Rahul Bajaj and Rajiv Bajaj, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of remuneration that may be received by them and their respective shareholding, if any, in the Company, in the resolution set out in Item No. 5 of the Notice.

The Board commends the special resolution set out in Item No. 5 of the Notice for approval by shareholders.

By order of the Board of Directors
for Bajaj Holdings & Investment Ltd.



Vallari Gupte
Company Secretary

Pune: 18 May 2017

BAJAJ HOLDINGS & INVESTMENT LTD.
(CIN: L35911PN1945PLC004656)
Registered office:
Mumbai-Pune Road, Akurdi, Pune 411 035.
Email: investors@bhil.in,**website**:www.bhil.in
Phone: (020) 2747 2851, **Fax:** (020) 2740 7380

PROXY FORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

CIN : L35911PN1945PLC004656
Name of the Company : Bajaj Holdings & Investment Ltd.
Registered office : Mumbai Pune Road, Akurdi, Pune 411 035

Name of the member(s): : _____
Registered address: : _____
E-mail ID: : _____
Folio No/Client ID: : _____
DP ID: : _____

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

(1) Name : _____ Address : _____
E-mail ID: _____ Signature : _____ or failing him;

(2) Name : _____ Address : _____
E-mail ID: _____ Signature : _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the SEVENTY SECOND annual general meeting of the Company, to be held on **Thursday, 20 July 2017** at **4.00 p.m.** at Mumbai-Pune Road, Akurdi, Pune 411 035 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description	For	Against
	Ordinary Business		
1	Adoption of financial statements for the year ended 31 March 2017 and Directors' and Auditors' Reports thereon		
2	Declaration of dividend of ₹ 32.50 per equity share, for the year ended 31 March 2017		
3	Re-appointment of Madhur Bajaj, who retires by rotation		
4	Appointment of S R B C & Co LLP, Chartered Accountants, as Statutory Auditors and fixing their remuneration for the year 2017-18		
	Special Business		
5	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		

Signed this_____ day of _____ 2017

Affix revenue stamp of ₹ 1

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. **This form of proxy in order to be effective should be duly completed, signed, stamped and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. **As provided under regulation 44 of the SEBI Listing Regulations, 2015, shareholder may vote either for or against each resolution.**

BAJAJ HOLDINGS & INVESTMENT LIMITED
(CIN: L35911PN1945PLC004656)
Registered office:
Mumbai - Pune Road, Akurdi, Pune 411 035
E-mail: investors@bhil.in
Website: www.bhil.in
Phone: (020) 27472851; **Fax**: (020) 27407380

ATTENDANCE SLIP

Reg. Folio No./DP Id No./Client Id No. :

Name & Address :

Name(s) of Joint Member(s),if any :

No. of Shares held :

I/We certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/We hereby record my/our presence at the SEVENTY SECOND annual general meeting of the Company on **Thursday, 20 July 2017** at **4.00 p.m.** at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035.

Signature of First holder/Proxy/Authorised Representative

Signature of Joint holder(s)

Place:
Date:

Notes:

1. Please sign this attendance slip and hand it over at the meeting venue.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.

E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

EVEN (E-VOTING EVENT NO.)	USER ID	PASSWORD

Note:

Please follow steps for remote e-voting procedure as given in the Notice of AGM by logging on to- **https://evoting.karvy.com** and the same is available on Company's website **www.bhil.in**

Business Responsibility Report

Section A General information about the Company

1	Corporate Identification Number	L35911PN1945PLC004656
2	Name of the Company	Bajaj Holdings & Investment Ltd.
3	Registered Address	Mumbai-Pune Road, Akurdi, Pune 411 035
4	Website	www.bhil.in
5	Email Address	investors@bhil.in
6	Financial year reported	1 April 2016 – 31 March 2017
7	Sector(s) that the Company is engaged in	Investment activity (NIC Code – 6430)
8	Three key products/services manufactured/ provided by the Company	Investment activity (NIC Code – 6430)
9	Total number of locations where business activity is undertaken by the Company	Three Locations – Akurdi (Pune), Viman Nagar (Pune) and Bandra-Kurla Complex (Mumbai)
10	Markets served by the Company	India

Section B Financial details of the Company

1	Paid up capital	₹ 111.29 crore
2	Total turnover	₹ 888.43 crore
3	Total profit after tax	₹ 538.18 crore
4	Total spending on CSR as percentage of PAT (%)	Refer Annual Report on CSR activities
5	List of the activities in which expenditure in 4 above has been incurred	Refer Annual Report on CSR activities

Section C Other details

1	Does the Company has any Subsidiary Company/Companies?	Yes. The Company has only one subsidiary Bajaj Auto Holdings Ltd.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities [Less than 30%, 30-60%, More than 60%]	Not applicable

Section D	BR information	
1	Details of Director(s) responsible for BR	
a.	Details of the Director responsible for implementation of the BR Policy:	
	DIN Number	00014615
	Name	Sanjiv Bajaj
	Designation	Managing Director
b.	Details of the BR head:	
	DIN Number (if applicable)	Not applicable
	Name	Anant Marathe
	Designation	Chief Financial Officer
	Telephone number	(020) 3040 5712
	Email address	agmarathe@bhil.in
2	Principle-wise BR policy/policies	Included in this report
3	Governance related to BR	Included in this report

Section E	Principle-wise performance	
1	Principle-wise performance	Included in this report

Preface

As mandated by Securities and Exchange Board of India (SEBI) w.e.f. 1 April 2016, India's top 500 listed entities based on market capitalisation on the BSE and NSE, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report for the year 2016-17. This Report is required to be in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

Bajaj Holdings & Investment Ltd. ('BHIL/the Company'), to whom the said requirement became applicable for the first time for the financial year 2016-17, presents its first BRR in line with the NVGs and the BRR requirement of SEBI. The business responsibility performance of the Company is assessed annually by BHIL's Board of Directors.

BHIL is a holding and investment company. It holds strategic stakes of 31.54% in Bajaj Auto Ltd. (BAL), 39.29% in Bajaj Finserv Ltd. (BFS) and 24% in Maharashtra Scooters Ltd. (MSL) and other investments.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

BHIL adheres to all applicable guidelines and strives to adopt high standards of corporate governance. BHIL has put in place a Code of Conduct for its Directors and Senior Management personnel which was last updated on 10 September 2014. It is available on the Company's website. The Company has also established a Whistle Blower Policy, which provides a mechanism for an individual to report violations without fear of victimisation. These may be violation of the Code of Conduct, suspected or actual fraud, unethical behaviour etc. Adequate measures are in place to ensure safeguards against victimisation for employees who report any unethical behaviour.

No stakeholder complaints with respect to the Company's Code of Conduct and Whistle Blower Policy were received in the reporting year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

BHIL is a holding and investment company and is not involved in any manufacturing activity or services under the purview of BRR.

Principle 3: Businesses should promote the well-being of all employees

As of 31 March 2017, BHIL had a total employee strength of ten. This also included three women employees. The Company did not have any employees with disabilities or any recognised employee association. The Company is committed to employee welfare as it believes that employees are its greatest operational strength. BHIL invests in the growth and development of all its employees through relevant trainings and engages with them on a regular basis.

BHIL has policies and procedures in place to prevent any kind of discrimination. It has adopted a 'Policy on Prevention of Sexual Harassment at Workplace'. The Company did not receive any complaint relating to child labor, forced labor, involuntary labor or sexual harassment during the year 2016-17 and none are pending as of 31 March 2017.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

BHIL is an equal opportunity employer. Remuneration practices are based on merit without regard to the person's ethnic background or gender and are periodically updated based on market benchmarks. The Company ensures there is no discrimination of any type against socially disadvantaged sections in the work place.

Principle 5: Businesses should respect and promote human rights

BHIL is dedicated to uphold the human rights of all its employees and it strictly ensures compliance with all applicable laws of the land pertaining to human rights. The Company did not receive any complaint relating to violation of human rights during the year 2016-17.

Principle 6: Business should respect, protect, and make efforts to restore the environment

BHIL is committed to conduct its business in a manner that protects the natural environment. Given that BHIL is a holding and investment company with no direct business operations under the BRR purview, the Company does not have any significant direct environmental impacts.

The Company's office in Mumbai has the following systems for energy conservation:

- APFC panel for power factor correction
- Use of LED lights
- Automatic chemical dosing for chiller

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

As a member of the World Economic Forum (WEF), BHIL actively engages in policy advocacy through a proactive contribution to the discussions and resolutions within the scope of the platform. The Company engages in areas such as governance and administration, economic reforms, inclusive development policies, among others through its participation in the above body. The Company regularly puts forward its views on setting of new industry standards and regulatory developments pertaining to the non-banking finance sector. While making recommendations, BHIL attempts to balance the interests of various stakeholders.

Principle 8: Businesses should support inclusive growth and equitable development

The activities of the Bajaj Group are guided by the vision and philosophy of its founding father, late Jamnalal Bajaj. He embodied the concept of trusteeship in business and common good, thus laying the foundation for ethical, value-based, transparent functioning. Under his leadership, the Group has embedded philanthropy into its business growth and views it as an integral part of the organisation's culture.

BHIL's CSR activities include this philosophy's core elements such as ethical functioning, respect for all stakeholders and protection of human rights and care for the environment.

In 2016-17, the Company spent ₹ 7.53 crore, as required under section 135 of the Companies Act, 2013, for which project/s, mainly in the field of Education, were being implemented by directly contributing to various educational organisations/institutes or through NGOs - with further support from local authorities and business associations, wherever deemed necessary.

For more information, refer to the Report on CSR activities as contained in the Annual Report 2016-17.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

BHIL being a holding and investment company does not have any direct customers under the scope of the BRR.