BAJAJ
Distinctly Ahead

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26 July 2018

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

BSE Code: 532977

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

NSE Code: BAJAJ-AUTO

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 2017-18, including the 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 Auto Limited**,

Dr.J Sridhar
Company Secretary

Encl. A/a

11th ANNUAL REPORT 2017-18

BAJAJ

Bajaj Auto Limited

Since 1945



RIDDEN IN OVER 70 COUNTRIES ACROSS THE WORLD,
THE SUN NEVER SETS ON A BAJAJ MOTORCYCLE.





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Board of Directors

Rahul Bajaj, Chairman
Madhur Bajaj, Vice Chairman
Rajiv Bajaj, Managing Director
Pradeep Shrivastava,
Executive Director
Sanjiv Bajaj
Shekhar Bajaj
D J Balaji Rao
D S Mehta
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Dr. Gita Piramal
Dr. Naushad Forbes
Dr. Omkar Goswami
Anami Roy

Audit Committee

Nanoo Pamnani, Chairman
D J Balaji Rao
Dr. Naushad Forbes
Dr. Gita Piramal

Stakeholders Relationship Committee

D J Balaji Rao, Chairman
Dr. Gita Piramal
Dr. Omkar Goswami

Nomination and Remuneration Committee

D J Balaji Rao, Chairman
Rahul Bajaj
Dr. Gita Piramal
Dr. Naushad Forbes

Corporate Social Responsibility Committee

Rahul Bajaj, Chairman
Rajiv Bajaj
Nanoo Pamnani
Pradeep Shrivastava

Risk Management Committee

Nanoo Pamnani, Chairman
D J Balaji Rao
Kevin D'sa, CFO

Duplicate Share Certificate Issuance Committee

Rahul Bajaj, Chairman
Rajiv Bajaj
Sanjiv Bajaj

Management

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Pradeep Shrivastava
Executive Director

Abraham Joseph
Chief Technology Officer

Rakesh Sharma
President (International Business)

R C Maheshwari
President (Commercial Vehicle Business)

Eric Vas
President (Motorcycle Business)

Kevin D'sa
President (Finance)-CFO

S Ravikumar
President
(Business Development and Assurance)

Amit Nandi
President (Probiking)

Ravi Kyran Ramasamy
President (Human Resources)

Subash Rao
President (Retail Finance)

C P Tripathi
Advisor (CSR)

Company Secretary

Dr. J Sridhar

Auditors

S R B C & CO LLP
Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye
Practising Company Secretary

Bankers

Central Bank of India
State Bank of India
Citibank N A
Standard Chartered Bank
Bank of America
ICICI Bank
HDFC Bank

Registered under the Companies Act, 1956

Registered Office

Mumbai-Pune Road,
Akurdi, Pune 411 035.

CIN: L65993PN2007PLC130076

Works

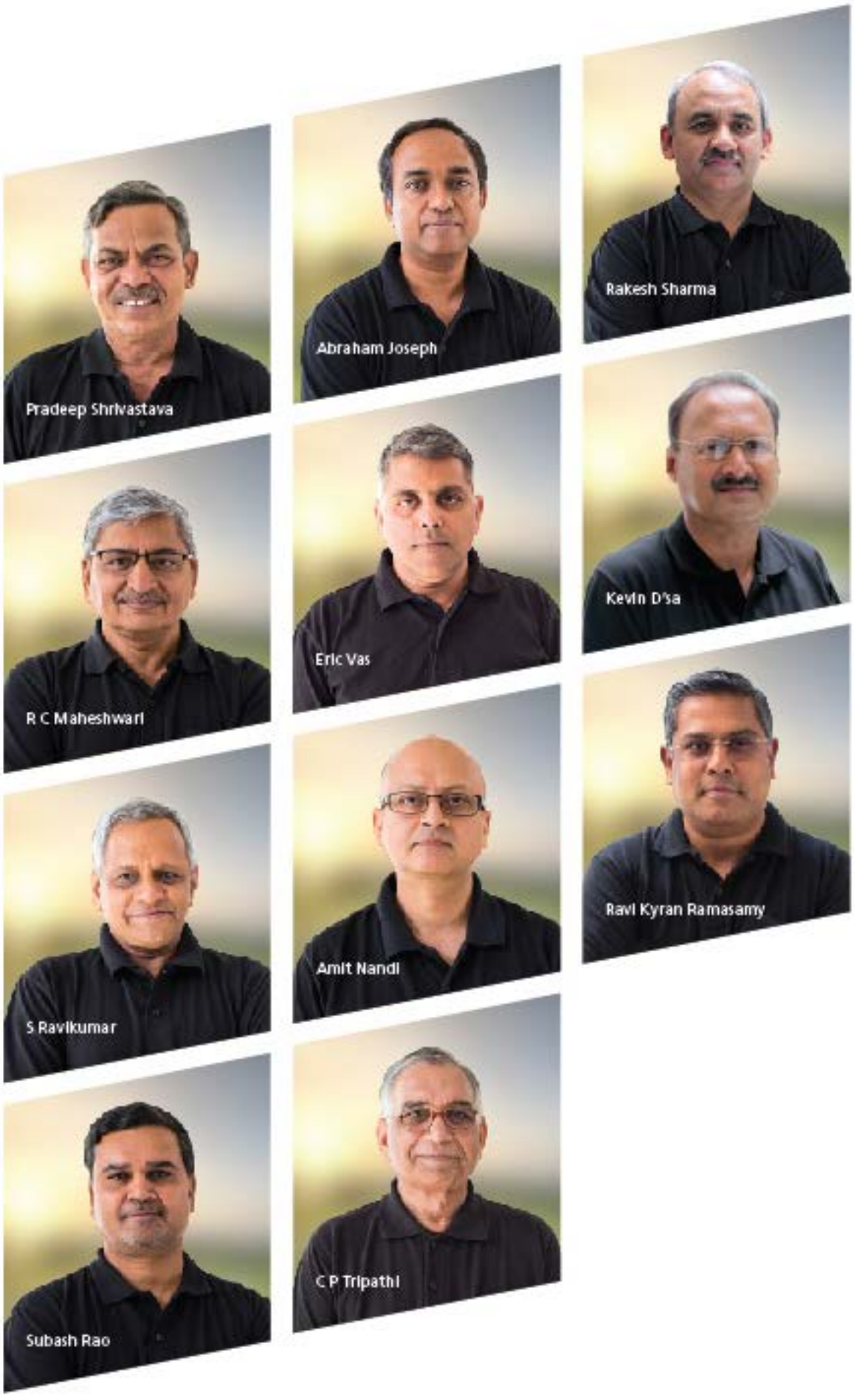
- Mumbai-Pune Road,
  Akurdi, Pune 411 035.
- Bajaj Nagar,
  Waluj, Aurangabad 431 136.
- Chakan Industrial Area,
  Chakan, Pune 410 501.
- Plot No.2, Sector 10,
  IIE Pantnagar,
  Udhamsinghnagar,
  Uttarakhand 263 531.

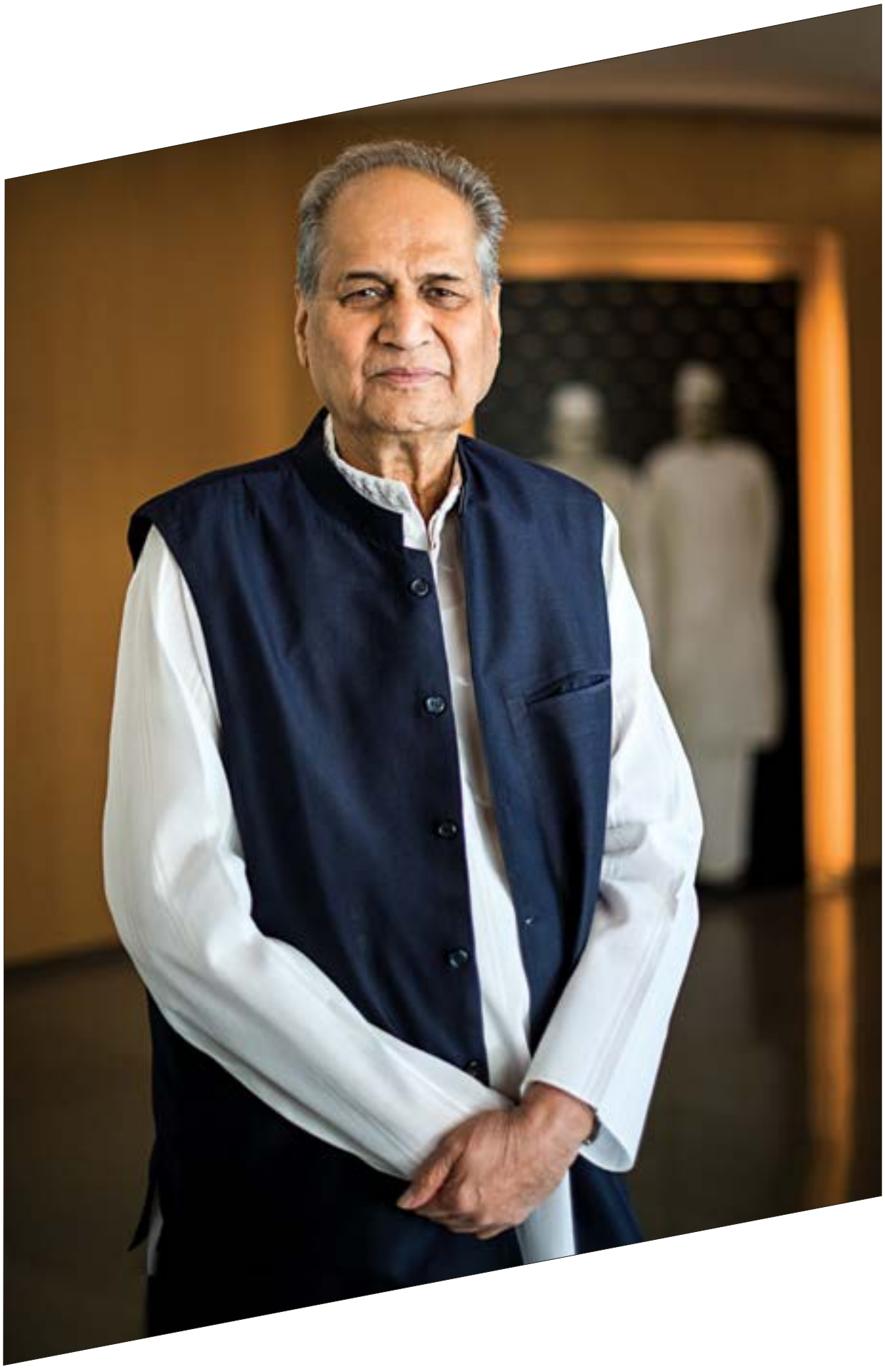


Rahul Bajaj
Chairman

Management Team




Pradeep Shrivastava
Abraham Joseph
Rakesh Sharma
R C Maheshwari
Eric Vas
Kevin D'sa
S Ravikumar
Amit Nandi
Ravi Kyran Ramasamy
Subash Rao
C P Tripathi



Chairman's Letter

Dear Shareholder,

As you know, I am neither a soothsayer nor its modern day avatar, an economist. Thus, I find it difficult to predict what a country's GDP growth will be like until the numbers are published and become known to all. Even so, I had somehow expected that we might cross 7% growth in FY2018. The citizens of the country certainly deserved it.

However, it looks as if I will be disappointed. The second advance estimate of national income released on 28 February 2018 by the Central Statistical Organisation of the Government of India has pegged India's real GDP growth for 2017-18 (FY2018) at 6.6%. If this is what we actually end up with, it will represent a deceleration of 50 basis points compared to 7.1% achieved in the previous year. The gross value added (GVA) estimates show a similar trend. Real GVA growth for FY2018 has been estimated at 6.4% versus 7.1% in FY2017.

I can think of many reasons why we may end up performing worse than the previous year. Of these, two are particularly important. The first is insufficient investments. Our share of gross fixed capital formation to GDP has been declining over the last six years and now stands at 31%. This is insufficient to bring about a steady-state growth of 7.5% to 8%. The second is the terrible state of our banks. Saddled by a huge overhang of bad loans or non-performing assets that have eroded their balance sheets and destroyed profits, most banks have neither the requisite financial strength nor the confidence to fund industrial growth. This is not only affecting the bigger players but, much more so, the medium and smaller scale corporate entities across India who are now hardpressed to secure necessary working capital let aside term loans for investments. Despite the benefits that ought to accrue from the new bankruptcy process in India, I do not see a quick resolution to this problem.

In this somewhat unhappy macro context, I am pleased that Bajaj Auto has performed creditably. Here are the key results for FY2018.

- Net sales increased by 15.6% to ₹ 24,700 crore — the highest ever for your Company.
- Operating earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 7.7% to ₹ 5,145 crore, which was also the highest ever.
- The operating EBITDA margin was 20.2% of net sales and operating income.
- Operating profit increased by 8.0% to ₹ 4,829 crore. The operating profit margin was 19.0% of net sales and operating income.
- Profit before tax (PBT) grew by 8.4% to ₹ 5,783 crore, and was the highest ever as well. As was profit after tax (PAT) — which increased by 6.3% to ₹ 4,068 crore.
- Surplus cash and cash equivalents as on 31 March 2018 was up by 25.7% to ₹ 15,542 crore.

Let me share with you two positive aspects of the FY2018 growth story.

The first has to do with exports. During the year, motorcycle exports grew by 14.5% and your Company sold 1.39 million bikes to customers abroad — thanks to concentrated efforts by the Management plus strong growth in Africa led by economic recovery in Nigeria, in the ASEAN owing to product launches in Philippines and entry into Malaysia, and in Latin America, especially in new countries such as Argentina. Commercial vehicle exports increased by 39% to over 267,000 units, led by a recovery in Egypt and your Company's sustained investments in other markets. In FY2018, exports fetched Bajaj Auto and the country US$1.36 billion in revenues — up by over 25% compared to the previous year.

The second good news relates to three-wheelers. Last year, this segment faced a severe demand crunch. That is a thing of the past. In FY2018, Bajaj Auto's domestic three-wheeler sales broke records to reach an all-time high of 369,637 units, representing a volume growth of 46% over FY2017. Consequently, your Company's market share in the domestic three-wheeler segment has shot up in the course of a single year from 49.5% in FY2017 to 58.1% in FY2018. For passenger carriers, the market share is higher still: up from 59.7% last year to 67.0% in FY2018.

I am particularly pleased with Bajaj Auto's performance in the goods carrier business, which it had entered just two years ago. In a short span of time, it has ramped up goods carrier sales from 1,325 units in FY2016 to 22,791 units in FY2018, and now accounts for over 19% market share of this segment in India.

Your Company could have done even better had it not been affected by a decline in domestic motorcycle sales. This was not on account of the market as a whole nor due to an overall lack of demand for all types and makes of motorcycles. Indeed, FY2018 saw domestic sales of motorcycles grow by 13.7% by volume. Your Company continued doing well at the entry-level segment with its CT 100, Platina and Discover 100/110, as well as in the sports and 'super-sports' segments with its Pulsars, Avengers, the Dominar 400 and the KTMs. However, it could not perform adequately in the large 'commuter' segment and sold less than what was expected.

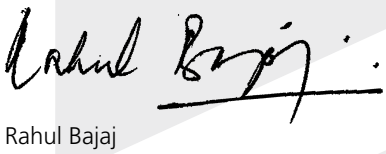
Hopefully, this gap will be taken care of in the next couple of years through existing and new products. This is a critical segment and, as I understand, your Managing Director and his team are expending considerable effort at bridging this gap. I wish them well and hope that they will overcome this challenge, as they have others in the past.

Last year I had written, "Bajaj Auto is a sound and profitable company. What we need is a year's uptick to take us on to a new growth trajectory. May that be FY2018." That uptick has hopefully begun. Now is the time to drive motorcycle sales, introduce the quadricycle in India, further grow the three-wheeler and export businesses and take your Company to new heights.

Please join me in asking your Managing Director and the Management to relentlessly aim higher. Because we deserve the best… and when that is achieved, to do even better.

My thanks to our customers, dealers, vendors and employees who have done their utmost for your Company. And to you for your continued support.

With best regards,



Rahul Bajaj
Chairman

18 May 2018

Management Discussion and Analysis

The second advance estimate of national income released by the Central Statistical Organisation (CSO) of the Government of India on 28 February 2018 has pegged India's real GDP growth for 2017-18 (or FY2018) at 6.6% — which represents a deceleration of 50 basis points compared to 7.1% of the previous year. The results are qualitatively similar when national income is measured in terms of gross value added (GVA) at constant prices. CSO estimates real GVA growth for FY2018 at 6.4% versus 7.1% in FY2017.

A cause for this deceleration of growth is insufficient investments. Gross fixed capital formation (GFCF) as a share of GDP fell from 31.7% in FY2015 to 31.1% in FY2016 to 29.2% in FY2017. Although there seems to have been an uptick in FY2018 to 31% of GDP, this is not enough to trigger a steady-state growth of 7.5% to 8%. The sluggishness in the investment to GDP ratio is partly due to continuing excess capacities; but it also reflects an uncertain environment where enterprises still do not see sufficient policy stability and growth in demand to warrant additional investment outlays.

This has been exacerbated with the huge overhang of non-performing loans across the banking system. As on 31 December 2017, gross non-performing loan assets (NPAs) of all banks in the country amounted to ₹ 840,958 crore in December 2017. Of this, gross NPAs on loans to industry were at ₹ 609,222 crore, or 20.4% of the gross advances. Provisioning for these loans in line with increasingly stringent prudential norms prescribed by the Reserve Bank of India (RBI) has severely affected bank profits, eroded balance sheets and led to a state where most, if not all, banks are reluctant to offer term loans as well as working capital advances. This has choked off funding for many companies which, in turn, has compromised growth.

One should add to this, consequences of demonetising ₹ 500 and ₹ 1,000 notes, which was announced on 8 November 2016. Although the negative effects of demonetisation no longer exist, it is a fact that GDP growth fell for three successive quarters: January-March 2017, April-June 2017 and July-September 2017. It is difficult to estimate how much of this deceleration was on account of demonetisation. But removing over 86% of the value of currency in circulation and substituting it with a slower injection of new notes created severe demand and cash constraints, which would have contributed to lower GDP growth.

Given this macroeconomic context, how did FY2018 play out for India's two- and three-wheeler industry?

Surprisingly, domestic sales of motorcycles performed exceptionally well. After a de-growth of 0.4% in FY2016 and a sluggish growth of 3.7% in FY2017, sales of motorcycles in India grew by 13.7% in FY2018 to exceed 12.6 million units. This was the fastest growth witnessed in the country since FY2011. Besides, motorcycle exports increased by 22.6% in FY2018 to 2.48 million units, which was a welcome change after two consecutive years of deceleration. In addition, ungeared scooters continued to perform very well, with domestic sales growing at 19.9% in FY2018.

As in motorcycles and ungeared scooters, three-wheelers also witnessed a substantial increase in domestic sales. The number of three-wheelers sold in India in FY2018 grew by 24.2% to 635,698 units. This was a much needed shot in the arm after a 4.9% decline in domestic sales in FY2017. Moreover, three-wheeler exports increased by 40.1% to 381,002 units.

Thus, despite lower GDP growth in FY2018, the two- and three-wheeler industry in India enjoyed a good year.

And Bajaj Auto Ltd. ('Bajaj Auto' or 'BAL') performed very well – recording its highest ever operating income and profit after tax.



Bajaj Auto's Financial Performance for FY2018

- Net sales increased by 15.6% to ₹ 24,700 crore. This is the Company's highest ever top-line.
- Total operating income (net sales plus other operating income) grew by 15.4% to ₹ 25,424 crore — also Bajaj Auto's highest ever.
- Operating earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 7.7% to ₹ 5,145 crore — the Company's highest in history.
- The operating EBITDA margin was 20.2% of net sales and other operating income.
- Operating profit increased by 8.0% to ₹ 4,829 crore. The operating profit margin was 19.0%.
- Profit before tax (PBT) grew by 8.4% to ₹ 5,783 crore. This, too, was the Company's highest ever PBT.
- Profit after tax (PAT) increased by 6.3% to ₹ 4,068 crore, representing the highest ever PAT.
- Surplus cash and cash equivalents as on 31 March 2018 was up by 25.7% to ₹ 15,542 crore.



Charts A and B illustrate Bajaj Auto's financial performance.

Chart C shows the overall industry's sale of two-wheelers.

Chart A: EBITDA and EBITDA %

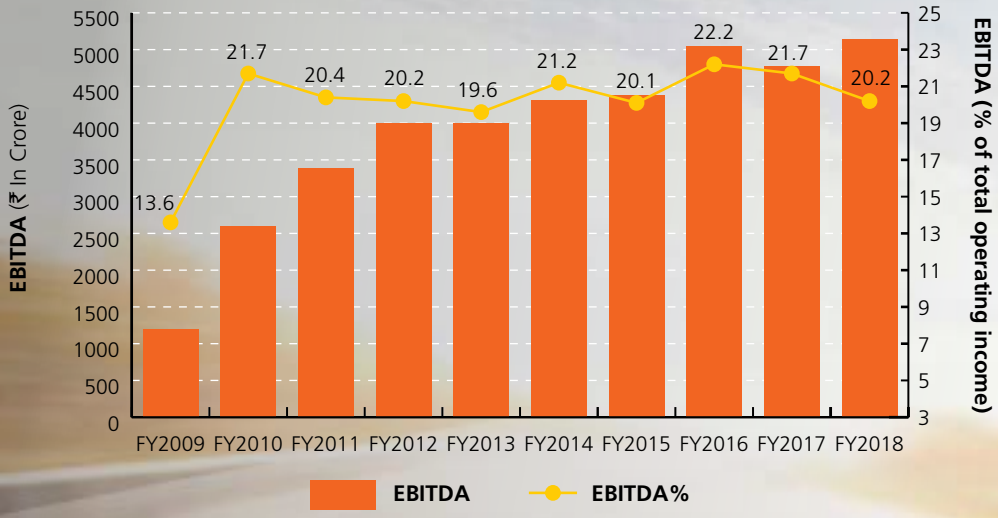


Chart B: Net Sales and Operating Income, Net Operating Profit and PAT

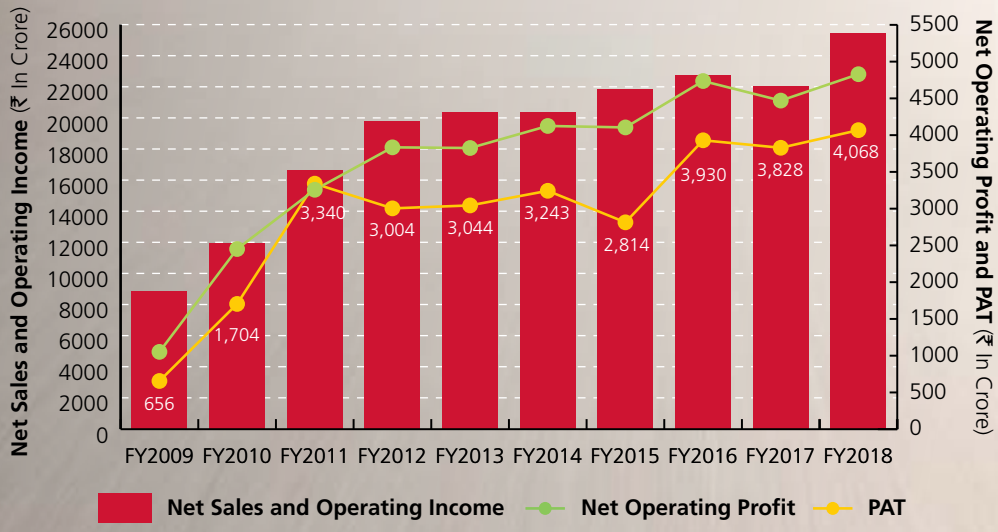
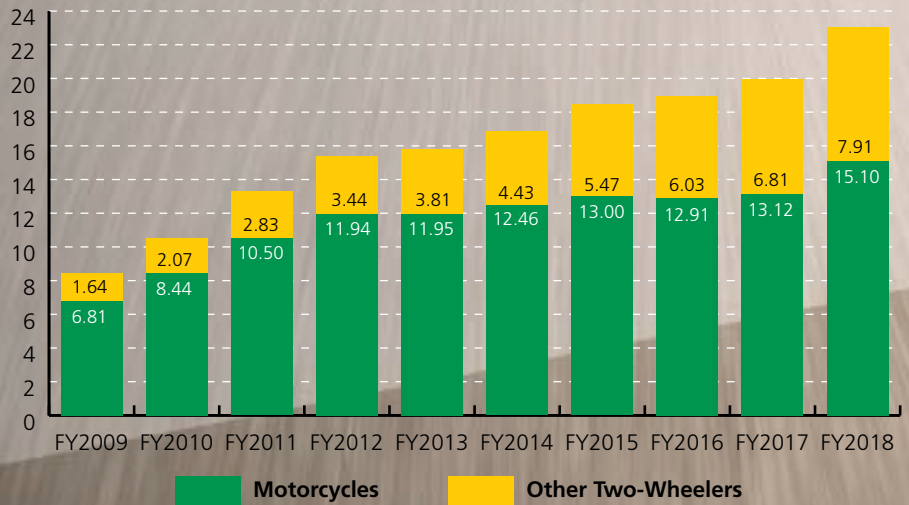


Chart C: Industry Sale of Two-Wheelers, Domestic + Exports (In Million Units)





Motorcycles

After three consecutive years of virtually zero growth, motorcycle sales for the industry as a whole (both domestic and exports) have finally shown a healthy uptick, increasing by 15.1% to 15.1 million units. And the sales of other two-wheelers, mostly ungeared scooters, have continued to rise — this time by almost 16.2% to 7.91 million units.

Table 1 gives the data on Bajaj Auto's sales of motorcycles, both domestic and exports, over the last five years. Consider the domestic market. In the last couple of years — FY2016 and FY2017 — Bajaj Auto grew its domestic sales faster than the market and, consequentially, increased its market share within India. However, there has been a reversal in FY2018. While industry-wide domestic sales of motorcycles grew by 13.7% in terms of units sold, BAL's sale decreased by 1.3%. Consequently, Bajaj Auto's domestic market share in motorcycles fell by 2.3 percentage points from 18% in FY2017 to 15.7% in FY2018. This requires an explanation.

Table 1: Bajaj Auto's Sale of Motorcycles, Domestic and Exports (in numbers)

	Domestic Sales		Exports	
Year ended 31 March	BAL (nos.)	BAL's growth	BAL (nos.)	BAL's growth
2014	2,099,230	(14.8%)	1,323,173	2.3%
2015	1,770,778	(15.6%)	1,521,306	15.0%
2016	1,898,957	7.2%	1,459,295	(4.1%)
2017	2,001,391	5.4%	1,218,541	(16.5%)
2018	1,974,577	(1.3%)	1,394,757	14.5%

As Table 1 shows, in FY2018, Bajaj Auto sold 1.97 million motorcycles in India, which was 1.3% less than what it sold a year earlier. What went well, and what did not?

a) The Company continued to perform relatively well in the entry-level (or M1) segment, where it is represented by the CT 100, the Platina and the Discover 100/110. Average sales per month grew from 70,000 units in FY2017 to 79,000 units in FY2018, and BAL commanded a market share of 29% in this category.

b) In the M2 and M3 or 'commuter and commuter deluxe' segment — which is the largest motorcycle segment in India — Bajaj Auto's offerings in the commuter deluxe segment were the Discover 125 and the V. It is here that BAL performed worse than expected, and did not meet the tough targets that it had set for itself.

c) In the S1 or 'sports' segment, represented by the Pulsar and the Avenger, Bajaj Auto continued to do well. It sold an average of 60,000 bikes per month, and commanded a market share of 39%. However, this segment is witnessing increased competition, and BAL will have to contest harder than before to maintain and, hopefully, increase its market share.

d) In S2, or the niche 'super-sports' segment, represented by the KTM, the Pulsar RS200 and the Dominar 400, BAL continued to do well. It sold an average of 7,000 such super-sport bikes per month throughout FY2018 — up from that of 5,300 per month in FY2017.

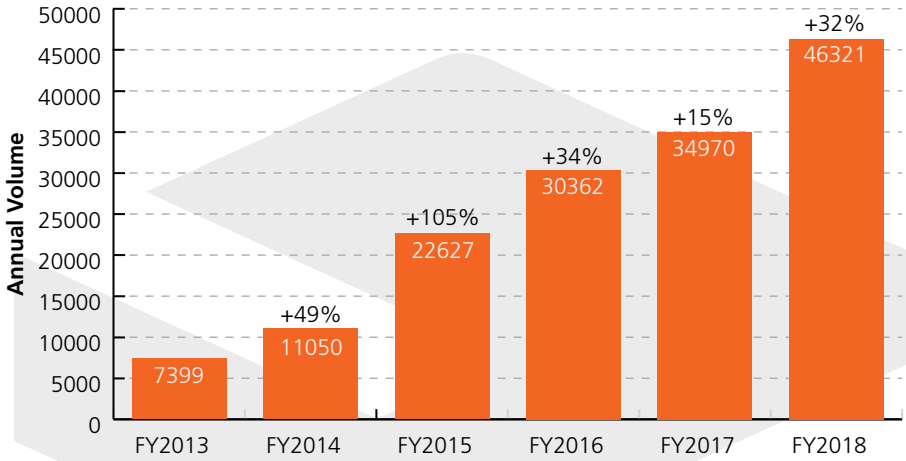
Thus, as far as domestic sales of motorcycles went, the drop in the number of units sold was almost entirely on account of the 'commuter deluxe' segment, where Bajaj Auto sold less than what it budgeted. This negative trend is expected to reverse, with greater efforts being expended on selling the Discover 125 and the V series. But more of that in the concluding 'Outlook' section of this chapter.

In FY2017, motorcycle exports were severely affected by sharp currency devaluations as well as strict quantitative restrictions on the repatriation of 'hard' currency. Thankfully, that was a thing of the past in FY2018. BAL's export of motorcycles in FY2018 grew by 14.5% to cross 1.39 million units. This is discussed in detail in the section on exports.

KTM: A Success Story

The KTM is a great success for Bajaj Auto and demonstrates how a growing section of the market is excited about uniquely styled, distinctive looking, high performance bikes, and is willing to pay prices that would have been inconceivable even a decade ago. KTM has been steadily maintaining its aggressive growth — clocking a CAGR of over 44% for the last five years, as Chart D shows.

Chart D: Domestic sale of KTMs (number of bikes sold)



In FY2018, KTM was the fastest growing motorcycle brand with a year-on-year growth of 32%, versus that of 14% for motorcycles as a whole. This performance is partly on account of the success of the new and exciting KTM MY17 product range, and introduction of a new model, the KTM Duke 250. This new range of KTM products has received great appreciation from the automobile fraternity — winning 11 bike awards across categories, including the Indian Motorcycle of the Year (IMOTY) Award that was conferred upon the KTM Duke 390.

KTM is now available through 425 showrooms across India. This is the largest dealer network for any premium motorcycle brand operating at a price of ₹ 1.5 lakh and above.

Commercial Vehicles: Three-Wheelers

Bajaj Auto is the world's largest three-wheeler manufacturer. Its performance in this segment is given in Table 2.

Table 2: Three-Wheeler Sales, Industry and Bajaj Auto (in numbers)

	Total sales			Domestic sales			Exports		
Particulars	**FY2018**	**FY2017**	**FY2016**	**FY2018**	**FY2017**	**FY2016**	**FY2018**	**FY2017**	**FY2016**
Passenger carriers									
Industry sales	894,234	671,034	842,588	517,423	402,034	441,091	376,811	269,000	401,497
Bajaj Auto sales	612,590	431,022	533,670	346,846	240,064	253,670	265,744	190,958	280,000
Bajaj Auto market share	68.5%	64.2%	63.3%	67.0%	59.7%	57.5%	70.5%	71.0%	69.7%
Goods carriers									
Industry sales	122,466	112,518	99,945	118,275	109,624	97,001	4,191	2,894	2,944
Bajaj Auto sales	23,262	13,440	1,325	22,791	13,162	1,325	471	278	–
Bajaj Auto market share	19.0%	11.9%	1.3%	19.3%	12.0%	1.4%	11.2%	9.6%	–
Total three-wheelers									
Industry sales	1,016,700	783,552	942,533	635,698	511,658	538,092	381,002	271,894	404,441
Bajaj Auto sales	635,852	444,462	534,995	369,637	253,226	254,995	266,215	191,236	280,000
Bajaj Auto market share	62.5%	56.7%	56.8%	58.1%	49.5%	47.4%	69.9%	70.3%	69.2%

Thankfully for the three-wheeler industry as a whole, demand and sales picked up both in India and across countries abroad. This was a welcome relief compared to the previous year. Bajaj Auto's domestic three-wheeler sales in FY2018 broke records to reach an all-time high of 369,637 units, representing an impressive volume growth of 46% over FY2017. BAL's three-wheeler exports also did very well — growing by over 39% to 266,215 units.

As Table 2 shows, in the domestic three-wheeler segment, Bajaj Auto's market share has shot up in the course of a single year from 49.5% in FY2017 to 58.1% in FY2018. For passenger carriers, the market share is higher still: up from 59.7% last year to 67.0% in FY2018.

It may be recalled that Bajaj Auto had entered the goods carrier business two years ago. Within a short span of time, it has succeeded in ramping up sales to 22,791 units in FY2018, and accounting for over 19% of this segment's market share in India.

BAL continues to dominate the petrol and alternate fuel market with a domestic market share of 89%. Here, Bajaj Auto sold 277,636 vehicles in FY2018, which was 63% greater than what it did in the previous year. In the small diesel category, its market share now stands at 75%. In the large diesel segment, the market share is 24%. Thus, in the overall diesel category, BAL's market share in FY2018 stood at 34%.

International Business

FY2017 was a very difficult year for Bajaj Auto's international business due to economic and political uncertainties in several importing countries, often accompanied by sharp devaluation of currencies. Thankfully, that was a thing of the past in FY2018.

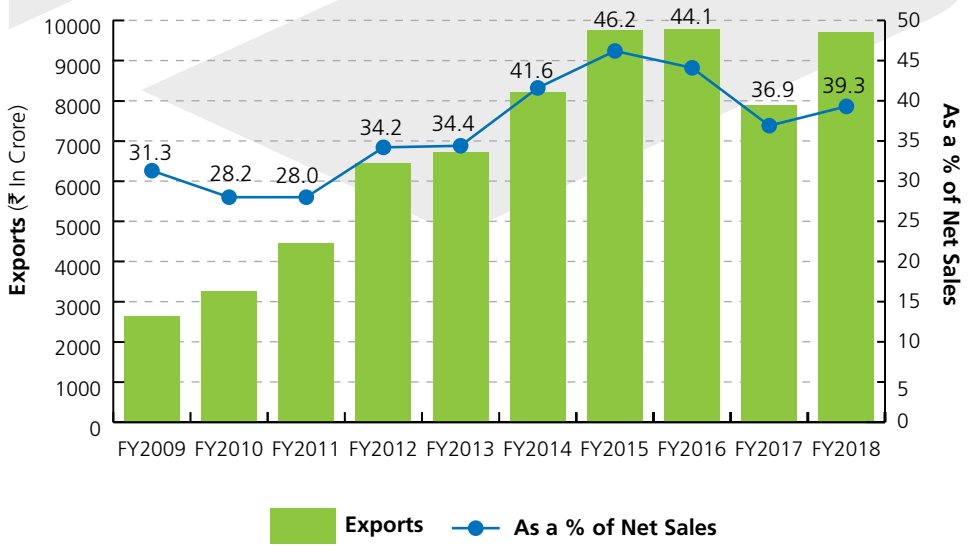
In terms of volume, FY2018 saw motorcycle exports growing by 14.5% to almost 1.4 million units; and commercial vehicles by 38.9% to well over 267,000 units. In US dollars, revenue from exports grew by over 25% to US$ 1.36 billion. Table 3 gives the data.

Table 3: Export, in Units and Revenue, for Bajaj Auto

Particulars	FY2018	FY2017	Growth
In Units			
Motorcycles	1,394,757	1,218,541	14.5%
Commercial Vehicles	267,820	192,792	38.9%
Total numbers	1,662,577	1,411,333	17.8%
Exports in ₹ (crore)	**9,703**	**7,880**	**23.1%**
Exports in USD (million)	**1,365**	**1,089**	**25.3%**

BAL's motorcycle exports in FY2018 grew on the back of strong growth in Africa, led by the economic recovery in Nigeria, as well as in the ASEAN region due to product launches in Philippines and entry into Malaysia. In Latin America, the Company's focus on the sports segment is paying rich dividends in selling Pulsars in countries like Argentina. The growth in three-wheeler exports was largely on account of the economic turnaround in Egypt, sales growth in Bangladesh and Nigeria, and continued investment in new markets. Incidentally, new markets, where BAL has entered in the last three years, now contribute to almost half of the growth of three-wheeler exports. Chart E plots Bajaj Auto's export performance over the last decade.

Chart E: Bajaj Auto's Export Performance



BAL is optimistic about export prospects in FY2019 and is investing in its key markets to deliver a differentiated and superior customer experience, which is the key driver for growth in the future.

R&D

A powerhouse for engineering and styling improvements, Bajaj Auto's R&D has helped the Company launch one product after another. The key highlights for FY2018 are given below.



CT 100 ES

The CT100 ES uses a new 102 cc single-cylinder four-stroke engine tuned to produce 7.6 brake horsepower (bhp) of power and 8.24 Newton-metre (Nm) of peak torque, which provides customers with superior mileage along with the convenience of an electric start. The model differentiates itself with a new graphic design, plus the addition of a fuel gauge and flexible side indicators. Keeping things comfortable is the extra-long seat for both rider and pillion. Its spring-in-spring (SNS) suspension technology helps counter some of the most difficult road conditions.

Upgraded Platina Electric Start (ES)

The Platina ComforTec features longer travel front and rear suspension than any other commuter motorcycle — resulting in better absorption of bumps and, hence, superior comfort to the rider and a smoother ride. It also has a 'spring-soft' seat, rubber footpads and directional tyres that enhance ride comfort and stability. The model has been upgraded with LED Daylight Running Lights (DRL), a 130 dia front brake and a new asymmetric twin-pod speedometer. The superbly styled Platina ComforTec with DRL consumes less energy and delivers best-in-class fuel economy. Directional tyres give better grip on road ensuring greater safety.



Discover 125

The Discover 125 uses an updated 125 cc DTS-i engine that makes 10.85 hp at 7,500 rpm and 11 Nm of torque at 5,500 rpm and is paired with a smooth five-speed gearbox. The increased low end torque has improved the driveability.
The model has been upgraded for greater customer comfort and delight. The suspension travel has been increased to 140 mm at the front and 120 mm at the rear — the highest among benchmarks — and the seat length and seat profile have been optimised to add to riding comfort. The headlight has been redesigned and it now has a neat-looking and very distinctive LED DRL cluster.
The Discover 125 is available with the option of a front disc brake.

Discover 110

The Discover 110 is the smaller sibling of the Discover 125. It has many best-in-class features of the Discover 125 while providing excellent fuel economy at a lower cost of ownership.
The motorcycle uses an updated 115 cc DTS-i engine that makes 8.48 hp at 7,000 rpm and 9.8 Nm of torque at 5,000 rpm, and is paired with a four-speed gearbox. The vehicle is tuned to have better driveability. Like the Discover 125, the 110 also comes with an updated suspension, fresh look side covers and seat cowl, seats and headlamp.





Avenger 220 Cruise and Avenger Street Upgrades

The Avenger models have been revamped with a new cockpit which includes a new head lamp with LED DRL and a fully digital speedometer. The head lamps are unique for the Cruise and the Street. For the Cruise, a completely new wind shield has been added which gives better protection for the rider; while the Street has also got a smarter visor to enhance its looks. The Cruise always had a backrest a desirable feature. Now, the Street also gets a soft touch grab which can also serve as a backrest for the pillion rider. The rear suspension has been tuned for better ride comfort with 12% extra wheel stroke.



Avenger Street 180

The Avenger Street 180 replaces the Avenger Street 150. The 180 cc engine offers better driveability and gradeability without compromising much on the fuel economy. Most of the vehicle side upgrades of the revamped 220 Street have been carried onto the 180 cc version.

BM 125 X

The current BM 125 has been upgraded with strong new 125cc engine, mud-grip tyres and a raised front fender to drive through rough road terrains. Its SNS rear suspension coupled with a longer and wider seat ensures a comfortable ride. The semi-knobby pattern on its tyres ensures better grip on mud roads. The raised fender not only gives an 'off roader' look but also provides better protection on muddy roads. Attractive graphics complement its design. The BM 125 X comes with alloy wheels, which give it a sporty look.



Pulsar 150 Twin Disc

The Pulsar 150 has been further enhanced with sportier ergonomics and equipped with high end features like rear disc brake, split seats, split grab, bigger size front fork and wider tyres.



Pulsar 160 NS Domestic

With the addition of an oil cooler, improved performance from a 160 cc engine and further improvements in noise vibrations and harshness (NVH), the Pulsar 160 NS is becoming more attractive to a larger customer base. This model also comes with a stylish belly pan to complete the looks.



Pulsar 200 NS ABS

This 200 cc naked bike is already a hit in domestic as well as some international markets like Colombia. The high performing bike is now equipped with an additional safety feature in the form of a single channel ABS to fulfil the aspirations of adventurous bikers. At the same time, the Pulsar 200 NS has got a highly styled belly pan to complete the look.



Three-Wheeler 4S FI

The fuel injected four-stroke RE 205 Compact was launched in the Philippines. It has met with enthusiastic response. Fuel injection enhances both driveability and fuel efficiency of this three-wheeler and helps in meeting the Euro 3 emission norms applicable to the Philippines.



Maxima Z Diesel/LPG/CNG

The Maxima Z with contemporary styling of the passenger body that complements its distinctive front has hit a sweet spot of being both a passenger and goods carrier. The doors for the passenger cabin along with foldable seat and hatch at the back ensure flexible operations for the driver. The Maxima Z has been a runaway success for the Company, and comes with all fuel options.



Maxima Xwide Diesel

Maxima Xwide improves upon the Maxima for even higher passenger ticketing applications. The body is extra-wide and ensures seating comfort for four passengers per seat. The powerful 470 cc engine is the most powerful in its class, and effortlessly propels the Maxima. The torque is also class leading. The diesel version will be soon followed by other fuel options.



Operations, Productivity and Quality

TPM

Bajaj Auto's 'back end' comprises of its manufacturing, engineering, development and materials functions. All these functions are guided by the principles and philosophy of TPM. It focuses on imbibing the work culture of achieving excellence for all activities. The TPM way has been successfully extended externally to include BAL's vendors and dealers.

Bajaj Auto's vendor TPM activity is a unique feature in industry.

- At present, 163 Tier 1 vendors from its supply chain are practicing TPM.
- Of these, 119 have been conferred the BAL TPM award and 61 have secured the next level award, namely BAL TPM Excellence.
- Furthermore, of the 119 BAL TPM awardees, 14 vendors have worked further on their objectives and secured the more prestigious JIPM TPM awards.
- In addition, BAL's TPM practicing tier I vendors extended TPM practices down the supply chain to their vendors. Thus, the TPM way is now being practiced by 267 Tier II vendors. Of these, 92 have been certified as TPM awardees by their respective Tier I vendors.

Having achieved the level of Special Award for TPM by JIPM for the Waluj and Chakan plants, BAL's TPM has now moved to the next level, involving:

a. 'TPM Deepening', to sustain and further improve on current activities.
b. 'TPM Evolving', to be future ready considering possible business challenges.

To operationalise this, BAL has defined eight management themes spanning all the key elements of its value chain. Functions like R&D, manufacturing, engineering, spares, service and materials have redefined their KPIs and are working towards meeting these to achieve the next level of operational and business parameters.

In FY 2018, BAL took the initiative of making its service network better by deploying TPM at dealerships. A structured 17-step methodology was defined under three broad stages — preparation, practicing and recognition. From management view point, TPM at dealerships is primarily aimed at improving profitability and reducing customer complaints.

Capacity and Productivity Improvements

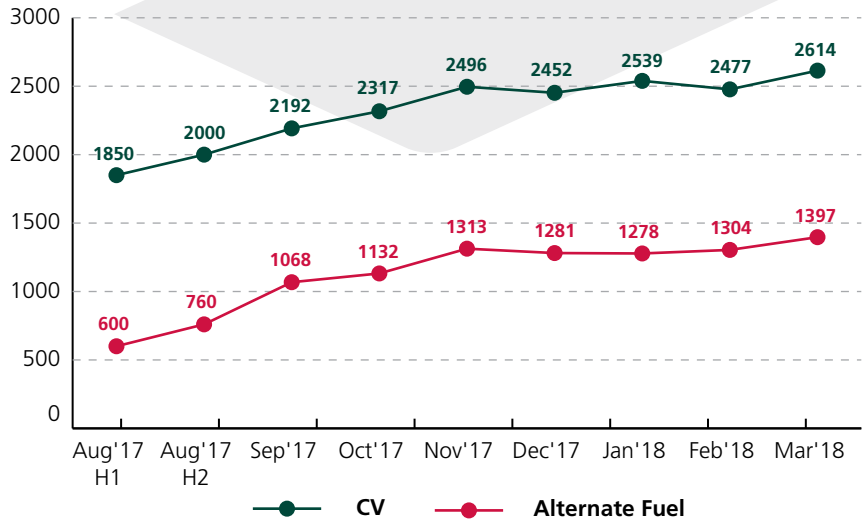
Table 4 gives plant-wise capacities across Bajaj Auto's facilities.

Table 4: Plant-wise capacities (in numbers) and Product Range

Plant	As on 31 March 2018		Product range
Waluj	Motorcycles	2,400,000	Boxer, CT, Platina, Discover, Pulsar, V
	Commercial Vehicle	840,000	Passenger Carrier, Good Carrier, Quadricycle
Waluj Subtotal		**3,240,000**	
Chakan	Motorcycles	1,200,000	Avenger, Pulsar, KTM, Dominar
Pantnagar	Motorcycles	1,800,000	CT, Platina, Discover, V, Pulsar
Grand Total		**6,240,000**	

In FY2018, the production capacity for three-wheelers needed to be enhanced due to increased demand in both domestic and international markets. In a span of just three months during Q3 FY2018, capacity was increased by approximately 20% through the TPM methodology; and within this, capacity for alternate fuel three-wheelers was increased by more than 90%. Chart F shows how daily average production of commercial vehicles (CVs) and alternative fuel vehicles, was increased between August 2017 and March 2018.

Chart F: Increasing production and effective capacity of CVs (daily output in numbers)



Women Employment

Four years ago, BAL was a typical large manufacturing plant in India, with very few women in its active plant and engineering workforce. The Company consciously decided to change this. Though we still have a long way to go, we now have 'Women Only' assembly lines at Chakan and Pantnagar. Women employee strength has more than doubled in last four years from 148 in FY2014 to 355 in FY2018. We are travelling this path, but more needs to be done.





As on 31 March 2018, BAL's employee strength stood at 9,503.

Financials

Table 5 gives the summarised standalone Profit and Loss statement of Bajaj Auto.

Table 5: Summarised Standalone Profit and Loss Statement

(₹ In Crore)

Particulars	FY2018	FY2017
Operations		
Sales	25,098	22,695
Less : Excise duty	398	1,321
Net Sales	**24,700**	**21,374**
Other operating income	724	652
Total operating income	**25,424**	**22,026**
Cost of materials consumed, net of expenditures capitalised	17,386	14,602
	68.4%	66.3%
Stores and tools	118	115
	0.5%	0.5%
Employee cost	1,067	995
	4.2%	4.5%
Factory, administrative and other expenses	655	669
	2.6%	3.1%
Sales and after sales expenses	1,053	867
	4.1%	3.9%
Total expenditure	**20,279**	**17,248**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**5,145**	**4,778**
EBITDA %	**20.2%**	**21.7%**
Interest	1	1
Depreciation and amortisation	315	307
Operating profit	**4,829**	**4,470**
	19.0%	**20.3%**
CSR spends and donations	100	95
	4,729	**4,375**
Non-operating income	1,088	963
Less : Non-operating expense	2	2
Non-operating income, net	**1,086**	**961**
Profit before tax and exceptional item	**5,815**	**5,336**
Exceptional item	32	–
Profit before tax	**5,783**	**5,336**
Tax expense	1,715	1,508
Profit after tax	**4,068**	**3,828**
Surplus cash and cash equivalents at 31 March	**15,542**	**12,368**

Bajaj Auto's return on operating capital employed stood at 367%. Surplus cash and cash equivalents as at 31 March 2018 stood at ₹ 15,542 crore versus ₹ 12,368 crore as at 31 March 2017 — an increase of 25.7%. Such surplus funds are invested in (i) fixed income securities rated P1+ and equivalent for short-term investments, (ii) AA+ and above rated securities for long-term investments, and (iii) fixed deposits with banks.

Subsidiary

Bajaj Auto International Holdings BV (BAIH BV)

Bajaj Auto International Holdings BV is a 100% Netherlands based subsidiary of Bajaj Auto Ltd. Over the years, through this subsidiary, Bajaj Auto has invested a total of €198.1 million (₹ 1,219 crore), and holds approximately 48% stake in KTM AG of Austria (KTM), the fastest growing motorcycle brand in the world.

Calendar year 2017 has been another record year for KTM, with highest sales in units and highest turnover in the history of the company. It sold 238,408 motorcycles, a growth of 17% and achieved a turnover of €1.33 billion, a growth of 17%. Profit after tax was at €78.9 million (₹ 600 crore), a growth of 10%. The proportionate profit to Bajaj Auto Ltd. is €37.8 million (₹ 288 crore), which has been accounted for in the consolidated results.

In its Annual General Meeting for the calendar year 2017, held on 24 April 2018, KTM AG declared a dividend of €2.25 per share, compared to €2.00 per share for the year 2016. BAIH BV has received €11.7 million (₹ 94 crore) as its share of dividend.

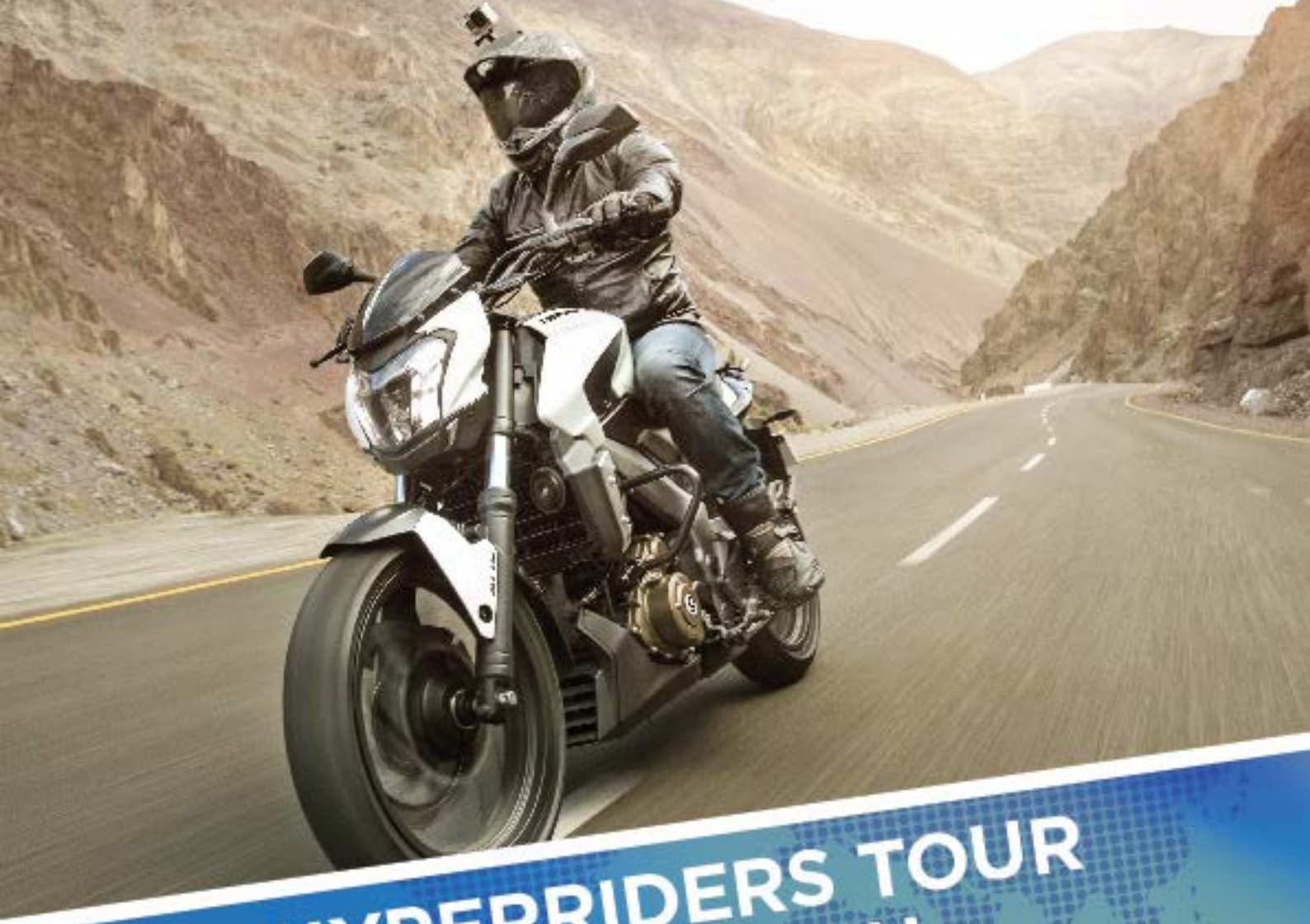
During the year, Bajaj Auto manufactured 98,132 units of KTM branded bikes at its Chakan plant. Of these, 46,321 units were sold through the Pro-Biking network in India and 53,211 were exported worldwide.

Consolidation of accounts and segment reporting

Table 6: Segment Revenue and Segment Results

(₹ In Crore)

Particulars	FY2018	FY2017
Segment Revenue		
Automotive	25,823	23,347
Investment and others	953	963
Total	**26,776**	**24,310**
Segment Results		
Profit/(Loss) from each segment before tax		
Automotive	4,984	4,627
Investment and others	951	962
Total	**5,935**	**5,589**
Less : Interest	2	1
Profit before tax	**5,933**	**5,588**
Profit after tax	**4,219**	**4,079**



HYPERRIDERS TOUR ON DOMINAR IN 18 COUNTRIES



Outlook

It is a convention that a company's Management Discussion and Analysis ought not to put in any 'forward looking' statements that might be misinterpreted by readers, analysts and the world at large. That, however, must not be taken so literally as to fear looking at the near future.

The Company has, over the years, created two substantial and one fairly reasonable niche in the domestic market. The most substantial is Bajaj Auto's significantly large market share in three-wheelers. It has done well in this segment in FY2018, both in the domestic market and exports and has further raised market share in the process.

The other area where Bajaj Auto continues to enjoy primacy is in the sports and super-sports segment, thanks to the Pulsars, Avengers, Dominars and KTMs. And the third segment where Bajaj Auto does well with a sizeable market share is at the entry-level on account of our CT 100s, Platinas and Discover 100/110s.

In the middle lies a very large 'commuter and commuter deluxe' segment where Bajaj Auto has missed out. This has to change.

Therefore, in the years to come, Bajaj Auto must compete far more vigorously in this middle segment. The Company will do this with introduction of more attractive models and sub-models to compete at the lower end of the price chain in the commuter segment. Simultaneously, Bajaj Auto will leverage the popularity of the Pulsar brand to focus on the top end as well.

Time will tell how much more Bajaj Auto has sold in this 'commuter and commuter deluxe' segment. But, as of now, it is clear that a 'breakout' moment has arrived for the Company and it will compete as never before in this large segment. Bajaj Auto certainly has the financial power to do so and with the support of all our dealers across the land, BAL should increase domestic market share for motorcycles.

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.

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'), given below are the corporate governance policies and practices of Bajaj Auto Ltd. for the year 2017-18.

This Report, therefore, states compliance as per requirements of the Companies Act, 2013 and SEBI Listing Regulations, 2015, 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 Auto Ltd. ('BAL' or 'the Company' or 'Bajaj Auto') maintains the same tradition and commitment.

Board of Directors

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

Composition

As on 31 March 2018, the Board of the Company consisted of sixteen directors, of whom three were executive, eight were non-executive independent (including one woman director) and five were non-executive and non-independent. The Board has no institutional nominee director. The Company has an executive Chairman.

According to regulation 17 (1) (b) of the SEBI Listing Regulations, 2015, where the Chairman is executive or 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 BAL.

In view of the sad demise of Naresh Chandra, an independent director of the Company, on 9 July 2017, pursuant to section 149 of the Companies Act, 2013 and regulation 17(1)(b) read with regulation 25(6) of the SEBI Listing Regulations, 2015, Anami Roy was appointed as an additional director in the category of non-executive, independent director of the Company, in the meeting of the Board held on 14 September 2017.

Number of meetings of the Board

During the financial year 2017-18, the Board of Directors met eight times, viz. 18 May 2017, 20 July 2017, 14 September 2017, 15 September 2017, 17 October 2017, 2 February 2018, 13 March 2018 and 14 March 2018. The gap between any two meetings has been less than one hundred and twenty days.

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 profit 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 for a period 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 ₹ 100,000 per meeting for every meeting of the Board and its Committees, commission at the rate of ₹ 150,000 per meeting of the Board and its Committees attended by them as a member, subject to the overall ceiling of one percent of net profit.

Further, in terms of the approvals given by the Board of Directors and shareholders, Nanoo Pamnani will be paid ₹ 2,000,000 as additional commission for the year 2017-18 in consideration of the extra services rendered by him at the request of the Management during the year 2017-18.

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

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for 2017-18

Name of director	Category	Relationship with other directors	No. of Board Meetings attended	Whether attended last AGM
Rahul Bajaj	Chairman, executive	Father of Rajiv Bajaj and Sanjiv Bajaj, father-in-law of Manish Kejriwal	8/8	Yes
Madhur Bajaj	Vice Chairman, non-executive	Brother of Shekhar Bajaj and Niraj Bajaj	8/8	Yes
Rajiv Bajaj	Managing Director, executive	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	8/8	Yes
Pradeep Shrivastava	Executive Director	–	8/8	Yes
Sanjiv Bajaj	Non-executive	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	8/8	Yes
D S Mehta	Non-executive, independent	–	6/8	Yes
Shekhar Bajaj	Non-executive	Brother of Madhur Bajaj and Niraj Bajaj	7/8	Yes
D J Balaji Rao	Non-executive, independent	–	7/8	Yes
Naresh Chandra*	Non-executive, independent	–	1/1	NA
Nanoo Pamnani	Non-executive, independent	–	7/8	Yes
Manish Kejriwal	Non-executive	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	7/8	Yes
P Murari	Non-executive, independent	–	3/8	Yes
Niraj Bajaj	Non-executive	Brother of Madhur Bajaj and Shekhar Bajaj	8/8	Yes
Dr. Gita Piramal	Non-executive, independent	–	8/8	Yes
Dr. Naushad Forbes	Non-executive, independent	–	6/8	Yes
Dr. Omkar Goswami	Non-executive, independent	–	7/8	Yes
Anami Roy**	Non-executive, independent	–	6/6	NA

* Naresh Chandra expired on 9 July 2017

** Anami Roy was appointed as an additional director in the category of non-executive, independent director w.e.f. 14 September 2017



PULSAR IS THE NO.1 SPORTS MOTORCYCLE IN 19 COUNTRIES



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 13 March 2018 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

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

Orderly succession to Board and Senior Management

The Board of the Company has 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 various committees as held by the directors of the Company are given in Table 2.

Table 2: Number of directorships/committee positions of directors as on 31 March 2018

Name of director	Directorships			Committee positions in listed and unlisted public limited companies	
	In listed companies	In unlisted public limited companies	In private limited companies	As Member (including as Chairman)	As Chairman
Rahul Bajaj	4	2	8	–	–
Madhur Bajaj	6	–	3	–	–
Rajiv Bajaj	4	–	2	–	–
Pradeep Shrivastava	1	–	–	–	–
Sanjiv Bajaj	6	4	7	7	–
Shekhar Bajaj	3	5	4	1	–
D J Balaji Rao	6	–	–	7	3
D S Mehta	3	1	2	4	1
Nanoo Pamnani	5	2	–	10	5
Manish Kejriwal	3	1	1	3	–
P Murari	6	–	1	4	2
Niraj Bajaj	3	4	10	–	–
Dr. Gita Piramal	4	–	2	6	1
Dr. Naushad Forbes	4	–	8	3	–
Dr. Omkar Goswami	7	1	2	7	–
Anami Roy	2	1	5	–	–

Notes:

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

As per declarations received, none of the directors serves as an independent director in more than seven listed companies. Further, the whole-time directors in the Company do 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 15 September 2014 adopted a revised Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on http://www.bajajauto.com

All Directors and Senior Management personnel have affirmed compliance with the new Code for 2017-18. A declaration to this effect signed by the Managing Director is given in this Annual Report.

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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 SEBI Listing Regulations, 2015, the terms and conditions of appointment of independent directors are placed on the Company's website www.bajajauto.com

Performance evaluation

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

- Performance evaluation criteria for Board, Committees of the Board and Directors as approved by the Board at its meeting held on 14 October 2014 were revised, in terms of SEBI's Guidance Note dated 5 January 2017 on Board Evaluation, by the Board at its meeting held on 15 March 2017 and the same were placed on the Company's website www.bajajauto.com
- Based on the said revised criteria, rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of the performance of the Board, its Committees, Chairperson and Directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the ratings given by each of the directors was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees, Chairperson and Directors during the year under review.
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and the Board at their meetings held on 13 March 2018.
- Under the law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment did not arise.

Details on the evaluation of Board, Non-Independent directors and Chairperson of the Company as carried out by the independent directors at their meeting held on 13 March 2018 have been furnished in a separate para elsewhere in this Report.

Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee, has framed a Remuneration Policy providing (a) criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees.

The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The policy is placed on Company website http://www.bajajauto.com/remuneration-policy.asp

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 programmes

With a view to familiarising 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 such familiarisation programmes are placed on http://www.bajajauto.com/pdf/Familiarisation_programme-BAL.pdf

Whistle Blower Policy/Vigil mechanism

Pursuant to section 177(9) of the Companies Act, 2013 and clause 49 of the erstwhile Listing Agreement (now corresponding to regulation 22 of the SEBI Listing Regulations, 2015), the Board at its meeting held on 15 May 2014 amended the existing Whistle Blower Policy.

The Whistle Blower Policy/Vigil mechanism provides a mechanism for the director/employee to report, without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc. 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.bajajauto.com

Dividend Distribution Policy

As mandated under regulation 43A of the SEBI Listing Regulations, 2015, for the top 500 companies as on 31 March 2016 by market capitalisation, the Board of Directors of the Company at its meeting held on 28 October 2016 adopted a Dividend Distribution Policy for the Company. The Policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders.

As a green initiative, the Dividend Distribution Policy is placed on https://www.bajajauto.com/pdf/bal-dividend-distribution-policy.pdf

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

Subsidiary companies

The Company has two overseas subsidiaries, viz. PT. Bajaj Auto Indonesia and Bajaj Auto International Holdings BV, Netherlands, which however, are not 'material subsidiaries' as prescribed 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 had been formulated by the Board at its meeting held on 15 September 2014. Pursuant to regulation 16(1)(c) of the SEBI Listing Regulations, 2015, the Board at its meeting held on 4 February 2016 modified the aforesaid Policy. The same is placed on http://www.bajajauto.com/pdf/bal_policy_on_material_subsidiary_final.pdf

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 (in particular, the investments made) of each unlisted subsidiary company to the extent applicable. Minutes of the Board meetings of the subsidiary companies as well as a statement of all significant transactions and arrangements entered into by these subsidiary companies, 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 the 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 2017-18, as required under section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, 2015, all RPTs were placed before Audit Committee for approval.

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 is set out separately in this Annual Report.

There were no material transactions entered into with related parties, during the year 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 14 October 2014. The same is placed on http://www.bajajauto.com/pdf/final-policy-on-materiality-of-rpts-bajaj-auto-limited.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

After the demerger of erstwhile BAL in 2008, the new Bajaj Auto set up its Audit Committee in 2008 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 of the erstwhile Listing Agreement (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.bajajauto.com/pdf/term-of-reference-ACM.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 and the SEBI Listing Regulations, 2015.

During the year under review, in view of the vacancy arising out of the sad demise of Naresh Chandra, who was a member of the Audit Committee, the Board at its meeting held on 20 July 2017, appointed Dr. Naushad Forbes, independent director as a member of Audit Committee. Further, the Board at its meeting held on 14 September 2017, appointed Dr. Gita Piramal, independent director as an additional member of the Audit Committee.



OVER 1 CRORE PULSARS ARE RIDDEN IN 30 COUNTRIES



All members of the Audit Committee are independent, non-executive directors and are 'financially literate' as required by regulation 18(1) (c) of the SEBI Listing Regulations, 2015.

Moreover, the Chairman and members of the Audit Committee have 'accounting or related financial management expertise'.

Meetings, attendance and topics discussed

During 2017-18, the Audit Committee met four times: 18 May 2017, 20 July 2017, 17 October 2017 and 2 February 2018. The meetings were scheduled well in advance and not more than one hundred and twenty days elapsed between any two meetings.

In addition to the members of the Audit Committee, these meetings were attended by the heads of finance, internal audit functions and the statutory auditor of the Company and those executives who were considered necessary for providing inputs to the Committee. Further, on invitation, directors who are not members of the Committee also attended the meetings of the Committee.

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

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

Name of director	Category	Meetings attended
Nanoo Pamnani	Chairman, non-executive, independent	3/4
D J Balaji Rao	Non-executive, independent	3/4
Naresh Chandra*	Non-executive, independent	1/1
Dr. Naushad Forbes**	Non-executive, independent	2/2
Dr. Gita Piramal***	Non-executive, independent	2/2

* Naresh Chandra expired on 9 July 2017

** Dr. Naushad Forbes was appointed as a member of the Audit Committee on 20 July 2017

*** Dr. Gita Piramal was appointed as a member of the Audit Committee on 14 September 2017

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

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

Nomination and Remuneration Committee

Bajaj Auto Ltd. constituted the Remuneration Committee of the Board in January 2008. 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' in January 2009.

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 15 September 2014 in compliance with section 178 of the Companies Act, 2013 and clause 49 of the erstwhile Listing Agreement (now corresponding to regulation 19 of the SEBI Listing Regulations, 2015). Further, to bring the current terms of reference in line with the Companies (Amendment) Act, 2017, and to incorporate the recommendations made in SEBI's Guidance Note dated 5 January 2017, the Board at its meeting held on 2 February 2018 amended the terms of reference of the Committee. The amended terms of reference are placed on http://www.bajajauto.com/pdf/terms-of-preference-nrc.pdf

During the year under review, in view of the vacancy arising out of the sad demise of Naresh Chandra, who was a member of the Nomination and Remuneration Committee, the Board at its meeting held on 20 July 2017, appointed Dr. Naushad Forbes, independent director as a member of Nomination and Remuneration Committee.

During the year under review, the Committee met on 18 May 2017, 20 July 2017, 14 September 2017 and 13 March 2018.

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

Name of director	Category	Meetings attended
D J Balaji Rao	Chairman, non-executive, independent	4/4
Naresh Chandra*	Non-executive, independent	1/1
Rahul Bajaj	Executive Chairman of Board	4/4
Dr. Gita Piramal	Non-executive, independent	4/4
Dr. Naushad Forbes**	Non-executive, independent	1/2

* Naresh Chandra expired on 9 July 2017

** Dr. Naushad Forbes was appointed as a member of the Nomination and Remuneration Committee on 20 July 2017

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

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

- Appointment of Dr. Naushad Forbes and Dr. Omkar Goswami as independent directors;
- Noting and review of remuneration payable to senior management personnel one level below the Board;
- Approval of revision in the remuneration payable to Managing Director and Executive Director effective from 1 April 2017;
- Specifying the manner for performance evaluation;
- Evaluation of the Board, committees, chairperson and directors for 2017-18; and
- Approval of payment of additional commission.

D J Balaji Rao, Chairman of the Nomination and Remuneration Committee, was present at the annual general meeting of the Company held on 20 July 2017, to answer shareholders' queries.

Risk Management Committee

SEBI vide its circular dated 15 September 2014, revised clause 49 of the erstwhile Listing Agreement (now corresponding to regulation 21 of the SEBI Listing Regulations, 2015) making risk management committees applicable to the top 100 listed companies by market capitalisation as at the end of the immediate previous financial year. The list included Bajaj Auto Ltd. in the top 100 companies.

In light of the above, the Board at its meeting held on 14 October 2014 constituted the Risk Management Committee, consisting of the following members:

1. Nanoo Pamnani, Chairman
2. D J Balaji Rao
3. Kevin D'sa

The Committee met on 13 March 2018. All the members attended the meeting. Further, on invitation, directors who are not members of the Committee also attended the meeting of the Committee.

At the meeting, inter alia, the statement on Risk Management Policy, including identification therein of elements of risk, which may threaten the existence of the Company, was discussed at length.

The Committee and Board have laid down procedures to inform it of the Company's risk assessment and minimisation procedures. These are periodically reviewed to ensure that the 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 at its meeting held on 30 January 2008. 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 re-named 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.

In view of the vacancy arising out of the sad demise of Naresh Chandra, who was a member of the Stakeholders Relationship Committee, the Board at its meeting held on 20 July 2017, appointed Dr. Omkar Goswami as a member of Stakeholders Relationship Committee.

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

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

Name of director	Category	Meeting attended
D J Balaji Rao	Chairman, non-executive, independent	No
Naresh Chandra*	Non-executive, independent	NA
Dr. Gita Piramal	Non-executive, independent	Yes
Dr. Omkar Goswami **	Non-executive, independent	Yes

* Naresh Chandra expired on 9 July 2017

** Dr. Omkar Goswami was appointed as a member of the Stakeholders Relationship Committee on 20 July 2017

Dr. J Sridhar, Company Secretary and Compliance Officer acted as the secretary to the committee.

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

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

D J Balaji Rao, Chairman of the Stakeholders Relationship Committee, was present at the annual general meeting of the Company held on 20 July 2017, to answer shareholders' queries.

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

Investor complaints	No. of complaints attended/resolved during 2017-18
Pending at the beginning of the year	Nil
Received during the year	8
Disposed of during the year	8
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 Auto 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 13 March 2018, without the attendance of non-independent directors and members of the Management, inter alia, to discuss the following:

- Noting of the report of performance evaluation for 2017-18 from Chairman of the Board;
- Review of the performance of non-independent directors and the Board;
- Review of the performance of the Chairperson of the Company;
- Assessment of the quality, quantity and timeliness of flow of information to the Board; and
- Review of informal meeting with Senior Management Personnel.

The independent directors present elected Nanoo Pamnani as Chairman for the meeting.

All independent directors, except D S Mehta, were present at the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

Duplicate Share Certificate Issuance Committee

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

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

Name of director	Category	Meeting attended
Rahul Bajaj	Executive Chairman of Board	Yes
Rajiv Bajaj	Managing Director, executive	Yes
Sanjiv Bajaj	Non-executive, non-independent	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 under 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 the Company's website http://www.bajajauto.com/remuneration-policy.asp

Non-executive directors

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

Executive directors

Executive directors are entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company, which forms part of the perquisites allowed to them. 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, apart from Pradeep Shrivastava, Executive Director.

In 2017-18, the Company did not advance any loans to any of the executive and/or non-executive directors. Details of remuneration paid/payable to directors during 2017-18 are provided in an annexure to the Directors' Report in section VI of Form MGT-9, i.e., extract of the Annual Return.

Shareholding of directors

Information on shares held by directors in the Company as on 31 March 2018 is provided in the 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 a separate chapter in the Annual Report.

Disclosure of material transactions

Under regulation 26(5) of 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, except in the case of one member of the Senior Management, in whose case the disclosure was discussed, reviewed and found in order by the Board.


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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 with a new set of regulations, which have come into effect from 15 May 2015.

Accordingly, the Board at its meeting held on 24 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.bajajauto.com The said codes were adhered to during the year under review.

During the year under review, the Board at its meeting held on 17 October 2017 adopted an additional policy for better implementation of the Company's Insider Trading Code.

Means of communication

Quarterly, half-yearly and annual financial results are published in numerous leading dailies, such as Financial Express, Kesari, Mint, Hindu Business Line and Business Standard. 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.bajajauto.com, 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) Amendment Rules, 2017 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 SEBI Listing Regulations, 2015 are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

Information on general body meetings and details of special resolutions passed

During the preceding three years, the annual general meetings 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 and special resolutions were passed thereat as under:

Details of AGM	Date and time of AGM	Details of special resolutions(s) passed at the annual general meetings, if any
8th AGM	23 July 2015 at 12.15 p.m.	Re-appointment of Rahul Bajaj as the Chairman of the Company for a five year term commencing from 1 April 2015 to 31 March 2020
		Re-appointment of Madhur Bajaj as the Vice Chairman of the Company for a five year term commencing from 1 April 2015 to 31 March 2020
		Re-appointment of Rajiv Bajaj as the Managing Director of the Company for a five year term commencing from 1 April 2015 to 31 March 2020
9th AGM	27 July 2016 at 12.15 p.m.	Approval of appointment of Pradeep Shrivastava (DIN 07464437) as a Whole-time Director, with the designation of Executive Director
		Approval for payment of commission to non-executive directors for a period of five years commencing from 1 April 2016
10th AGM	20 July 2017 at 12.15 p.m.	Nil

No resolution of shareholders was passed through postal ballot during the year under review.

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 2017-18. The Company has been regularly submitting the quarterly compliance report to the stock exchanges, as required under regulation 27 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 non-mandatory 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

Since the Company has an executive Chairman, the requirement regarding non-executive Chairman is not applicable.

2) Shareholder rights

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

3) Modified opinion(s) in audit report

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

4) Separate posts of Chairperson and Chief Executive Officer

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

5) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

General Shareholder Information

11th Annual General Meeting

Date	20 July 2018
Time	12.15 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 Bajaj Auto has proposed a dividend of ₹ 60 per equity share (600%) for the financial year 2017-18, subject to approval by the shareholders at the annual general meeting. Dividend paid in the previous year was ₹ 55/- per share (550%)

Dates of book closure

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

Date of dividend payment

Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 24 July 2018 and/or 25 July 2018 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, 6 July 2018; 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 closing hours on Friday, 6 July 2018.

Payment of dividend

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

the members. Where the dividend cannot be paid through electronic mode, the same will be paid by warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on the warrants.

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

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

Unclaimed dividends

As per section 205C of the Companies Act, 1956, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the Investor Education and Protection Fund (Fund) set up by the Central Government. Accordingly, the unpaid/unclaimed dividend for the financial years 2007-08 and 2008-09 was transferred to the Fund in September 2015 and 2016 respectively.

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

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

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

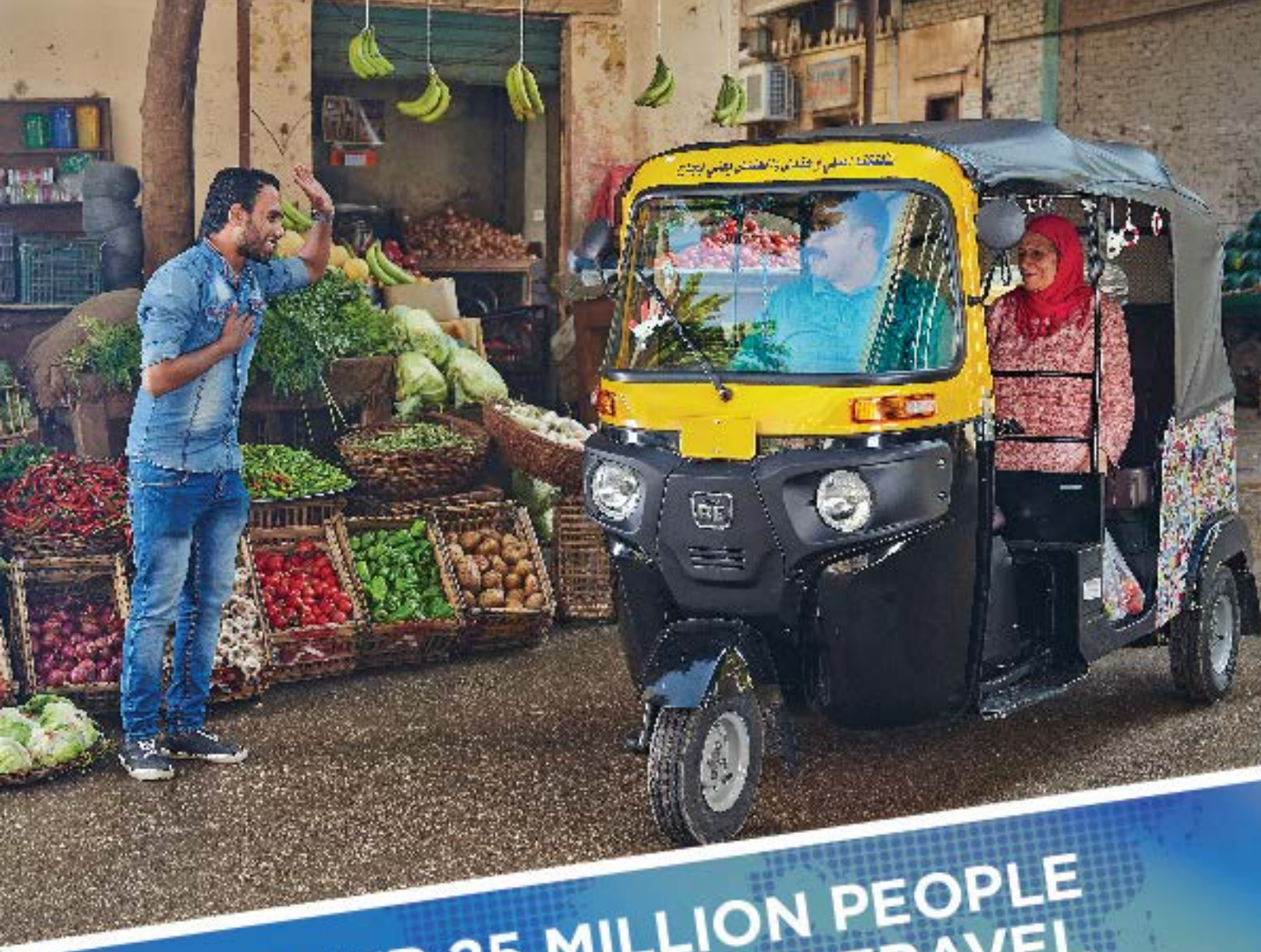
Transfer of shares to IEPF

As informed in previous year, under section 124(6) of the Companies Act, 2013, as amended, there has been a further provision that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF.

Accordingly, in due compliance of the provisions of Rule 6(3) of 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. Further, public notice was released in newspapers on 10 December 2016 and 25 April 2017.

MCA vide its notification dated 28 February 2017 amended the IEPF Rules 2016 called as the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017, prescribing certain modified procedure for the activities under the IEPF Rules, 2016.

Further, after a series of other changes, MCA by circular dated 16 October 2017, fixed a fresh due date for transfer of shares whose dividend has remained unpaid or unclaimed for seven consecutive years or more as on 31 October 2017. In view of the same, during the year, the Company transferred



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54,642 equity shares of the face value of ₹ 10 each in respect of 190 shareholders to the Demat Account of the IEPF Authority held with NSDL and filed necessary eform IEPF-4 with MCA on 21 December 2017. Details of such shareholders, whose shares are transferred to IEPF and their unpaid dividends for the subsequent years are available to the concerned shareholders on the website of the Company at www.bajajauto.com

As provided under these Rules, the shareholder shall be allowed to claim such unpaid dividends and the shares transferred to the Fund by following the required procedure. The said IEPF Rules, 2016 and amendment thereunder are available on the Company's website www.bajajauto.com

Shareholders are requested to get in touch with the compliance officer for further details on the subject at investors@bajajauto.co.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 was outsourced to Karvy Computershare Pvt. Ltd., Hyderabad (Karvy) with effect from 10 July 2008.

All physical transfers, transmission, transposition, 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 the physical category during 2017-18 was 8,852,836 shares versus 9,378,430 shares during 2016-17. The details thereof were placed before the Board on a quarterly basis.

Dematerialisation/rematerialisation of shares

During 2017-18, 284,866 shares were dematerialised, compared to 690,131 shares during 2016-17.

Total number of shares rematerialised during 2017-18 was 490.

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

Table 1: Shares held in physical and electronic mode

	Position as on 31 March 2018		Position as on 31 March 2017		Net change during 2017-18	
Particulars	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	18,391,011	6.36	18,699,114	6.46	(308,103)	(0.10)
Demat						
NSDL	264,952,908	91.56	265,053,207	91.60	(100,299)	(0.04)
CDSL	6,023,101	2.08	5,614,699	1.94	408,402	0.14
Sub-total	270,976,009	93.64	270,667,906	93.54	308,103	0.10
Total	**289,367,020**	**100.00**	**289,367,020**	**100.00**	–	–

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Stock code

1. BSE Ltd., Mumbai	532977
2. National Stock Exchange	BAJAJ-AUTO
3. ISIN for depositories (NSDL and CDSL)	INE917I01010
4. Bloomberg	BJAUT.IN
5. Reuters	BAJA.BO

Listing on stock exchanges

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

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

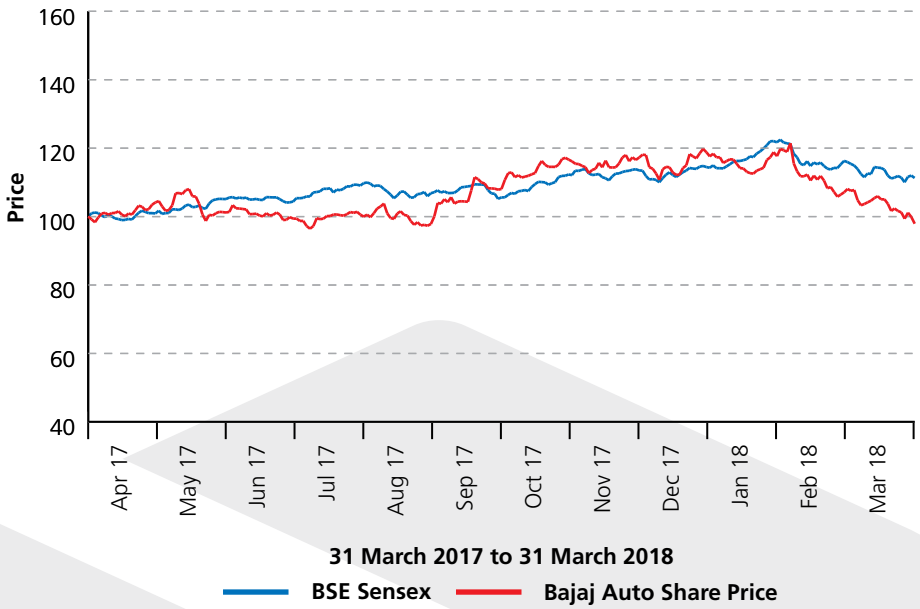
Pursuant to the SEBI Listing Regulations, 2015, the Company has entered into uniform Listing Agreement with BSE and NSE. For the year 2017-18, the listing fees payable to these stock exchanges have been paid in full.

Market price data

Table 2: Monthly highs and lows of Company's shares during 2017-18 (₹ vis-à-vis BSE Sensex)

	BSE		NSE		
Month	High	Low	High	Low	Closing BSE Sensex
Apr 17	2,908.60	2,755.00	2,915.00	2,754.75	29,918.40
May 17	3,046.15	2,757.00	3,047.50	2,750.00	31,145.80
Jun 17	2,927.20	2,765.00	2,930.45	2,761.00	30,921.61
Jul 17	2,867.45	2,695.00	2,869.10	2,694.50	32,514.94
Aug 17	2,988.45	2,701.00	2,981.00	2,704.00	31,730.49
Sep 17	3,181.00	2,830.00	3,155.05	2,827.90	31,283.72
Oct 17	3,337.40	3,107.50	3,344.90	3,105.65	33,213.13
Nov 17	3,371.50	3,150.00	3,373.80	3,146.05	33,149.35
Dec 17	3,381.00	3,094.55	3,385.00	3,038.90	34,056.83
Jan 18	3,402.40	3,145.00	3,404.95	3,140.05	35,965.02
Feb 18	3,472.60	2,956.35	3,468.35	2,960.10	34,184.04
Mar 18	3,077.40	2,735.15	3,080.00	2,732.05	32,968.68

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



Distribution of shareholding

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

Table 3: Distribution of shareholdings across categories as on

Categories	31 March 2018		31 March 2017	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	142,657,982	49.30	142,657,982	49.30
Friends and associates of promoters	30,180,364	10.43	30,455,906	10.53
FPIs/FIIs	49,769,919	17.20	50,464,921	17.44
Public Financial Institutions	17,960,296	6.21	16,332,729	5.64
Mutual Funds	6,282,828	2.17	5,289,344	1.83
Nationalised and other banks	266,577	0.09	442,325	0.15
NRIs and OCBs	1,093,692	0.38	1,019,009	0.35
Others	41,155,362	14.22	42,704,804	14.76
Total	**289,367,020**	**100.00**	**289,367,020**	**100.00**

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

	No. of shareholders		Shares held in each class	
Category	**Number**	**%**	**Number**	**%**
1 to 500	81,845	92.61	3,879,122	1.34
501 to 1000	2,198	2.49	1,618,693	0.56
1001 to 2000	1,356	1.53	1,986,826	0.69
2001 to 3000	657	0.74	1,639,793	0.57
3001 to 4000	356	0.40	1,249,215	0.43
4001 to 5000	302	0.34	1,371,992	0.47
5001 to 10000	622	0.70	4,518,452	1.56
10001 and above	1,046	1.19	273,102,927	94.38
Total	**88,382**	**100.00**	**289,367,020**	**100.00**

Shareholders' and investors' grievances

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

Routine queries/complaints received from shareholders are promptly attended to and replied. Queries/complaints received during the period under review related to non-receipt of dividend by warrants as well as through electronic clearing service, non-receipt of annual report, non-receipt of transferred shares and change of address and/or bank particulars. As on 31 March 2018, there were no pending issues to be addressed or resolved.

During the year, letters were received from SEBI/ROC/Stock Exchanges/Investors concerning 8 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 vide 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, 44,375 shares held by 148 shareholders were transferred to the said suspense account in April 2012. Voting rights on such shares are to remain frozen till the rightful owner claims the shares.

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in regulation 39(4) of the SEBI Listing Regulations, 2015.

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

Sr. No.	Particulars	No. of shareholders	No. of shares
i.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1 April 2017	131	23,319
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2017-18	3	490
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2017-18	3	490
iv.	No. of shares transferred to IEPF Authority during the year 2017-18	88	17,403
v	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31 March 2018	40	5,426

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.bajajauto.com

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 for e-voting facility at the venue of the annual general meeting.

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

Cut-off date, as per the said Rules, shall be 13 July 2018 and the remote e-voting shall be open for a period of three days, from 17 July 2018 (9.00 a.m.) till 19 July 2018 (5.00 p.m.). The Board has appointed Shyamprasad D Limaye, Practising Company Secretary as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice of the Eleventh annual general meeting and is also placed on the Company's website.

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



RIDERS IN OVER 10 COUNTRIES FEEL LIKE GOD ON THEIR AVENGERS



Plant locations

Bajaj Auto has plants located at the following places:

1. Mumbai-Pune Road, Akurdi, Pune 411 035 (Maharashtra)
2. Bajaj Nagar, Waluj, Aurangabad 431 136 (Maharashtra)
3. MIDC, Plot No. A1, Mahalunge Village, Chakan 410 501 Dist. Pune (Maharashtra)
4. Plot No. 2, Sector-10, IIE Pantnagar, Udhamsinghnagar 263 531 (Uttarakhand)

Address for correspondence

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

Share transfer agent

Karvy Computershare Pvt. Ltd.
Unit: Bajaj Auto Ltd.
Karvy Selenium Tower B, Plot No. 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
Email: mohsin.mohd@karvy.com
Website: www.karvy.com

Company

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

Company Secretary and Compliance Officer
Dr. J Sridhar
Tel. No: (020) 6610 6503
Fax No: (020) 2740 7380
Email: investors@bajajauto.co.in
Website: www.bajajauto.com

Directors' Report

The Directors present their Eleventh Annual report and Audited Financial Statements for the year ended 31 March 2018.

Financial results

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

The highlights of the Financial Results are as under:

Sales in Numbers	FY2018	FY2017
Motorcycles	3,369,334	3,219,932
Commercial vehicles	637,457	446,018
Total	**4,006,791**	**3,665,950**
Of which Exports	1,662,577	1,411,333

(₹ In Crore)

Particulars	FY2018	FY2017
Total revenue	26,910.51	24,310.00
Total expenses	21,095.94	18,974.37
Profit before exceptional items and tax	**5,814.57**	**5,335.63**
Exceptional items	32.00	–
Profit before tax	**5,782.57**	**5,335.63**
Tax expense	1,714.47	1,508.07
Profit for the year	**4,068.10**	**3,827.56**
Earnings per share (₹)	**140.6**	**132.3**

Closing balances in reserve/other equity

(₹ In Crore)

Particulars	FY2018	FY2017
General reserve	4,453.60	4,046.60
Retained earnings	14,321.65	12,562.56
Cash flow hedging reserve	79.72	200.27
Costs of hedging reserve	(40.48)	(64.67)
Total	**18,814.49**	**16,744.76**

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

Dividend

The directors recommend for consideration of the shareholders at the ensuing annual general meeting, payment of a dividend of ₹ 60 per equity share, (600%) for the year ended 31 March 2018.
The amount of dividend and the tax thereon aggregate to ₹ 2,093.08 crore.

For the year ended 31 March 2017, the dividend paid was ₹ 55 per share of ₹ 10 each (550%) and the total dividend and the tax thereon to the extent applicable aggregated to ₹ 1,915.51 crore.

Share capital

The paid up equity share capital as on 31 March 2018 was ₹ 289.37 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.

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.

Capacity expansion and new projects

The Company's current installed capacity is 6.24 million units per annum.

As regards the Company's much awaited Quadricycle – QUTE, the product is ready for launch and the Company awaits requisite approvals for sale in the domestic market.

1,605 (nos.) of Qute were sold in various international markets during the year 2017-18.

Research and Development and technology absorption

A) Products

Many new products were launched during the year under review. Detailed information on the new products is covered in the Management Discussion and Analysis Report.

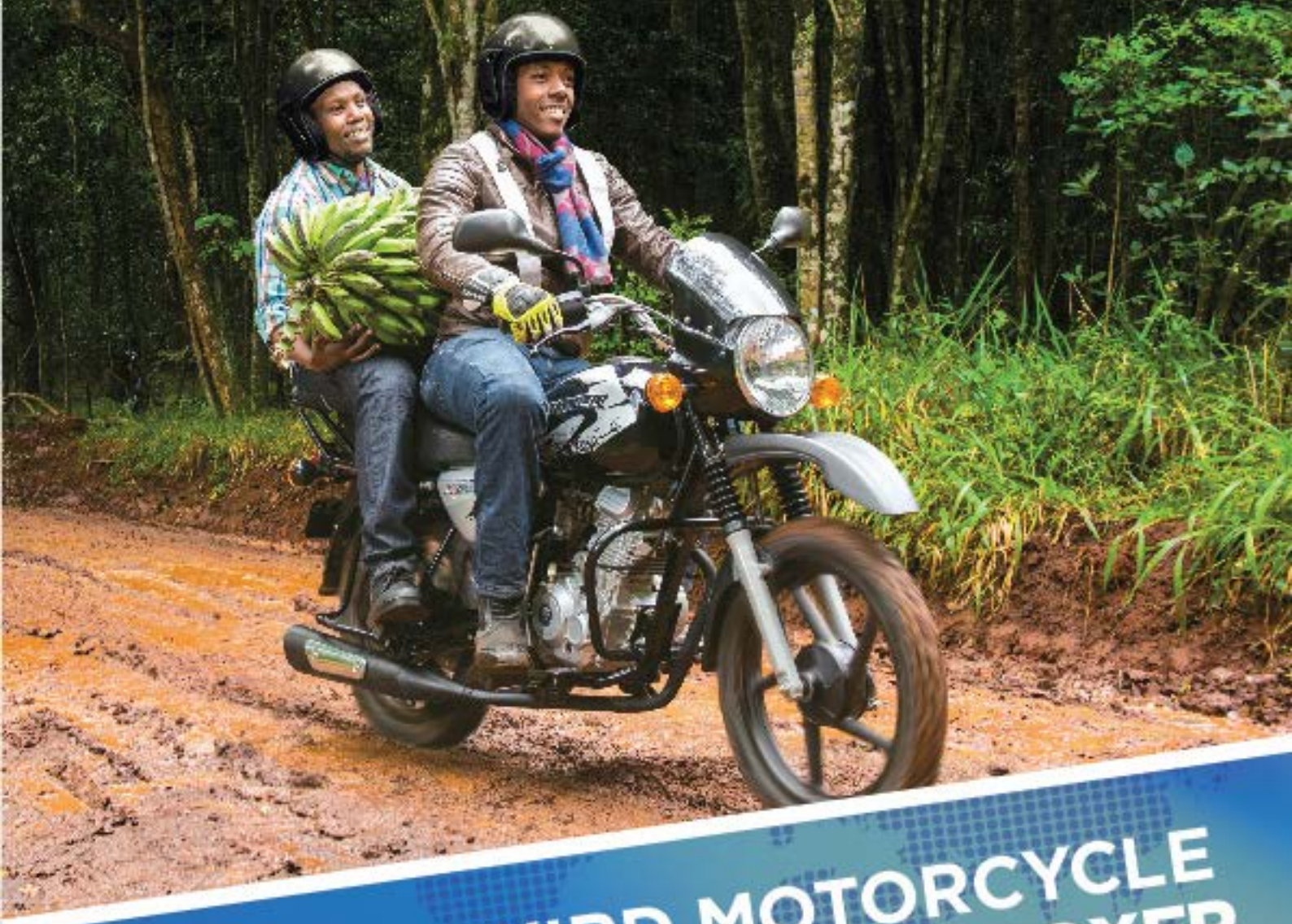
B) Process

R&D has been working on improving its operations in a number of areas as listed below:

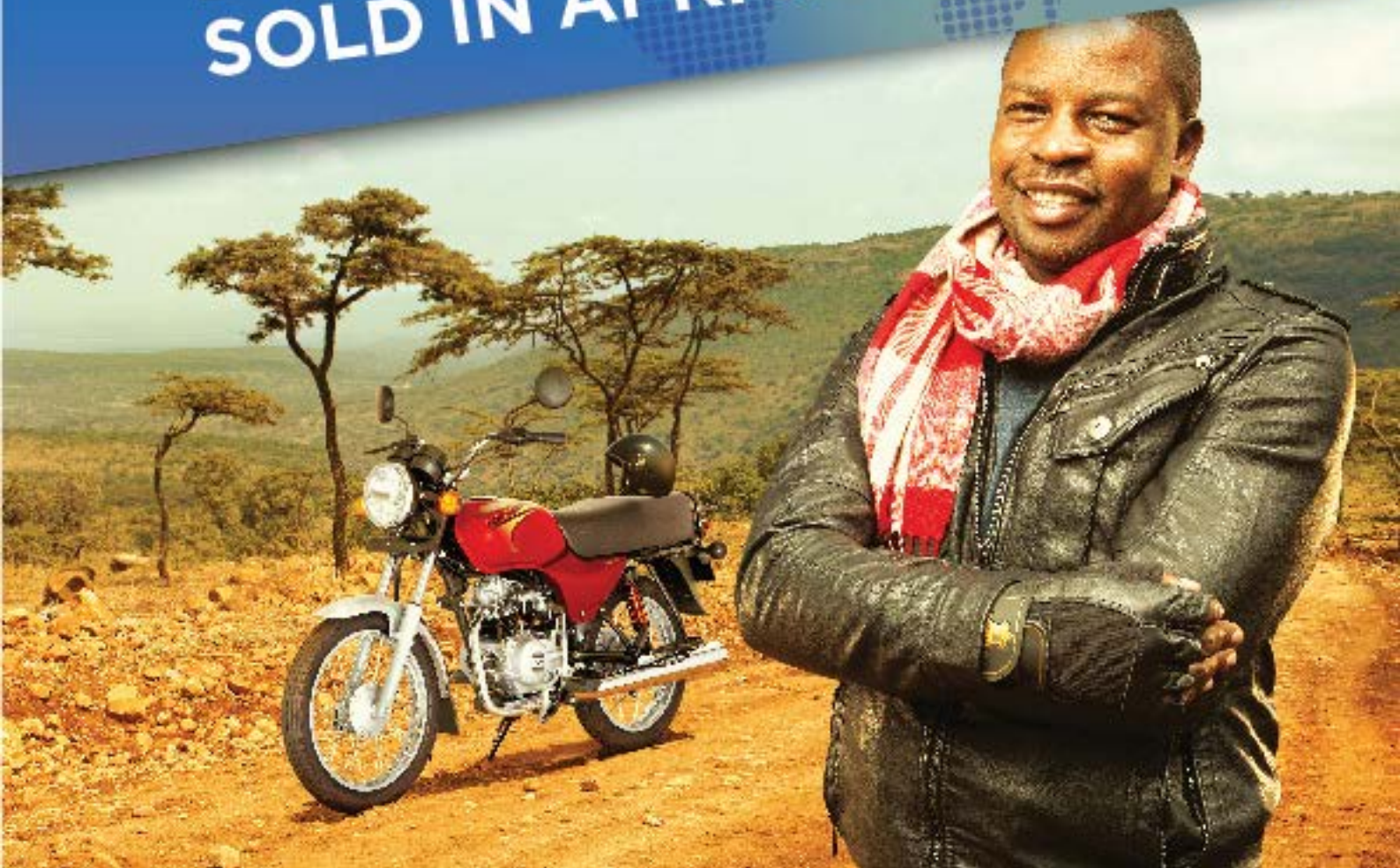
- **Manpower:** R&D has been expanding its team size in areas of design, analysis and validation in order to keep up with the rapidly expanding aspirations of the Company.
- **Facilities:** R&D continued to enhance its design, computing, prototype manufacturing and validation facilities. A number of new test facilities and prototyping facilities were added.

C) Technology

As in the past, new and improved technology has been introduced during the year under review and the detailed information on the same is covered in the Management Discussion and Analysis Report.



EVERY THIRD MOTORCYCLE SOLD IN AFRICA IS A BOXER



D) Outgo

The expenditure on research and development during 2017-18 and in the previous year was:

(₹ In Crore)

Particulars	FY2018	FY2017
i. Capital (including technical know-how)	38.58	35.26
ii. Recurring	334.11	332.38
Total	**372.69**	**367.64**
iii. Total research and development expenditure as a percentage of sales	1.48%	1.62%

Conservation of energy

Company continues its efforts to reduce and optimise the energy consumption at all its manufacturing facilities, including corporate office at Pune.

Significant reduction in energy consumption has been achieved by:

A) Electrical energy

- Use of energy efficient LED lighting for street lights, shops and offices.
- Provision of energy efficient pumps for ETP/STP pumps, water supply and fire systems.
- Replacing conventional AHU units with energy efficient AHU units.
- Optimising compressed air pressure by use of portable small compressors on holidays.
- Use of HVLS (High volume and Low speed) fans for fixed load reduction of air circulators.
- Use of Mid Frequency DC Welding Machine in place of AC Welding Machine for Seam Welding Process.
- Use of active filters for harmonic suppression to reduce energy loss.
- Reduction in energy consumption by providing inverter drives with pressure transmitter for hydraulic and coolant systems.
- Reduction in hidden loss by providing on-line loss measurement system for transformer.
- Optimisation of processes and operational control.

B) Water

- Installation of second stage RO (Reverse Osmosis) at paint shop.
- Re-use of treated water for processes like cooling towers, central coolant systems, de-sludge pool and incinerator, compressor cooling tower and AHU, etc.
- Rain water harvesting with Ground Recharge.
- Replacement of underground hydrant and water pipeline with above ground level pipeline to arrest water leakages.
- Use of one touch water taps in canteen and wash rooms.

C) LPG/propane

- Weight reduction of hangers in paint shop to reduce heat losses.
- Thermal imaging/audit for ovens in paint shop and countermeasure.
- Burner efficiency improvement through efficient burners.
- Recovering heat from the process and using for other process.
- Upgradation of furnace insulation to reduce heat losses.
- Providing teflon coated grills, which are easily washable by high-pressure water jet.
- Providing magnetic resonator in gas train pipeline to increase combustion efficiency.
- Usage of low temperature chemicals for pre-treatment process.

D) Utilisation of renewable energy-key initiatives

- Use of solar energy through Roof Top Solar Power System.
  Akurdi Total Capacity – 1220 KWp
  Chakan Total Capacity – 2000 KWp
- Installation of natural light transparent roof sheets.

Impact of measures taken

As a result of the initiatives taken for conservation of energy and natural resources, the Company has effected an overall reduction in consumption as given in the table below:

	% Reduction w.r.t. previous year	
Description	**FY2018**	**FY2017**
Electricity consumption	3.60	1.98
Water consumption	5.53	18.73
LPG/PNG consumption	2.37	8.80

Investment/savings

(₹ In Crore)

Description	**FY2018**	**FY2017**
Investment for energy conservation activities	2.90	3.34
Recurring savings achieved through above activities	2.47	2.18

Awards and Accolades

Sr. No.	Details
1	BAL Waluj Plant clinched National Energy Management Trophy 2017 for 'Excellent Energy Efficient Unit' by Confederation of Indian Industry.
2	BAL Chakan and Pantnagar plants received ISO 14001 Certification for upgraded standard ISO 14001:2015 from ISO 14001:2008.

International Business

Bajaj Auto's 14% growth in motorcycles and 39% in commercial vehicles means that it remains by far, India's No.1 exporter of two and three wheelers. It exports to over 70 countries, including Latin America, Africa, South Asia, Middle East, Asia Pacific and Europe. During the year under review, exports accounted for 39.3% of the Company's net sales as against 36.9% in FY2017.
Detailed information on the International Business is given in the Management Discussion and Analysis Report.

Foreign exchange earnings and outgo

The Company continued to be a net foreign exchange earner during the year.

Total foreign exchange earned by the Company during the year under review was ₹ 9,281.46 crore, as compared to ₹ 7,336.49 crore during the previous year.

Total foreign exchange outflow during the year under review was ₹ 673.41 crore, as against ₹ 697.92 crore during the previous year.

Industrial relations

Industrial relations with staff and workmen across all the plants, viz. Akurdi, Waluj, Chakan and Pantnagar, continued to be cordial.

During the year, wage settlement has been signed at Waluj Plant on 23 February 2018 for a period of three and half years from 1 February 2018 to 31 July 2021, on expiry of earlier settlement on 31 January 2018.

Similarly, the wage review process for the period from 1 April 2016 to 31 March 2019 has also been completed for Akurdi and Chakan plants by signing MoUs with the Union on 23 February 2018.

With the active participation and involvement of employees, the Company has been able to inculcate TPM culture for excellence and continuous improvement across all plants. Plants have received many Awards during the year from bodies, such as Confederation of Indian Industry (CII), Quality Circle Forum of India (QCFI) and Indian Institution of Industrial Engineering (IIIE).

Chakan Plant received the Gold Award in Safety Improvements and Safety Skit Competition and Bronze Award in Safety Poster Competition organised by QCFI – Pune Chapter. Chakan Team also won the Certificate of Merit for its efforts in energy conservation in automobile in the National Energy Conservation Award competition organised by the Ministry of Power, Government of India.

The teams from Chakan Plant also received first and second prizes for Kaizen for improving productivity in Crank Case cell by 'MUDA' elimination and Kaizen for colour change loss time reduction at the ninth and tenth CII TPM Competitions organised at Delhi and Chennai respectively.

Pantnagar Plant received Gold, Silver and Excellence Awards in the TPM Circle Competition organised by QCFI at Rudrapur and Mysore. The Plant team also got first prize for Office TPM pillar presentation competition organised by CII at Chennai.

One workman from Engine Assembly (Commercial Vehicle) Waluj has received 'Kamgar Bhushan Puraskar' and two workmen from Final Assembly (Commercial Vehicle) have been awarded 'Gunwant Kamgar Puraskar' from Maharashtra Kamgar Kalyan Mandal, Mumbai.

Six workmen from Waluj Plant have received Prime Minister's 'Shram Bhushan','Shram Vir' and 'Shram Shree' Awards at the hands of Vice President of India in New Delhi on 26 February 2018 for the years 2012, 2013 and 2015.

Subsidiaries and joint ventures

PT. Bajaj Auto Indonesia

Routine business operations of PT. Bajaj Auto Indonesia, a 99.25% subsidiary of Bajaj Auto, have currently stopped.

During the year under review, in order to bring the capital of PT. Bajaj Auto Indonesia in line with its true net worth, PT. Bajaj Auto Indonesia with concurrence of Bajaj Auto Ltd. undertook the reduction of its share capital by writing down the par value of share from USD 100 per equity share to USD 3 per equity share.

Consequently, the total paid-up share capital of PT. Bajaj Auto Indonesia got reduced from $ 41,500,000 to $1,245,000, without actual repatriation of funds from Indonesia.

Necessary approvals from the regulators in Indonesia and from Reserve Bank of India have been received.

The plan for PT. Bajaj Auto Indonesia is to spearhead the development of KTM and Bajaj partnership and bring the jointly developed products into Indonesia. To take this further, all the required manufacturing, import and business licences have been renewed. Further, studies on the product acceptability have been conducted, which look favourable.

In addition, CKD configurations have been created and the process of seeking clearances for these configurations has started. The Company plans to kick off the business operations for PT. Bajaj Auto Indonesia in the current year with the CKD production in Indonesia.

Bajaj Auto International Holdings BV, Netherlands (BAIH BV)

Bajaj Auto International Holdings BV is a 100% Netherlands-based subsidiary of Bajaj Auto Ltd.

Over the years, through this subsidiary, Bajaj Auto has invested a total of € 198.1 million (₹ 1,219 crore), and holds approximately 48% stake in KTM AG of Austria (KTM). Calendar year 2017 has again been a record year for KTM, with highest sales in units and again highest turnover in the history of the Company. Detailed information on the developments at the subsidiary and KTM AG is provided in the Management Discussion and Analysis Report.

During the year, dividend received from BAIH BV amounted to ₹ 135 crore.

Signing of anti-corruption initiative of World Economic Forum (WEF)

In support of the initiative taken by WEF, with a view to strengthening the efforts to counter bribery and corruption, your Company is a signatory to the 'Commitment to anti-corruption' and is supporting the 'Partnering Against Corruption-Principles for Countering Bribery' derived from Transparency International's Business Principles. This calls for a commitment to two fundamental actions, viz. a zero-tolerance policy towards bribery and development of a practical and effective implementation programme.

Adoption of Confederation of Indian Industry (CII) Charters

Your Company, being a member of CII, has adopted the following Codes/Charters:

1. CII Code of Conduct for Affirmative Action;
2. Model Code of Conduct for Ethical Business practices;
3. Charters of Fair and Responsible Workplace Guidelines for Collaborative Employee Relations; and
4. Charters on Fair and Responsible Workplace Guidelines for Contract Labour.

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 eight 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 the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls 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.



PLATINA IS THE MOST PREFERRED ENTRY MOTORCYCLE IN SOUTH ASIA



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 SEBI Listing Regulations, 2015, there are no details to be disclosed in Form AOC-2 in that regard.

During the year 2017-18, pursuant to section 177 of the Companies Act, 2013 and regulation 23 of 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.bajajauto.com

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 and the date of this Report.

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 annexed Annual Report on CSR activities.

Formal annual evaluation of the performance of the Board, its Committees, Chairperson and Individual 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, Chairperson and Individual Directors is given in the Corporate Governance Report.

Presentation of financial statements

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

Indian Accounting Standards, 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act.

Consolidated financial statements

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

Statutory disclosures

The summary of the key financials of the Company's subsidiaries (Form AOC-1) is included in this Annual Report. A copy of the audited financial statements for each of the subsidiary companies will be made available to the members of the Company seeking such information at any point of time.

The audited financial statements for each of the subsidiary 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.bajajauto.com

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.

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

Pursuant to the legislation 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has a Policy on Prevention of Sexual Harassment at Workplace. During the year under review, one complaint was received from one of the employees, which was investigated and redressed by the Internal Complaints Committee formed under the aforesaid Act and closed.

There was no other case reported during the year under review under the said Policy.

Directors and Key Managerial Personnel-changes

As informed last year, Kantikumar R Podar and J N Godrej, independent directors, resigned from the Board w.e.f. 15 March 2017 and 10 April 2017 respectively. In their place, the Board at its meeting held on 18 May 2017 appointed Dr. Naushad Forbes and Dr. Omkar Goswami as additional directors in the category of non-executive, independent directors for a period of five years commencing from 18 May 2017. The members at the Tenth annual general meeting held on 20 July 2017 have approved the appointment of Dr. Naushad Forbes and Dr. Omkar Goswami, as independent directors.

The directors regret to inform about the sad demise of Naresh Chandra, an independent director of the Company on 9 July 2017. The directors record their very sincere appreciation of the valuable services rendered by him during his long tenure. In his place, pursuant to section 149 and regulation 17 (1) (b) read with regulation 25 (6) of SEBI Listing Regulations, 2015, Anami Roy was appointed as an additional director in the category of non-executive, independent director of the Company, with effect from 14 September 2017, at the meeting of the Board held on 14 September 2017. The members are requested to approve his appointment in the ensuing annual general meeting.

In light of the provisions of the Companies Act, 2013, Niraj Bajaj and Manish Kejriwal retire from the Board by rotation this year and being eligible, offer themselves 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 directors is provided in the Notice of the ensuing annual general meeting.

There was no other change in the directors and KMP during the year under review.

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

Significant and material orders passed by the regulators or courts

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

Details of internal financial controls with reference to the financial statements

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

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

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

Corporate governance

Pursuant to 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 Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2017-18. A declaration to this effect signed by the Managing Director (CEO) of the Company is contained in this Annual Report.

The Managing Director 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, as amended, inter alia, provides that the annual report of the top 500 listed entities based on market capitalisation (calculated as on 31 March of every financial year), shall include a Business Responsibility Report.

Since Bajaj Auto Ltd. is one of the top 500 listed entities, the Company, as in the previous years, has presented its BR Report for the financial year 2017-18, which is part of this Annual Report.

As a green initiative, the BR Report has been hosted on the Company's website www.bajajauto.com

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 the 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 said standards were further amended w.e.f. 1 October 2017. The Company is in compliance with the same.

Auditors

Statutory Auditor

Pursuant to the provisions of section 139 of the Companies Act, 2013, the members at the Annual General Meeting of the Company held on 20 July 2017 appointed S R B C & CO LLP (Firm Registration No. 324982E/E300003) as statutory auditors of the Company from the conclusion of Tenth Annual General Meeting till the conclusion of Fifteenth Annual General Meeting, covering one term of five consecutive years, subject to ratification by the members at each intervening Annual General Meeting.

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

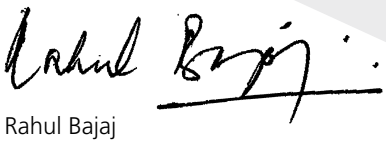
The statutory audit report for the year 2017-18 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Company has re-appointed, Shyamprasad D Limaye, Practising Company Secretary (Membership No.1587) to undertake the secretarial audit of the Company. Secretarial audit report for the year 2017-18 issued by him in the prescribed form MR-3 is annexed to this Report.

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

On behalf of the Board of Directors,



Rahul Bajaj
Chairman

Pune: 18 May 2018

Annual Report on CSR activities

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

Introduction

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

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

Through its social investments, Bajaj Group addresses the needs of communities residing in the vicinity of its facilities, taking sustainable initiatives in the areas of health, education, water, environment conservation, infrastructure and community development, and response to natural calamities. For the society, thus, 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 good health is a pre-requisite 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 14 May 2014, with approvals of the CSR Committee and Board of Directors. The Policy, inter alia, covers the following:

- Philosophy
- Scope
- List of CSR activities
- Modalities of execution of Projects/Programmes
- Implementation through CSR Cell
- Monitoring and Assessment of Projects/Programmes













1&2. Bajaj Water Conservation Project – largest project of its kind in India with total outlay of ₹ 262 crore for 110 villages spread over 5 years in Aurangabad, Maharashtra being inaugurated by Hon'ble Chief Minister of Maharashtra, Shri Devendra Fadnavis with Shri Madhur Bajaj, Vice Chairman of Bajaj Auto Ltd. on 4 March 2018.

3&4. Bajaj Institute of Technology at Wardha run by Bajaj NGO Shiksha Mandal – 1st batch of students and most aesthetically designed academic complex of Bajaj Institute of Technology.

5. Protection of vulnerable section of children from Abuse – sensitisation of nation by Bharat Yatra through NGO of Noble Laureate Kailash Satyarthi.

6. Bajaj Water Conservation Project through Paani Foundation in Maharashtra.

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

The CSR Policy is placed on https://www.bajajauto.com/pdf/csr-policy-bal.pdf

2. Composition of the CSR Committee

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

Rahul Bajaj, Chairman
Rajiv Bajaj
Nanoo Pamnani
Pradeep Shrivastava

During the year under review, the Committee met five times on 4 May 2017, 11 July 2017, 17 August 2017, 20 November 2017 and 12 February 2018.

3. Average net profit of the Company for last three financial years prior to 2017-18: ₹ 4,991.41 crore.

4. Prescribed CSR Expenditure (2% of amount as in item No.3): ₹ 99.83 crore.

5. Details of CSR spent during the financial year:

Particulars	(₹ In Crore)
a. Total amount to be spent:	99.83
b. Amount spent:	100.51
c. Amount unspent, if any (a-b):	Nil
d. Manner in which the amount spent/committed 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 three 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.bajajauto.com 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.

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

Rajiv Bajaj
Managing Director & CEO

Pune: 18 May 2018

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

(₹ In Crore)

Sr. No.	Name/details of the implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of the project/ programme (Local area or state/ district)	Amount/ outlay approved	Amount spent direct/ overheads during the year	Cumulative Expenditure up to 31 March 2018
1	Indian Institute of Science Education and Research (IISER), Pune	For construction of hall of residence for girl students	Setting up homes and hostels for women (iii)	Pune	50.00	20.00	40.00
2	Action for Food Production (AFRO)	Bajaj water conservation project	Environmental sustainability (iv)	Aurangabad	42.08	7.88	7.88
3	Action for Agricultural Renewal in Maharashtra (AFARM)	Bajaj water conservation project	Environmental sustainability (iv)	Aurangabad	45.71	7.79	7.79
4	RTM Nagpur University, Nagpur	Nagpur university building an administrative bldg	Education (ii)	Nagpur	10.00	5.00	5.50
5	JBGVS – PAANI Foundation	To render assistance for The Satyamev Jayate Water Cup-2018. It covers 100 Talukas from Vidharbha, Marathwada and Western Maharashtra. Paani foundation will train 5 people per village on watershed management and water conservation and will encourage the villagers to do "Shramdaan". The top three villages will get cash prize of ₹ 50 lakh, ₹ 30 lakh and ₹ 20 lakh respectively	Environment (iv)	Maharashtra	5.00	4.75	4.75
6	BAIF Institute for Sustainable Livelihood Development	Bajaj water conservation project	Environmental sustainability (iv)	Aurangabad	19.09	4.28	4.28
7	Development Support Centre	Bajaj water conservation project	Environmental sustainability (iv)	Aurangabad	15.49	4.06	4.06
8	Foundation for Ecological Security, Anand	To restore water resources in water scarce and ecologically degraded dryland regions	Environmental sustainability (iv)	Nine districts of Rajasthan, Maharashtra, Karnataka and Andhra Pradesh	27.00	4.05	4.05
9	Sri Chaitanya Seva Trust, Thane	To provide assistance for construction of new building with Oncology, Super Specialty units etc.	Health (i)	Thane	6.00	3.00	3.00
10	Kailash Satyarthi Children's Foundation, New Delhi	To render support for their on-going planned activities that include: 1. Forming child friendly villages in six states of India, viz. Jharkhand, Uttar Pradesh, Madhya Pradesh, Karnataka, Rajasthan and Bihar; 2.Campaigning against child sexual abuse- Bharat Yatra; and 3. Conducting Research in the domain of Child Abuse	Reducing inequality (iii)	PAN - India	2.50	2.50	2.50
11	Shramjivi Janata Sahayak Mandal (SJSM), Satara	To render assistance for undertaking Watershed Development works in severely drought affected 4 villages	Environmental sustainability (iv)	Man (Dahiwadi) Tehsil, Satara	11.85	2.21	2.21

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

(₹ In Crore)

Sr. No.	Name/details of the implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of the project/ programme (Local area or state/ district)	Amount/ outlay approved	Amount spent direct/ overheads during the year	Cumulative Expenditure up to 31 March 2018
12	Others Through Implementing agencies, such as JBGVS,BAIF Institute for Sustainable Livelihood Development, Bharatiya Yuva Shakti Trust, Teach-to-lead (teach for India), Sri Aurobindo Society etc.	For different projects, such as Water Conservation Project, promotion of livelihood, fostering entrepreneurship, sanitation, Education for slum and deprived children, tree plantation, welfare of armed forces veterans etc.	Environmental sustainability (iv), Livelihood enhancement (ii), Employment enhancing vocation skills and livelihood enhancements projects (ii), Education (ii), Health (i), welfare of armed forces veterans (vi), Rural Development Projects (x) etc.	For different locations in Maharashtra, Rajasthan, Uttarakhand and PAN-India	137.34	32.68	42.47
				Total (A)		**98.20**	
				Overhead expenses (restricted to 5% of total CSR expenditure) (B)		**2.31**	
				GRAND TOTAL (A) + (B)		**100.51**	

Note: All amounts mentioned above as spent relate to amounts spent through implementing agency, unless stated otherwise.





KTMs MANUFACTURED IN INDIA ARE RIDDEN ACROSS THE WORLD INCLUDING IN THE US, JAPAN AND AUSTRALIA



Extract of Annual Return (Form MGT-9)

As on the financial year ended on 31 March 2018

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

I. Registration and other details:

Corporate Identification Number (CIN)	L65993PN2007PLC130076
Registration Date	30 April 2007
Name of the Company	Bajaj Auto Ltd.
Category/Sub-category of the Company	Public Company/Limited by shares
Address of the Registered office and contact details	Mumbai-Pune Road, Akurdi, Pune 411 035. E-mail id: investors@bajajauto.co.in Tel. No: (020) 6610 6503
Whether listed company	Yes (BSE and NSE)
Name, Address and contact details of the Registrar and Transfer Agent, if any.	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

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

Sr. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Manufacture of Motorcycles, three-wheelers (including parts thereof)	3091	96

III. Particulars of holding, subsidiary and associate companies

Sr. No	Name of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	PT. Bajaj Auto Indonesia	Company incorporated in Indonesia	Subsidiary	99.25	section 2(87)
2	Bajaj Auto International Holdings BV	Company incorporated in Netherlands	Subsidiary	100.00	section 2(87)

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

i) Category-wise shareholding:

Category of shareholders	No. of shares held at the beginning of the year as on 1 April 2017				No. of shares held at the end of the year as on 31 March 2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	12,486,990	–	12,486,990	4.32	12,486,990	–	12,486,990	4.32	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s).	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	130,170,992	–	130,170,992	44.98	130,170,992	–	130,170,992	44.98	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub–Total (A)(1)	**142,657,982**	**–**	**142,657,982**	**49.30**	**142,657,982**	**–**	**142,657,982**	**49.30**	**–**
(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)	**142,657,982**	**–**	**142,657,982**	**49.30**	**142,657,982**	**–**	**142,657,982**	**49.30**	**–**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	5,287,919	1,425	5,289,344	1.83	6,281,978	850	6,282,828	2.17	0.34
b) Banks/FI	492,600	20,790	513,390	0.18	265,734	19,890	285,624	0.10	(0.08)
c) Central Govt.	–	–	–		–	–	–	–	–
d) State Govt(s).	–	–	–		–	–	–	–	–
e) Venture Capital Funds	–	–	–		–	–	–	–	–
f) Insurance Companies	16,395,999	600	16,396,599	5.67	18,059,728	600	18,060,328	6.24	0.57
g) FIIs/FPIs	50,462,246	2,675	50,464,921	17.44	49,767,619	2,300	49,769,919	17.20	(0.24)
h) Foreign Venture Capital Funds	–	–	–		–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub–Total (B)(1)	**72,638,764**	**25,490**	**72,664,254**	**25.11**	**74,375,059**	**23,640**	**74,398,699**	**25.71**	**0.60**
(2) Non–Institutions									
a) Bodies Corporate									
i) Indian	21,970,506	836,630	22,807,136	7.88	20,423,945	835,780	21,259,725	7.35	(0.53)
ii) Overseas	–	–	–		–	–	–	–	
b) Individuals	–	–	–	–	–	–	–	–	
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	15,508,674	1,856,641	17,365,315	4.70	12,371,558	1,113,027	13,484,585	4.66	(0.04)

i) Category–wise shareholding: (Contd.)

Category of shareholders	No. of shares held at the beginning of the year as on 1 April 2017				No. of shares held at the end of the year as on 31 March 2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12,821,139	15,954,133	28,775,272	11.25	15,735,167	16,394,809	32,129,976	11.10	(0.15)
c) Others (specify)									
i) NBFC Registered with RBI	31,642	–	31,642	0.01	6,551	–	6,551	0.00	
ii) Non Resident Indians	992,789	24,795	1,017,584	0.35	1,069,937	23,530	1,093,467	0.38	0.03
iii) Overseas Corporate Bodies	–	1,425	1,425	0.00	–	225	225	0.00	(0.00)
iv) Foreign Nationals	206	–	206	0.00	140	–	140	0.00	(0.00)
v) Clearing Members	239,892	–	239,892	0.08	198,975	–	198,975	0.07	(0.01)
vi) Trusts	3,778,520	–	3,778,520	1.31	4,057,453	–	4,057,453	1.40	0.10
vii) Foreign Bodies – DR	27,792	–	27,792	0.01	24,600	–	24,600	0.01	(0.00)
viii) IEPF	–	–	–	–	54,642	–	54,642	0.02	0.02
Sub–Total (B)(2)	**55,371,160**	**18,673,624**	**74,044,784**	**25.59**	**53,942,968**	**18,367,371**	**72,310,339**	**24.99**	**(0.60)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**128,009,924**	**18,699,114**	**146,709,038**	**50.70**	**128,318,027**	**18,391,011**	**146,709,038**	**50.70**	**–**
Grand Total (A+B)	**270,667,906**	**18,699,114**	**289,367,020**	**100.00**	**270,976,009**	**18,391,011**	**289,367,020**	**100.00**	**–**

ii) Shareholding of Promoters:

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2017			Shareholding at the end of the year as on 31 March 2018			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Anant Bajaj	114	0.00	–	41,464	0.01	–	0.01
2	Deepa Bajaj	21,150	0.01	–	21,150	0.01	–	–
3	Geetika Bajaj	600	0.00	–	600	0.00	–	–
4	Kiran Bajaj	2,050	0.00	–	118,050	0.04	–	0.04
5	Kriti Bajaj	70,000	0.02	–	398,820	0.14	–	0.11
6	Kumud Bajaj	969,868	0.34	–	595,118	0.21	–	(0.13)
7	Madhur Bajaj	1,571,252	0.54	–	1,674,532	0.58	–	0.04
8	Minal Bajaj	125,800	0.04	–	953,950	0.33	–	0.29
9	Neelima Bajaj Swamy	535,438	0.19	–	661,438	0.23	–	0.04
10	Nimisha Jaipuria	314,570	0.11	–	389,770	0.13	–	0.03
11	Niraj Bajaj	2,248,496	0.78	–	663,022	0.23	–	(0.55)
12	Niravnayan Bajaj	423,132	0.15	–	901,056	0.31	–	0.17
13	Pooja Bajaj	149,500	0.05	–	149,500	0.05	–	–

ii) Shareholding of Promoters: (Contd.)

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2017			Shareholding at the end of the year as on 31 March 2018			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
14	Rahulkumar Bajaj	2,970,570	1.03	–	2,780,570	0.96	–	(0.07)
15	Rajivnayan Bajaj	761,000	0.26	–	761,000	0.26	–	–
16	Rishabnayan Bajaj	17,000	0.01	–	17,000	0.01	–	–
17	Sanjali Bajaj	18,200	0.01	–	25,450	0.01	–	–
18	Sanjivnayan Bajaj	639,448	0.22	–	632,198	0.22	–	–
19	Shefali Bajaj	20,000	0.01	–	20,000	0.01	–	–
20	Shekhar Bajaj	143,720	0.05	–	7,220	0.00	–	(0.05)
21	Siddhantnayan Bajaj	15,000	0.01	–	15,000	0.01	–	–
22	Suman Jain	1,047,008	0.36	–	1,047,008	0.36	–	–
23	Sunaina Kejriwal	423,074	0.15	–	613,074	0.21	–	0.07
24	Bachhraj And Company Pvt. Ltd.	3,711,756	1.28	–	3,711,756	1.28	–	–
25	Bachhraj Factories Pvt. Ltd.	1,961,174	0.68	–	1,961,174	0.68	–	–
26	Bajaj Allianz Life Insurance Company Ltd.	125,000	0.04	–	125,000	0.04	–	–
27	Bajaj Finance Ltd.	150	0.00	–	150	0.00	–	–
28	Bajaj Holdings & Investment Ltd.	91,280,000	31.54	–	91,280,000	31.54	–	–
29	Bajaj Sevashram Pvt. Ltd.	4,462,720	1.54	–	4,462,720	1.54	–	–
30	Baroda Industries Pvt. Ltd.	1,670,802	0.58	–	1,670,802	0.58	–	–
31	Hercules Hoists Ltd.	182,590	0.06	–	182,590	0.06	–	–
32	The Hindustan Housing Company Ltd.	20,800	0.01	–	20,800	0.01	–	–
33	Jamnalal Sons Pvt. Ltd.	25,844,400	8.93	–	25,844,400	8.93	–	–
34	Kamalnayan Investment & Trading Pvt. Ltd.	132,200	0.05	–	132,200	0.05	–	–
35	Madhur Securities Pvt. Ltd.	79,400	0.03	–	79,400	0.03	–	–
36	Niraj Holdings Pvt. Ltd.	19,600	0.01	–	19,600	0.01	–	–
37	Rahul Securities Pvt. Ltd.	270,600	0.09	–	270,600	0.09	–	–
38	Rupa Equities Pvt. Ltd.	286,800	0.10	–	286,800	0.10	–	–
39	Sanraj Nayan Investments Pvt. Ltd.	60,000	0.02	–	60,000	0.02	–	–
40	Shekhar Holdings Pvt. Ltd.	63,000	0.02	–	63,000	0.02	–	–
	Total	**142,657,982**	**49.30**	**–**	**142,657,982**	**49.30**	**–**	**(0.00)**

Note: Includes shares held in other capacities, as applicable.

iii) Change in Promoters' shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year 1 April 2017	142,657,982	49.30		
	Date-wise increase/(decrease)				
1	**Rahulkumar Bajaj**				
	29-12-2017 - Sale	(190,000)	(0.07)	142,467,982	49.23
2	**Niraj Bajaj**				
	29-12-2017 - Sale	(1,614,674)	(0.56)	140,853,308	48.68
3	**Madhur Bajaj**				
	29-12-2017 - Purchase	881,000	0.30	141,734,308	48.98
	12-01-2018 - Sale	(778,750)	(0.27)	140,955,558	48.71
4	**Kumud Bajaj**				
	29-12-2017 - Purchase	549,000	0.19	141,504,558	48.90
	12-01-2018 - Sale	(923,750)	(0.32)	140,580,808	48.58
5	**Sanjivnayan Bajaj**				
	29-12-2017 - Sale	(7,250)	(0.00)	140,573,558	48.58
6	**Neelima Bajaj Swamy**				
	29-12-2017 - Purchase	126,000	0.04	140,699,558	48.62
7	**Niravnayan Bajaj**				
	29-12-2017 - Sale	(55,076)	(0.02)	140,644,482	48.60
	12-01-2018 - Purchase	533,000	0.18	141,177,482	48.78
8	**Sunaina Kejriwal**				
	29-12-2017 - Purchase	190,000	0.07	141,367,482	48.85
9	**Nimisha Jaipuria**				
	29-12-2017 - Purchase	75,200	0.03	141,442,682	48.88
10	**Shekhar Bajaj**				
	29-12-2017 - Sale	(136,500)	(0.05)	141,306,182	48.83
11	**Minal Bajaj**				
	12-01-2018 - Purchase	828,150	0.29	142,134,332	49.12

iii) Change in Promoters' shareholding (Contd.)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
12	**Kiran Bajaj**				
	29-12-2017 - Purchase	116,000	0.04	142,250,332	49.16
13	**Kriti Bajaj**				
	29-12-2017 - Purchase	28,820	0.01	142,279,152	49.17
	12-01-2018 - Purchase	300,000	0.11	142,579,152	49.28
14	**Niraj Bajaj**				
	29-12-2017 - Purchase	29,200	0.01	142,608,352	49.29
15	**Sanjali Bajaj**				
	29-12-2017 - Purchase	7,250	0.00	142,615,602	49.29
16	**Madhur Bajaj**				
	29-12-2017 - Purchase	1,030	0.00	142,616,632	49.29
17	**Anant Bajaj**				
	12-01-2018 - Purchase	41,350	0.01	142,657,982	49.30
	At the end of the year 31 March 2018			142,657,982	49.30

iv) Shareholding pattern of top ten shareholders (other than directors, promoters)

Sr. No.	Name of shareholders	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	**Life Insurance Corporation of India**				
	At the beginning of the year 1 April 2017	15,602,107	5.39		
	Date-wise Increase/decrease				
	26-05-2017 - Sale	(1,450)	(0.00)	15,600,657	5.39
	23-06-2017 - Purchase	15,000	0.01	15,615,657	5.40
	30-06-2017 - Purchase	457,456	0.16	16,073,113	5.56
	07-07-2017 - Purchase	758,910	0.26	16,832,023	5.82
	14-07-2017 - Purchase	670,703	0.23	17,502,726	6.05

iv) Shareholding pattern of top ten shareholders (other than directors, promoters)(Contd.)

Sr. No.	Name of shareholders	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
	21-07-2017 - Purchase	401,426	0.14	17,904,152	6.19
	28-07-2017 - Purchase	387,786	0.13	18,291,938	6.32
	04-08-2017 - Purchase	323,892	0.11	18,615,830	6.43
	11-08-2017 - Purchase	209,653	0.08	18,825,483	6.51
	18-08-2017 - Purchase	668,919	0.23	19,494,402	6.74
	06-10-2017 - Sale	(1,000)	(0.00)	19,493,402	6.74
	13-10-2017 - Sale	(1,000)	(0.00)	19,492,402	6.74
	20-10-2017 - Sale	(4,000)	(0.00)	19,488,402	6.74
	27-10-2017 - Sale	(5,500)	(0.00)	19,482,902	6.74
	31-10-2017 - Sale	(2,000)	(0.00)	19,480,902	6.74
	03-11-2017 - Sale	(17,096)	(0.01)	19,463,806	6.73
	10-11-2017 - Sale	(87,446)	(0.03)	19,376,360	6.70
	17-11-2017 - Sale	(113,834)	(0.04)	19,262,526	6.66
	24-11-2017 - Sale	(216,856)	(0.08)	19,045,670	6.58
	01-12-2017 - Sale	(230,385)	(0.08)	18,815,285	6.50
	26-01-2018 - Sale	(131,511)	(0.04)	18,683,774	6.46
	02-02-2018 - Sale	(133,542)	(0.05)	18,550,232	6.41
	09-02-2018 - Sale	(39,400)	(0.01)	18,510,832	6.40
	16-02-2018 - Purchase	1,400	0.00	18,512,232	6.40
	16-02-2018 - Sale	(43,300)	(0.02)	18,468,932	6.38
	23-02-2018 - Sale	(120,325)	(0.04)	18,348,607	6.34
	02-03-2018 - Sale	(462,913)	(0.16)	17,885,694	6.18
	09-03-2018 - Sale	(115,686)	(0.04)	17,770,008	6.14
	16-03-2018 - Sale	(371,653)	(0.13)	17,398,355	6.01
	23-03-2018 - Sale	(198,203)	(0.07)	17,200,152	5.94
	At the end of the year 31 March 2018			17,200,152	5.94
2	**M/s Jaya Hind Investments Pvt. Ltd.**				
	At the beginning of the year 1 April 2017	10,077,046	3.48		
	Date-wise increase/(decrease)				
	14-04-2017 - Sale	(385,000)	(0.13)	9,692,046	3.35
	21-04-2017 - Sale	(12,184)	(0.01)	9,679,862	3.34
	12-05-2017 - Sale	(100,000)	(0.03)	9,579,862	3.31
	19-05-2017 - Sale	(71,792)	(0.02)	9,508,070	3.29
	09-06-2017 - Sale	(10,000)	(0.01)	9,498,070	3.28
	At the end of the year 31 March 2018			9,498,070	3.28

iv) Shareholding pattern of top ten shareholders (other than directors, promoters)(Contd.)

Sr. No.	Name of shareholders	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	**Maharashtra Scooters Ltd.**				
	At the beginning and at the end of the year- No change during the year ended 31 March 2018	6,774,072	2.34	6,774,072	2.34
4	**Government Pension Fund Global**				
	At the beginning of the year 1 April 2017	3,995,944	1.38		
	Date-wise increase/(decrease)				
	21-04-2017 - Purchase	71,209	0.02	4,067,153	1.40
	28-04-2017 - Purchase	51,226	0.02	4,118,379	1.42
	05-05-2017 - Purchase	36,397	0.02	4,154,776	1.44
	12-05-2017 - Purchase	91,746	0.03	4,246,522	1.47
	19-05-2017 - Purchase	244,802	0.08	4,491,324	1.55
	02-06-2017 - Purchase	165,183	0.06	4,656,507	1.61
	09-06-2017 - Purchase	98,605	0.03	4,755,112	1.64
	07-07-2017 - Sale	(414,637)	(0.14)	4,340,475	1.50
	14-07-2017 - Sale	(185,699)	(0.06)	4,154,776	1.44
	25-08-2017 - Purchase	45,287	0.02	4,200,063	1.45
	24-11-2017 - Purchase	46,534	0.02	4,246,597	1.47
	08-12-2017 - Purchase	33,948	0.01	4,280,545	1.48
	At the end of the year 31 March 2018			4,280,545	1.48
5	**Niraj Bajaj (as trustee of Yamuna Trust)**				
	At the beginning and at the end of the year- No change during the year ended 31 March 2018	3,659,916	1.26	3,659,916	1.26
6	**Lazard Emerging Markets Equity Portfolio**				
	At the beginning of the year 1 April 2017	2,790,372	0.96		
	Date-wise increase/decrease				
	29-09-2017 - Sale	(106,717)	(0.04)	2,683,655	0.92
	06-10-2017 - Sale	(71,077)	(0.02)	2,612,578	0.90
	15-12-2017 - Sale	(59,613)	(0.02)	2,552,965	0.88
	At the end of the year 31 March 2018			2,552,965	0.88

iv) Shareholding pattern of top ten shareholders (other than directors, promoters)(Contd.)

Sr. No.	Name of shareholders	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
7	**Niraj Bajaj (as trustee of Narmada Trust)**				
	At the beginning and at the end of the year- No change during the year ended 31 March 2018	2,184,150	0.75	2,184,150	0.75
8	**Abhay Firodia**				
	At the beginning and at the end of the year- No change during the year ended 31 March 2018	1,733,459	0.60	1,733,459	0.60
9	**SBI-ETF NIFTY 50**				
	At the beginning of the year 1 April 2017	1,030,709	0.36		
	Date-wise increase/(decrease)				
	07-04-2017 - Purchase	61,614	0.02	1,092,323	0.38
	07-04-2017 - Sale	(685)	(0.00)	1,091,638	0.38
	14-04-2017 - Purchase	14,359	0.00	1,105,997	0.38
	21-04-2017 - Purchase	14,329	0.00	1,120,326	0.38
	28-04-2017 - Purchase	18,529	0.01	1,138,855	0.39
	28-04-2017 - Sale	(76)	(0.00)	1,138,779	0.39
	05-05-2017 - Purchase	7,367	0.00	1,146,146	0.39
	12-05-2017 - Purchase	7,114	0.00	1,153,260	0.39
	12-05-2017 - Sale	(222)	(0.00)	1,153,038	0.39
	19-05-2017 - Purchase	8,350	0.00	1,161,388	0.40
	19-05-2017 - Sale	(423)	(0.00)	1,160,965	0.40
	26-05-2017 - Purchase	3,877	0.00	1,164,842	0.40
	26-05-2017 - Sale	(345)	(0.00)	1,164,497	0.40
	02-06-2017 - Purchase	4,701	0.00	1,169,198	0.40
	02-06-2017 - Sale	(166)	(0.00)	1,169,032	0.40
	09-06-2017 - Purchase	8,549	0.00	1,177,581	0.40
	09-06-2017 - Sale	(322)	(0.00)	1,177,259	0.40
	16-06-2017 - Purchase	10,624	0.01	1,187,883	0.41
	23-06-2017 - Purchase	4,429	0.00	1,192,312	0.41
	23-06-2017 - Sale	(7,703)	(0.00)	1,184,609	0.41
	30-06-2017 - Purchase	8,946	0.00	1,193,555	0.41
	30-06-2017 - Sale	(1)	(0.00)	1,193,554	0.41
	07-07-2017 - Purchase	10,433	0.00	1,203,987	0.41
	07-07-2017 - Sale	(1,401)	(0.00)	1,202,586	0.41



THE INNOVATIVE QUTE IS NOW EXPORTED TO 30 COUNTRIES



iv) Shareholding pattern of top ten shareholders (other than directors, promoters)(Contd.)

Sr. No.	Name of shareholders	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
	14-07-2017 - Purchase	9,177	0.00	1,211,763	0.41
	14-07-2017 - Sale	(1,641)	(0.00)	1,210,122	0.41
	21-07-2017 - Purchase	8,358	0.01	1,218,480	0.42
	21-07-2017 - Sale	(1,471)	(0.00)	1,217,009	0.42
	28-07-2017 - Purchase	18,994	0.01	1,236,003	0.43
	28-07-2017 - Sale	(365)	(0.00)	1,235,638	0.43
	04-08-2017 - Purchase	29,952	0.01	1,265,590	0.44
	11-08-2017 - Purchase	17,814	0.00	1,283,404	0.44
	11-08-2017 - Sale	(318)	(0.00)	1,283,086	0.44
	18-08-2017 - Purchase	12,034	0.00	1,295,120	0.45
	18-08-2017 - Sale	(150,000)	(0.05)	1,145,120	0.40
	25-08-2017 - Purchase	14,584	0.01	1,159,704	0.40
	01-09-2017 - Purchase	13,493	0.00	1,173,197	0.41
	08-09-2017 - Purchase	14,659	0.01	1,187,856	0.41
	15-09-2017 - Purchase	11,707	0.00	1,199,563	0.41
	22-09-2017 - Purchase	9,416	0.00	1,208,979	0.42
	29-09-2017 - Purchase	5,149	0.00	1,214,128	0.42
	29-09-2017 - Sale	(279)	(0.00)	1,213,849	0.42
	06-10-2017 - Purchase	13,302	0.00	1,227,151	0.42
	06-10-2017 - Sale	(2,671)	(0.00)	1,224,480	0.42
	13-10-2017 - Purchase	20,947	0.01	1,245,427	0.43
	20-10-2017 - Purchase	109,711	0.04	1,355,138	0.47
	27-10-2017 - Purchase	13,164	0.00	1,368,302	0.47
	31-10-2017 - Purchase	1,524	0.00	1,369,826	0.47
	03-11-2017 - Purchase	2,123	0.00	1,371,949	0.47
	10-11-2017 - Purchase	1,710	0.00	1,373,659	0.47
	10-11-2017 - Sale	(1,633)	(0.00)	1,372,026	0.47
	17-11-2017 - Purchase	2,205	0.00	1,374,231	0.47
	24-11-2017 - Purchase	17,546	0.01	1,391,777	0.48
	24-11-2017 - Sale	(168)	(0.00)	1,391,609	0.48
	01-12-2017 - Purchase	12,107	0.00	1,403,716	0.49
	08-12-2017 - Purchase	18,300	0.01	1,422,016	0.49
	15-12-2017 - Purchase	17,092	0.01	1,439,108	0.50
	22-12-2017 - Purchase	13,651	0.00	1,452,759	0.50
	22-12-2017 - Sale	(5,547)	(0.00)	1,447,212	0.50
	29-12-2017 - Purchase	82,913	0.03	1,530,125	0.53
	29-12-2017 - Sale	(66)	(0.00)	1,530,059	0.53
	05-01-2018 - Purchase	17,797	0.01	1,547,856	0.53
	12-01-2018 - Purchase	10,721	0.00	1,558,577	0.54

iv) Shareholding pattern of top ten shareholders (other than directors, promoters)(Contd.)

Sr. No.	Name of shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	12-01-2018 - Sale	(21)	(0.00)	1,558,556	0.54
	19-01-2018 - Purchase	358	0.00	1,558,914	0.54
	19-01-2018 - Sale	(4,627)	(0.00)	1,554,287	0.54
	26-01-2018 - Purchase	324	0.00	1,554,611	0.54
	26-01-2018 - Sale	(26,907)	(0.01)	1,527,704	0.53
	02-02-2018 - Sale	(87,540)	(0.03)	1,440,164	0.50
	09-02-2018 - Purchase	99	0.00	1,440,263	0.50
	09-02-2018 - Sale	(41,582)	(0.01)	1,398,681	0.48
	16-02-2018 - Purchase	13,479	0.00	1,412,160	0.49
	16-02-2018 - Sale	(112)	(0.00)	1,412,048	0.49
	23-02-2018 - Purchase	43	0.00	1,412,091	0.49
	23-02-2018 - Sale	(2,173)	(0.00)	1,409,918	0.49
	02-03-2018 - Purchase	109,055	0.04	1,518,973	0.52
	02-03-2018 - Sale	(321)	(0.00)	1,518,652	0.52
	09-03-2018 - Purchase	24,428	0.01	1,543,080	0.53
	16-03-2018 - Purchase	28,535	0.01	1,571,615	0.54
	16-03-2018 - Sale	(6,750)	(0.00)	1,564,865	0.54
	23-03-2018 - Purchase	36,710	0.01	1,601,575	0.55
	30-03-2018 - Purchase	46,685	0.02	1,648,260	0.57
	30-03-2018 - Sale	(81,689)	(0.03)	1,566,571	0.54
	At the end of the year 31 March 2018			1,566,571	0.54
10	**Franklin Templeton Mutual Fund A/C Franklin INDIA**				
	At the beginning of the year 1 April 2017	1,056,005	0.36		
	Date-wise increase/(decrease)				
	07-04-2017 - Purchase	201	0.00	1,056,206	0.36
	14-04-2017 - Purchase	212,733	0.08	1,268,939	0.44
	21-04-2017 - Purchase	432,267	0.15	1,701,206	0.59
	21-04-2017 - Sale	(20)	(0.00)	1,701,186	0.59
	28-04-2017 - Purchase	118,919	0.04	1,820,105	0.63
	28-04-2017 - Sale	(19)	(0.00)	1,820,086	0.63
	05-05-2017 - Sale	(39)	(0.00)	1,820,047	0.63
	12-05-2017 - Purchase	38,678	0.01	1,858,725	0.64
	12-05-2017 - Sale	(19)	(0.00)	1,858,706	0.64
	19-05-2017 - Sale	(19)	(0.00)	1,858,687	0.64
	26-05-2017 - Purchase	35,000	0.01	1,893,687	0.65
	26-05-2017 - Sale	(175)	(0.00)	1,893,512	0.65

iv) Shareholding pattern of top ten shareholders (other than directors, promoters)(Contd.)

Sr. No.	Name of shareholders	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
	02-06-2017 - Purchase	80	0.00	1,893,592	0.65
	09-06-2017 - Sale	(56)	(0.00)	1,893,536	0.65
	23-06-2017 - Purchase	20,000	0.01	1,913,536	0.66
	23-06-2017 - Sale	(19)	(0.00)	1,913,517	0.66
	30-06-2017 - Sale	(57)	(0.00)	1,913,460	0.66
	07-07-2017 - Purchase	10,000	0.00	1,923,460	0.66
	07-07-2017 - Sale	(123)	(0.00)	1,923,337	0.66
	28-07-2017 - Sale	(100,000)	(0.03)	1,823,337	0.63
	04-08-2017 - Sale	(25)	(0.00)	1,823,312	0.63
	11-08-2017 - Sale	(36)	(0.00)	1,823,276	0.63
	25-08-2017- Purchase	37	0.00	1,823,313	0.63
	08-09-2017 - Purchase	18	0.00	1,823,331	0.63
	15-09-2017- Purchase	17	0.00	1,823,348	0.63
	22-09-2017 - Sale	(35)	(0.00)	1,823,313	0.63
	29-09-2017 - Sale	(271)	(0.00)	1,823,042	0.63
	06-10-2017 - Purchase	45	0.00	1,823,087	0.63
	06-10-2017 - Sale	(15,034)	(0.01)	1,808,053	0.62
	13-10-2017 - Sale	(156,751)	(0.05)	1,651,302	0.57
	20-10-2017 - Sale	(41)	(0.00)	1,651,261	0.57
	31-10-2017 - Sale	(1,401)	(0.00)	1,649,860	0.57
	03-11-2017 - Sale	(88,075)	(0.03)	1,561,785	0.54
	10-11-2017 - Sale	(212)	(0.00)	1,561,573	0.54
	01-12-2017 - Sale	(96,922)	(0.03)	1,464,651	0.51
	29-12-2017 - Sale	(34)	(0.00)	1,464,617	0.51
	05-01-2018 - Sale	(33)	(0.00)	1,464,584	0.51
	19-01-2018 - Sale	(26)	(0.00)	1,464,558	0.51
	26-01-2018 - Sale	(51)	(0.00)	1,464,507	0.51
	02-02-2018 - Sale	(479)	(0.00)	1,464,028	0.51
	09-02-2018 - Purchase	10,000	0.00	1,474,028	0.51
	09-02-2018 - Sale	(33)	(0.00)	1,473,995	0.51
	16-02-2018 - Sale	(50,000)	(0.02)	1,423,995	0.49
	23-02-2018 - Sale	(34)	(0.00)	1,423,961	0.49
	30-03-2018 - Purchase	10,000	0.00	1,433,961	0.50
	30-03-2018 - Sale	(138)	(0.00)	1,433,823	0.50
	At the end of the year 31 March 2018			1,433,823	0.49

v) Shareholding of directors and key managerial personnel:

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	**Rahul Bajaj**				
	At the beginning of the year 1-04-2017	2,970,570	1.03		
	29-12-2017 Sale	(190,000)	(0.07)		
	At the end of the year 31-3-2018	2,780,570	0.96	2,780,570	0.96
2	**Madhur Bajaj**				
	At the beginning of the year 01-04-2017	1,571,252	0.54		
	29-12-2017 Purchase	881,000	0.30		
	29-12-2017 Purchase	1,030	0.00		
	12-01-2018 Sale	(778,750)	(0.27)		
	At the end of the year 31-03-2018	1,674,532	0.58	1,674,532	0.58
3	**Rajiv Bajaj**				
	At the beginning of the year and at the end of the year-No change during the year ended 31-03-2018	761,000	0.26	761,000	0.26
4	**Sanjiv Bajaj**				
	At the beginning of the year 01-04-2017	639,448	0.22		
	29-12-2017 Sale	(7,250)	(0.00)		
	At the end of the year 31-03-2018	632,198	0.22	632,198	0.22
5	**D S Mehta**				
	At the beginning of the year and at the end of the year-No change during the year ended 31-03-2018	9,980	0.00	9,980	0.00
6	**Shekhar Bajaj**				
	At the beginning of the year 01-04-2017	143,720	0.05		
	29-12-2017 Sale	(136,500)	(0.05)		
	At the end of the year 31-03-2018	7,220	0.00	7,220	0.00
7	**Manish Kejriwal**				
	At the beginning of the year and at the end of the year-No change during the year ended 31-03-2018	200	0.00	200	0.00

v) Shareholding of directors and key managerial personnel: (Contd.)

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
8	**Niraj Bajaj**				
	At the beginning of the year 01-04-2017	2,248,496	0.78		
	29-12-2017 Sale	(1,614,674)	(0.56)		
	29-12-2017 Purchase	29,200			
	At the end of the year 31-03-2018	663,022	0.23	663,022	0.23
9	**Pradeep Shrivastava**				
	At the beginning of the year and at the end of the year-No change during the year ended 31-03-2018	75	0.00	75	0.00
10	**Kevin D'sa (CFO)**				
	At the beginning of the year and at the end of the year-No change during the year ended 31-3-2018	3,620	0.00	3,620	0.00

Note: (1) Shareholding of all the other Directors-NIL.

(2) Dr. J Sridhar (Company Secretary) does not hold any shares in the company in his name as a sole/first holder.

V. Indebtedness

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

(In ₹)

Sr. No.	Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
A	Indebtedness at the beginning of the financial year				
	i Principal amount	–	1,199,021,189	–	1,199,021,189
	ii Interest due but not paid	–	–	–	–
	iii Interest accrued but not due	–	–	–	–
	Total (i+ii+iii)	**–**	**1,199,021,189**	**–**	**1,199,021,189**
B	Change in Indebtedness during the financial year				
	* Addition	–	8,637,812	–	8,637,812
	* Reduction	–	–	–	–

V. Indebtedness (Contd.)

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

(In ₹)

Sr. No.	Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
	Net Change	**–**	**8,637,812**	**–**	**8,637,812**
C	Indebtedness at the end of the financial year 31 March 2018				
	i Principal amount	–	1,207,659,001	–	1,207,659,001
	ii Interest due but not paid	–	–	–	–
	iii Interest accrued but not due	–	–	–	–
	Total (i+ii+iii)	**–**	**1,207,659,001**	**–**	**1,207,659,001**

VI. Remuneration of the directors and key managerial personnel

A. Remuneration to Managing Director (MD), whole-time directors (WTD) and/or manager

(In ₹)

Sr. No.	Particulars of remuneration	Rajiv Bajaj (MD)	Rahul Bajaj (Chairman)	Pradeep Shrivastava (ED)	Total amount
1	Gross Salary				
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	61,997,500	23,437,500	37,429,500	122,864,500
	b. Value of perquisites under section 17(2) of Income Tax Act, 1961	34,955,186	20,017,277	1,991,078	56,963,541
	c. Profits in lieu of salary under section 17(3) Income Tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission				
	– as % of profit	–	–	–	–
	– others	174,060,000	67,500,000	–	241,560,000
5	Others, please specify				
	Contribution to PF, etc.	12,222,449	4,859,096	2,702,725	19,784,270
	Total (A)	**283,235,135**	**115,813,873**	**42,123,303**	**441,172,311**
	Ceiling as per the Act				**5,828,300,000**

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. However, Pradeep Shrivastava, Executive Director was paid ₹ 4,560,000 towards Performance Award (variable pay) as included in the above table. The Company has not issued any stock options to any of the directors. The term of Managing Director/Whole-time Directors does not exceed five years.

Appointment of Managing Director/Whole-time Directors is governed by a service contract for a period of 5 years and notice period is of 90 days and is in compliance with the applicable provisions of the Companies Act, 2013.

B. Remuneration to other directors

(In ₹)

Sr. No.	Name	Fee for attending Board/ Committee meetings	Commission	Others, please Specify	Total
1	**Independent Directors**				
	1. D S Mehta	600,000	900,000	–	1,500,000
	2. D J Balaji Rao	1,500,000	2,250,000	–	3,750,000
	3. Naresh Chandra	300,000	450,000	–	750,000
	4. Nanoo Pamnani	1,100,000	3,650,000	–	4,750,000
	5. P Murari	300,000	450,000	–	750,000
	6. Dr. Gita Piramal	1,500,000	2,250,000	–	3,750,000
	7. Dr. Naushad Forbes	900,000	1,350,000	–	2,250,000
	8. Dr. Omkar Goswami	800,000	1,200,000	–	2,000,000
	9. Anami Roy	600,000	900,000	–	1,500,000
	TOTAL (B)(1)	**7,600,000**	**13,400,000**		**21,000,000**
2	**Other Non-executive Directors**				
	1. Sanjiv Bajaj	800,000	1,200,000	–	2,000,000
	2. Shekhar Bajaj	700,000	1,050,000	–	1,750,000
	3. Manish Kejriwal	700,000	1,050,000	–	1,750,000
	4. Niraj Bajaj	800,000	1,200,000	–	2,000,000
	5. Madhur Bajaj	800,000	1,200,000	–	2,000,000
	TOTAL (B)(2)	**3,800,000**	**5,700,000**	**–**	**9,500,000**
	TOTAL (B)(1) + (B)(2)	**11,400,000**	**19,100,000**	**–**	**30,500,000**
	Overall Ceiling as per the Act				**6,411,200,000**

Note: Overall ceiling as per 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	Dr. J Sridhar (CS)	Kevin D'sa (CFO)
1	Gross Salary		
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	12,568,190	23,393,144
	b. Value of perquisites under section 17(2) of Income Tax Act, 1961	498,639	1,301,342
	c. Profits in lieu of salary under section 17(3) Income Tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission		
	- as % of profit	–	–
	- others	–	–
5	Others, please specify		
	- Contribution to PF etc.	999,215	1,748,733
	Total	**14,066,044**	**26,443,219**

VII. Penalties/punishment/compounding of offences:

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

Annexure to Directors' Report

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

Sr. No.	Name of Director/KMP	Ratio of Remuneration of director to Median Remuneration of employees	% increase in the financial year
(A)	**Whole-time directors/Managerial Personnel**		
	Rahul Bajaj, Chairman	167.36	1.35
	Rajiv Bajaj, Managing Director	409.30	10.67
	Pradeep Shrivastava, Executive Director	60.87	(4.11)
	Whole-time Directors in aggregate		**6.53**
(B)	**Non-executive directors[1]**		
	Madhur Bajaj[2]	1.73	(98.58)
	Sanjiv Bajaj	1.73	14.29
	D S Mehta	1.30	(14.29)
	Shekhar Bajaj	1.52	75.00
	D J Balaji Rao	3.25	15.38
	Naresh Chandra[3]	0.65	(78.57)
	Nanoo Pamnani[4]	5.27	(3.95)
	Manish Kejriwal	1.52	75.00
	P Murari	0.65	(40.00)
	Niraj Bajaj	1.73	33.33
	Dr. Gita Piramal	3.25	66.67
	Dr. Naushad Forbes[5]	1.95	–
	Dr. Omkar Goswami[6]	1.73	–
	Anami Roy[7]	1.30	–
(C)	**Key Managerial Personnel**		
	Rajiv Bajaj, Managing Director		10.67
	Kevin D'sa, CFO		(4.66)
	Dr. J Sridhar, Company Secretary		(6.90)
(D)	**Remuneration of Median Employee (other than whole-time directors)**		**41.22**
(E)	**Permanent employees as on 31 March 2018[8]: 8,013**		

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. Madhur Bajaj ceased to be executive Vice Chairman w.e.f. 1 April 2017. He continues as Vice Chairman, but in non-executive capacity. His remuneration for 2017-18 is thus not comparable with that for 2016-17.
3. Naresh Chandra, an independent director on the Board, passed away on 9 July 2017. Figures in his case are therefore not comparable.
4. As approved by the Board, Nanoo Pamnani is being paid an additional commission of ₹ 20 lakh, for certain additional services rendered by him during the year, at the request of the Management.
5. Dr. Naushad Forbes was appointed w.e.f. 18 May 2017. Figures in his case are therefore not comparable.
6. Dr. Omkar Goswami was appointed w.e.f. 18 May 2017. Figures in his case are therefore not comparable.
7. Anami Roy was appointed w.e.f. 14 September 2017. Figures in his case are therefore not comparable.
8. The term 'Permanent Employees' does not include trainees, probationers and contract employees.

Notes on Disclosures under Rule 5

1. In 2017-18, the remuneration of median employee other than whole-time Directors increased by 41.22% over the previous year.
2. Increase in the remuneration of the Managerial Personnel, which in the aggregate was 6.53% during the year under review, was given, keeping in view the trends of remuneration in industry.
3. The remuneration paid as above was as per the Remuneration Policy of the Company.

Secretarial Audit Report (Form MR-3)

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

For the financial year ended 31 March 2018.

To,
The Members,
Bajaj Auto Ltd.
(CIN: L65993PN2007PLC130076)
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 Auto Ltd., (hereinafter called as 'The Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2018, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place 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 on 31 March 2018, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(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) Motor Vehicles Act, 1988 to the extent of product certification before production and from time to time primarily in respect of vehicles manufactured by 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

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

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

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

Pune: 18 May 2018

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

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

To the Members of **Bajaj Auto Limited.**
Mumbai-Pune Road,
Akurdi, Pune-411035.

1. The Corporate Governance Report prepared by Bajaj Auto Limited (hereinafter the 'Company'), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') ('Applicable criteria') with respect to Corporate Governance for the year ended 31 March 2018. This report is required by the Company to be annexed with the Directors' Report, in terms of Para E of schedule V to the aforesaid Listing Regulations, for further being sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditors' judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non- executive directors has been met throughout the reporting period;.
   iii. Obtained and read the Directors Register as on 31 March 2018 and verified that at least one woman director was on the Board during the year;
   iv. Obtained and read the minutes of the following meetings held between 1 April 2017 to 31 March 2018:
      (a) Board of Directors meetings;
      (b) Audit Committee meetings;
      (c) Annual General meeting;
      (d) Nomination and Remuneration Committee meetings;

(e) Stakeholders Relationship Committee meeting;
(f) Independent directors meeting;
(g) Duplicate Share Certificate Issuance Committee meeting, and
(h) Risk Management Committee meeting;

v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
vi. Performed necessary inquiries with the Management and also obtained necessary specific representations from Management.

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

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31 March 2018 , referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

per Arvind Sethi
Partner
Membership Number: 89802

Pune: 18 May 2018

Declaration by Chief Executive Officer (MD)

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

I, Rajiv Bajaj, Managing Director and CEO of Bajaj Auto 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.

Rajiv Bajaj
Managing Director & CEO

Pune: 18 May 2018

Standalone Financial Statements

Independent Auditors' Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

To the Members of **Bajaj Auto Limited**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Bajaj Auto Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other matter

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

Independent Auditors' Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements (Contd.)

Report on other legal and regulatory requirements

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

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

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

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

   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report;

   (g) With respect to the other matters to be included in the 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 Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34 to the standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32 (c) to the standalone Ind AS financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Annexure 1 to Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date to the members of Bajaj Auto Limited

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (b) All property, plant and equipment have not been physically verified by the Management during the year but there is a regular programme of verification designed to cover all items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   (c) According to the information and explanations given by the Management, the title deeds of immovable properties included in property, plant and equipment; and investment property are held in the name of the Company except for buildings acquired in the prior years having a gross block of ₹ 15.02 crore and a net block of ₹ 12.39 crore whose final registration is pending as disclosed in Note 2 to the standalone financial statements of the Company.

2. The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31 March 2018 and no material discrepancies were noticed in respect of such confirmations.

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of which provisions of section 185 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made have been complied with by the Company.

5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.

6. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act for the products of the Company.

7. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess and other statutory dues applicable to it.

   (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Denial of exemption under Notification No.: 50/2003/demand of duty of excise	333.61	Various years	Supreme Court
	Denial of CENVAT credit/demand of duty of excise	7.79	Various years	High Court
	Denial of CENVAT credit/demand of duty of excise	1.44	Various years	CESTAT
	Denial of CENVAT credit/demand of duty of excise	2.88	Various years	Commissioner Appeals
Sales tax	Additional demand received on the basis of assessment order	0.99	Various years	High Court
	Additional demand received on the basis of assessment order	39.79	Various years	Tribunal
	Additional demand received on the basis of assessment order	0.25	Various years	Commissioner Appeals
	Additional demand received on the basis of assessment order	98.49	Various years	Joint Commissioner of Sales Tax

Annexure 1 to Independent Auditors' Report (Contd.)

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	58.50	Financial year 2007-08 and 2008-09	ITAT
	Income Tax	495.44	Financial year 2009-10, 2010-11 and 2013-14	CIT (A)
The Finance Act, 1994	Service Tax	3.78	July 1997 to March 2000	High Court
	Distribution of input service tax credit availed/demand of service tax in various matters	21.45	April 2005 to February 2010 and April 2007 to March 2012	CESTAT
	Demand of service tax on various matters	0.88	July 1997 to September 2004	Commissioner Appeals
The Customs Act, 1962	Recovery of duty of customs by treating the vehicles as not fuel efficient	3.85	Financial year 1984–86	High Court
	Demand for penalty and fine	0.17	Financial year 2014-15 and 2017-18	Commissioner Appeals
Octroi	Octroi	4.23	Financial year 1981-82 to 1988-89	High Court

Note: The amounts disclosed above are net of the payments made to the respective authorities where the dispute is pending.

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

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

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

Annexure 2 to Independent Auditors' Report

Referred to in paragraph 2(f) under the heading 'Report on other legal and regulatory requirements' of our report of even date to the members of Bajaj Auto Limited

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Bajaj Auto Limited ('the Company') as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

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

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

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

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

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

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

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and

(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 2 to Independent Auditors' Report (Contd.)

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

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

Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,821.22	1,898.61
Capital work-in-progress	2	11.15	10.64
Investment property	3	57.11	58.53
Intangible assets	4	–	44.65
Intangible assets under development	4	45.32	31.53
Investment in subsidiaries	5A	1,222.72	1,222.72
Financial assets			
Investments	5B	10,600.17	7,458.67
Trade receivables	10	–	–
Loans	6	30.64	29.74
Other financial assets	7	0.02	0.02
Income tax assets (net)		438.66	399.94
Other non-current assets	8	356.85	268.47
		14,583.86	**11,423.52**
Current assets			
Inventories	9	742.58	728.38
Financial assets			
Investments	5B	5,765.41	6,050.08
Trade receivables	10	1,491.87	953.29
Cash and cash equivalents	11	760.94	279.82
Other bank balances	12	17.06	13.86
Loans	6	6.26	6.47
Other financial assets	7	79.36	263.18
Other current assets	8	372.15	1,096.29
		9,235.63	**9,391.37**
Total		**23,819.49**	**20,814.89**

Balance Sheet (Contd.)

(₹ In Crore)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	289.37	289.37
Other equity	14	18,814.49	16,744.76
		19,103.86	**17,034.13**
Non-current liabilities			
Financial liabilities			
Sales tax deferral	15	120.77	119.90
Provisions	16	112.19	78.13
Deferred tax liabilities (net)	17	323.42	313.62
Government grant		46.61	49.26
Other non-current liabilities	18	1.35	7.27
		604.34	**568.18**
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		1.06	13.65
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,243.26	2,222.08
Other financial liabilities	19	329.26	279.92
Other current liabilities	20	393.72	557.61
Provisions	16	125.60	120.93
Government grant		2.65	2.65
Current tax liabilities (net)		15.74	15.74
		4,111.29	**3,212.58**
Total		**23,819.49**	**20,814.89**
Summary of significant accounting policies followed by the Company	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2018	2017
Sales [See note 45 a]		25,098.64	22,694.87
Other operating revenue		464.62	393.16
Revenue from operations	21	25,563.26	23,088.03
Other income	22	1,347.25	1,221.97
Total income		**26,910.51**	**24,310.00**
Expenses			
Cost of raw materials and components consumed		15,999.16	13,285.36
Purchase of traded goods		1,401.25	1,382.47
Changes in inventories of finished goods, work-in-progress and traded goods	23	9.68	(43.68)
Excise duty [See note 45 a]		398.34	1,321.35
Employee benefits expense	24	1,069.09	997.07
Finance costs	25	1.31	1.40
Depreciation and amortisation expense	26	314.80	307.29
Other expenses	27	1,926.38	1,745.38
Expenses, included in above items, capitalised		(24.07)	(22.27)
Total expenses		**21,095.94**	**18,974.37**
Profit before exceptional items and tax		**5,814.57**	**5,335.63**
Exceptional items	28	32.00	–
Profit before tax		**5,782.57**	**5,335.63**
Tax expense			
Current tax		1,646.36	1,455.92
Adjustment of tax relating to earlier years		–	1.74
Deferred tax		68.11	50.41
Total tax expense	29	1,714.47	1,508.07
Profit for the year		**4,068.10**	**3,827.56**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) of defined benefit plans		(21.61)	(19.94)
Tax impacts on above		7.62	6.90
Items that will be reclassified to profit or loss			
Valuation gains/(losses) on derivative hedging instruments		(147.05)	194.50
Tax impacts on above		50.69	(67.31)
Other comprehensive income for the year (net of tax)		**(110.35)**	**114.15**
Total comprehensive income for the year		**3,957.75**	**3,941.71**
Basic and diluted Earnings per share (In ₹)	30	140.6	132.3
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Company	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Statement of Changes in Equity

A. Equity share capital

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2018	2017
At the beginning of the year		289.37	289.37
Changes in equity share capital during the year		–	–
At the end of the year	13	**289.37**	**289.37**

B. Other equity

(₹ In Crore)

Particulars	Note No.	Reserves and surplus		Other reserves		Total other equity
		General reserve	Retained earnings	Cash flow hedging reserve	Costs of hedging reserve	
Balance as at 31 March 2016	14	**3,663.60**	**9,305.17**	**23.86**	**(15.45)**	**12,977.18**
Profit for the year		–	3,827.56	–	–	3,827.56
Other comprehensive income (net of tax)		–	(13.04)	176.41	(49.22)	114.15
Total comprehensive income for the year ended 31 March 2017		–	3,814.52	176.41	(49.22)	3,941.71
Transactions with owners in their capacity as owners						
Transfer from Retained earnings to General reserve		383.00	(383.00)	–	–	–
Final dividend, declared and paid during the year		–	(144.68)	–	–	(144.68)
Tax on final dividend		–	(29.45)	–	–	(29.45)
Balance as at 31 March 2017	14	**4,046.60**	**12,562.56**	**200.27**	**(64.67)**	**16,744.76**
Profit for the year		–	4,068.10	–	–	4,068.10
Other comprehensive income (net of tax)		–	(13.99)	(120.55)	24.19	(110.35)
Total comprehensive income for the year ended 31 March 2018		–	4,054.11	(120.55)	24.19	3,957.75
Transactions with owners in their capacity as owners						
Transfer from Retained earnings to General reserve		407.00	(407.00)	–	–	–
Final dividend, declared and paid during the year		–	(1,591.52)	–	–	(1,591.52)
Tax on final dividend		–	(296.50)	–	–	(296.50)
Balance as at 31 March 2018	14	**4,453.60**	**14,321.65**	**79.72**	**(40.48)**	**18,814.49**
Summary of significant accounting policies followed by the Company	1					

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
I. Operating activities		
Profit before tax	5,782.57	5,335.63
Adjustments to reconcile profit before tax to net cash flows:		
Add:		
i) Depreciation and amortisation	314.80	307.29
ii) Loss on property, plant and equipment sold, demolished, discarded and scrapped	10.15	9.24
iii) Provision for doubtful debts and advances	3.14	3.47
iv) Exchange rate differences on cash and cash equivalents	(23.61)	(1.47)
v) Exchange loss/(gain) on trade receivables	(1.52)	4.87
vi) Exchange loss/(gain) on import payables	(0.24)	(0.54)
vii) Interest adjustment on Government grant	0.87	0.78
viii) Interest expense	0.44	0.62
	304.03	324.26
Less:		
i) Investment income included in above:		
Interest income on fixed income securities	32.41	75.02
Profit on sale of other investments, net	5.40	3.09
Gain on valuation and gain on realisation of mutual funds measured at fair value through profit or loss	889.92	817.32
Dividend income on investments in subsidiaries	135.07	–
Amortisation of premium/discount on acquisition of fixed income securities	25.46	67.76
	1,088.26	963.19
ii) Provision for doubtful debts and advances written back (net)	0.11	0.14
iii) Liabilities no longer required written-back	64.39	75.89
iv) Government grants	2.65	2.65
v) Surplus on sale of property, plant and equipment	7.58	2.00
	(1,162.99)	(1,043.87)
	4,923.61	4,616.02
Change in assets and liabilities		
i) (Increase)/decrease in inventories	(14.20)	(9.31)
ii) (Increase)/decrease in trade receivables	(539.11)	(240.98)
iii) (Increase)/decrease in loans and other assets	608.90	(66.27)
iv) Increase/(decrease) in liabilities and provisions	989.50	569.86
	1,045.09	253.30
Annuity payments (net) to VRS optees	(22.83)	(27.54)
Net cash from operating activities before income-tax	5,945.87	4,841.78
Income-tax refund/(paid) for earlier years (net)	(2.54)	–
Income-tax paid	(1,682.54)	(1,502.58)
Net cash flow from/(used in) operating activities	**4,260.79**	**3,339.20**
Carried forward	4,260.79	3,339.20

Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Brought forward	4,260.79	3,339.20
II. Investing activities		
i) Sale of investments	4,988.52	2,199.98
ii) Purchase of investments	(7,483.30)	(5,024.30)
iii) Sale/(purchase) of liquid mutual funds, etc., net	558.73	(758.39)
iv) Purchase of investment property	(0.20)	–
v) (Increase)/decrease in other bank balances	(3.20)	28.11
vi) Purchase of property, plant and equipment (including advances)	(182.63)	(199.44)
vii) Sale proceeds of property plant and equipment	13.13	8.65
viii) Capital expenditure on development of technical know-how	(13.79)	(6.18)
	(2,122.74)	(3,751.57)
ix) Investment income		
Interest income on fixed income securities	32.41	75.02
Dividend income on investments in subsidiaries	135.07	–
	167.48	75.02
(Increase)/decrease in interest receivable	37.24	(11.76)
	204.72	63.26
Net cash flow from/(used in) investing activities	**(1,918.02)**	**(3,688.31)**
Carried forward	2,342.77	(349.11)

Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Brought forward	2,342.77	(349.11)
III. Financing activities		
i) Interest expense	(0.44)	(0.62)
ii) Deferral of sales tax deferral liability	–	12.75
iii) Dividend paid	(1,588.32)	(172.77)
iv) Corporate dividend tax paid	(296.50)	(29.45)
Net cash flow from/(used in) financing activities	**(1,885.26)**	**(190.09)**
Net change in cash and cash equivalents	**457.51**	**(539.20)**
Cash and cash equivalents at the beginning of the year	279.82	817.55
Add/(Less): Effects of exchange rate differences on cash and cash equivalents	23.61	1.47
Cash and cash equivalents at the end of the year	760.94	279.82
	–	–

As per our report of even date

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

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

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

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

Background

Bajaj Auto Ltd. (the Company) is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the business of development, manufacturing and distribution of automobiles such as motorcycles, commercial vehicles etc. and parts thereof. The Company sells its products in India as well as various other global markets. The registered office of the Company is located at Mumbai-Pune Road, Akurdi, Pune 411035.

The standalone financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on 18 May 2018.

1. Summary of significant accounting policies followed by the Company

Basis of preparation

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

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

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Use of estimates, judgments and assumptions

Estimates and assumptions used in the preparation of these financial statements and disclosures made therein 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. The following are items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates is included in the relevant notes together with information about basis of calculation for each affected line item in the financial statements:

a) Estimation of fair value of derivative instruments
b) Provision for warranty claims and vehicle service charges
c) Provision for employee benefits
d) Provision for tax expenses
e) Residual value and useful life of property, plant and equipment
f) Provision for diminution in value of investments.

2 Revenue recognition

a) Sales

i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of value added taxes, goods and service taxes (GST), returns, discounts, rebates and incentives. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

ii) Domestic sales are accounted for on dispatch from the point of sale corresponding to transfer of significant risks and rewards of ownership to the buyer.

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

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

iii) Export sales are recognised on the date when shipped on board signifying transfer of risks and rewards of ownership to the buyer as per terms of sale and initially recorded at the relevant exchange rates prevailing on the date of the transaction.

b) Export incentives

Export incentives are accounted for in the period of export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

c) Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

d) Dividends

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

e) Other income

The Company recognises income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

3 Property, plant and equipment and depreciation/amortisation

A. Property, plant and equipment

i) Capital work in progress, property, plant and equipment except land are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and amortisation. Freehold land is carried at cost of acquisition.

ii) Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

iii) Costs incurred to manufacture property, plant and equipment are reduced from the total expense under the head 'Expenses, included in above items, capitalised' in the Statement of Profit and Loss.

iv) Land and buildings acquired/constructed, not intended to be used in the operations of the Company and held for earning long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, are categorised as investment property.

v) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

vi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

B. Depreciation and amortisation methods, estimated useful lives and residual value

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

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

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

(b) On other tangible assets

i. a. Depreciation is provided on a pro rata basis on straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.

b. Where a significant component (in terms of cost) of an asset has an estimated economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.

c. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

ii. Assets which are depreciated over useful life/residual value different than those indicated by Schedule II are as under:

Asset class	As per Schedule II	Useful life
Aircraft	20 years	10 years
PDC Dies	8 years	3 years

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.

4 Intangible assets

A. Technical know-how acquired

Technical know-how acquired is stated at acquisition cost less accumulated amortisation and impairment losses, if any. Acquired technical know-how is amortised equally over a period of estimated useful life i.e. six years.

B. Technical know-how developed by the Company

i) Expenditure incurred by the Company on development of know-how researched, is recognised as an intangible asset, if and only if the future economic benefits attributable to the use of such know-how are probable to flow to the Company and the costs/expenditure can be measured reliably.

ii) Costs incurred to develop an intangible asset are reduced from total expenses and disclosed under the head 'Expenses, included in above items, capitalised' in the Statement of Profit and Loss.

iii) The cost of technical know-how developed is amortised equally over its estimated useful life i.e. generally three years from the date of commencement of commercial production.

C. Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

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

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

5 Investment property

Property which is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are expensed when incurred.

Depreciation on investment property is provided on a pro rata basis on straight line method over the estimated useful lives. Useful life of assets, as assessed by the Management, corresponds to those prescribed by Schedule II- Part 'C'.

6 Investments and financial assets

A. Investment in subsidiaries

Interest in subsidiaries are recognised at cost. Cost represents amount paid for acquisition of the said investments.

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

B. Other investments and financial assets

i) Classification

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

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) those measured at amortised cost.

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

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

ii) Measurement

Initial measurement

At initial recognition, the Company measures a financial asset at its fair value including, in the case of 'a financial asset not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through profit or loss' are expensed in the Statement of Profit and Loss.

Subsequent measurement

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

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

Subsequently measured at fair value through profit or loss: Financial assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a financial asset that is

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

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

subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investments in mutual funds as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

iii) Impairment of financial assets

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

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

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

iv) Derecognition of financial assets

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

7 Derivative and hedging activities

The Company uses derivative financial instruments such as range forward and par forward currency contracts to hedge its foreign currency risks. Such derivative instruments are initially recognised at fair value on the date at which the derivative contract is entered into and are subsequently re-measured at fair value as at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company documents its risk management objectives and strategy for undertaking various hedge transactions. In terms thereof, the Company designates their derivatives as hedges of foreign exchange risks associated with the cash flow of highly probable forecast transactions (viz. export sales).

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

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

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than or equal to 12 months.

Cash flow hedges that qualify for hedge accounting –

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, within other gains/(losses).

For the purpose of hedge accounting, hedges are classified as Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

When forward contracts are used to hedge forecast transactions, the Company designates them in entirety as the hedging instrument. Any gains or losses arising from changes in the fair value for the effective portion of cash flow hedges is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

Where option contracts are used to hedge forecast transactions, the Company designates intrinsic value of the option contract as hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contract are recognised in the cash flow hedging reserve within equity. The changes in time value of the option contracts that relate to the hedge items are recognised through other comprehensive income in 'Costs of hedging reserve' within equity.

When a hedging instrument expires, or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of Profit and Loss.

If the hedge ratio for risk management is no longer optimal, but risk management objectives remain unchanged and hedge continues to qualify for hedge accounting, the hedge relationships are re-balanced so that the hedge ratio aligns. Consequently, hedge ineffectiveness is computed and accounted for in the Statement of Profit and Loss immediately.

8 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

9 Foreign currency transactions

i) Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency').

ii) On initial recognition, all foreign currency transactions are recorded at foreign exchange rate on the date of transaction.

iii) Monetary assets and liabilities in foreign currency outstanding at the close of financial year are revalorised at the appropriate exchange rates prevailing at the close of the year.

iv) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.

v) Fixed assets purchased at liaison offices in foreign exchange are recorded at their historical cost computed with reference to the average rate of foreign exchange remitted to the liaison office.

vi) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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

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

10 Inventories

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

i) Finished stocks of vehicles and auto spare parts and stocks of work-in-progress are valued at cost of manufacturing or net realisable value whichever is lower. Cost is calculated on a weighted average basis.

ii) Stores, packing materials and tools are valued at cost arrived at on a weighted average basis or net realisable value, whichever is lower.

iii) Raw materials and components are valued at cost arrived at on a weighted average basis or net realisable value, whichever is lower.

iv) Inventory of machinery spares and maintenance materials not being material are expensed in the year of purchase.

v) Goods in transit are stated at actual cost incurred up to the date of Balance Sheet.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

11 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, subject to terms and conditions of the scheme, the liability is recognised on the basis of an independent actuarial valuation.

They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

b) Gratuity

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

c) Superannuation

Defined contribution to superannuation fund is being made as per the scheme of the Company and recognised as expense as and when due.

d) Provident fund contributions are made to Company's Provident Fund Trust. The contributions are accounted for as defined benefit plans and the contributions are recognised as employee benefit expense when they are due. Deficits, if any, of the fund as compared to liability on the basis of an independent actuarial valuation is to be additionally contributed by the Company and hence recognised as a liability.

e) Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority and recognised as expense as and when due.

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

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

12 Taxation

a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961; and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

c) Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

13 Provisions and contingent liabilities

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

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

14 Operating leases including investment properties

As a lessee

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

As a lessor

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

15 Government grant

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

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

16 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

17 Cash and cash equivalents

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

18 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.

19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker. The Core Management Committee examines performance both from product and a geographical perspective and has identified two operative reportable segments from which significant risks and rewards are derived viz. Automotive business and Investments.

20 Fair value measurement

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

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

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 1 clause 1)
- Quantitative disclosures of fair value measurement hierarchy (note 31)
- Investment properties (note 3)
- Financial instruments (including those carried at amortised cost) (note 31)

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

2 Property, plant and equipment

Current year

(₹ In Crore)

Particulars	Gross block (a)				Depreciation				Net block
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	As at 1 April 2017	Deductions	For the year (d)	As at 31 March 2018	As at 31 March 2018
Land freehold	20.18	–	0.09	20.09	–	–	–	–	20.09
Land leasehold	53.69	–	0.65	53.04	–	–	–	–	53.04
Buildings (b) (c)	877.46	52.35	0.35	929.46	259.25	0.06	27.92	287.11	642.35
Waterpumps, reservoirs and mains	17.18	0.13	–	17.31	11.16	–	0.80	11.96	5.35
Plant and machinery	1,436.41	31.94	86.89	1,381.46	983.15	81.46	65.06	966.75	414.71
Computers and IT Equipment	86.52	3.88	12.81	77.59	66.29	12.81	9.94	63.42	14.17
Dies and jigs	694.97	78.18	34.14	739.01	489.16	32.40	54.84	511.60	227.41
Electric installations	72.98	0.85	–	73.83	64.36	–	2.63	66.99	6.84
Factory equipment	368.99	18.05	10.25	376.79	158.99	9.62	26.26	175.63	201.16
Furniture	47.07	2.66	0.13	49.60	26.50	0.11	3.91	30.30	19.30
Office equipment	49.17	1.70	0.29	50.58	37.27	0.28	4.97	41.96	8.62
Electric fittings	31.38	0.23	0.08	31.53	19.06	0.07	2.52	21.51	10.02
Vehicles and aircraft	643.28	16.86	11.29	648.85	385.48	3.82	69.03	450.69	198.16
Total	**4,399.28**	**206.83**	**156.97**	**4,449.14**	**2,500.67**	**140.63**	**267.88**	**2,627.92**	**1,821.22**
Capital work-in-progress	**10.64**	**10.89**	**10.38**	**11.15**	**–**	**–**	**–**	**–**	**11.15**

(a) At cost, except leasehold land which is at cost, less amounts written off.
(b) Includes premises on ownership basis in Co-operative Society ₹ 25.26 crore and cost of shares therein ₹ 5,250.
(c) Includes premises purchased, pending registration amounting to ₹ 15.02 crore.
(d) Refer note 1 clause 3 of summary of significant accounting policies.

Previous year

(₹ In Crore)

Particulars	Gross block (a)				Depreciation				Net block
	As at 1 April 2016	Additions	Deductions/ adjustments	As at 31 March 2017	As at 1 April 2016	Deductions	For the year (d)	As at 31 March 2017	As at 31 March 2017
Land freehold	20.18	–	–	20.18	–	–	–	–	20.18
Land leasehold	54.34	–	0.65	53.69	–	–	–	–	53.69
Buildings (b) (c)	822.51	54.96	0.01	877.46	231.36	0.01	27.90	259.25	618.21
Waterpumps, reservoirs and mains	16.75	0.43	–	17.18	10.05	–	1.11	11.16	6.02
Plant and machinery	1,485.35	64.30	113.24	1,436.41	1,029.31	106.21	60.05	983.15	453.26
Computers and IT Equipment	82.60	8.86	4.94	86.52	59.94	4.94	11.29	66.29	20.23
Dies and jigs	643.16	55.05	3.24	694.97	443.25	2.28	48.19	489.16	205.81
Electric installations	72.84	0.15	0.01	72.98	58.29	–	6.07	64.36	8.62
Factory equipment	347.71	27.62	6.34	368.99	139.48	5.19	24.70	158.99	210.00
Furniture	41.93	5.43	0.29	47.07	22.79	0.24	3.95	26.50	20.57
Office equipment	45.95	3.51	0.29	49.17	32.26	0.27	5.28	37.27	11.90
Electric fittings	29.03	2.49	0.14	31.38	16.19	0.14	3.01	19.06	12.32
Vehicles and aircraft	638.61	16.07	11.40	643.28	321.66	4.73	68.55	385.48	257.80
Total	**4,300.96**	**238.87**	**140.55**	**4,399.28**	**2,364.58**	**124.01**	**260.10**	**2,500.67**	**1,898.61**
Capital work-in-progress	**26.89**	**8.15**	**24.40**	**10.64**	**–**	**–**	**–**	**–**	**10.64**

(a) At cost, except leasehold land which is at cost, less amounts written off.
(b) Includes premises on ownership basis in Co-operative Society ₹ 25.48 crore and cost of shares therein ₹ 5,000.
(c) Includes premises purchased, pending registration amounting to ₹ 15.02 crore.
(d) Refer note 1 clause 3 of summary of significant accounting policies.

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

3 Investment property

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Gross carrying amount		
Opening balance	69.46	69.46
Additions	0.20	–
Closing balance	69.66	69.46
Accumulated depreciation		
Opening balance	10.93	9.03
Depreciation charge	1.62	1.90
Closing balance	12.55	10.93
Net carrying amount	57.11	58.53

i) Amounts recognised in profit or loss for investment properties

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Rental income	13.34	11.42
Direct operating expenses from property that generated rental income	(2.09)	(1.27)
Direct operating expenses from property that did not generate rental income	–	–
Profit from investment properties before depreciation	11.25	10.15
Depreciation	(1.62)	(1.90)
Profit from investment property	9.63	8.25

ii) Contractual obligations

The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end.

iii) Leasing arrangements

Investment property is leased out to various tenants under operating leases. Disclosure on future rent receivable is included in Note 39.

iv) Fair value

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Investment property	199.31	195.17

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Company are cancellable and non-cancellable leases, the market rate for sale/purchase of such premises are representative of fair values. Accordingly, the Company has used capitalisation method based on the market rates for arriving at fair value of the investment property. Company's investment properties are at a location where active market is available for similar kind of properties. Fair value has been determined by an in-house real estate expert and the valuation is classified as a level 2 valuation.

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

4 Intangible assets

Current year

(₹ In Crore)

Particulars	Gross block				Amortisation				Net block
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	As at 1 April 2017	Deductions	For the year	As at 31 March 2018	As at 31 March 2018
Intangible assets									
Technical know-how developed	133.93	–	–	133.93	89.28	–	44.65	133.93	–
Total Intangible assets	**133.93**	**–**	**–**	**133.93**	**89.28**	**–**	**44.65**	**133.93**	**–**
Intangible assets under development	**31.53**	**13.79**	**–**	**45.32**	**–**	**–**	**–**	**–**	**45.32**

Previous year

(₹ In Crore)

Particulars	Gross block				Amortisation				Net block
	As at 1 April 2016	Additions	Deductions/ adjustments	As at 31 March 2017	As at 1 April 2016	Deductions	For the year	As at 31 March 2017	As at 31 March 2017
Intangible assets									
Technical know-how developed	133.93	–	–	133.93	44.64	–	44.64	89.28	44.65
Total Intangible assets	**133.93**	**–**	**–**	**133.93**	**44.64**	**–**	**44.64**	**89.28**	**44.65**
Intangible assets under development	**25.35**	**6.18**	**–**	**31.53**	**–**	**–**	**–**	**–**	**31.53**

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

5 Investments

(₹ In Crore)

Particulars	Non-current investments As at 31 March 2018	Non-current investments As at 31 March 2017	Current investments As at 31 March 2018	Current investments As at 31 March 2017
A Investments in subsidiaries				
Investments carried at cost				
In subsidiaries				
Unquoted:				
1,980,000 Shares of Euro 100 each in Bajaj Auto International Holding BV Amsterdam, Netherlands	1,218.72	1,218.72	–	–
411,875 Shares of US $ 3 each (Previous year US $ 100 each) in PT. Bajaj Auto Indonesia	6.17	205.57	–	–
Less: Provision for diminution in the value of investment (see note 43)	2.17	201.57	–	–
	4.00	4.00	–	–
			–	–
Total (A)	1,222.72	1,222.72	–	–
B Other Investments				
Investments carried at amortised cost				
In Bonds & Debentures:				
Quoted:				
200 (200) 8.85% Corporation Bank of ₹ 1,000,000 each	20.08	20.14	–	–
3,000 (3,000) 6.70% Indian Railway Finance Corporation Ltd. - Tax Free of ₹ 100,000 each	30.00	30.00	–	–
30,000 (30,000) 7% Industrial Development Bank of India Ltd. of ₹ 5,000 each (net of provision for diminution amounting to ₹ 1.95 crore - previous year ₹ 1.95 crore)	–	14.71	14.86	–
58,520 (58,520) Zero Coupon Rural Electrification Corporation Ltd. of ₹ 30,000 each	141.11	130.26	–	–
59,500 (69,632) Zero Coupon National Bank for Agriculture and Rural Development of ₹ 20,000 each	–	104.75	112.64	19.08
– (250) 9.60% Housing Development Finance Corporation Ltd. of ₹ 1,000,000 each	–	–	–	25.05
– (35) 8.50% Housing Development Finance Corporation Ltd. of ₹ 10,000,000 each	–	35.45	–	–
– (50) 8.65% Housing Development Finance Corporation Ltd. of ₹ 10,000,000 each	–	50.71	–	–
– (800) 8.70% Housing Development Finance Corporation Ltd. of ₹ 500,000 each	–	40.90	–	–
– (25) 8.75% Housing Development Finance Corporation Ltd. of ₹ 10,000,000 each	–	25.63	–	–
– (500) 8.75% Housing Development Finance Corporation Ltd. of ₹ 500,000 each	–	25.50	–	–
– (200) 9.50% Housing Development Finance Corporation Ltd. of ₹ 1,000,000 each	–	–	–	20.07
Carried over	191.19	478.05	127.50	64.20

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

5 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current investments		Current investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
In Bonds & Debentures: (Contd.)				
Quoted: (Contd.)				
Brought over	191.19	478.05	127.50	64.20
– (500) 9.70% Housing Development Finance Corporation Ltd. of ₹ 1,000,000 each	–	–	–	50.09
– (1,350) 8.75% LIC Housing Finance Ltd. of ₹ 1,000,000 each	–	–	–	134.93
– (1,000) 8.02% LIC Housing Finance Ltd. of ₹ 1,000,000 each	–	100.00	–	–
– (750) 8.47% LIC Housing Finance Ltd. of ₹ 1,000,000 each	–	75.71	–	–
– (1,250) 9.57% LIC Housing Finance Ltd. of ₹ 1,000,000 each	–	–	–	125.38
– (500) 9.62% Aditya Birla Finance Ltd. of ₹ 1,000,000 each	–	–	–	50.45
Amortised cost as at 31 March	191.19	653.76	127.50	425.05
In Commercial Paper:				
Unquoted:				
– (1,000) Commercial Paper of ₹ 500,000 each of Aditya Birla Finance Ltd. - 356D - 15-03-2018	–	–	–	46.74
– (2,000) Commercial Paper of ₹ 500,000 each of Housing Development Finance Corporation Ltd. - 364D - 09-06-2017	–	–	–	98.42
– (2,000) Commercial Paper of ₹ 500,000 each of Kotak Mahindra Investments Ltd. - 182D - 08-09-2017	–	–	–	96.88
– (1,000) Commercial Paper of ₹ 500,000 each of Kotak Mahindra Prime Ltd. - 357D - 14-06-2017	–	–	–	49.15
– (1,000) Commercial Paper of ₹ 500,000 each of Kotak Mahindra Prime Ltd. - 364D - 20-07-2017	–	–	–	48.82
2,000 (-) Commercial Paper of ₹ 500,000 each of Housing Development Finance Corporation Ltd. - 311D - 27-07-2018	–	–	97.58	–
Amortised cost as at 31 March	–	–	97.58	340.01
Investments carried at fair value through profit or loss				
In Fixed Maturity Plans:				
Unquoted:				
13,468,504 (26,781,719) Units of Axis Fixed Term Plan Direct Growth(Series 47/49/52)	–	17.61	18.84	17.37
1,756,838,585 (1,096,838,585) Units of Aditya Birla Sun Life Fixed Term Plan Growth (Series KO/KP/KW/KJ/KE/KH/IY/KX/JX/LV/MA/MD/MK/MP/MQ/MR/MU/MX/MY/NB/ND/NE/OE/OD/OG/NT/OH/OI/OK/OL/OY/OZ/PB/PC/PD/PE/PF/PG/PH/PK/PO/PR/PA/OX/OT/OM) (Formerly known as Birla Sun Life)	1,077.61	1,132.69	922.58	145.64
Carried over	1,077.61	1,150.30	941.42	163.01
Carried over	191.19	653.76	225.08	765.06

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

5 Investments (Contd.)

(₹ In Crore)

Particulars		Non-current investments As at 31 March 2018	Non-current investments As at 31 March 2017	Current investments As at 31 March 2018	Current investments As at 31 March 2017
	Brought over	191.19	653.76	225.08	765.06
In Fixed Maturity Plans: (Contd.)					
Unquoted: (Contd.)					
	Brought over	1,077.61	1,150.30	941.42	163.01
295,000,000	(91,132,500) Units of DSP Blackrock Fixed Maturity Plan Direct Growth (Series 36/37/204/205/209/220/223/211/219/221/210)	303.84	75.40	–	20.94
244,042,741	(289,292,741) Units of DHFL Pramerica Fixed Maturity Direct Plan Growth (Series 45/47/54/63/82/87/91/95/29/31/AG/AE/AH/AP/AQ) (Formerly known as DWS)	148.46	364.32	318.37	56.30
384,000,000	(566,558,622) Units of HDFC Fixed Maturity Plan (Series 400DMAR,435DMAR,434DFEB,441DFEB, 447DFEB,453DFEB,478DJAN,491DJAN,1099DAUG, 1112DJUN,1113DNOV,1113DAUG,1116DJUL, 1123DJUL,1125DSEP,1128DSEP,1134DJUL,1107DOC, 1107DDEC,1115DJAN,1105DDEC,1155DFEB,1111DNOV, 1176DJAN,1430DJUL,1158DFEB,1143DMAR)	262.18	238.53	165.46	450.62
1,552,000,000	(1,449,280,000) Units of ICICI - Prudential Fixed Maturity Plan (Series 76[D/G/F/T/U/V/W/Y/Z], 77[A/C/D/H/S/T/W], 79[P/M/K/T/J],80[J/P/G/F/O/L/U/T/Q], 81[A,B,D,G,F,H,J,K,P,Q], 82[R,M,L,E,N,B,I,K,H,D,G], 73[G], 72[L,N,S,J,B,E], 71[B,L,H,D], 70[S], 75[F/H/J/N/O/T/R/P], 78[A/C])	1,216.76	927.03	511.52	774.81
225,184,414	(131,117,977) Units of IDFC Fixed Term Plan Growth (Series - 66,74,75,77,78,79,88,108,129,131,140,144)	163.94	143.10	89.87	7.75
1,160,790,148	(876,350,460) Units of Kotak Fixed Maturity Plan Growth (Series 132,133,142,145,146,147,149,150, 151,163,171,175,176,178,179,180,181,182,185, 191,196,199,200,202,203,204,210,211,212,213, 214,215,216,217,219,221,224)	770.03	755.64	549.14	275.95
44,224,052	(43,498,551) Units of L & T Fixed Maturity Plan Direct Growth (Series 10[H,S,T], 16[A])	15.27	37.82	40.48	18.56
1,506,393,253	(1,363,793,358) Units of Reliance Fixed Horizon Fund Growth (Plan IV[3], XXV[1,6,11,13,16,17,21,22,27,28, 30], XXVII[4,6,7,8,11], XXIV[22], XXVIII [2/4/19], XXIX[1/6/2/8/9/10/16/19/20], XXX[1/2/19], XXXI[5/7/8/9/13], XXXII[5/8/9], XXXIII[1/3/4/6/7/8/10], XXXIV[2,3,4,7,9,], XXXV[6,7,11,12,13,14,15], XXXVI[1,3,6,7,9])	987.80	1,174.58	739.87	400.38
400,000,000	(333,000,000) Units of Religare Invesco Fixed Maturity Plan Direct Growth (Series 22[Plan H/L], 24[D/F], 25[A/F], 26[A/C/E], 27[A/C], 29[B], 30[A/C/D], 31[A])	173.52	295.60	289.90	96.22
749,788,719	(827,314,693) Units of SBI Debt Fund Direct Plan Growth (Series 54/A1/A2/A9/A10/B2/B3/B6/B16/B17/B18/B20/B22/B23/B25/B26/B27/B28/B29/B19/B36/B42/B43/B46/B49,C8,C9,C10)	296.45	682.87	586.30	289.37
300,000,000	(305,000,000) Units of Sundaram Fixed Term Plan Direct Growth (Series ER/GU/GW/GY/HA/HB/HC/HM/HS,IC)	89.30	310.86	268.59	37.42
	Carried over	5,505.16	6,156.05	4,500.92	2,591.33
	Carried over	191.19	653.76	225.08	765.06

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

5 Investments (Contd.)

(₹ In Crore)

Particulars		Non-current investments		Current investments	
		As at 31 March		As at 31 March	
		2018	2017	2018	2017
	Brought over	191.19	653.76	225.08	765.06
In Fixed Maturity Plans: (Contd.)					
Unquoted: (Contd.)					
	Brought over	5,505.16	6,156.05	4,500.92	2,591.33
109,908,036	(84,908,035) Units of Tata Fixed Maturity Plan Growth (Series 46R,46M,46T,53A)	25.13	111.19	119.40	–
624,000,000	(627,951,200) Units of UTI Fixed Maturity Plan Growth (Series XX-VIII/XX-X/XVII-VII/XVII-XIV/XXII - IX/XXII - X/ XXII - XI/XXII-XIV/XXIII - III/XXIII-XI/XXV-V/XXVI-VI/ XXVI-VIII/XXVIII-IV/XXVIII-VI/XXVIII-VIII/XXVIII-IX/ XXVIII-XI)	225.54	537.67	502.42	190.52
	Fair value as at 31 March	5,755.83	6,804.91	5,122.74	2,781.85
In Short-term Mutual Funds:					
Quoted:					
62,596,530	(17,984,075) Units of DHFL Pramerica Premier Bond Fund Direct Plan - Growth (Formerly known as DWS)	180.41	–	–	48.78
140,384,729	(71,690,778) Units of DSP BlackRock Banking and PSU Debt Fund - Direct Plan - Growth	209.08	–	–	100.46
610,795,547	(226,148,996) Units of IDFC Corporate Bond Fund - Direct Plan - Growth	731.14	–	–	253.65
102,374,410	(74,032,850) Units of IDFC Super Saver Income Fund - Short Term-Direct Plan - Growth	374.24	–	–	254.07
673,146	(673,146) Units of Invesco India Short-term Fund - Direct Plan - Growth	160.32	–	–	150.80
142,011,147	(96,179,609) Units of Kotak Bond Short-term Plan-Direct Plan - Growth	478.27	–	–	304.32
–	(34,422,150) Units of L&T Banking and PSU Debt Fund - Direct Plan - Growth	–	–	–	50.67
126,178,652	(95,399,004) Units of L&T Short-term Opportunities Fund - Direct Plan - Growth	214.57	–	–	152.03
235,482,214	(235,482,214) Units of Reliance Banking and PSU Debt Fund - Direct Plan - Growth	296.94	–	–	278.62
92,496,457	(-) Units of Reliance Floating Rate Fund - Short-term-Direct Plan - Growth	259.98	–	–	–
146,141,389	(-) Units of ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	361.85	–	–	–
528,195,474	(-) Units of HDFC Medium Term Opportunities Fund - Direct Plan - Growth	1,025.11	–	–	–
61,327,262	(-) Units of Tata Short-term Bond Fund - Direct Plan - Growth	205.65	–	–	–
56,895,578	(-) Units of Sundaram Banking and PSU Debt Fund - Direct Plan - Growth	155.59	–	–	–
	Fair value as at 31 March	4,653.15	–	–	1,593.40
	Carried over	10,600.17	7,458.67	5,347.82	5,140.31

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

5 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current investments As at 31 March 2018	Non-current investments As at 31 March 2017	Current investments As at 31 March 2018	Current investments As at 31 March 2017
Brought over	10,600.17	7,458.67	5,347.82	5,140.31
In Liquid Mutual Funds:				
Quoted:				
– (9,569,909) Birla Sun Life Cash Plus - Growth - Direct Plan	–	–	–	250.07
– (736,403) HDFC CM Savings - Direct Plan - Growth Option	–	–	–	250.07
911,729 (1,285,161) L&T Liquid Fund - Direct Plan - Growth	–	–	217.25	286.60
– (461,964) UTI - Liquid Fund - Cash Plan - Inst Growth Direct	–	–	–	123.03
735,343 (-) SBI Premier Liquid Fund - Direct Plan - Growth Option	–	–	200.34	–
Fair value as at 31 March	–	–	417.59	909.77
Total (B)	10,600.17	7,458.67	5,765.41	6,050.08
Total (A+B)	**11,822.89**	**8,681.39**	**5,765.41**	**6,050.08**
Aggregate provision for diminution in value of investments	2.17	203.52	1.95	–

(₹ In Crore)

Particulars	Book value As at 31 March 2018	Book value As at 31 March 2017	Market value As at 31 March 2018	Market value As at 31 March 2017
Quoted	5,389.43	3,581.98	5,393.32	3,594.99
Unquoted	12,198.87	11,149.49	NA	NA
Total	**17,588.30**	**14,731.47**		

Notes to Investments

1 Investments made by the Company other than those with a maturity of less than one year, are intended to be held for long–term. On an assessment of the expected credit loss due to significant changes in risk profile, no material provisions are required to be made.

2 In absence of an active market and non availability of quotes on a recognised stock exchange, investment in fixed maturity plans and fixed term plans though listed on recognised stock exchanges are disclosed as unquoted. Other mutual funds, though unlisted, are quoted on recognised stock exchanges at their previous day NAVs which is the quote for the day.

3 Refer note 1 (6) for accounting policy on investments and note 32 for credit risk management related to investments.

4 Refer note 43 for write-down of investment in PT. Bajaj Auto Indonesia.

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

6 Loans
(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Security deposits	23.34	22.75	–	–
Employee loans	7.30	6.99	6.26	6.47
	30.64	29.74	6.26	6.47

Security deposits include a sum of ₹ 9.92 crore (previous year ₹ 9.92 crore) against use of premises on a Leave License basis, placed with directors and their relatives, jointly and severally. [See note 38]

7 Other financial assets

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Non-current bank balances [See note 12]	0.02	0.02	–	–
Interest receivable on investments	–	–	1.15	38.39
Interest receivable on loans, deposits etc.	–	–	0.60	0.34
Valuation gains on derivative hedging instruments [See note 31]	–	–	60.32	207.38
Other advances	–	–	17.29	17.07
	0.02	0.02	79.36	263.18

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

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Capital advances	89.96	114.67	–	–
Security deposits	4.89	5.63	–	–
Advances recoverable in cash or in kind				
Advances to related parties [See note 38]	–	–	4.21	3.73
Other advances	24.34	22.77	34.10	67.15
Doubtful advances	8.14	7.38	–	–
	32.48	30.15	38.31	70.88
Provision for doubtful advances	8.14	7.38	–	–
	24.34	22.77	38.31	70.88
VAT refund receivable	237.66	106.34	45.14	638.22
Excise duty rebate receivable on export	–	–	–	172.57
Balances with Central Excise Department	–	19.06	–	33.29
GST credit/refund receivable	–	–	167.80	–
Export incentives receivable				
Unsecured considered good	–	–	120.90	181.33
Doubtful	5.95	5.73	–	–
	5.95	5.73	120.90	181.33
Provision for doubtful export incentives	5.95	5.73	–	–
	–	–	120.90	181.33
	356.85	268.47	372.15	1,096.29

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

9 Inventories

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Raw materials and components (includes in transit ₹ 27.98 crore (previous year ₹ 39.78 crore))	259.01	239.27
Work-in-progress	26.89	39.83
Finished goods	434.06	430.80
Stores, spares and packing material	18.43	14.99
Loose tools	4.19	3.49
	742.58	728.38

Amount recognised in profit and loss

Write-downs of inventories to net realisable value/reversal of provision for write-down, resulted in net loss/(gain) of ₹ 0.62 crore [Previous year - ₹ (3.23) crore]. These were recognised as an expense/(income) during the year in the Statement of Profit and Loss.

10 Trade receivables

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Good	–	–	1,491.87	953.29
Doubtful	6.99	4.95	–	–
	6.99	4.95	1,491.87	953.29
Provision for doubtful receivables	6.99	4.95	–	–
	–	–	1,491.87	953.29

11 Cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Balance with banks	514.39	279.63
Cash on hand	0.11	0.19
Cash equivalents		
Certificate of Deposits and Commercial Papers with maturity of less than three months from date of acquisition	246.44	–
	760.94	279.82

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

12 Other bank balances

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Unclaimed dividend accounts	–	–	17.06	13.86
Deposits with residual maturity for more than 12 months	0.02	0.02	–	–
	0.02	0.02	17.06	13.86
Amount disclosed under 'other financial assets' [See note 7]	(0.02)	(0.02)	–	–
	–	–	17.06	13.86

13 Equity share capital

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Authorised		
300,000,000 equity shares of ₹ 10 each	300.00	300.00
Issued, subscribed and fully paid-up shares		
289,367,020 equity shares of ₹ 10 each	289.37	289.37
	289.37	289.37

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	289,367,020	289.37	289,367,020	289.37
Issued during the year	–	–	–	–
Outstanding at the end of the year	289,367,020	289.37	289,367,020	289.37

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The interim dividend declared by the Board of Directors; and the final dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Bajaj Holdings & Investment Ltd.	91,280,000	31.54%	91,280,000	31.54%
Jamnalal Sons Pvt. Ltd.	25,844,400	8.93%	25,844,400	8.93%
Life Insurance Corporation of India	17,200,152	5.94%	15,602,107	5.39%

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

14 Other equity

(₹ In Crore)

Particulars	As at 31 March 2018	As at 31 March 2017
Reserves and surplus		
General reserve		
Balance as at the beginning of the year	4,046.60	3,663.60
Add: Transferred from surplus in Statement of Profit and Loss	407.00	383.00
Balance as at the end of the year	4,453.60	4,046.60
Retained earnings		
Balance as at the beginning of the year	12,562.56	9,305.17
Profit for the year	4,068.10	3,827.56
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/(losses) of defined benefit plans	(13.99)	(13.04)
Less: Appropriations		
Transfer to General reserve	407.00	383.00
Final dividend, declared and paid during the year	1,591.52	144.68
Tax on final dividend	296.50	29.45
Total appropriations	2,295.02	557.13
Balance as at the end of the year	14,321.65	12,562.56
Other reserves:		
Cash flow hedging reserve [See note 32]	79.72	200.27
Costs of hedging reserve [See note 32]	(40.48)	(64.67)
	18,814.49	16,744.76

15 Sales tax deferral

(₹ In Crore)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured		
Sales tax deferral liability/loan, an incentive under Package Scheme of Incentives 1983 and 1993 - interest free, partially prepaid	120.77	119.90
	120.77	119.90

The exemption of interest on the sales tax liability deferred for payment is considered as a Government grant and measured at an internal rate of return available for pre-payment of the liability as per the sales tax rules. Also see note 31.

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

16 Provisions

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Provision for employee benefits [See note 37]				
Provision for gratuity	108.99	74.18	–	–
Provision for compensated absences	–	–	106.42	99.65
Provision for welfare scheme	3.20	3.95	0.51	0.29
	112.19	78.13	106.93	99.94
Other provisions				
Provision for warranties	–	–	18.67	20.99
	112.19	78.13	125.60	120.93

Provision for warranties

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historical amounts.

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
At the beginning of the year	20.99	25.30
Arising during the year	14.88	19.50
Utilised during the year	17.20	23.81
At the end of the year	18.67	20.99

17 Deferred tax liabilities (net)

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Deferred tax liabilities		
On account of timing difference in		
Property, plant and equipment	254.24	300.07
Defined benefit plans provisions - OCI	0.21	–
Financial instruments:		
Fair valuation of mutual funds including fixed maturity plans	223.24	65.04
Fair valuation of derivative hedging contracts	39.36	106.00
Amortisation of discount on acquisition of fixed income securities	9.24	11.08
	271.84	182.12
Gross deferred tax liabilities	526.29	482.19

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

17 Deferred tax liabilities (net) (Contd.)

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Deferred tax assets		
On account of timing difference in		
Retiral and other benefits:		
Voluntary Retirement Scheme costs	3.44	10.08
Bonus provisions	2.39	2.36
Provision for privilege leave etc.	37.19	34.49
Defined benefit plans provisions - P&L	22.90	18.08
Defined benefit plans provisions - OCI	15.19	7.36
	81.11	72.37
Financial instruments:		
Fair valuation of derivative hedging contracts	18.28	34.23
Long-term loss on reduction of share capital	81.15	–
Provision for diminution in value of investments	0.23	0.22
	99.66	34.45
Other items:		
Inventory valuation (section 145A of the Income-tax Act,1961)	–	40.84
Provision for bad/doubtful debts and advances	5.29	4.27
Taxes, duties, others etc.	16.81	16.64
	22.10	61.75
Gross deferred tax assets	202.87	168.57
	323.42	313.62

Movement in deferred tax liabilities

(₹ In Crore)

Particulars	Property, plant and equipment	Financial instruments	Retiral and other benefits	Other items	Total
At 1 April 2016	307.61	14.11	(64.86)	(54.06)	202.80
Charged/(credited)					
– to profit and loss	(7.54)	66.25	(0.61)	(7.69)	50.41
– to other comprehensive income	–	67.31	(6.90)	–	60.41
At 31 March 2017	300.07	147.67	(72.37)	(61.75)	313.62
Charged/(credited)					
– to profit and loss	(45.83)	75.20	(0.91)	39.65	68.11
– to other comprehensive income	–	(50.69)	(7.62)	–	(58.31)
At 31 March 2018	254.24	172.18	(80.90)	(22.10)	323.42

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

18 Other non-current liabilities

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Annuity payable to VRS optees	1.35	7.27
	1.35	7.27

19 Other financial liabilities

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Security deposits	21.61	23.97
Unclaimed dividend	17.06	13.86
Directors' remuneration and commission payable	26.28	28.86
Employee benefits payable	136.41	89.18
Other payables	127.90	124.05
	329.26	279.92

Refer note 31 for financial liabilities measured at amortised cost.

20 Other current liabilities

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Annuity payable to VRS optees	5.99	22.90
Advance received from customers	327.58	413.56
Taxes and duties payable	36.08	94.88
Other payables	24.07	26.27
	393.72	557.61

21 Revenue from operations

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Revenue from operations		
Sale of products [See note 45 a]	25,098.64	22,694.87
Other operating revenue		
Scrap sales	21.31	29.93
Export incentives	343.43	289.45
Royalty	98.68	70.74
Technical know how fees	1.20	3.04
	464.62	393.16
	25,563.26	23,088.03

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

22 Other income

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Investment income		
Interest income on fixed income securities	32.41	75.02
Amortisation of (premium)/discount on acquisition of fixed income securities	25.46	67.76
Interest income from financial assets at amortised cost	57.87	142.78
Provision for diminution in value of investment in subsidiary written-back [See note 43]	199.41	–
Less: Write-down of investment in subsidiary	(199.41)	–
	–	–
Dividend income on investments in subsidiaries	135.07	–
Gain on valuation and gain on realisation of mutual funds measured at FVTPL	889.92	817.32
Profit on sale of other investments, net	5.40	3.09
	1,088.26	963.19
Others		
Interest - others	54.00	69.80
Rent [See note 39]	29.27	27.03
Insurance claims	0.56	0.40
Miscellaneous receipts	80.51	79.28
Government grants	2.65	2.65
Surplus on sale of property, plant and equipment	7.58	2.00
Bad debts recovered	0.36	0.41
Sundry credit balances appropriated	0.84	0.65
Provision for doubtful debts and advances written back	0.12	0.76
Less: Write backs on account of amounts written off during the year	0.01	0.62
	0.11	0.14
Liabilities no longer required written-back	64.39	75.89
Gain on derivative contracts on break in designation of hedge	–	0.53
Gains on exchange fluctuations	18.72	–
	258.99	258.78
	1,347.25	1,221.97

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

23 Changes in inventories

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	26.89	39.83	12.94
Finished goods	434.06	430.80	(3.26)
	460.95	470.63	9.68
Inventories at the beginning of the year			
Work-in-progress	39.83	42.61	2.78
Finished goods	430.80	384.34	(46.46)
	470.63	426.95	(43.68)
	9.68	(43.68)	

24 Employee benefits expense

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Salaries, wages and bonus to employees [See note 38]	927.39	863.89
Contribution to provident and other funds [See note 37 and 38]	80.55	69.19
Staff welfare expenses	61.15	63.99
	1,069.09	997.07

25 Finance costs

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Interest expense	0.44	0.62
Interest adjustment on Government grant	0.87	0.78
	1.31	1.40

26 Depreciation and amortisation expense

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Depreciation on property, plant and equipment	267.88	260.10
Depreciation on investment property	1.62	1.90
Amortisation of technical know-how	44.65	44.64
Amortisation of leasehold land	0.65	0.65
	314.80	307.29

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

27 Other expenses

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Stores and tools consumed	117.71	114.63
Power, fuel and water	100.26	96.46
Rent [See note 39]	13.71	13.22
Repairs to buildings	44.25	60.19
Repairs to machinery	110.26	121.08
Other repairs	8.75	6.79
Insurance	3.20	3.72
Rates and taxes	4.02	13.00
Payment to auditor	1.67	1.58
Directors' fees and travelling expenses	1.20	0.99
Commission to non-executive directors	1.91	1.45
Travelling expenses	55.97	58.59
Miscellaneous expenses	306.36	289.87
Sales tax/VAT expenses	9.00	11.96
Packing material consumed	269.18	244.85
Freight and forwarding expenses	118.12	45.95
Advertisement	437.39	395.32
Vehicle service charges and other expenses	102.65	102.86
Sales promotion expenses	106.87	53.36
Expenditure towards Corporate Social Responsibility (CSR) activities	100.51	94.98
Bad debts and other irrecoverable debit balances written off	0.11	0.74
Less: Provisions made in earlier years in respect of amounts written off during the year	0.01	0.62
	0.10	0.12
Loss on exchange fluctuations	–	1.70
Loss on property, plant and equipment sold, demolished, discarded and scrapped	10.15	9.24
Provision for doubtful debts and advances	3.14	3.47
	1,926.38	1,745.38

Payment to auditor

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
As auditor		
Audit fee	1.10	1.10
Tax audit fee	0.08	0.07
Limited review	0.25	0.26
Other services (certification fees)	0.17	0.11
Reimbursement of expenses	0.07	0.04
	1.67	1.58

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

Expenditure towards Corporate Social Responsibility (CSR) activities

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
a) Gross amount required to be spent by the Company during the year	99.83	94.91
b) Amount spent in cash during the year on:		
i) Construction/acquisition of any asset	–	–
ii) On purposes other than (i) above	100.51	94.98
	100.51	94.98

28 Exceptional items

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Dealer compensation	32.00	–
	32.00	–

Exceptional items represent a one time payment to dealers to compensate them for any losses incurred on introduction of GST as a result of pre-GST inventory held on 30 June 2017.

29 Tax expense

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
(a) Tax expense		
Current tax		
Current tax on profits for the year	1,646.36	1,455.92
Adjustment of tax relating to earlier years	–	1.74
Total current tax expense	1,646.36	1,457.66
Deferred tax		
Decrease/(increase) in deferred tax assets	38.73	(8.30)
(Decrease)/increase in deferred tax liabilities	29.38	58.71
Total deferred tax expenses/(benefit)	68.11	50.41
Tax expense	1,714.47	1,508.07

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

29 Tax expense (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax	5,782.57	5,335.63
Tax at the Indian tax rate of 34.608% (Previous year - 34.608%)	2,001.23	1,846.55
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
– Corporate social responsibility expenditure	17.79	16.26
– Net present value on prepayment of sales tax assessment	–	0.54
– Disallowance of estimated expenditure to earn tax exempt income	0.10	0.10
– Rate difference in amortisation of fixed income securities	4.31	4.03
– Rate difference on account of fair value of mutual funds	86.78	32.19
– Adjustments for current tax of prior periods	–	1.74
– Others	5.07	2.97
Tax effect of amounts which are deductible (non taxable) in calculating taxable income:		
– Weighted deduction for Research and Development expenditure	(65.72)	(122.08)
– Tax-free interest	(0.70)	(0.69)
– Difference in tax rate on account of dividend received from subsidiary	(23.37)	–
– Deduction for profit from specified undertaking	(46.74)	(64.80)
– Profit on investments not taxable	(134.10)	(69.10)
– Income from fair valuation of mutual funds	(129.55)	(138.64)
– Disallowance of expenditure incurred on rented property (net)	(0.63)	(1.00)
Tax expense	1,714.47	1,508.07

30 Earnings Per Share (EPS)

Particulars	For the year ended 31 March 2018	2017
a. Profit for the year (₹ In Crore)	4,068.10	3,827.56
Weighted average number of shares outstanding during the year (Nos)	289,367,020	289,367,020
b. Earnings per share (Basic and Diluted) ₹	140.6	132.3
Face value per share ₹	10.0	10.0

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

31 Fair value measurement

i) Financial instruments by category

(₹ In Crore)

Particulars	31 March 2018			31 March 2017		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
– Bonds and debentures	–	–	318.69	–	–	1,078.81
– Fixed maturity plans	10,878.57	–	–	9,586.76	–	–
– Short-term mutual funds	4,653.15	–	–	1,593.40	–	–
– Liquid mutual funds	417.59	–	–	909.77	–	–
– Commercial Papers	–	–	97.58	–	–	340.01
Trade receivables	–	–	1,491.87	–	–	953.29
Loans	–	–	36.90	–	–	36.21
Other financial assets	–	–	19.06	–	–	55.82
Cash and cash equivalents	–	–	760.94	–	–	279.82
Other bank balances	–	–	17.06	–	–	13.86
Derivative Financial Assets	–	60.32	–	–	207.38	–
Total financial assets	15,949.31	60.32	2,742.10	12,089.93	207.38	2,757.82
Financial liabilities						
Sales tax deferral	–	–	120.77	–	–	119.90
Trade payables	–	–	3,244.32	–	–	2,235.73
Other financial liabilities	–	–	329.26	–	–	279.92
Total financial liabilities	–	–	3,694.35	–	–	2,635.55

ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements at 31 March 2018

(₹ In Crore)

Particulars	Note No.	Level 1	Level 2	Level 3	Total
Financial investments at FVPL					
– Fixed maturity plans	5	–	10,878.57	–	10,878.57
– Short-term mutual funds	5	4,653.15	–	–	4,653.15
– Liquid mutual funds	5	417.59	–	–	417.59
Financial investments at FVOCI					
Derivatives designated as hedges					
– Forward contracts	7	–	9.90	–	9.90
– Option contracts	7	–	50.42	–	50.42
Total financial assets		5,070.74	10,938.89	–	16,009.63

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

31 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

Financial assets which are measured at amortised cost for which fair values are disclosed at 31 March 2018

(₹ In Crore)

Particulars	Note No.	Level 1	Level 2	Level 3	Total
Bonds and debentures	5	287.57	35.01	–	322.58
Commercial Papers	5	–	97.58	–	97.58
Total financial assets		287.57	132.59	–	420.16

Assets disclosed at fair value - At 31 March 2018

(₹ In Crore)

Particulars	Note No.	Level 1	Level 2	Level 3	Total
Investment property	3	–	199.31	–	199.31

Financial assets measured at fair value - recurring fair value measurements at 31 March 2017

(₹ In Crore)

Particulars	Note No.	Level 1	Level 2	Level 3	Total
Financial investments at FVPL					
– Fixed maturity plans	5	–	9,586.76	–	9,586.76
– Short-term mutual funds	5	1,593.40	–	–	1,593.40
– Liquid mutual funds	5	909.77	–	–	909.77
Financial investments at FVOCI					
– Option contracts	7	–	207.38	–	207.38
Total financial assets		2,503.17	9,794.14	–	12,297.31

Financial assets which are measured at amortised cost for which fair values are disclosed at 31 March 2017

(₹ In Crore)

Particulars	Note No.	Level 1	Level 2	Level 3	Total
Bonds and debentures	5	1,055.80	36.02	–	1,091.82
Commercial Papers	5	–	340.01	–	340.01
Total financial assets		1,055.80	376.03	–	1,431.83

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

31 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

Assets disclosed at fair value - At 31 March 2017

(₹ In Crore)

Particulars	Note No.	Level 1	Level 2	Level 3	Total
Investment property	3	–	195.17	–	195.17

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted
- Close ended mutual funds at NAV's declared by AMFI
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as FIMMDA (Fixed Income Money Market and Derivative Association of India)
- Derivative Instruments at values determined by counter parties/Banks using market observable data
- Commercial papers and certificate of deposits, being short-term maturity papers, amortised cost is assumed to be the fair value

iii) Fair value of financial assets and liabilities measured at amortised cost

(₹ In Crore)

Particulars	31 March 2018		31 March 2017	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Investments				
Bonds and debentures	318.69	322.58	1,078.81	1,091.82
Total financial assets	318.69	322.58	1,078.81	1,091.82

The carrying amounts of commercial papers, certificate of deposits, trade receivables, trade payables, other financial assets/liabilities, loans and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

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

32 Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk (including foreign exchange risk). In order to minimise any adverse effects on the financial performance of the Company derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Company is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss	Credit ratings	Diversification of counterparties, diversification of investment limits, monitoring of counterparties basis credit rating
	Derivative financial instruments	Credit ratings	Deal with reputed banks holding high credit risk rating
	Trade receivables	Credit Limit and Aging analysis	No. of overdue days, monitoring of credit limits
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/cash equivalents and marketable securities
Market Risk-Foreign Exchange	Highly probable forecast transactions and financial assets and liabilities not denominated in INR	Sensitivity analysis	Forward foreign exchange contracts and foreign currency options

The Board of Directors provide guiding principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of available funds. The Company's risk management is carried out by a treasury department as per such policies approved by the Board of Directors. Accordingly, Company's treasury department identifies, evaluates and hedges financial risks.

A) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations leading to a financial loss to the Company. Credit risk primarily arises from cash and cash equivalents, derivative financial instruments, financial assets measured at amortised cost, financial assets measured at fair value through profit or loss and trade receivables. None of the financial instruments of the Company result in material concentration of credit risk.

Credit Risk Management

For Derivative instruments exposures are extended with multiple banks holding high credit risk ratings.

In regard to Trade receivables, which are typically unsecured, credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to whom credit is extended in the normal course of business. The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables. Accordingly, impairment loss allowance is recognised based on lifetime expected credit losses at each reporting date, right from its initial recognition. Expected credit losses of financial assets receivable in the next 12 months are estimated on the basis of historical data provided the Company has reasonable and supportable data. On such an assessment the expected losses are nil or negligible, as evidenced in the table below, and hence no further provision than that already made is considered necessary.

For other financial assets the Company has an investment policy which allows the Company to invest only with counterparties having a credit rating equal to or above AA+ and P1+. The Company reviews the creditworthiness of these counterparties on an on-going basis. Counter party limits maybe updated as and when required. Subject to approval of Board of Directors.

However, the Company has a policy to provide for any amount which is outstanding for more than 180 days from its due date, if they are considered to be doubtful.

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

32 Financial risk management (Contd.)

Reconciliation of loss allowance provision – Trade receivable

Particulars	(₹ In Crore)
Loss allowance as on 31 March 2016	**4.83**
Changes in loss allowance	0.12
Loss allowance as on 31 March 2017	**4.95**
Changes in loss allowance	2.04
Loss allowance as on 31 March 2018	**6.99**

B) Liquidity Risk

The Company's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period. The Company has no outstanding term borrowings except sales tax deferral liability amounting to ₹120.77 crore which are interest free and are repayable after 15 years from the Balance Sheet date. Additionally, the Company has invested its surplus funds in fixed income securities or instruments of similar profile thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Company carries a negligible liquidity risk.

(₹ In Crore)

Particulars	As at 31 March 2018	2017
The Company had		
Net working capital funds	5,124.34	6,178.79
which includes;		
i) Cash and cash equivalents	760.94	279.82
ii) Current investments	5,765.41	6,050.08

The table below summarises the contractual maturities of financial liabilities as at 31 March 2018 and 31 March 2017:

Maturities of financial liabilities

(₹ In Crore)

Particulars	Less than and equal to 1 year	More than 1 year	Total
As on 31 March 2018			
Non-derivatives			
Sales tax deferral (discounted)	–	120.77	120.77
Trade payables	3,244.32	–	3,244.32
Other financial liabilities	329.26	–	329.26
Total non-derivative liabilities	3,573.58	120.77	3,694.35
As on 31 March 2017			
Non-derivatives			
Sales tax deferral (discounted)	–	119.90	119.90
Trade payables	2,235.73	–	2,235.73
Other financial liabilities	279.92	–	279.92
Total non-derivative liabilities	2,515.65	119.90	2,635.55

32 Financial risk management (Contd.)

C) Market risk

Foreign currency risk

The Company has significant exports and is therefore exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$. Foreign exchange risk arises from highly probable forecast transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through sensitivity analysis. The primary objective for forex hedging against anticipated foreign currency risks will be to hedge the Company's highly probable foreign currency cash flows arising from such transactions (thus reducing cash flow and profit volatility).

The Company's risk management policy permits the use of plain foreign exchange forward contracts and foreign currency option contracts including Foreign Currency - INR Option Cost Reduction Structures to hedge forecasted sales.

The Company also imports certain materials the value of which is not material as compared to value of exports. Currently, Company does not hedge this exposure. Nevertheless, Company may wish to hedge such exposures.

The Company uses a combination of foreign currency option contracts and foreign exchange forward contracts to hedge its exposure in foreign currency risk. The Company designates forward contracts in entirety and intrinsic value of foreign currency option contracts as the hedging instrument. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised through other comprehensive income in the 'Cash flow hedging reserve' within equity. The change in time value that relate to the hedged item (aligned time value) is recognised through other comprehensive income in 'Costs of hedging reserve' within equity. Amount recognised in equity is reclassified to profit or loss when the hedged item (i.e. forecasted export sales) affects Statement of Profit or Loss. The ineffective portion of change in fair value of the hedging instrument and any residual time value (the non-aligned portion), if any, is recognised in the Statement of Profit and Loss immediately.

The intrinsic value of foreign exchange option contracts is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the spot market exchange rate is defined as the intrinsic value. Time value of the option is the difference between fair value of the option and the intrinsic value.

The fair values (Marked-to-market) of foreign currency derivative contracts outstanding as on 31 March 2018 and 31 March 2017 are as follows:

(₹ In Crore)

	As at 31 March 2018		As at 31 March 2017	
For export transactions:	**Notional In USD Mn (Sell)**	**MTM Gain/ (Loss)**	**Notional In USD Mn (Sell)**	**MTM Gain/ (Loss)**
Foreign currency derivative designated as hedging instruments - par forward contracts	546.00	9.90	–	–
Foreign currency derivative designated as hedging instruments - options contracts	1,066.00	50.42	832.00	207.38
	1,612.00	60.32	832.00	207.38

For import transactions: NIL

Open Exposure

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

(USD Million)

	As at 31 March	
	2018	**2017**
Receivables	61	40
Payables	15	15
Others (EEFC balances)	47	41

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

32 Financial risk management (Contd.)

Sensitivity Analysis

The impact on other components of equity arises from foreign exchange forward contracts and foreign exchange option contracts designated as cash flow hedges

(₹ In Crore)

Impact on other components of equity	31 March 2018	31 March 2017
USD/INR - Increase by 10%	(630.36)	(274.05)
USD/INR - Decrease by 10%	453.97	436.03

Maturity of outstanding contracts

The details in respect of the maturity of outstanding foreign exchange contracts including options and par forward contracts are given below:

(₹ In Crore)

	As at 31 March 2018		As at 31 March 2017	
On export transactions:	Notional In USD Mn (Sell)	MTM Gain/ (Loss)	Notional In USD Mn (Sell)	MTM Gain/ (Loss)
Not later than three months	312.00	33.70	208.00	68.43
Later than three months and not later than six months	312.00	23.20	208.00	55.86
Later than six month and not later than one year	702.00	7.73	416.00	83.09
Later than one year and not later than two years	286.00	(4.31)	–	–
	1,612.00	60.32	832.00	207.38

On import transactions: NIL

Impact of Hedging Activities

(a) Disclosure of effects of hedge accounting on financial position:

Cash flow hedge Foreign exchange risk 31 March 2018

(₹ In Crore)

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts	3,558.55	9.90	1:1	13.11	(13.11)
Foreign currency options	6,947.66	112.65	1:1	158.85	(158.85)
	10,506.21	122.55		171.96	(171.96)

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

32 Financial risk management (Contd.)

Cash flow hedge Foreign exchange risk 31 March 2017

(₹ In Crore)

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts	–	–	1:1	5.71	(5.71)
Foreign currency options	5,395.52	306.28	1:1	284.63	(284.63)
	5,395.52	306.28		290.34	(290.34)

* The foreign exchange forward and option contracts are denominated in the same currency as the highly probable future sales, therefore the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

Cash flow hedge 31 March 2018

(₹ In Crore)

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk - Forward contracts	13.11	–	3.21	Revenue
Foreign exchange risk - Options contracts	158.85	–	352.47	Revenue
	171.96	–	355.68	

Cash flow hedge Foreign exchange risk 31 March 2017

(₹ In Crore)

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk - Forward contracts	5.71	–	15.09	Revenue
Foreign exchange risk - Options contracts	284.63	–	5.48	Revenue
	290.34	–	20.57	

The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, so a qualitative assessment of effectiveness is performed. During the years ended 31 March 2018 and 31 March 2017, the Company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

Therefore, no ineffectiveness is recognised in the Statement of Profit and Loss for the year ended 31 March 2018 and 31 March 2017.

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

32 Financial risk management (Contd.)

Movements in cash flow hedging reserve and costs of hedging reserve

(₹ In Crore)

	Foreign Currency Risk		
Derivative Instrument	**Foreign exchange forward contracts**	**Foreign exchange options**	**Total**
(i) Cash flow hedging reserve			
Balance – As at 31 March 2016	**6.13**	**17.73**	**23.86**
Add: Change in fair value of foreign exchange forward contract	5.71	–	5.71
Add: Change in intrinsic value of foreign currency options	–	284.63	284.63
Less: Amount reclassified to profit or loss	(15.09)	(5.48)	(20.57)
Deferred tax relating to the above (net)	3.25	(96.61)	(93.36)
Balance – As at 31 March 2017	**–**	**200.27**	**200.27**
Add: Change in fair value of foreign exchange forward contract	13.11	–	13.11
Add: Change in intrinsic value of foreign currency options	–	158.85	158.85
Less: Amount reclassified to profit or loss	(3.21)	(352.47)	(355.68)
Deferred tax relating to the above (net)	(3.46)	66.63	63.17
Balance – As at 31 March 2018	**6.44**	**73.28**	**79.72**
(ii) Costs of hedging reserve			
Balance – As at 31 March 2016	–	(15.45)	(15.45)
Less: Change in time value of foreign currency options	–	(74.12)	(74.12)
Less: Amount reclassified to profit or loss	–	(1.16)	(1.16)
Deferred tax relating to the above (net)	–	26.06	26.06
Balance – As at 31 March 2017	**–**	**(64.67)**	**(64.67)**
Add: Change in time value of foreign currency options	–	23.97	23.97
Less: Amount reclassified to profit or loss	–	12.70	12.70
Deferred tax relating to the above (net)	–	(12.48)	(12.48)
Balance – As at 31 March 2018	**–**	**(40.48)**	**(40.48)**

In respect of forecast transaction for which hedge accounting had previously been used, but which no longer expected to occur, amount that was removed for the year ended 31 March 2018 and 31 March 2017 from

– cash flow hedging reserve is a gain of NIL and ₹ 0.29 crore respectively

– costs of hedge reserve is a gain of NIL and ₹ 0.24 crore respectively.

Other risk

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, bonds, fixed maturity plans etc. The Company is exposed to price risk on such investments; which arises on account of movement in interest rates, liquidity and credit quality of underlying securities.

The Company has invested its surplus funds primarily in debt based mutual funds and fixed maturity plans. The value of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis. The Company has not performed a sensitivity analysis on these mutual funds based on estimated fluctuations in their NAV as in Management's opinion, such analysis would not display a correct picture.

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

33 Capital management

a) Objectives, policies and processes of capital management

The Company is cash surplus and has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in income generating debt instruments (including through mutual funds) and money market instruments depending on economic conditions in line with the guidelines set out by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings and does not borrow funds unless circumstances require.

(₹ In Crore)

Particulars	31 March 2018	2017
Equity	19,103.86	17,034.13
Less: Tangible and other assets	2,156.63	2,173.95
Working capital	(641.07)	128.71
Investments in subsidiaries	1,222.72	1,222.72
Investments in debt and similar investments	16,365.58	13,508.75

No changes were made in the objectives, policies and processes of capital management during the year.

b) Dividends distributed and proposed

(₹ In Crore)

Particulars	31 March 2018	2017
Dividends recognised in the financial statements		
Final dividend for the year ended 31 March 2017 of ₹ 55 (31 March 2016 - ₹ 5) per equity share, declared and paid	1,591.52	144.68
Dividends not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend of ₹ 60 per equity share (31 March 2017 – ₹ 55). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,736.20	1,591.52

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

34 Contingent liabilities

(₹ In Crore)

Particulars		As at 31 March 2018	As at 31 March 2017
a	Claims against the Company not acknowledged as debts	451.53	445.28
b	Excise and Customs demand - matters under dispute and claims for refund of Excise Duty, if any, against Excise Duty Refund received in the earlier year	861.86	714.69
c	Income-tax matters	756.69	653.72
d	Value Added Tax (VAT)/Sales Tax matters under dispute	126.74	119.87
e	Claims made by temporary workmen Pending before various judicial/appellate authorities in respect of similar matters adjudicated by the Supreme Court. The matter is contingent on the facts and evidence presented before the courts/ adjudicating authorities and not necessarily likely to be influenced by the Supreme Court's order	Liability unascertained	Liability unascertained

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

35 Capital commitments

(₹ In Crore)

Particulars	As at 31 March 2018	As at 31 March 2017
Capital commitments, net of capital advances	51.82	86.23

36 Segment information

Segment information based on consolidated financial statements is given in note 35 to consolidated financial statements, which are attached to these financial statements.

The Company's Core Management Committee (CMC), examines the groups performance both from a product and geographical perspective and has identified two reportable operative business segments. The group's significant source of risk and rewards are derived from Automotive business and Investments, the performance of which is reviewed by the committee on a periodic basis and hence considered as individual operative segments.

The business segments comprise the following:
i. Automotive
ii. Investments
iii. Others

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

37 Employee benefits

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19 the details of which are as hereunder.

Funded schemes

Gratuity

The Company provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Company is greater of the provisions of the Payment of Gratuity Act, 1972 and the Company's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Company makes contributions to approved gratuity fund.

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation	510.19	452.75
Fair value of plan assets	(401.20)	(378.57)
Net funded obligation	**108.99**	**74.18**
Expense recognised in the Statement of Profit and Loss		
Current service cost	25.38	21.99
Interest on net defined benefit liability/(asset)	3.06	(0.98)
Total expense charged to Statement of Profit and Loss	**28.44**	**21.01**
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Statement of Profit and Loss	21.94	1.32
Remeasurements during the period due to:		
Changes in financial assumptions	(15.73)	21.33
Experience adjustments	31.13	5.41
Actual return on plan assets less interest on plan assets	6.80	(6.12)
Closing amount recognised in OCI outside Statement of Profit and Loss	**44.14**	**21.94**

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Reconciliation of net liability/(asset)		
Opening net defined benefit liability/(asset)	74.18	43.14
Expense charged to Statement of Profit and Loss	28.44	21.01
Amount recognised outside Statement of Profit and Loss	22.20	20.62
Employer contributions	(15.83)	(10.59)
Closing net defined benefit liability/(asset)	**108.99**	**74.18**

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

37 Employee benefits (Contd.)

Funded schemes (Contd.)

Gratuity (Contd.)

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Movement in benefit obligation		
Opening of defined benefit obligation	452.75	393.06
Current service cost	25.38	21.99
Interest on defined benefit obligation	31.37	29.53
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(15.73)	21.33
Actuarial loss/(gain) arising on account of experience changes	31.13	4.19
Benefits paid	(14.71)	(17.35)
Closing of defined benefit obligation	**510.19**	**452.75**

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Movement in plan assets		
Opening fair value of plan assets	378.57	349.92
Employer contributions	15.83	10.59
Interest on plan assets	28.31	29.29
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(6.80)	6.12
Benefits paid	(14.71)	(17.35)
Closing fair value of plan assets	**401.20**	**378.57**

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Disaggregation of assets		
Category of assets		
Insurer managed funds	401.20	378.57
Others	–	–
Grand Total	401.20	378.57

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

37 Employee benefits (Contd.)

Funded schemes (Contd.)

Gratuity (Contd.)

Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	As at 31 March 2018		As at 31 March 2017	
Particulars	**Discount rate**	**Salary escalation rate**	**Discount rate**	**Salary escalation rate**
Senior staff				
Impact of increase in 50 bps on DBO	(3.37%)	3.48%	(3.51%)	3.62%
Impact of decrease in 50 bps on DBO	3.57%	(3.32%)	3.73%	(3.44%)
Junior staff				
Impact of increase in 50 bps on DBO	(3.82%)	4.02%	(4.32%)	4.55%
Impact of decrease in 50 bps on DBO	4.13%	(3.76%)	4.69%	(4.24%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Funding arrangement and policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to insurance companies. The insurance companies in turn manage these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to the plan next year is ₹ 90 crore.

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan:

(₹ In Crore)

Particulars	**Less than a year**	**Between 1 - 2 years**	**Between 2 -5 years**	**Over 5 years**	**Total**
31 March 2018					
Senior staff	39.37	17.61	48.09	326.68	431.75
Junior staff	23.32	23.96	120.30	512.47	680.05
31 March 2017					
Senior staff	37.87	8.31	42.71	299.90	388.79
Junior staff	13.82	15.19	84.23	493.52	606.76

	As at 31 March	
Weighted average duration of defined benefit obligation (in years)	**2018**	**2017**
Senior Staff	6.94	7.23
Junior Staff	7.93	9.00

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

37 Employee benefits (Contd.)

Funded schemes (Contd.)

Gratuity (Contd.)

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Principal actuarial assumptions (Expressed as weighted averages)		
Discount rate (p.a.)	7.75%	7.35%
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.

Provident Fund

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation	1,047.83	931.68
Fair value of plan assets	(1,047.83)	(931.68)
Net funded obligation	**–**	**–**
Expense recognised in the Statement of Profit and Loss		
Current service cost	28.48	25.60
Administration expenses	–	–
Interest on net defined benefit liability/(asset)	–	–
(Gains)/losses on settlement	–	–
Total expenses charged to Statement of Profit and Loss	**28.48**	**25.60**
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Statement of Profit and Loss	–	–
Remeasurements during the period due to		
Changes in financial assumptions	–	–
Changes in demographic assumptions	–	–
Experience adjustments	8.22	7.56
Actual return on plan assets less interest on plan assets	(8.22)	(7.56)
Adjustment to recognise the effect of asset ceiling	–	–
Closing amount recognised in OCI outside Statement of Profit and Loss	**–**	**–**
Reconciliation of net liability/(asset)		
Opening net defined benefit liability/(asset)	–	–
Expense charged to Statement of Profit and Loss	28.48	25.60
Amount recognised outside Statement of Profit and Loss	–	–
Employer contributions	(28.48)	(25.60)
Closing net defined benefit liability/(asset)	**–**	**–**

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

37 Employee benefits (Contd.)

Funded schemes (Contd.)

Provident Fund (Contd.)

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Movement in benefit obligation		
Opening of defined benefit obligation	**931.68**	**813.24**
Current service cost	28.48	25.60
Interest on defined benefit obligation	68.73	65.22
Remeasurements due to:		
Actuarial loss/(gain) arising on account of experience changes	8.22	7.56
Employee contributions	59.50	54.20
Benefits paid	(50.12)	(36.87)
Liabilities assumed/(settled)	1.34	2.73
Closing defined benefit obligation	**1,047.83**	**931.68**
Movement in plan assets		
Opening fair value of plan assets	**931.68**	**813.24**
Interest on plan assets	68.73	65.22
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	8.22	7.56
Employer contributions during the period	28.48	25.60
Employee contributions during the period	59.50	54.20
Benefits paid	(50.12)	(36.87)
Assets acquired/(settled)	1.34	2.73
Closing fair value of plan assets	**1,047.83**	**931.68**

Particulars	As at 31 March 2018
Disaggregation of assets	
Quoted	
Property	–
Government debt instruments	525.04
Other debt instruments	364.51
Entity's own equity instruments	–
Insurer managed funds	–
Others	158.28
Total	1,047.83

Particulars	As at 31 March 2018	2017
Key actuarial assumptions		
Discount rate (p.a.)	7.75%	7.35%
Future derived return on assets (p.a.)	8.64%	8.90%
Discount rate for the remaining term to maturity of the investment (p.a.)	7.65%	7.15%
Average historic yield on the investment (p.a.)	8.54%	8.70%
Guaranteed rate of return (p.a.)	8.55%	8.65%

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

37 Employee benefits (Contd.)

Unfunded Schemes

(₹ In Crore)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Compensated Absences	Welfare Scheme	Compensated Absences	Welfare Scheme
Present value of unfunded obligations	106.42	3.71	99.65	4.24
Expense recognised in the Statement of Profit and Loss	16.57	0.42	21.84	0.53
Amount recorded as Other Comprehensive Income		(0.59)		(0.68)
Discount rate (p.a.)	7.75%	7.75%	7.35%	7.35%
Salary escalation rate (p.a.) - senior staff	10.00%	N.A.	10.00%	N.A.
Salary escalation rate (p.a.) - junior staff	10.00%	N.A.	10.00%	N.A.

Compensated absences

The compensated absences cover the Company's liability for casual and earned leave.

Entire amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ In Crore)

Particulars	As at 31 March 2018	As at 31 March 2017
Compensated absences expected to be settled after 12 months	101.46	94.99

(₹ In Crore)

Particulars	As at 31 March 2018	As at 31 March 2017
Amount recognised in the Statement of Profit and Loss		
Defined contribution plans:		
Superannuation paid to trust	9.07	8.68
Pension fund paid to Government authorities	12.38	12.14
Others	1.46	1.37
Defined benefit plans:		
Gratuity	28.44	21.01
Provident fund paid to trust	28.48	25.60
Others	0.72	0.39
Total	**80.55**	**69.19**

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

38 Disclosure of transactions with related parties as required by the Indian Accounting Standard 24

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2017-18		2016-17	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Subsidiaries:					
PT.Bajaj Auto Indonesia (99.25% shares held by Bajaj Auto Ltd.)	Contribution to equity (411,875 shares of USD 3 each)	–	6.17	–	205.57
	Provision for diminution in value of investment	–	(2.17)	–	(201.57)
	Write-down of investment	199.41	–	–	–
	Provision for diminution written-back	199.41	–	–	–
Bajaj Auto International Holdings BV Amsterdam Netherlands (Fully owned subsidiary)	Contribution to equity (1,980,000 shares of Euro 100 each)	–	1,218.72	–	1,218.72
	Dividend received	135.07	–	–	–
B Associates, joint ventures and investing parties:					
Bajaj Holdings & Investment Ltd. (Investing party - holds 31.54% shares of Bajaj Auto Ltd.)	Purchase of shares by BHIL [91,280,000 shares of ₹ 10 each]	–	(91.28)	0.16	(91.28)
	Dividend paid	502.04	–	45.56	–
	Business support service received	1.55	–	1.33	–
	Business support service rendered	15.26	–	11.80	–
C Key management personnel and their relatives:					
Rahul Bajaj (Chairman)	Short-term employee benefits (including Commission)	10.79	(6.75)	10.63	(6.75)
	Post-employment benefits	0.80	–	0.80	–
	Rent paid for premises	0.17	–	0.16	–
	Deposit paid against premises taken on lease	–	2.70	–	2.70
Rajiv Bajaj (Managing Director)	Short-term employee benefits (including Commission)	26.27	(17.41)	23.76	(15.53)
	Post-employment benefits	2.05	–	1.83	–
	Rent paid for premises	1.98	–	1.97	–
	Deposit paid against premises taken on lease	–	2.82	–	2.82
Pradeep Shrivastava (Executive Director)	Short-term employee benefits	3.78	–	4.01	–
	Post-employment benefits	0.43	–	0.39	–
Madhur Bajaj (Vice Chairman) (Executive Vice Chairman up to 31 March 2017)	Short-term employee benefits (including Commission)	–	–	7.85	(5.13)
	Post-employment benefits	–	–	0.60	–
	Rent paid for premises	0.05	–	0.05	–
	Deposit paid against premises taken on lease	–	0.88	–	0.88
	Sitting fees	0.08	–	–	–
	Commission	0.12	(0.12)	–	–
Sanjiv Bajaj	Sitting fees	0.08	–	0.07	–
	Commission	0.12	(0.12)	0.11	(0.11)
Shekhar Bajaj	Sitting fees	0.07	–	0.04	–
	Commission	0.11	(0.11)	0.06	(0.06)
	Rent paid for premises	0.16	–	0.14	–
	Deposit paid against premises taken on lease	–	2.64	0.88	2.64
Shekhar Bajaj (HUF)	Rent paid for premises	–	–	0.01	–
	Deposit paid against premises taken on lease	–	–	(0.88)	–
Niraj Bajaj	Sitting Fees	0.08	–	0.06	–
	Commission	0.12	(0.12)	0.09	(0.09)
	Rent paid for premises	0.05	–	0.05	–
	Deposit paid against premises taken on lease	–	0.88	–	0.88

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

38 Disclosure of transactions with related parties as required by the Indian Accounting Standard 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2017-18 Transaction value	2017-18 Outstanding amounts carried in Balance Sheet	2016-17 Transaction value	2016-17 Outstanding amounts carried in Balance Sheet
D Other entities:					
Bajaj Finserv Ltd.	Purchase of windpower	7.68	–	21.51	–
	Business support service rendered	0.30	–	0.48	–
Bajaj Finance Ltd.	Purchase of shares by BFL (150 shares of ₹ 10 each) - ₹ 1,500	–		–	
	Subvention charges paid	23.78	(1.91)	8.46	–
	Service rendered	26.55	0.78	20.88	–
	Service received	0.51	–	0.65	–
	Security deposit received	–	(0.21)	–	(0.21)
	Dividend paid (₹ 8,250, previous year - ₹ 750)		–		–
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	10.98	4.21	13.18	3.73
	Claims received (₹ 41,259)		–	0.01	–
Bajaj Allianz Life Insurance Co. Ltd.	Insurance premiums paid (previous year - ₹ 30,997)	1.01	(0.01)	1.67	
	Purchase of shares by BALIC (125,000 shares of ₹ 10 each)	–	(0.13)	–	(0.13)
	Dividend paid	0.69	–	0.06	–
Bajaj Electricals Ltd.	Purchases	0.55	(0.22)	0.34	(0.02)
Hind Musafir Agency Ltd.	Services received	18.66	(1.46)	21.21	(0.60)
Hindustan Housing Co. Ltd.	Maintenance charges paid	0.20	–	0.21	–
KTM AG	Sale of vehicles and material	405.86	(4.38)	208.93	(142.60)
	Royalty paid and payable	–	–	6.35	–
	Services rendered and other debits	1.51	–	3.14	–
KTM GmbH	Sale of vehicles and material	425.64	(11.03)	189.72	(32.18)
	Royalty paid and payable	9.48	(2.05)	–	–
	Purchase of accessories	0.12	–	0.28	–
	Services rendered and other debits	0.23	–	0.10	–
KTM Southeast Europe A.E.	Sale of vehicles and material (₹ 13,509, previous year - ₹ 13,506)	0.43		0.02	
KTM Southeast Europe S.A.	Sale of vehicles and material (₹ 12,955)	0.41		0.33	–
KTM India Pvt. Ltd.	Royalty paid and payable	9.21	(1.74)	6.35	(0.81)
	Services rendered and other debits	2.35	–	2.31	–
Maharashtra Scooters Ltd.	Purchase of shares by MSL (6,774,072 shares of ₹ 10 each)	–	(6.77)	–	(6.77)
	Dividend paid	37.26	–	3.39	–
	Purchases	0.16	–	0.69	–
	Sales (including capital asset)	0.33	–	–	–
	Services rendered	0.10	0.04	0.11	(0.04)
Mukand Ltd.	Purchases	0.03	–	–	–
CERG Advisory Pvt. Ltd.	Services received	0.09	–	0.09	–
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	0.50	–	0.46	–
Bajaj Auto Senior Staff Group Gratuity Fund	Gratuity contribution	16.05	–	10.51	–
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	9.07	1.00	8.68	–
Bajaj Auto Ltd. Provident Fund	Provident fund contribution (Employer's share)	28.48	(9.35)	25.60	(7.93)

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 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

All above transactions are in the ordinary course of business and on arms' length basis. All outstanding balances are unsecured and are repayable in cash.

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

39 Lease

As a lessor:

The Company has given premises on operating leases. These lease arrangements range for a period between 11 months to 10 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.

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

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Receivable		
Within one year	23.93	23.11
After one year but not more than five years	62.98	54.58
More than five years	–	0.09
	86.91	77.78

As a lessee:

The Company has operating leases for premises. These lease arrangements range for a period between 1 to 90 years which 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.

The total future minimum lease rentals payable at the Balance Sheet date is as under:

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Payable		
Within one year	11.28	10.06
After one year but not more than five years	19.21	12.46
More than five years	15.07	13.39
	45.56	35.91

40 Expenditure incurred on Research and Development

(₹ In Crore)

Particulars		As at 31 March 2018	2017
a	Revenue expenditure - charged to Statement of Profit and Loss	334.11	332.38
b	Revenue expenditure - capitalised	13.78	6.18
c	Capital expenditure - excluding building	24.80	27.37
d	Capital expenditure - building	–	1.71
		372.69	367.64

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

41 Considering the Company has been extended credit period up to 45 days by its vendors and payments being released on a timely basis, there is no liability towards interest on delayed payments under 'The Micro, Small and Medium Enterprises Development Act 2006' during the year. There is also no amount of outstanding interest in this regard, brought forward from previous years. Information in this regard is on basis of intimation received, on requests made by the Company, with regards to registration of vendors under the said Act.

42 The Company had entered into an arrangement with a consortium of banks on 26 July 2008. Accordingly, first charge was created on all current assets of the Company to the extent of ₹ 430 crore. Current assets include stocks of raw materials, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), book debts not older than 90 days pertaining to Company's plants located anywhere in India.

Company had passed the resolution dated 27 July 2016 for dismantling of consortium. Accordingly, discharge letters for clearance were filed with all banks last year. Company received clearance certificate from all the banks and finally got the charge satisfied on 27 September 2017 with ROC.

43 During the year, the Company has written-off its investment in PT. Bajaj Auto Indonesia, to the extent of ₹ 199.41 crore (USD 39.95 million), consequential to a share capital reduction effected in PT. Bajaj Auto Indonesia to the same extent. The transaction has been approved by the Reserve Bank of India vide its letter dtd. 22 March 2018. Accordingly, the Company has reversed an amount of ₹ 199.41 crore from provision for diminution in the value of investments to the Statement of Profit and Loss for the year.

44 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 introducing/amending the following standards:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 29 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company plans to adopt the new standard on the required effective date using the modified retrospective method. The Company performed a detailed assessment of Ind AS 115 to determine the impact in its financial statements.

Based on the assessment, the application of Ind AS 115 is not expected to have any major impact on the Company's profitability, liquidity and capital resources or financial position as on 31 March 2018.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

Based on the Company's evaluation, these amendments do not affect the Company's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

44 Standards issued but not yet effective (Contd.)

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company.

Transfers of Investment Property – Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its financial statements.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

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

45 Miscellaneous

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

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

c. Amounts less than ₹ 50,000 have been shown at actual against respective line items statutorily required to be disclosed.

As per our report of even date

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

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

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Consolidated Financial Statements

Independent Auditors' Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

To the Members of **Bajaj Auto Limited**

Report on the consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of Bajaj Auto Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate, comprising of the consolidated Balance Sheet as at 31March 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's responsibility for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other financial information of the subsidiary, the aforesaid consolidated Ind AS 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 and its associate as at 31 March 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Independent Auditors' Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements (Contd.)

Other matter

(a) We did not audit the financial statements and other financial information, in respect of a subsidiary, whose Ind AS financial statements include total assets of ₹ 3.31 crore and net assets of ₹ 3.23 crore as at 31 March 2018, and total revenues of ₹ Nil and net cash outflows of ₹ 1.93 crore for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose audit reports together with the financial statements, and other financial information have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditors.

The subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

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

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on other legal and regulatory requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2018 from being appointed as a director in terms of section 164 (2) of the Act. The Holding Company did not have any subsidiary or an associate company in India and did not exercise joint control over any entity incorporated in India;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate company, since none of the subsidiary companies and associate company are incorporated in India, no separate report is being issued with reference to these consolidated Ind AS financial statements of the Holding Company. Also refer Annexure 2 to the independent auditors' report dated 18 May 2018, issued on the standalone financial statements of the Holding Company regarding internal controls over financial reporting;

Independent Auditors' Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements (Contd.)

(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 as noted in the 'Other matters' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate – Refer Note 32 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32 to the consolidated Ind AS financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company for the year ended 31 March 2018. The Holding Company did not have any subsidiary or an associate company in India and did not exercise joint control over any entity incorporated in India.

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

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

Consolidated Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,821.22	1,898.61
Capital work-in-progress	2	11.15	10.64
Investment property	3	57.11	58.53
Intangible assets	4	–	44.65
Intangible assets under development	4	45.32	31.53
Investments in associate of subsidiary	5A	2,528.99	1,968.29
Financial assets			
Investments	5B	10,600.17	7,458.67
Trade receivables	10	–	–
Loans	6	30.68	29.74
Other financial assets	7	0.02	0.02
Income tax assets (net)		438.66	399.94
Other non-current assets	8	356.85	268.47
		15,890.17	**12,169.09**
Current assets			
Inventories	9	742.58	728.38
Financial assets			
Investments	5B	5,765.41	6,050.08
Trade receivables	10	1,491.87	953.29
Cash and cash equivalents	11	775.60	287.50
Other bank balances	12	17.06	13.86
Loans	6	6.26	75.76
Other financial assets	7	79.36	263.30
Other current assets	8	372.69	1,096.36
		9,250.83	**9,468.53**
Total		**25,141.00**	**21,637.62**

Consolidated Balance Sheet (Contd.)

(₹ In Crore)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	289.37	289.37
Other equity	14	20,135.87	17,567.20
Equity attributable to owners of the Company		**20,425.24**	**17,856.57**
Non-controlling interest		0.02	0.03
Total equity		**20,425.26**	**17,856.60**
Non-current liabilities			
Financial liabilities			
Sales tax deferral	15	120.77	119.90
Provisions	16	112.19	78.13
Deferred tax liabilities (net)	17	323.42	313.62
Government grant		46.61	49.26
Other non-current liabilities	18	1.35	7.27
		604.34	**568.18**
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		1.06	13.65
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,243.36	2,222.33
Other financial liabilities	19	329.26	279.92
Other current liabilities	20	393.73	557.62
Provisions	16	125.60	120.93
Government grant		2.65	2.65
Current tax liabilities (net)		15.74	15.74
		4,111.40	**3,212.84**
Total		**25,141.00**	**21,637.62**
Summary of significant accounting policies followed by the Company	1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

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

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

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Consolidated Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2018	2017
Sales [See note 37 a]		25,098.64	22,694.87
Other operating revenue		464.62	393.16
Revenue from operations	21	25,563.26	23,088.03
Other income	22	1,212.27	1,222.23
Total income		**26,775.53**	**24,310.26**
Expenses			
Cost of raw materials and components consumed		15,999.16	13,285.36
Purchase of traded goods		1,401.25	1,382.47
Changes in inventories of finished goods, work-in-progress and traded goods	23	9.68	(43.68)
Excise duty [See note 37 a]		398.34	1,321.35
Employee benefits expense	24	1,069.48	997.39
Finance costs	25	1.31	1.40
Depreciation and amortisation expense	26	314.80	307.29
Other expenses	27	1,927.78	1,748.02
Expenses, included in above items, capitalised		(24.07)	(22.27)
Total expenses		**21,097.73**	**18,977.33**
Share of profits of associate		287.61	254.62
Profit before exceptional items and tax		**5,965.41**	**5,587.55**
Exceptional items	28	32.00	–
Profit before tax		**5,933.41**	**5,587.55**
Tax expense			
Current tax		1,646.36	1,455.92
Adjustment of tax relating to earlier years		–	1.74
Deferred tax		68.11	50.41
Total tax expense	29	1,714.47	1,508.07
Profit after tax		**4,218.94**	**4,079.48**
Profit attributable to non-controlling interest		(0.01)	(0.01)
Profit for the year		**4,218.95**	**4,079.49**

Consolidated Statement of Profit and Loss (Contd.)

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2018	2017
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) of defined benefit plans		(21.61)	(19.94)
Tax impacts on above		7.62	6.90
Actuarial gains/(losses) of defined benefit plans - share of associate of subsidiary		0.65	(1.89)
Items that will be reclassified to profit or loss			
Valuation gains/(losses) on derivative hedging instruments		(147.05)	194.50
Tax impacts on above		50.69	(67.31)
Other adjustments - share of associate of subsidiary		11.30	(5.36)
Change in foreign currency translation reserve of subsidiary		336.14	(176.00)
Other comprehensive income (net of tax)		**237.74**	**(69.10)**
Total comprehensive income for the year		**4,456.69**	**4,010.39**
Profit attributable to:			
Owners of the Company		4,218.95	4,079.49
Non-controlling interest		(0.01)	(0.01)
		4,218.94	4,079.48
Total comprehensive income attributable to:			
Owners of the Company		4,456.69	4,010.39
Non-controlling interest		(0.01)	(0.01)
		4,456.68	4,010.38
Basic and diluted Earnings per share (In ₹)	30	145.8	141.0
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Company	1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

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

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

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Consolidated Statement of Changes in Equity

A. Equity share capital

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2018	2017
At the beginning of the year		289.37	289.37
Changes in equity share capital		–	–
At the end of the year	13	**289.37**	**289.37**

B. Other equity

(₹ In Crore)

Particulars	Note No.	Attributable to owners							Non-controlling interest
		Reserves and surplus		Other reserves				Total other equity	
		General reserve	Retained earnings	Cash flow hedging reserve	Costs of hedging reserve	Foreign exchange difference of subsidiary on paid-up capital	Foreign currency translation reserve		
Balance as at 1 April 2016	14	**4,166.16**	**9,305.17**	**23.86**	**(15.45)**	**8.73**	**242.47**	**13,730.94**	**0.04**
Profit for the year		–	4,079.49	–	–	–	–	4,079.49	(0.01)
Other comprehensive income (net of tax)		(7.25)	(13.04)	176.41	(49.22)	(0.22)	(175.78)	(69.10)	–
Total comprehensive income for the year ended 31 March 2017		(7.25)	4,066.45	176.41	(49.22)	(0.22)	(175.78)	4,010.39	(0.01)
Transactions with owners in their capacity as owners									
Transfer from Retained earnings to General reserve		634.93	(634.93)	–	–	–	–	–	–
Interim dividend, declared and paid during the year		–	–	–	–	–	–	–	–
Tax on interim dividend		–	–	–	–	–	–	–	–
Final dividend, declared and paid during the year		–	(144.68)	–	–	–	–	(144.68)	–
Tax on final dividend		–	(29.45)	–	–	–	–	(29.45)	–
Balance as at 31 March 2017	14	**4,793.84**	**12,562.56**	**200.27**	**(64.67)**	**8.51**	**66.69**	**17,567.20**	**0.03**
Profit for the year		–	4,218.95	–	–	–	–	4,218.95	(0.01)
Other comprehensive income (net of tax)		11.95	(13.99)	(120.55)	24.19	(8.26)	344.40	237.74	–
Total comprehensive income for the year ended 31 March 2018		11.95	4,204.96	(120.55)	24.19	(8.26)	344.40	4,456.69	(0.01)
Transactions with owners in their capacity as owners									
Transfer from Retained earnings to General reserve		557.85	(557.85)	–	–	–	–	–	–
Final dividend, declared and paid during the year		–	(1,591.52)	–	–	–	–	(1,591.52)	–
Tax on final dividend		–	(296.50)	–	–	–	–	(296.50)	–
Balance as at 31 March 2018	14	**5,363.64**	**14,321.65**	**79.72**	**(40.48)**	**0.25**	**411.09**	**20,135.87**	**0.02**
Summary of significant accounting policies followed by the Company	1								

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

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

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

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Consolidated Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
I. Operating activities		
Profit before tax	5,933.41	5,587.55
Adjustments to reconcile profit before tax to net cash flows:		
Add:		
i) Depreciation and amortisation	314.80	307.29
ii) Loss on property, plant and equipment sold, demolished, discarded and scrapped	10.15	9.24
iii) Provision for doubtful debts and advances	3.14	3.47
iv) Exchange rate differences on cash and cash equivalents	(23.61)	(1.47)
v) Exchange loss/(gain) on trade receivables	(1.52)	4.87
vi) Exchange loss/(gain) on import payables	(0.24)	(0.54)
vii) Interest adjustment on Government grant	0.87	0.78
viii) Interest expense	0.44	0.62
	304.03	324.26
Less:		
i) Investment income included in above:		
Interest income on fixed income securities	32.41	75.02
Profit on sale of other investments, net	5.40	3.09
Gain on valuation and gain on realisation of mutual funds measured at fair value through profit or loss	889.92	817.32
Amortisation of premium/discount on acquisition of fixed income securities	25.46	67.76
	953.19	963.19
ii) Share of profits of associate	287.61	254.62
iii) Provision for doubtful debts and advances written back (net)	0.11	0.14
iv) Liabilities no longer required written-back	64.39	75.89
v) Government grants	2.65	2.65
vi) Surplus on sale of property, plant and equipment	7.58	2.00
	(1,315.53)	(1,298.49)
	4,921.91	4,613.32
Change in assets and liabilities		
i) (Increase)/decrease in inventories	(14.20)	(9.31)
ii) (Increase)/decrease in trade receivables	(539.11)	(240.98)
iii) (Increase)/decrease in loans and other assets	677.80	(135.60)
iv) Increase/(decrease) in liabilities and provisions	989.35	570.05
	1,113.84	184.16
Annuity payments (net) to VRS optees	(22.83)	(27.54)
Net cash from operating activities before income tax	6,012.92	4,769.94
Income-tax refund/(paid) for earlier years (net)	(2.54)	–
Income tax paid	(1,682.54)	(1,502.58)
Net cash flow from/(used in) operating activities	**4,327.84**	**3,267.36**
Carried forward	4,327.84	3,267.36

Consolidated Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Brought forward	4,327.84	3,267.36
II. Investing activities		
i) Sale of investments	4,988.52	2,199.98
ii) Purchase of investments	(7,483.30)	(5,024.30)
iii) Sale/(purchase) of liquid mutual funds, etc., net	558.73	(758.39)
iv) Purchase of investment property	(0.20)	–
v) (Increase)/decrease in other bank balances	(3.20)	33.26
vi) Purchase of property, plant and equipment (including advances)	(182.63)	(199.44)
vii) Sale proceeds of property plant and equipment	13.13	8.65
viii) Capital expenditure on development of technical know-how	(13.79)	(6.18)
	(2,122.74)	(3,746.42)
ix) Investment income		
Interest income on fixed income securities	32.41	75.02
(Increase)/decrease in interest receivable	37.24	(11.76)
	69.65	63.26
Net cash flow from/(used in) investing activities	**(2,053.09)**	**(3,683.16)**
Carried forward	2,274.75	(415.80)

Consolidated Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Brought forward	2,274.75	(415.80)
III. Financing activities		
i) Interest expense	(0.44)	(0.62)
ii) Deferral of sales tax deferral liability	–	12.75
iii) Dividend paid	(1,588.32)	(172.77)
iv) Corporate dividend tax paid	(296.50)	(29.45)
Net cash flow from/(used in) financing activities	(1,885.26)	(190.09)
IV. Change in foreign currency translation arising on consolidation	**75.00**	**72.01**
Net change in cash and cash equivalents	**464.49**	**(533.88)**
Cash and cash equivalents at the beginning of the year	287.50	819.91
Add/(Less): Effects of exchange rate changes on cash and cash equivalents	23.61	1.47
Cash and cash equivalents at the end of the year	775.60	287.50
	–	–

As per our report of even date

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

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

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

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

Background

Bajaj Auto Ltd. (the 'Company') is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the business of development, manufacturing and distribution of automobiles such as motorcycles, commercial vehicles etc. and parts thereof. The Company sells its products in India as well as in various other global markets. The registered office of the Company is located at Mumbai-Pune Road, Akurdi, Pune 411035.

The consolidated financial statements comprise financial statements of Bajaj Auto Ltd. (the 'Company') and its subsidiaries (collectively, the 'Group') for the year ended 31 March 2018. The consolidated financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on 18 May 2018.

The consolidated financial statements include results of the subsidiaries of Bajaj Auto Ltd., consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and Ind AS 28 'Investment in Associates and Joint Ventures'.

Name of the Company	Country of Incorporation	% Shareholding of Bajaj Auto Ltd.	% Shareholding of Non-controlling interest	Consolidated as
PT. Bajaj Auto Indonesia	Indonesia	99.25%	0.75%	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.

1 Summary of significant accounting policies followed by the Company

Basis of preparation

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

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

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group. For non-wholly owned subsidiaries, a share of the profit/loss for the financial year and net assets is attributed to the non-controlling interests as shown in the Consolidated Statement of Profit and Loss and Consolidated

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

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

Balance Sheet. For acquisitions of additional interests in subsidiaries, where there is no change in control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. The financial statements of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless costs cannot be recovered.

2 Investment in associates

Investments in associates are accounted for using the equity method. An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies. The considerations made in determining whether significant influence is being exercised are similar to those necessary to determine control over the subsidiaries. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Statement of Profit and Loss.

The financial statements of the associate are prepared with a three months' time lag for consolidation into the Group financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. The Group has not identified any material adjustments during the year; in regard to the alignment of accounting policies.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the Statement of Profit or Loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3 Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

4) Taxation

a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

b) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

c) Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

d) Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5) Other significant accounting policies

Other significant accounting policies followed by the Group are exactly similar to the significant accounting policies of the parent, Bajaj Auto Ltd.; and hence have not been reproduced here. Refer note 1 of standalone financial statements of Bajaj Auto Ltd. for the year ended 31 March 2018 for details in regard to other significant accounting policies.

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

2 Property, plant and equipment

Current year

(₹ In Crore)

Particulars	Gross block				Depreciation				Net block
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	As at 1 April 2017	Deductions	For the year	As at 31 March 2018	As at 31 March 2018
Land freehold	20.18	–	0.09	20.09	–	–	–	–	20.09
Land leasehold	53.69	–	0.65	53.04	–	–	–	–	53.04
Buildings	877.46	52.35	0.35	929.46	259.25	0.06	27.92	287.11	642.35
Waterpumps, reservoirs and mains	17.18	0.13	–	17.31	11.16	–	0.80	11.96	5.35
Plant and machinery	1,436.41	31.94	86.89	1,381.46	983.15	81.46	65.06	966.75	414.71
Computers and IT Equipment	86.52	3.88	12.81	77.59	66.29	12.81	9.94	63.42	14.17
Dies and jigs	694.97	78.18	34.14	739.01	489.16	32.40	54.84	511.60	227.41
Electric installations	72.98	0.85	–	73.83	64.36	–	2.63	66.99	6.84
Factory equipment	368.99	18.05	10.25	376.79	158.99	9.62	26.26	175.63	201.16
Furniture	47.07	2.66	0.13	49.60	26.50	0.11	3.91	30.30	19.30
Office equipment	49.17	1.70	0.29	50.58	37.27	0.28	4.97	41.96	8.62
Electric fittings	31.38	0.23	0.08	31.53	19.06	0.07	2.52	21.51	10.02
Vehicles and aircraft	643.28	16.86	11.29	648.85	385.48	3.82	69.03	450.69	198.16
Total	**4,399.28**	**206.83**	**156.97**	**4,449.14**	**2,500.67**	**140.63**	**267.88**	**2,627.92**	**1,821.22**
Capital work-in-progress	**10.64**	**10.89**	**10.38**	**11.15**	**–**	**–**	**–**	**–**	**11.15**

Previous year

(₹ In Crore)

Particulars	Gross block				Depreciation				Net block
	As at 1 April 2016	Additions	Deductions/ adjustments	As at 31 March 2017	As at 1 April 2016	Deductions	For the year	As at 31 March 2017	As at 31 March 2017
Land freehold	20.18	–	–	20.18	–	–	–	–	20.18
Land leasehold	54.34	–	0.65	53.69	–	–	–	–	53.69
Buildings	822.51	54.96	0.01	877.46	231.36	0.01	27.90	259.25	618.21
Waterpumps, reservoirs and mains	16.75	0.43	–	17.18	10.05	–	1.11	11.16	6.02
Plant and machinery	1,485.35	64.30	113.24	1,436.41	1,029.31	106.21	60.05	983.15	453.26
Computers and IT Equipment	82.60	8.86	4.94	86.52	59.94	4.94	11.29	66.29	20.23
Dies and jigs	643.16	55.05	3.24	694.97	443.25	2.28	48.19	489.16	205.81
Electric installations	72.84	0.15	0.01	72.98	58.29	–	6.07	64.36	8.62
Factory equipment	347.71	27.62	6.34	368.99	139.48	5.19	24.70	158.99	210.00
Furniture	41.93	5.43	0.29	47.07	22.79	0.24	3.95	26.50	20.57
Office equipment	45.95	3.51	0.29	49.17	32.26	0.27	5.28	37.27	11.90
Electric fittings	29.03	2.49	0.14	31.38	16.19	0.14	3.01	19.06	12.32
Vehicles and aircraft	638.61	16.07	11.40	643.28	321.66	4.73	68.55	385.48	257.80
Total	**4,300.96**	**238.87**	**140.55**	**4,399.28**	**2,364.58**	**124.01**	**260.10**	**2,500.67**	**1,898.61**
Capital work-in-progress	**26.89**	**8.15**	**24.40**	**10.64**	**–**	**–**	**–**	**–**	**10.64**

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

3 Investment property

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Gross carrying amount		
Opening balance	69.46	69.46
Additions	0.20	–
Closing balance	69.66	69.46
Accumulated depreciation		
Opening balance	10.93	9.03
Depreciation charge	1.62	1.90
Closing balance	12.55	10.93
Net carrying amount	57.11	58.53

See note 3 of standalone financial statements for the following disclosures in regard to investment property:
i) Amounts recognised in profit and loss for investment properties
ii) Contractual obligations
iii) Leasing arrangements
iv) Fair value

4 Intangible assets

Current year

(₹ In Crore)

Particulars	Gross block				Amortisation				Net block
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	As at 1 April 2017	Deductions	For the year	As at 31 March 2018	As at 31 March 2018
Intangible assets									
Technical know-how developed	133.93	–	–	133.93	89.28	–	44.65	133.93	–
Total Intangible assets	**133.93**	**–**	**–**	**133.93**	**89.28**	**–**	**44.65**	**133.93**	**–**
Intangible assets under development	**31.53**	**13.79**	**–**	**45.32**	**–**	**–**	**–**	**–**	**45.32**

Previous year

(₹ In Crore)

Particulars	Gross block				Amortisation				Net block
	As at 1 April 2016	Additions	Deductions/ adjustments	As at 31 March 2017	As at 1 April 2016	Deductions	For the year	As at 31 March 2017	As at 31 March 2017
Intangible assets									
Technical know-how developed	133.93	–	–	133.93	44.64	–	44.64	89.28	44.65
Total Intangible assets	**133.93**	**–**	**–**	**133.93**	**44.64**	**–**	**44.64**	**89.28**	**44.65**
Intangible assets under development	**25.35**	**6.18**	**–**	**31.53**	**–**	**–**	**–**	**–**	**31.53**

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

5 Investments

(₹ In Crore)

Particulars	Non-current investments		Current investments	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
A) Investments in associate of subsidiary				
5,204,864 shares of Euro 100 each in KTM AG	1,890.62	1,420.89	–	–
Goodwill on above investment	638.37	547.40	–	–
	2,528.99	1,968.29	–	–
B) Other investments				
Investment carried at amortised cost				
In Bonds and Debentures	191.19	653.76	127.50	425.05
In Commercial paper	–	–	97.58	340.01
Investment carried at fair value through profit or loss				
In Mutual fund units	10,408.98	6,804.91	5,540.33	5,285.02
	10,600.17	7,458.67	5,765.41	6,050.08
	13,129.16	9,426.96	5,765.41	6,050.08
Aggregate provision for diminution in value of investments	–	1.95	1.95	–

Notes to Investments:

1. See note 5B of standalone financial statements for details of 'Other investments'.
2. See footnotes to note 5 of standalone financial statements.

6 Loans

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Security deposits	23.38	22.75	–	–
Employee loans	7.30	6.99	6.26	6.47
Loan to related party	–	–	–	69.29
	30.68	29.74	6.26	75.76

Security deposits include a sum of ₹ 9.92 crore (previous year ₹ 9.92 crore) against use of premises on a Leave License basis, placed with directors and their relatives, jointly and severally. [See note 33]

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

7 Other financial assets

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Non-current bank balances [See note 12]	0.02	0.02	–	–
Interest receivable on investments	–	–	1.15	38.39
Interest receivable on loans, deposits etc.	–	–	0.60	0.46
Valuation gains on derivative hedging instruments [See note 32]	–	–	60.32	207.38
Other advances	–	–	17.29	17.07
	0.02	0.02	79.36	263.30

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

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Capital advances	89.96	114.67	–	–
Security deposits	4.89	5.63	–	–
Advances recoverable in cash or in kind				
Advances to related parties [See note 33]	–	–	4.21	3.73
Other advances	24.34	22.77	34.64	67.18
Doubtful advances	8.14	7.38	–	–
	32.48	30.15	38.85	70.91
Provision for doubtful advances	8.14	7.38	–	–
	24.34	22.77	38.85	70.91
VAT refund receivable	237.66	106.34	45.14	638.26
Excise duty rebate receivable on export	–	–	–	172.57
Balances with Central Excise Department	–	19.06	–	33.29
GST credit/refund receivable	–	–	167.80	–
Export incentives receivable				
Unsecured considered good	–	–	120.90	181.33
Doubtful	5.95	5.73	–	–
	5.95	5.73	120.90	181.33
Provision for doubtful export incentives	5.95	5.73	–	–
	–	–	120.90	181.33
	356.85	268.47	372.69	1,096.36

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

9 Inventories

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Raw materials and components (includes in transit ₹ 27.98 crore (previous year ₹ 39.78 crore))	259.01	239.27
Work-in-progress	26.89	39.83
Finished goods	434.06	430.80
Stores, spares and packing material	18.43	14.99
Loose tools	4.19	3.49
	742.58	728.38

Amount recognised in profit or loss

Write-downs of inventories to net realisable value/reversal of provision for write-down, resulted in net loss/(gain) of ₹ 0.62 crore [Previous year – ₹ (3.23) crore]. These were recognised as an expense/(income) during the year in the Consolidated Statement of Profit and Loss.

10 Trade receivables

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Good	–	–	1,491.87	953.29
Doubtful	6.99	4.95	–	–
	6.99	4.95	1,491.87	953.29
Provision for doubtful receivables	6.99	4.95	–	–
	–	–	1,491.87	953.29
	–	–	1,491.87	953.29

11 Cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Balance with banks	529.05	287.31
Cash on hand	0.11	0.19
Cash equivalents		
Certificate of Deposits and Commercial Papers with maturity of less than three months from date of acquisition	246.44	–
	775.60	287.50

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

12 Other bank balances

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Unclaimed dividend accounts	–	–	17.06	13.86
Deposits with residual maturity for more than 12 months	0.02	0.02	–	–
	0.02	0.02	17.06	13.86
Amount disclosed under 'other financial assets' [See note 7]	(0.02)	(0.02)	–	–
	–	–	17.06	13.86

13 Equity share capital

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Authorised		
300,000,000 equity shares of ₹ 10 each	300.00	300.00
Issued, subscribed and fully paid-up shares		
289,367,020 equity shares of ₹ 10 each	289.37	289.37
	289.37	289.37

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	289,367,020	289.37	289,367,020	289.37
Issued during the year	–	–	–	–
Outstanding at the end of the year	289,367,020	289.37	289,367,020	289.37

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The interim dividend declared by the Board of Directors; and the final dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Bajaj Holdings & Investment Ltd.	91,280,000	31.54%	91,280,000	31.54%
Jamnalal Sons Pvt. Ltd.	25,844,400	8.93%	25,844,400	8.93%
Life Insurance Corporation of India	17,200,152	5.94%	15,602,107	5.39%

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

14 Other equity

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Reserves and surplus:		
General reserve		
Balance as at the beginning of the year	4,793.84	4,166.16
Add: Adjustments on account of change in share of net assets of associate/subsidiary	11.95	(7.25)
Add: Transferred from surplus in Statement of Profit and Loss	557.85	634.93
Balance as at the end of the year	5,363.64	4,793.84
Retained earnings		
Balance as at the beginning of the year	12,562.56	9,305.17
Profit for the year	4,218.95	4,079.49
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/(losses) of gratuity (net of tax)	(13.99)	(13.04)
Less: Appropriations		
Transfer to General reserve	557.85	634.93
Final dividend paid	1,591.52	144.68
Tax on final dividend paid	296.50	29.45
Total appropriations	2,445.87	809.06
Balance as at the end of the year	14,321.65	12,562.56
Other reserves:		
Cash flow hedging reserve [See note 32 of standalone financial statements]	79.72	200.27
Costs of hedging reserve [See note 32 of standalone financial statements]	(40.48)	(64.67)
Foreign exchange difference of subsidiary on paid-up capital	0.25	8.51
Foreign currency translation reserve	411.09	66.69
	20,135.87	17,567.20

15 Sales tax deferral

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Unsecured		
Sales tax deferral liability/loan, an incentive under Package Scheme of Incentives 1983 and 1993 - interest free, partially prepaid	120.77	119.90
	120.77	119.90

The exemption of interest on the sales tax liability deferred for payment is considered as a Government grant and measured at an internal rate of return available for pre-payment of the liability as per the sales tax rules. [See note 32]

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

16 Provisions

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Provision for employee benefits [See note 37 of standalone financial statements]				
Provision for gratuity	108.99	74.18	–	–
Provision for compensated absences	–	–	106.42	99.65
Provision for welfare scheme	3.20	3.95	0.51	0.29
	112.19	78.13	106.93	99.94
Other provisions				
Provision for warranties [See footnote to note 16 of standalone financial statements]	–	–	18.67	20.99
	112.19	78.13	125.60	120.93

17 Deferred tax liabilities (net)

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Deferred tax liabilities	526.29	482.19
Deferred tax assets	202.87	168.57
	323.42	313.62

See note 17 of standalone financial statements for detailed break-up of deferred tax liabilities/assets and movement in deferred taxes.

18 Other non-current liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Annuity payable to VRS optees	1.35	7.27
	1.35	7.27

19 Other financial liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Security deposits	21.61	23.97
Unclaimed dividend	17.06	13.86
Directors' remuneration and commission payable	26.28	28.86
Employee benefits payable	136.41	89.18
Other payables	127.90	124.05
	329.26	279.92

Refer note 31 of standalone financial statements for financial liabilities measured at amortised cost.

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

20 Other current liabilities

(₹ In Crore)

Particulars	As at 31 March 2018	2017
Annuity payable to VRS optees	5.99	22.90
Advance received from customers	327.58	413.56
Taxes and duties payable	36.09	94.89
Other payables	24.07	26.27
	393.73	557.62

21 Revenue from operations

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Revenue from operations		
Sale of products [See note 37 a]	25,098.64	22,694.87
Other operating revenue		
Scrap sales	21.31	29.93
Export incentives	343.43	289.45
Royalty	98.68	70.74
Technical know how fees	1.20	3.04
	464.62	393.16
	25,563.26	23,088.03

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

22 Other income

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Investment income		
Interest income on fixed income securities	32.41	75.02
Amortisation of (premium)/discount on acquisition of fixed income securities	25.46	67.76
Interest income from financial assets at amortised cost	57.87	142.78
Gain on valuation and gain on realisation of mutual funds measured at FVTPL	889.92	817.32
Profit on sale of other investments, net	5.40	3.09
	953.19	963.19
Others		
Interest - others	54.01	70.03
Rent [See note 39 of standalone financial statements]	29.27	27.03
Insurance claims	0.56	0.40
Miscellaneous receipts	80.59	79.31
Government grants	2.65	2.65
Surplus on sale of property, plant and equipment	7.58	2.00
Bad debts recovered	0.36	0.41
Sundry credit balances appropriated	0.84	0.65
Provision for doubtful debts and advances written back	0.12	0.76
Less: Write backs on account of amounts written off during the year	0.01	0.62
	0.11	0.14
Liabilities no longer required written-back	64.39	75.89
Gain on derivative contracts on break in designation of hedge	–	0.53
Gains on exchange fluctuations	18.72	–
	259.08	259.04
	1,212.27	1,222.23

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

23 Changes in inventories

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	26.89	39.83	12.94
Finished goods	434.06	430.80	(3.26)
	460.95	470.63	9.68
Inventories at the beginning of the year			
Work-in-progress	39.83	42.61	2.78
Finished goods	430.80	384.34	(46.46)
	470.63	426.95	(43.68)
	9.68	(43.68)	

24 Employee benefits expense

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Salaries, wages and bonus to employees	927.48	864.21
Contribution to provident and other funds	80.55	69.19
Staff welfare expenses	61.45	63.99
	1,069.48	997.39

See note 37 and 38 of standalone financial statements.

25 Finance costs

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Interest expense	0.44	0.62
Interest adjustment on Government grant	0.87	0.78
	1.31	1.40

26 Depreciation and amortisation expense

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Depreciation on property, plant and equipment	267.88	260.10
Depreciation on investment property	1.62	1.90
Amortisation of technical know-how	44.65	44.64
Amortisation of leasehold land	0.65	0.65
	314.80	307.29

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

27 Other expenses

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Stores and tools consumed	117.71	114.63
Power, fuel and water	100.26	96.46
Rent [See note 39 of standalone financial statements]	13.80	13.34
Repairs to buildings	44.26	60.19
Repairs to machinery	110.26	121.08
Other repairs	8.75	6.79
Insurance	3.20	3.72
Rates and taxes	4.02	13.00
Payment to auditor	1.67	1.58
Directors' fees and travelling expenses	1.20	0.99
Commission to non-executive directors	1.91	1.45
Travelling expenses	56.10	58.59
Miscellaneous expenses	307.53	292.34
Sales tax/VAT expenses	9.00	11.96
Packing material consumed	269.18	244.85
Freight and forwarding expenses	118.12	45.95
Advertisement	437.39	395.32
Vehicle service charges and other expenses	102.65	102.86
Sales promotion expenses	106.87	53.41
Expenditure towards Corporate Social Responsibility (CSR) activities	100.51	94.98
Bad debts and other irrecoverable debit balances written off	0.11	0.74
Less: Provisions made in earlier years in respect of amounts written off during the year	0.01	0.62
	0.10	0.12
Loss on exchange fluctuations	–	1.70
Loss on property, plant and equipment sold, demolished, discarded and scrapped	10.15	9.24
Provision for doubtful debts and advances	3.14	3.47
	1,927.78	1,748.02

28 Exceptional items

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
Dealer compensation	32.00	–
	32.00	–

Exceptional items represent a one time payment to dealers to compensate them for any losses incurred on introduction of GST as a result of pre-GST inventory held on 30 June 2017.

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

29 Tax expense

(₹ In Crore)

Particulars	For the year ended 31 March 2018	2017
(a) Tax expense		
Current tax		
Current tax on profits for the year	1,646.36	1,455.92
Adjustment of tax relating to earlier years	–	1.74
Total current tax expense	1,646.36	1,457.66
Deferred tax		
Decrease/(increase) in deferred tax assets	38.73	(8.30)
(Decrease)/increase in deferred tax liabilities	29.38	58.71
Total deferred tax expense/(benefit)	68.11	50.41
Tax expense	1,714.47	1,508.07
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax	5,933.41	5,587.55
Tax at the Indian tax rate of 34.608% (Previous year - 34.608%)	2,053.43	1,933.73
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
– Corporate social responsibility expenditure	17.79	16.26
– Net present value on prepayment of sales tax assessment	–	0.54
– Disallowance of estimated expenditure to earn tax exempt income	0.10	0.10
– Rate difference in amortisation of fixed income securities	4.31	4.03
– Rate difference on account of fair value of mutual funds	86.78	32.19
– Adjustments for current tax of prior periods	–	1.74
– Others	5.07	2.97
Tax effect of amounts which are deductible (non taxable) in calculating taxable income:		
– Weighted deduction for Research and Development expenditure	(65.72)	(122.08)
– Profits of subsidiaries not taxable in India	(52.20)	(87.18)
– Tax-free interest	(0.70)	(0.69)
– Difference in tax rate on account of dividend received from subsidiary	(23.37)	–
– Deduction for profit from specified undertaking	(46.74)	(64.80)
– Profit on investments not taxable	(134.10)	(69.10)
– Income from fair valuation of mutual funds	(129.55)	(138.64)
– Disallowance of expenditure incurred on rented property (net)	(0.63)	(1.00)
Tax expense	1,714.47	1,508.07

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

30 Earnings Per Share (EPS)

	Particulars	For the year ended 31 March 2018	2017
a	Profit for the year (₹ In Crore)	4,218.95	4,079.49
b	Weighted average number of shares outstanding during the year (Nos)	289,367,020	289,367,020
	Earnings per share (Basic and Diluted) ₹	145.8	141.0
	Face value per share ₹	10.0	10.0

31 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.

32 Other disclosures

Other notes and disclosures to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Bajaj Auto Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

Particulars	Note Reference of standalone financial statements
Fair value measurement	Note 31
Financial risk management	Note 32
Capital management	Note 33 (a)
Dividends distributed and proposed	Note 33 (b)
Contingent liabilities	Note 34
Capital commitments	Note 35
Employee benefits	Note 37
Lease	Note 39
Research and Development	Note 40
Dues to micro, small and medium enterprises	Note 41
Standards issued but not yet affective	Note 44

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures.

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

Loan to KTM AG: ₹ Nil (previous year - ₹ 69.29 crore)

Interest received from KTM AG: ₹ 0.01 crore (previous year - ₹ 0.20 crore)

Balance outstanding as at year-end: ₹ Nil (previous year - ₹ 69.29 crore)

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

34 Investment in an associate

The Group has a 47.99% interest in KTM AG, Austria which is engaged in the development, production and distribution of motorised vehicles under the 'KTM' and 'Husqvarna' brands; and holds equity interests in other entities engaging in development, production and distribution of such equipment. Major sale markets include the USA, Germany, France, Australia, the UK, Italy, Spain, Canada, Austria, Argentina and other European countries.

KTM AG is a private entity that is not listed on any public exchange. The Group's interest is in KTM AG.

The following table illustrates the summarised financial information of the Group's investment in KTM AG (in Euro, which is its functional currency):

Euro in Million

Particulars	31 December 2017	31 December 2016
Current assets	501.94	540.64
Non-current assets	589.99	515.89
Current liabilities	336.03	346.95
Non-current liabilities	267.94	281.60
Equity	**487.96**	**427.98**
Revenue	1,331.71	1,141.82
Cost of sales	(957.12)	(792.28)
Gross profit	**374.59**	**349.54**
Selling and racing expense	(157.98)	(152.01)
Research and development expense	(28.96)	(26.01)
Infrastructure and administration expense	(47.83)	(43.57)
Other operating expense	(31.31)	(27.52)
Other operating income	2.57	–
Share of profit of associates	1.97	2.36
Result from operating activities	**113.05**	**102.79**
Interest income	1.88	1.87
Interest expense	(6.49)	(9.60)
Other financial result	(1.44)	(0.68)
Profit before tax	**107.00**	**94.38**
Tax expense	(28.04)	(22.27)
Profit for the year (continuing operations)	**78.96**	**72.11**
Total comprehensive income for the year (continuing operations)	**82.03**	**69.52**

The associate had no contingent liabilities or capital commitments.

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

35 Segment information

Segment information is based on the consolidated financial statements.

Segment wise revenue, results and capital employed for the year ended 31 March 2018

The Company's Core Management Committee (CMC), examines the group's performance both from a product and geographical perspective and has identified two reportable operative business segments. The group's significant source of risk and rewards are derived from Automotive business and Investments, the performance of which is reviewed by the committee on a periodic basis and hence considered as individual operative segments.

(₹ In Crore)

(a) Business segment

Particulars	Automotive	Investments	Consolidated
Revenue			
External sales and other income	25,822.34	953.19	26,775.53
Inter segment sales and other income	–	–	–
Total revenue	**25,822.34**	**953.19**	**26,775.53**
Segment result	4,983.66	951.06	5,934.72
Finance costs	1.31	–	1.31
Tax expense	–	–	1,714.47
Non-controlling interest	–	–	(0.01)
Profit for the year	**4,982.35**	**951.06**	**4,218.95**
Segment assets	5,503.05	16,670.30	22,173.35
Investments in associate of subsidiary	2,528.99	–	2,528.99
Unallocated corporate assets	–	–	438.66
Total assets	**8,032.04**	**16,670.30**	**25,141.00**
Segment liabilities	4,206.55	–	4,206.55
Unallocated corporate liabilities	–	–	15.74
Total liabilities	**4,206.55**	**–**	**4,222.29**
Capital employed	**3,825.49**	**16,670.30**	**20,918.71**
Reconciliation of segment liabilities			
Total segment liabilities as above			4,222.29
Add: Considered as part of capital employed			
Sales tax deferral			120.77
Deferred tax liabilities			323.42
Government grant (current and non-current)			49.26
Total liabilities as per Balance Sheet			**4,715.74**
Capital expenditure	206.83	–	206.83
Depreciation and write downs	314.80	–	314.80
Non cash expenses other than depreciation	3.14	–	3.14

(b) Geographic segment

Particulars	India	Rest of the world	Consolidated
Segment revenue: External sales and other income	17,071.79	9,703.74	26,775.53
Segment assets	22,202.14	2,938.86	25,141.00
Capital expenditure	206.83	–	206.83

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

35 Segment information (Contd.)

Segment wise revenue, results and capital employed for the year ended 31 March 2017

(₹ In Crore)

(a) Business segment

Particulars	Automotive	Investments	Consolidated
Revenue			
External sales and other income	23,347.07	963.19	24,310.26
Inter segment sales and other income	–	–	–
Total revenue	**23,347.07**	**963.19**	**24,310.26**
Segment result	4,627.42	961.53	5,588.95
Finance costs	1.40	–	1.40
Tax expense	–	–	1,508.07
Non-controlling interest	–	–	(0.01)
Profit for the year	**4,626.02**	**961.53**	**4,079.49**
Segment assets	5,663.70	13,605.69	19,269.39
Investments in associate of subsidiary	1,968.29	–	1,968.29
Unallocated corporate assets	–	–	399.94
Total assets	**7,631.99**	**13,605.69**	**21,637.62**
Segment liabilities	3,279.85	–	3,279.85
Unallocated corporate liabilities	–	–	15.74
Total liabilities	**3,279.85**	**–**	**3,295.59**
Capital employed	**4,352.14**	**13,605.69**	**18,342.03**
Reconciliation of segment liabilities			
Total segment liabilities as above			3,295.59
Add: Considered as part of capital employed			
Sales tax deferral			119.90
Deferred tax liabilities			313.62
Government grant (current and non-current)			51.91
Total liabilities as per Balance Sheet			**3,781.02**
Capital expenditure	238.87	–	238.87
Depreciation and write downs	307.29	–	307.29
Non cash expenses other than depreciation	3.47	–	3.47

(b) Geographic segment

Particulars	India	Rest of the world	Consolidated
Segment revenue: External sales and other income	16,431.33	7,878.93	24,310.26
Segment assets	19,337.77	2,299.85	21,637.62
Capital expenditure	238.87	–	238.87

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

36 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)		Share in other comprehensive income		Share in total comprehensive income	
	As a% of consolidated net assets	Amount	As a% of consolidated profit or loss	Amount	As a% of consolidated other comprehensive income	Amount	As a% of consolidated total comprehensive income	Amount
1. Parent								
Bajaj Auto Ltd.	93.53%	19,103.86	96.42%	4,068.10	(46.42%)	(110.35)	88.80%	3,957.75
2. Subsidiaries (Foreign)								
PT. Bajaj Auto Indonesia	0.02%	3.23	(0.03%)	(1.17)	(3.63%)	(8.62)	(0.22%)	(9.79)
Bajaj Auto International Holdings BV	12.44%	2,540.89	6.80%	287.08	50.58%	120.26	9.14%	407.34
Add/(Less): Non-controlling interest in all subsidiaries	–	(0.02)	–	0.01	–	–	–	0.01
Add/(Less): Inter-company eliminations	(5.99%)	(1,222.72)	(3.19%)	(135.07)	99.47%	236.45	2.28%	101.38
Total	**100.00%**	**20,425.24**	**100.00%**	**4,218.95**	**100.00%**	**237.74**	**100.00%**	**4,456.69**

37 Miscellaneous

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

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

As per our report of even date

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

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

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Salient features of the financial statements of subsidiaries for the year ended 31 March 2018

Form AOC-1:
In accordance with section 129(3) of the Companies Act, 2013, the salient features of the financial statements of subsidiaries are given below:

(₹ In Crore)

	Particulars	PT. Bajaj Auto Indonesia	Bajaj Auto International Holdings BV. (Consolidated)
a	The date since when subsidiary was acquired	20 February 2008 (being the effective date of demerger of erstwhile BAL)	20 February 2008 (being the effective date of demerger of erstwhile BAL)
b	Reporting period for the subsidiary	1 April 2017 to 31 March 2018	1 April 2017 to 31 March 2018
c	Reporting currency as on the last date of the relevant financial year in the case of foreign subsidiaries	IDR (Indonesian Rupiah)	Euro
d	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	1 USD = IDR 13756 1 USD = ₹ 65.1750	1 Euro = ₹ 80.8075
e	Share capital	5.52	1,599.99
f	Reserves and surplus	(2.29)	940.90
g	Total assets	3.31	2,540.92
h	Total liabilities	3.31	2,540.92
i	Investments	–	1,890.62
j	Turnover	0.08	0.01
k	Profit before tax	(1.17)	287.08
l	Provision for tax	–	–
m	Profit after tax	(1.17)	287.08
n	Proposed dividend	–	–
o	% of shareholding	99.25%	100.00%

On behalf of the Board of Directors

Rahul Bajaj
Chairman

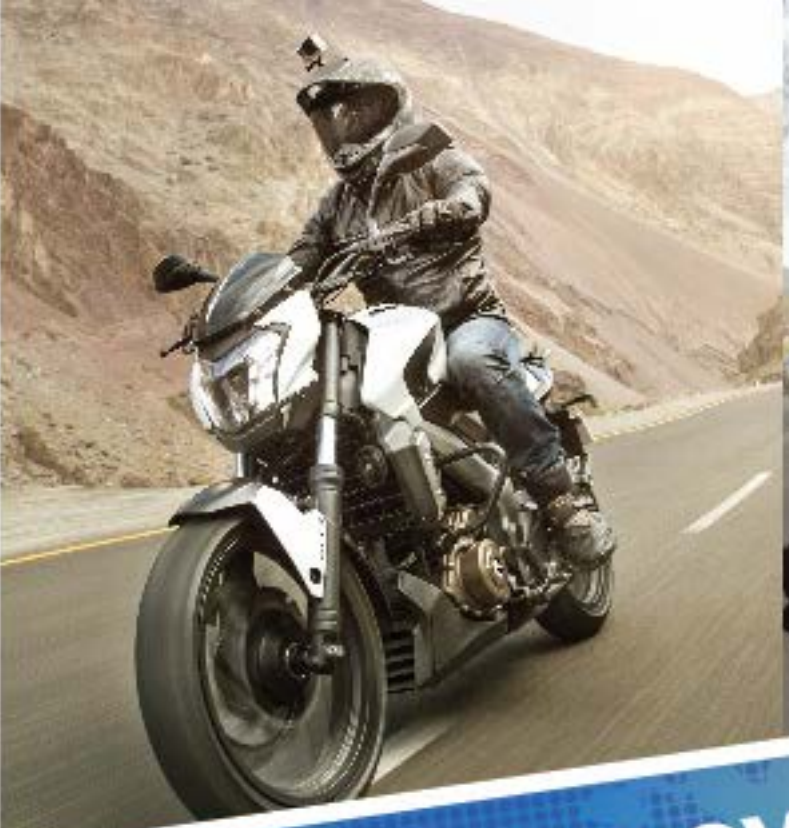
Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Pune: 18 May 2018





PEOPLE IN OVER 70 COUNTRIES RIDE A BAJAJ MOTORCYCLE















BAJAJ

Bajaj Auto Limited
Akurdi, Pune - 411 035, India.
www.bajajauto.com

indidesign.in | pragati.com

BAJAJ AUTO LTD.
CIN: L65993PN2007PLC130076

Regd. Office:
Mumbai-Pune Road,
Akurdi, Pune 411 035

NOTICE

Notice is hereby given that the eleventh annual general meeting of the shareholders of Bajaj Auto Ltd. will be held on **Friday, 20 July 2018 at 12.15 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 2018, together with the Directors' and Auditors' Reports thereon.

2. To declare a dividend.

3. To appoint a director in place of Niraj Bajaj (DIN 00028261), 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 appoint a director in place of Manish Kejriwal (DIN 00040055), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

5. To fix the remuneration of S R B C & CO LLP, Chartered Accountants, Statutory Auditors of the Company

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution:**

   'RESOLVED THAT pursuant to the provisions of section 142 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the members of the Company at the Tenth Annual General Meeting held on 20 July 2017 in respect of the appointment of S R B C & CO LLP, Chartered Accountants (firm registration no. 324982E/E300003) till the conclusion of the Fifteenth Annual General Meeting, the Board of Directors be and is hereby authorised to fix the remuneration of Statutory Auditors for the period commencing from the year 2018-19, until the conclusion of the Fifteenth Annual General Meeting of the Company scheduled in the year 2022.'

SPECIAL BUSINESS

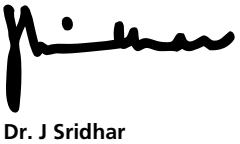
6. Appointment of Anami Roy as an Independent Director

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

'RESOLVED THAT Anami Roy (DIN 01361110) who was appointed by the Board of Directors as an additional director under section 161(1) of the Companies Act, 2013 and who vacates his office at this annual general meeting and in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 as amended has been received in the prescribed manner, be and is hereby appointed as an Independent Director of the Company, pursuant to Section 149 of the Companies Act, 2013 and Rules made thereunder, for a period of five years with effect from 14 September 2017 up to 13 September 2022.

'RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Anami Roy be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.'

By order of the Board of Directors
for Bajaj Auto Ltd.



Dr. J Sridhar
Company Secretary

Pune: 18 May 2018

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 directors, who are 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, 7 July 2018** to **Friday, 20 July 2018,** 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 2018** and/or **25 July 2018** 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, 6 July 2018;** 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 closing hours on **Friday, 6 July 2018.**

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 approved electronic mechanism 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, to the respective depository participant in case of shares held in demat mode/share transfer agent of the Company in case of shares held in physical mode, on or before 6 July 2018.**

9 To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat 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 Permanent Account Number (PAN) by every person dealing in 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 e-mail 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 of 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/demat 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 2011 remaining unclaimed for a period of seven years shall become due for transfer in August 2018 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 2010-11 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, 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 at 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 the directions to venue of the meeting is available on http://www.bajajauto.com/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 facility of 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 2018** (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 e-mail:

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 Auto 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 scanned copy (PDF/JPG Format) of the relevant Board 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 2018 (9.00 a.m.) till 19 July 2018 (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 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:

i. 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 is provided on the attendance slip. Please follow steps from Sr. 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, 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 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.bajajauto.com 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 **Friday, 20 July 2018.**

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

Niraj Bajaj (DIN 00028261)

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

Information about the appointee:

Brief profile

Niraj Bajaj's career spans more than 35 years. Born on 10 October 1954, he did his B.Com. from Sydenham College of Commerce & Economics, Mumbai. He acquired his Masters in Business Administration from Harvard Business School, Boston, U.S.A.

Niraj Bajaj is one of the Promoter - Directors of the Bajaj Group.

He is the Chairman and Managing Director of Mukand Ltd.

He was the President of the Indian Merchants' Chamber, a decade ago, when it was celebrating its Centenary Year. He was also President of the Alloy Steel Producer's Association and Indian Stainless Steel Development Association.

He represented India in table tennis for 7 years between 1970-77, of which last 4 years was as the Captain. He has been three-times All-India Table Tennis Champion and ranked India No.1, four times. He is the recipient of Arjuna Award, India's highest Sport's honour, Shiv Chhatrapati Award, Maharashtra's highest Sport's honour and Maharashtra Gaurav Puraskar Award.

Major Directorships in companies (including listed companies)

Bajaj Auto Ltd.
Mukand Ltd.
Mukand Engineers Ltd.
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.

Committee Position: Nil

Shareholding in the Company: 42,622 equity shares

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

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

He is not related to any directors or key managerial personnel of the Company, except Shekhar Bajaj and Madhur Bajaj.

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

The Board commends the resolution for approval.

Item No. 4 of the Notice

Manish Kejriwal (DIN 00040055)

As regards re-appointment of Manish Kejriwal, referred to in Item No. 4 of the Notice, following disclosures are made for the information of the shareholders:

Information about the appointee:

Brief profile

Manish Kejriwal (born on 8 November 1968) is the Managing Partner of Kedaara Capital, a private equity investment fund focused on India. The firm's investors include endowments, private and public pension funds, sovereign wealth funds and global family offices. The firm enjoys a strategic partnership with Clayton, Dubilier and Rice.

In early 2004, Kejriwal founded the India office of Temasek Holdings Pte. Ltd., where he headed all its investments and other activities till September 2011. He was Senior Managing Director and also held multiple responsibilities in Temasek Singapore.

Prior to Temasek, he was a Partner at McKinsey and Company, Inc. and was part of their New York, Cleveland and Mumbai offices. Prior to McKinsey, he had worked at the World Bank in Washington D.C. and with Goldman Sachs (Principal Investment/Corporate Finance) in HK.

He received an AB from Dartmouth College where he graduated Magna Cum Laude with a Major in Economics and Engineering Sciences and where he received the Dean's Plate. He holds an MBA from Harvard University, where he graduated with high distinction as a Baker Scholar.

He is an active member of the Young Presidents' Organization (YPO) and was named a Young Global Leader (YGL) by the World Economic Forum. He was profiled as one of the '25 hottest young executives in India' by Business Today. He has authored various articles on PE in India and has been profiled in various newspapers and periodicals. He is a sought-after speaker at numerous conferences in India, Asia and North America. Manish also serves as a member of the Alternative Investments Policy Advisory Committee, constituted by the Securities and Exchange Board of India (SEBI).

Directorships

Bajaj Auto Ltd.
Bajaj Holdings & Investment Ltd.
Bharti Airtel Ltd.
Parksons Packaging Ltd.
International Foundation for Research and Education

Committee Position

Bajaj Holdings & Investment Ltd.
Bharti Airtel Ltd.

Shareholding in the Company : 200 equity shares

Manish Kejriwal is not disqualified from being appointed as director in terms of section 164 of the Act. He will be eligible for payment of sitting fee and commission, as payable to other non-executive directors of the Company.

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

He is not related to any directors or key managerial personnel of the Company, except Rahul Bajaj.

None of the Directors, or key managerial personnel or their relatives, except Rahul Bajaj and Manish Kejriwal, is concerned or interested in the said resolution.

The Board commends the resolution for approval.

Explanatory Statement under section 102 of the Companies Act, 2013 and regulation 36(3) of the SEBI Listing Regulations, 2015

Item no. 6 of the Notice

Anami Roy (DIN 01361110) was appointed by the Board of Directors of the Company as additional director in the capacity of independent director on **14 September 2017** with effect from **14 September 2017**. He holds office until the ensuing annual general meeting under section 161(1) of the Companies Act, 2013.

He has submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that he meets the criteria of independence as provided in section 149(6) and regulation 16 of SEBI (Listing Obligations and Disclosure Requirements), 2015. Roy is not disqualified from being appointed as a Director in terms of section 164 of the Act.

In respect of the appointment of Roy, a notice in writing in the prescribed manner, as required by section 160 of the Companies Act, 2013 as amended and Rules made thereunder, has been received by the Company, regarding his candidature for the office of the director.

According to section 152 of the Companies Act, 2013, read with Schedule IV to the Companies Act, 2013, in the opinion of the Board, the proposed appointment of Roy as an independent director, fulfils the conditions specified in the Act and the Rules made thereunder as also the SEBI Listing Regulations, 2015 and that the proposed appointment of Roy is independent of the Management.

Brief profile:

A N Roy, (born on 15 May 1950), is a distinguished former civil servant, having served in the Indian Police Service in Maharashtra and Government of India for over 38 years. He held a wide variety of assignments both in Maharashtra and the Central Government including Commissioner of Police, Aurangabad, Pune and Mumbai and retired as Director General of Police, Maharashtra, commanding a 225,000 strong Force.

While in Government of India, he headed the operations of the elite Special Protection Group, looking after proximate security of Prime Minister, former PMs and their families, in which capacity he travelled extensively within India and overseas and interacted with the forces and governments of many foreign countries around the world.

Known popularly as the People's Commissioner, he set up many citizen-friendly schemes and systems to resolve and fulfill people's problems and expectations.

He was appointed Advisor to the Governor of Andhra Pradesh when the State was under President's rule in 2014. He also dealt with the separation of Andhra Pradesh in two states, AP and Telangana and supervised the General Elections of 2014 in both the states.

Post retirement, Roy is engaged in the social/non-profit sector; and runs a not-for-profit company, Vandana Foundation for supporting people at the bottom of the pyramid with livelihood.

He is on the Board of Directors of some prominent companies. He is also involved in many other companies in an Advisory capacity. He brings with him a wide and rich experience of public service and functioning of governments at the state and central level.

Major Directorships in companies including listed companies

Glaxosmithkline Pharmaceuticals Ltd.

Vandana Foundation

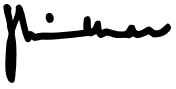
Committee positions: Nil

Shareholding in the Company: Nil

None of the directors/key managerial personnel/their relatives, except Anami Roy, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his respective shareholding, if any, in the Company, in the resolution set out in item no.6 of the Notice.

The Board commends the ordinary resolution set out in item no.6 for approval by shareholders.

By order of the Board of Directors
for Bajaj Auto Ltd.



Dr. J Sridhar
Company Secretary
Pune: 18 May 2018

BAJAJ AUTO LTD.
(CIN: L65993PN2007PLC130076)

Registered office:
Mumbai-Pune Road, Akurdi, Pune 411 035
E-mail: investors@bajajauto.co.in
Website: www.bajajauto.com
Phone: (020)27472851, **Fax:** (020)27407380

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 : L65993PN2007PLC130076
Name of the Company : BAJAJ AUTO 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 (on a poll) for me/us and on my/our behalf at the ELEVENTH annual general meeting of the Company, to be held on **Friday, 20 July 2018** at **12.15 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 2018 and Directors' and Auditors' Reports thereon		
2.	Declaration of dividend of ₹ 60 per equity share, for the year ended 31 March 2018		
3.	Re-appointment of Niraj Bajaj (DIN 00028261), who retires by rotation		
4.	Re-appointment of Manish Kejriwal (DIN 00040055), who retires by rotation		
5.	Authorising the Board of Directors of the Company to fix the remuneration of S R B C & CO LLP, Chartered Accountants (Registration No. 324982E/E300003), Statutory Auditors of the Company from the year 2018-19, until the conclusion of the Fifteenth Annual General Meeting of the Company scheduled in the year 2022		
	Special Business		
6.	Appointment of Anami Roy (DIN 01361110) as an Independent Director		

Signed this_____ day of _____ 2018

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 AUTO LIMITED
(CIN: L65993PN2007PLC130076)
Registered office:
Mumbai–Pune Road, Akurdi, Pune 411 035.
E-mail: investors@bajajauto.co.in
Website: www.bajajauto.com
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 ELEVENTH annual general meeting of the Company on **Friday, 20 July 2018** at **12.15 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 e-voting procedure as given in the Notice of AGM by logging on to - **https://evoting.karvy.com**
- Instructions for e-voting procedure are available in the Notice of annual general meeting and are also placed on the website of the Company.