BAJAJ

Bajaj Holdings & Investment Limited
(formerly Bajaj Auto Limited)

CIN: L35911PN1945PLC004656

Regd. Office : Bajaj Auto Limited Complex,
Mumbai Pune Road, Akurdi, Pune 411035.
Tel.: 020-27472851, Fax :020-27407380
Website: www.bhil.in

25 August 2016

Corporate Relations Department.
BSE Limited
1st Floor, , New Trading Ring
Rotunda Building, P J Tower
Dalal Street, Mumbai 400 001
Email: corp.relations@bseindia.com

BSE Code: 500490

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
Email: cmlist@nse.co.in

NSE Code: BAJAJHLDNG

Dear Sir/s:

Sub: **Submission of Annual 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 2015-16, including necessary documents and disclosures as stated under Regulation 34(2) and 34(3) of the above referred Regulations.

Kindly acknowledge receipt and take the same on record.

Thanking you,

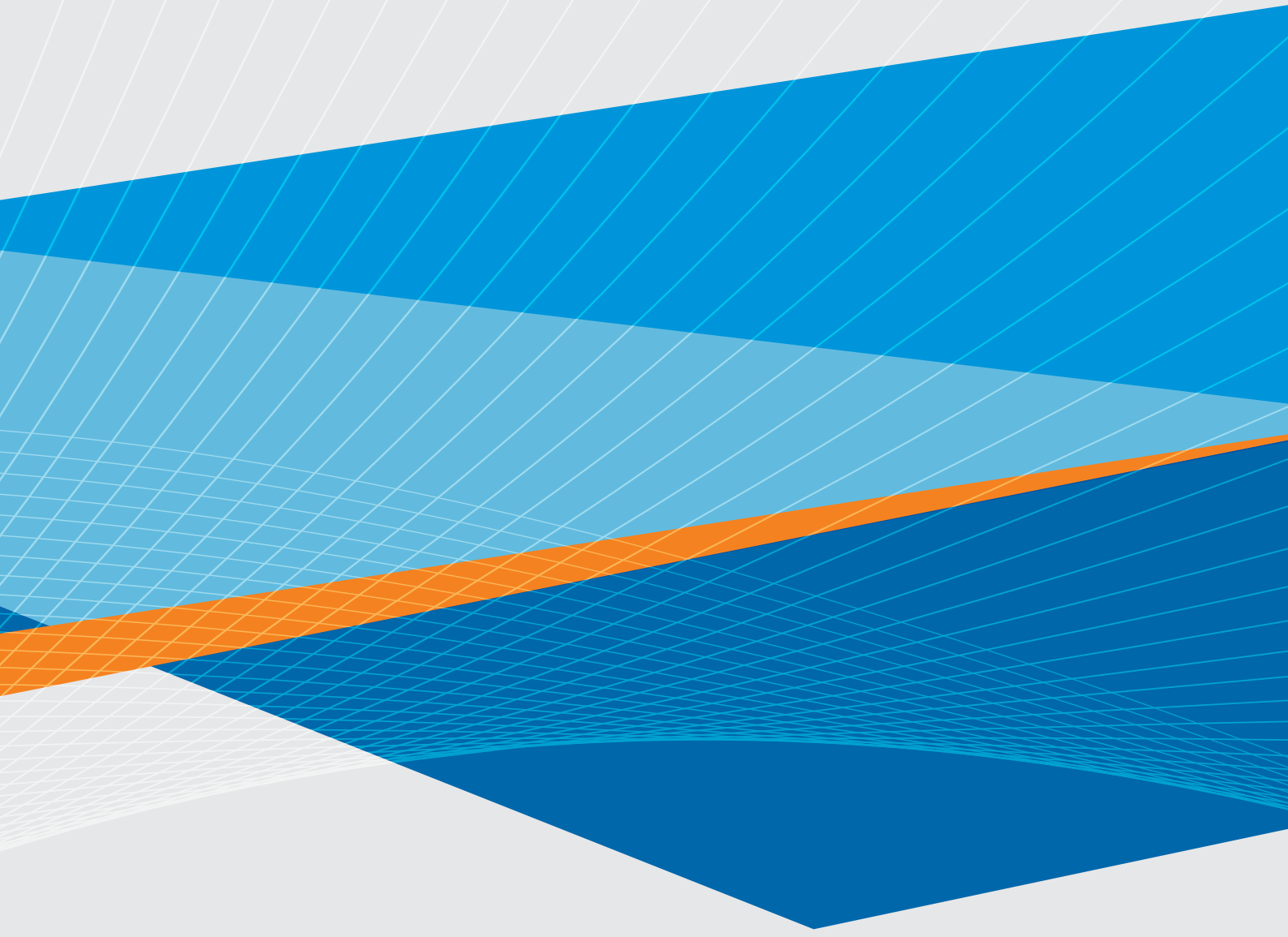
Yours faithfully,
For **Bajaj Holdings & Investment Limited,**

Vallari Gupte
Company Secretary

Encl. A/a

BAJAJ

BAJAJ HOLDINGS & INVESTMENT LIMITED



71st ANNUAL REPORT 2015-16

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Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Madhur Bajaj

Rajiv Bajaj

D J Balaji Rao

S H Khan (upto 12.1.2016)

Nanoo Pamnani

Manish Kejriwal

Naresh Chandra

P Murari

Dr. Gita Piramal

Audit Committee

Naresh Chandra
Chairman

Nanoo Pamnani

Manish Kejriwal

Stakeholders Relationship Committee

P Murari
Chairman

Nanoo Pamnani

Manish Kejriwal

Dr. Gita Piramal

Nomination and Remuneration Committee

Naresh Chandra
Chairman

D J Balaji Rao

Nanoo Pamnani

Rahul Bajaj

Corporate Social Responsibility Committee

Rahul Bajaj
Chairman

Nanoo Pamnani

Sanjiv Bajaj

CFO

Anant Marathe

Company Secretary

Vallari Gupte

Auditors

Dalal & Shah LLP
Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye
Practising Company Secretary

Bankers

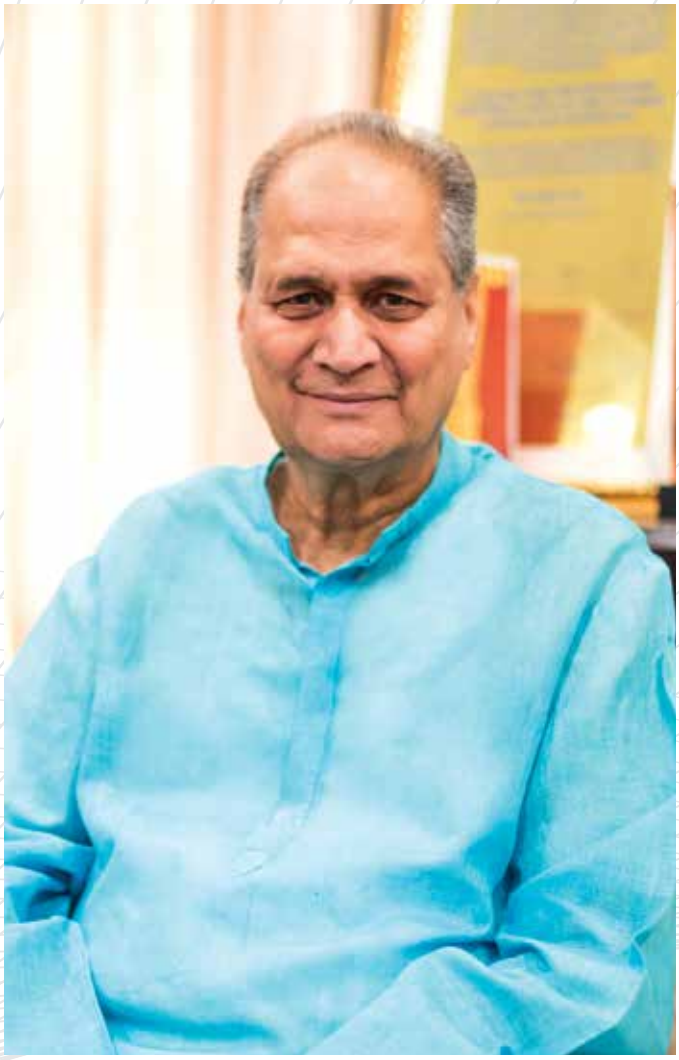
Citibank N A
HDFC Bank

Registered under the Companies Act, 1913

Registered Office

Mumbai-Pune Road,
Akurdi, Pune - 411 035.

CIN: L35911PN1945PLC004656



Rahul Bajaj
Chairman



Sanjiv Bajaj
Managing Director

Directors' Report

The directors present their Seventy First Annual Report and audited financial statements for the year ended 31 March 2016.

Financial results

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

The highlights of the Standalone Financial Results are as under:

(₹ In Crore)

Particulars	FY2016	FY2015
Total revenue	1,401.28	1,006.46
Total expenses	42.72	41.96
Profit before tax	1,358.56	964.50
Tax expense	88.05	79.58
Profit after tax	1,270.51	884.92
Profit for the year	**1,270.51**	**867.73**
Transfer to Reserve fund u/s 45-IC(1) of Reserve Bank of India Act, 1934	254.10	173.55
Transfer to General reserve	127.05	86.77
Interim dividend (inclusive of dividend tax)	334.87	–
Proposed dividend (inclusive of dividend tax)	100.46	434.49
Balance carried to Balance Sheet	454.03	172.92
Earnings per share (₹)	114.2	78.0

The highlights of the Consolidated Financial Results are as under:

(₹ In Crore)

Particulars	FY2016	FY2015
Total revenue	476.69	558.83
Profit before tax	**429.90**	**513.19**
Income from associates after tax	1,923.65	1,615.41
Profit for the year	**2,265.24**	**2,029.24**
Earnings per share (₹)	203.5	182.3

Dividend

The Board at its meeting held on 9 March 2016 declared an interim dividend at the rate of ₹ 25 per equity share (250%) for the year ended 31 March 2016, which was paid to all the eligible shareholders as on 17 March 2016, being the record date for the purpose of dividend. The amount of dividend and the tax thereon to the extent applicable aggregated to ₹ 334.87 crore.

The directors now recommend for consideration of the shareholders at the ensuing annual general meeting, payment of final dividend of ₹ 7.50 per equity share (75%) for the financial year ended 31 March 2016. The amount of final dividend and the tax thereon to the extent applicable aggregate to ₹ 100.46 crore.

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

For the year ended 31 March 2015, dividend paid was also ₹ 32.50 per equity share (325%). The amount of dividend and the tax thereon to the extent applicable however aggregated to ₹ 434.49 crore.

Share Capital

The paid up equity share capital as on 31 March 2016 was ₹ 111.29 crore. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

Registration as a Systemically Important Non-Deposit taking NBFC

The Company has been registered with the Reserve Bank of India as a Non-Banking Financial Institution (Non-Deposit taking). In terms of provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the Company is categorised as a 'Systemically Important Non-Deposit taking Non-Banking Financial Company'. The Company has not accepted public deposits during the year under review. The Company has formed Risk Management Committee and Asset Liability Management Committee in terms of the applicable directions/regulations of the Reserve Bank of India in this regard.

Operations

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

Extract of annual return

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

Number of meetings of the Board

There were seven 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 Companies Act, 2013, directors, to the best of their knowledge and belief, state that -

- in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are 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 sub-section (6).

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

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

During the year 2015-16, pursuant to section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, 2015, all RPTs were placed before the Audit Committee for its approval.

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

Material changes and commitments

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

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

The Company primarily being an investment company and not involved in any industrial or manufacturing activities, the Company has no particulars to report regarding conservation of energy and technology absorption as required under section 134 of the Companies Act, 2013 and Rules made thereunder. During the year under review, the Company did not have any foreign exchange earnings, whereas the foreign exchange outgo amounted to ₹ 1.19 crore.

Risk Management Policy

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

Corporate Social Responsibility (CSR)

Detailed information on Corporate Social Responsibility Policy developed and implemented by the Company on CSR initiatives taken during the year pursuant to section 135 of the Companies Act, 2013 is given in the Annual Report on CSR activities.

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

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

Subsidiary/joint venture/associates

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

Name of the company	% shareholding of BHIL and its subsidiary	Status
Bajaj Auto Ltd.	31.49%	Associate
Bajaj Finserv Ltd.	39.29%	Associate
Bajaj Auto Holdings Ltd.	100%	Subsidiary
Maharashtra Scooters Ltd.	24%	Joint Venture

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

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

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

1. The Company's Appeal No.153 of 2010 is allowed and the impugned order of the Single Judge dated 15 February 2010 is set aside in so far as it set aside the arbitral Award on the

ground that clause 7 of the Protocol Agreement was in the nature of a restriction on free transferability of the shares and was therefore contrary to section 111A of the Companies Act, 1956.

2. The Cross Objections filed by the Respondent (WMDC) have no merit and therefore stand dismissed.

3. In the peculiar circumstances of the case and in the interest of justice, the Appellant (BHIL), for the purchase of the 3,085,712 equity shares of MSL, shall pay to the Respondent (WMDC) a sum of ₹ 46.79 crore (calculated at Arbitral Award price of ₹ 151.63 per share) together with simple interest @ 18% per annum from 14 January 2006 (date of Arbitral Award) till payment.

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

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

Directors and Key Managerial Personnel-changes

The Directors regret to report about the sad demise of S H Khan, an independent director of the Company, on 12 January 2016. The directors record their whole-hearted appreciation of the valuable contribution made by him during his long tenure as director in the Company.

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

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

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

Significant and material orders passed by the regulators or courts

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

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, which includes its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance.

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

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

Presentation of financial statements

The financial statements of the Company for the year ended 31 March 2016 have been disclosed as per Schedule III to the Companies Act, 2013.

Consolidated financial statements

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

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

Statutory disclosures

The summary of the key financials of the Company's subsidiary, associate company and joint venture (Form AOC-1), is included in this Annual Report. A copy of audited financial statements of the said companies will be made available to the members of the Company, seeking such information at any point of time. The audited financial statements of the said companies will be kept for inspection by any member of the Company at its registered office during business hours. The same are placed on the Company's website www.bhil.in

Details as required under the provisions of section 197(12) of the Companies Act, 2013 read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are placed on the Company's website www.bhil.in as an annexure to the Directors' Report. A physical copy of the same will be made available to any shareholder on request.

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, which form part of the Directors' Report, will be made available to any shareholder on request, as per provisions of section 136(1) of the said Act.

Disclosures as prescribed by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, RBI Regulatory Framework, 2014 and other applicable NBFC Regulations have been made in this Annual Report.

A Cash Flow Statement for the year 2015-16 is attached to the Balance Sheet.

Pursuant to the legislation 'Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013' introduced by the Government of India, which came into effect from 9 December 2013, the Company has a Policy on Prevention of Sexual Harassment at Workplace. There was no case reported during the year under review under the said Policy.

Secretarial Standards of ICSI

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

Corporate governance

Pursuant to the SEBI Listing Regulations, 2015, a separate chapter titled 'Corporate Governance' has been included in this Annual Report, along with the reports on Management Discussion and Analysis and General Shareholder Information.

All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2015-16. A declaration to this effect signed by the Managing Director (CEO) of the Company is contained in this Annual Report.

The Managing Director (CEO) and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations, 2015.

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

Auditors

Statutory auditor

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current auditors of the Company, Dalal & Shah LLP, Chartered Accountants (registration number: 102021W/W100110) were appointed by the members at the 69th annual general meeting to hold office until the conclusion of the 72nd annual general meeting, subject to ratification by members at each annual general meeting.

The members are requested to ratify the appointment of Dalal & Shah LLP, Chartered Accountants (registration number: 102021W/W100110) as statutory auditors of the Company and to fix their remuneration for the year 2016-17.

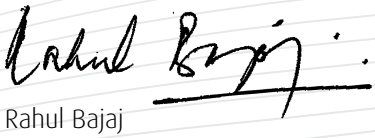
The statutory audit report does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

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 2015-16 as issued by him in the prescribed form MR-3 is annexed to this Report.

The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by the secretarial auditor.

On behalf of the Board of Directors



Rahul Bajaj
Chairman

Pune: 25 May 2016

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.

Bajaj Group, thus, took the unprecedented step of using business to serve society over a century ago. Jamnalal Bajaj strongly believed that 'common good was more important than individual gain'. His philosophy has stood the test of time as it has been successfully taken forward by the succeeding generations i.e. firstly by his sons, Kamalnayan Bajaj and Ramkrishna Bajaj and now spearheaded by his grandson Rahul Bajaj. This philanthropic approach has taken the Group to higher levels of success and respect.

Though, the Group stands tall in the corporate world, with high ranking in terms of market capitalisation, turnover, profits, range of products and services and various other parameters, Bajaj Group believes that the true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people. Through its social investments, Bajaj Group addresses the needs of communities residing in the vicinity of its facilities, taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure and community development and response to natural calamities.

For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment. It is the reason behind the smile that lights up a million faces. Its goodwill resonates in the two simple words that live in the collective consciousness of Indians - Hamara Bajaj.

CSR Policy:

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

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

CSR Policy gives an overview of the projects or programmes, which are proposed to be undertaken by the Company in the coming years.

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

2. The composition of the CSR Committee

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

Rahul Bajaj, Chairman
Nanoo Pamnani
Sanjiv Bajaj

During the year under review, the Committee met four times on 13 May 2015, 1 September 2015, 5 October 2015 and 13 January 2016.

3. Average net profit of the Company for last three financial years prior to 2015-16: ₹ 342.89 crore.

4. Prescribed CSR Expenditure (2% of amount as in item No. 3): ₹ 6.86 crore

5. Details of CSR spent during the financial year:

(₹ In Crore)

Particulars	
a. Total amount to be spent	6.86
b. Amount spent	6.91
c. Amount unspent, if any (a-b)	Nil
d. Manner in which the amount spent during the financial year detailed below:	

(₹ In Crore)

Name/Details of the Implementing Agency	CSR Project/Activity identified	Sector in which the project is covered	Location of Project/ programme (Local area or State/District)	Amount outlay/ Approved	Amount spent direct/ overheads during 2015-16	Cumulative Expenditure upto 2015-16
Divine Shakti Foundation, Rishikesh	Relief of earthquake victims at Nepal	Eradicating hunger, poverty, malnutrition, promoting health care and sanitation	Nepal	0.50	0.50	0.50
PM's National Relief Fund	Relief of earthquake victims at Nepal	Contribution to PM's National relief fund	Nepal	2.00	2.00	2.00
St. Ursula Society, Pune	School repairs and maintenance at Kamalnayan Bajaj School	Education	Pune	0.76	0.76	0.76
Marathwada Medical and Research Institute (Kamalnayan Bajaj Hospital), Aurangabad	Construction of building of Centre for Hemotology Hemo-Oncology	Promoting health care and sanitation	Aurangabad	2.00	2.00	2.00
Marathwada Medical and Research Institute (Kamalnayan Bajaj Hospital), Aurangabad	Contribution towards corpus	Promoting health care and sanitation	Aurangabad	1.50	1.50	1.50
Shri Jamnalal Bajaj Balmandir, Wardha	Salaries of Balsevikas and other employees of Balmandir, and maintenance of Balmandir building/s	Education	Wardha	0.15	0.15	0.15
Total					**6.91**	

Notes:

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

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

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

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

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

Rahul Bajaj
Chairman of CSR Committee

Sanjiv Bajaj
Managing Director

Pune: 25 May 2016

Extract of Annual Return (Form MGT-9)

As on the financial year ended on 31 March 2016

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

I. Registration and other details:

Corporate identification number (CIN)	L35911PN1945PLC004656
Registration Date	29 November 1945
Name of the Company	Bajaj Holdings & Investment Ltd.
Category/Sub-category of the Company	Public Company/Limited by shares (NBFC)
Address of the Registered office and contact details	Mumbai – Pune Road, Akurdi, Pune – 411 035 E-mail Id: investors@bhil.in Tel. No.: (020) 6610 7150
Whether listed company	Yes (BSE and NSE)
Name, Address and Contact details of the Registrar and Transfer Agent	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032. M S Madhusudhan/Mohd. Mohsinuddin Tel No: (040) 6716 2222 Fax No: (040) 2300 1153 Toll Free no.: 1800-345-4001 E-mail: mohsin.mohd@karvy.com Website: www.karvy.com

II. Principal business activities of the Company

Sr. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Investment activity	6430	100%

III. Particulars of holding, subsidiary and associate Companies

S. No.	Name of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held as on 31 March 2016	Applicable section
1	Bajaj Auto Ltd.	L65993PN2007PLC130076	Associate Company	31.49%	2(6)
2	Bajaj Finserv Ltd.	L65923PN2007PLC130075	Associate Company	39.29%	2(6)
3	Maharashtra Scooters Ltd.	L35912MH1975PLC018376	Joint Venture	24.00%	2(6)
4	Bajaj Auto Holdings Ltd.	U65993MH1979PTC021066	Subsidiary Company	100.00%	2(87)

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

i) Category-wise shareholding

Category of shareholders	No. of Shares held at the beginning of the year as on 1 April 2015				No. of Shares held at the end of the year as on 31 March 2016				
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	% change during the year
A. Promoters									
1) Indian									
a) Individual/HUF	18,569,605	–	18,569,605	16.69	18,663,672	–	18,663,672	16.77	0.08
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	27,275,580	150*	27,275,730	24.50	28,378,895	150*	28,379,045	25.50	1.00
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-Total (A)(1)	**45,845,185**	**150**	**45,845,335**	**41.19**	**47,042,567**	**150**	**47,042,717**	**42.27**	**1.08**
*Legal matter									
2) Foreign									
a) NRIs-Individual	–	–	–	–	–	–	–	–	–
b) Others- Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-Total (A)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**45,845,185**	**150**	**45,845,335**	**41.19**	**47,042,567**	**150**	**47,042,717**	**42.27**	**1.08**
B. Public Shareholding									
1 Institutions									
a) Mutual Funds	1,461,159	875	1,462,034	1.31	1,372,926	875	1,373,801	1.23	(0.08)
b) Banks/FI	1,490,995	10,395	1,501,390	1.35	41,527	10,395	51,922	0.05	(1.30)
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	6,117,930	300	6,118,230	5.50	6,468,762	300	6,469,062	5.82	0.32
g) FIIs/FPIs	19,953,515	1,425	19,954,940	17.93	19,144,797	1,425	19,146,222	17.20	(0.73)
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**29,023,599**	**12,995**	**29,036,594**	**26.09**	**27,028,012**	**12,995**	**27,041,007**	**24.30**	**(1.79)**
2 Non-Institutions									–
a) Bodies Corp.									
i. Indian	10,477,523	2,203,605	12,681,128	11.39	10,675,106	417,740	11,092,846	9.97	(1.42)
ii. Overseas	–	675	675	0.00	–	675	675	0.00	–
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,811,841	1,159,480	8,971,321	8.06	7,480,439	1,088,781	8,569,220	7.70	(0.36)

i) Category-wise shareholding (Contd.)

Category of shareholders	No. of Shares held at the beginning of the year as on 1 April 2015				No. of Shares held at the end of the year as on 31 March 2016				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,234,895	5,557,081	13,791,976	12.39	11,017,806	5,517,141	16,534,947	14.86	2.46
c) Others (specify)									
i. Non Resident Indians	517,998	12,510	530,508	0.48	592,699	12,510	605,209	0.54	0.07
ii. Clearing members	11,915	–	11,915	0.01	6,141	–	6,141	0.00	(0.01)
iii. Trusts	179,383	–	179,383	0.16	177,279	–	177,279	0.16	(0.00)
iv. Foreign Bodies - DR	9,996	–	9,996	0.01	30,131	–	30,131	0.03	0.02
Sub-total (B)(2):-	**27,243,551**	**8,933,351**	**36,176,902**	**32.51**	**29,979,601**	**7,036,847**	**37,016,448**	**33.26**	**0.75**
Total public shareholding (B)=(B)(1)+ (B)(2)	**56,267,150**	**8,946,346**	**65,213,496**	**58.60**	**57,007,613**	**7,049,842**	**64,057,455**	**57.56**	**(1.04)**
C. Shares held by Custodian for GDRs and ADRs	**234,679**	**–**	**234,679**	**0.21**	**193,338**	**–**	**193,338**	**0.17**	**(0.04)**
Grand Total (A+B+C)	**102,347,014**	**8,946,496**	**111,293,510**	**100.00**	**104,243,518**	**7,049,992**	**111,293,510**	**100.00**	**–**

ii) Shareholding of promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2015			Shareholding at the end of the year as on 31 March 2016			% change in shareholding during the year
		No.of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No.of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Anant Bajaj	746,807	0.67	–	746,807	0.67	–	–
2	Deepa Bajaj	10,575	0.01	–	10,575	0.01	–	–
3	Geetika Bajaj	300,000	0.27	–	300,000	0.27	–	–
4	Kiran Bajaj	744,825	0.67	–	744,825	0.67	–	–
5	Kriti Bajaj	33,000	0.03	–	33,000	0.03	–	–
6	Kumud Bajaj	1,169,934	1.05	–	1,213,340	1.09	–	0.04
7	Madhur Bajaj	1,863,616	1.67	–	1,899,876	1.71	–	0.03
8	Minal Bajaj	62,900	0.06	–	62,900	0.06	–	–
9	Neelima Bajaj Swamy	267,719	0.24	–	267,719	0.24	–	–
10	Nimisha Jaipuria	159,785	0.14	–	159,785	0.14	–	–
11	Niraj Bajaj	2,664,238	2.39	–	2,664,238	2.39	–	–
12	Niravnayan Bajaj	479,066	0.43	–	479,066	0.43	–	–
13	Rahulkumar Bajaj	5,126,285	4.61	–	5,126,285	4.61	–	–
14	Rajivnayan Bajaj	1,323,050	1.19	–	1,323,050	1.19	–	–
15	Rishabnayan Bajaj	8,500	0.01	–	8,500	0.01	–	–
16	Sanjali Bajaj	9,100	0.01	–	9,100	0.01	–	–
17	Sanjivnayan Bajaj	1,362,724	1.22	–	1,362,724	1.22	–	–
18	Shefali Bajaj	10,000	0.01	–	10,000	0.01	–	–
19	Shekhar Bajaj	1,482,440	1.33	–	1,496,841	1.34	–	0.01
20	Siddhantnayan Bajaj	7,500	0.01	–	7,500	0.01	–	–
21	Suman Jain	523,504	0.47	–	523,504	0.47	–	–
22	Sunaina Kejriwal	214,037	0.19	–	214,037	0.19	–	–
23	Bachhraj And Company Pvt. Ltd.	2,165,878	1.95	–	2,165,878	1.95	–	–

ii) Shareholding of promoters (Contd.)

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2015			Shareholding at the end of the year as on 31 March 2016			% 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	
24	Bachhraj Factories Pvt. Ltd.	1,031,287	0.93	–	1,118,649	1.01	–	0.08
25	Bajaj Finance Ltd.	75	0.00	–	75	0.00	–	–
26	Bajaj Sevashram Pvt. Ltd.	2,567,016	2.30	–	2,763,919	2.48	–	0.18
27	Baroda Industries Pvt. Ltd.	835,401	0.75	–	905,740	0.81	–	0.06
28	Hercules Hoists Ltd.	286,094	0.26	–	286,094	0.26	–	–
29	The Hindustan Housing Company Ltd.	7,200	0.01	–	15,391	0.01	–	0.01
30	Jamnalal Sons Pvt. Ltd.	17,173,481	15.43	–	17,914,001	16.10	–	0.67
31	Kamalnayan Investment & Trading Pvt. Ltd.	79,850	0.07	–	79,850	0.07	–	–
32	Madhur Securities Pvt. Ltd.	66,800	0.06	–	66,800	0.06	–	–
33	Niraj Holdings Pvt. Ltd.	44,400	0.04	–	44,400	0.04	–	–
34	Rahul Securities Pvt. Ltd.	151,700	0.14	–	151,700	0.14	–	–
35	Rupa Equities Pvt. Ltd.	181,900	0.16	–	181,900	0.16	–	–
36	Sanraj Nayan Investments Pvt. Ltd.	2,628,048	2.36	–	2,628,048	2.36	–	–
37	Shekhar Holdings Pvt. Ltd.	56,450	0.05	–	56,450	0.05	–	–
38	Shishir Holdings Pvt. Ltd.	150	0.00	–	150	0.00	–	–
	Total	**45,845,335**	**41.19**	**–**	**47,042,717**	**42.27**	**–**	**1.08**

iii) Change in promoters' shareholding

Sr. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year 1 April 2015	45,845,335	41.19		
	Date-wise increase/(decrease)				
1	**Bachhraj Factories Pvt. Ltd.**				
	07-08-2015 - Purchase	65,962	0.06	45,911,297	41.25
	14-08-2015 - Purchase	21,400	0.02	45,932,697	41.27
2	**Bajaj Sevashram Pvt. Ltd.**				
	14-08-2015 - Purchase	42,980	0.04	45,975,677	41.31
	21-08-2015 - Purchase	70,020	0.06	46,045,697	41.37
	13-11-2015 - Purchase	29,653	0.03	46,075,350	41.40
	20-11-2015 - Purchase	54,250	0.05	46,129,600	41.45
3	**Baroda Industries Pvt. Ltd.**				
	14-08-2015 - Purchase	70,339	0.06	46,199,939	41.51

iii) Change in promoters' shareholding (Contd.)

Sr. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	**Jamnalal Sons Pvt. Ltd.**				
	04-09-2015 - Purchase	184,240	0.17	46,384,179	41.68
	18-09-2015 - Purchase	833	0.00	46,385,012	41.68
	30-10-2015 - Purchase	104,883	0.09	46,489,895	41.77
	06-11-2015 - Purchase	219,042	0.20	46,708,937	41.97
	13-11-2015 - Purchase	23,600	0.02	46,732,537	41.99
	20-11-2015 - Purchase	6,973	0.01	46,739,510	42.00
	27-11-2015 - Purchase	85,949	0.08	46,825,459	42.07
	04-12-2015 - Purchase	115,000	0.10	46,940,459	42.18
5	**Kumud Bajaj**				
	26-02-2016 - Purchase	41,000	0.04	46,981,459	42.21
	04-03-2016 - Purchase	2,406	0.00	46,983,865	42.22
6	**Madhur Bajaj**				
	19-02-2016 - Purchase	12,853	0.01	46,996,718	42.23
	26-02-2016 - Purchase	23,407	0.02	47,020,125	42.25
7	**Ramkrishna Bajaj HUF**				
	10-09-2015 - Transfer consequent to partition of Ramkrishna Bajaj HUF	(208,530)	(0.19)	46,811,595	42.06
8	**Shekhar Bajaj**				
	10-09-2015 - Acquisition consequent to partition of Ramkrishna Bajaj HUF	208,530	0.19	47,020,125	42.25
	26-02-2016 - Purchase	14,401	0.01	47,034,526	42.26
9	**The Hindustan Housing Company Ltd.**				
	20-11-2015 - Purchase	8,191	0.01	47,042,717	42.27
	At the end of the year 31 March 2016			47,042,717	42.27

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

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2015)		Cumulative shareholding during the year (31 March 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Franklin Templeton Investment Funds**				
	At the beginning of the year 1 April 2015	6,269,648	5.63		
	Date-wise increase/(decrease)				
	10-04-2015 - Purchase	13,055	0.01	6,282,703	5.65
	15-05-2015 - Purchase	123,649	0.11	6,406,352	5.76
	22-05-2015 - Purchase	141,731	0.13	6,548,083	5.88
	29-05-2015 - Purchase	5,534	0.00	6,553,617	5.89
	05-06-2015 - Purchase	1,152	0.00	6,554,769	5.89
	12-06-2015 - Purchase	1,576	0.00	6,556,345	5.89
	19-06-2015 - Purchase	136	0.00	6,556,481	5.89
	26-06-2015 - Purchase	23,067	0.02	6,579,548	5.91
	28-08-2015 - Sale	(137,654)	(0.12)	6,441,894	5.79
	04-09-2015 - Sale	(237,165)	(0.21)	6,204,729	5.58
	11-09-2015 - Sale	(7,069)	(0.01)	6,197,660	5.57
	18-09-2015 - Sale	(5,943)	(0.01)	6,191,717	5.56
	25-09-2015 - Sale	(16,847)	(0.02)	6,174,870	5.55
	09-10-2015 - Sale	(45,000)	(0.04)	6,129,870	5.51
	16-10-2015 - Sale	(68,000)	(0.06)	6,061,870	5.45
	05-02-2016 - Sale	(77,437)	(0.07)	5,984,433	5.38
	12-02-2016 - Sale	(34,055)	(0.03)	5,950,378	5.35
	04-03-2016 - Sale	(20,400)	(0.02)	5,929,978	5.33
	11-03-2016 - Sale	(105,100)	(0.09)	5,824,878	5.23
	18-03-2016 - Purchase	2,400	0.00	5,827,278	5.24
	25-03-2016 - Purchase	600	0.00	5,827,878	5.24
	31-03-2016 - Purchase	20,100	0.02	5,847,978	5.25
	At the end of the year 31 March 2016			5,847,978	5.25
2	**M/s Jaya Hind Investments Pvt. Ltd.**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	5,805,256	5.22	5,805,256	5.22

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

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2015)		Cumulative shareholding during the year (31 March 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	**Life Insurance Corporation Of India**				
	At the beginning of the year 1 April 2015	5,906,800	5.31		
	Date-wise increase/(decrease)				
	08-05-2015 - Purchase	9,016	0.01	5,915,816	5.32
	05-05-2015 - Purchase	33,425	0.03	5,949,241	5.35
	22-05-2015 - Purchase	51,807	0.05	6,001,048	5.39
	29-05-2015 - Purchase	1,029	0.00	6,002,077	5.39
	26-06-2015 - Sale	(12,250)	(0.01)	5,989,827	5.38
	03-07-2015 - Sale	(11,882)	(0.01)	5,977,945	5.37
	10-07-2015 - Sale	(741)	(0.00)	5,977,204	5.37
	17-07-2015 - Sale	(509)	(0.00)	5,976,695	5.37
	31-07-2015 - Sale	(6,397)	(0.01)	5,970,298	5.36
	07-08-2015 - Sale	(37,306)	(0.03)	5,932,992	5.33
	14-08-2015 - Sale	(96,069)	(0.09)	5,836,923	5.24
	21-08-2015 - Sale	(60,000)	(0.05)	5,776,923	5.19
	04-09-2015 - Sale	(45,877)	(0.04)	5,731,046	5.15
	11-09-2015 - Sale	(276)	(0.00)	5,730,770	5.15
	18-09-2015 - Sale	(60,690)	(0.05)	5,670,080	5.09
	25-09-2015 - Sale	(60,000)	(0.05)	5,610,080	5.04
	09-10-2015 - Sale	(24,655)	(0.02)	5,585,425	5.02
	16-10-2015 - Sale	(12,565)	(0.01)	5,572,860	5.01
	23-10-2015 - Sale	(80,433)	(0.07)	5,492,427	4.94
	30-10-2015 - Sale	(150,736)	(0.14)	5,341,691	4.80
	06-11-2015 - Sale	(240,642)	(0.22)	5,101,049	4.58
	20-11-2015 - Sale	(60,415)	(0.05)	5,040,634	4.53
	27-11-2015 - Sale	(126,441)	(0.11)	4,914,193	4.42
	04-12-2015 - Sale	(283,656)	(0.25)	4,630,537	4.16
	11-12-2015 - Sale	(60,943)	(0.05)	4,569,594	4.11
	25-12-2015 - Sale	(348)	(0.00)	4,569,246	4.11
	08-01-2016 - Sale	(3,000)	(0.00)	4,566,246	4.10
	At the end of the year 31 March 2016			4,566,246	4.10
4	**Maharashtra Scooters Ltd.**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	3,387,036	3.04	3,387,036	3.04

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

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2015)		Cumulative shareholding during the year (31 March 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	**Niraj Bajaj (As trustee of Yamuna Trust)**				
	At the beginning of the year 1 April 2015	–	–		
	Date-wise increase/(decrease)				
	13-11-2015 - Purchase	1,829,958	1.64	1,829,958	1.64
	At the end of the year 31 March 2016			1,829,958	1.64
6	**Acacia Partners, LP**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	1,777,498	1.60	1,777,498	1.60
7	**Templeton India Equity Income Fund**				
	At the beginning of the year 1 April 2015	1,338,528	1.20		
	Date-wise increase/(decrease)				
	25-12-2015 - Sale	(17,400)	(0.02)	1,321,128	1.19
	08-01-2016 - Sale	(730)	(0.00)	1,320,398	1.19
	15-01-2016 - Sale	(155)	(0.00)	1,320,243	1.19
	26-02-2016 - Sale	(50,000)	(0.04)	1,270,243	1.14
	11-03-2016 - Sale	(49,000)	(0.04)	1,221,243	1.10
	At the end of the year 31 March 2016			1,221,243	1.10
8	**Acacia Institutional Partners LP**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	1,171,200	1.05	1,171,200	1.05
9	**Niraj Bajaj (As trustee of Narmada Trust)**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	1,092,075	0.98	1,092,075	0.98

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

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2015) No. of shares	% of total shares of the Company	Cumulative shareholding during the year (31 March 2016) No. of shares	% of total shares of the Company
10	**Templeton Global Investment Trust**				
	At the beginning of the year 1 April 2015	763,270	0.69		
	Date-wise increase/(decrease)				
	23-10-2015 - Purchase	19,000	0.02	782,270	0.70
	At the end of the year 31 March 2016			782,270	0.70

v) Shareholding of Directors and Key Managerial Personnel

Sr.No.	Name of the Director/ Key Managerial Personnel	Shareholding at the beginning of the year No. of shares	% of total shares of the Company	Cumulative shareholding during the year No. of shares	% of total shares of the Company
1	**Rahulkumar Bajaj**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	5,126,285	4.61	5,126,285	4.61
2	**Sanjivnayan Bajaj**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	1,359,724	1.22	1,359,724	1.22
3	**Rajivnayan Bajaj**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	1,322,050	1.19	1,322,050	1.19
4	**Madhur Bajaj**				
	At the beginning of the year 1 April 2015	1,863,616	1.67		
	Date-wise increase/(decrease)				
	19-02-2016 - Purchase	12,853	0.01	1,876,469	1.69
	26-02-2016 - Purchase	23,407	0.02	1,899,876	1.71
	At the end of the year 31 March 2016			1,899,876	1.71
5	**Manish Kejriwal**				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	100	0.00	100	0.00

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

V. Indebtedness

As on 31 March 2016, indebtedness of the Company including interest outstanding/accrued, but not due for payment is nil.

VI. Remuneration of the directors and key managerial personnel

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

(In ₹)

Sr. No.	Particulars of remuneration	Sanjiv Bajaj (MD)	Total amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	24,485,000	24,485,000
	(b) Value of perquisites under section 17 (2) of Income-tax Act, 1961	5,070,823	5,070,823
	(c) Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961	–	–
2	Stock options	–	–
3	Sweat equity	–	–
4	Commission		
	- as % of profit	–	–
	- others (thrice the annual basic salary)	68,400,000	68,400,000
5	Others - Contribution to Provident Fund etc.	4,651,900	4,651,900
	TOTAL (A)	**102,607,723**	**102,607,723**
	Ceiling as per the Act		**684,800,000**

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

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

B. Remuneration to other directors

1. Independent Directors

(In ₹)

Particulars of remuneration	D J Balaji Rao	S H Khan*	Nanoo Pamnani	Naresh Chandra	P Murari	Dr. Gita Piramal	Total amount
i. Fee for attending Board/Committee Meetings	400,000	400,000	650,000	600,000	200,000	300,000	2,550,000
ii. Commission	800,000	800,000	1,300,000	1,200,000	400,000	600,000	5,100,000
iii. Other	–	–	–	–	–	–	–
TOTAL (B)(1)	**1,200,000**	**1,200,000**	**1,950,000**	**1,800,000**	**600,000**	**900,000**	**7,650,000**

*S H Khan expired on 12 January 2016.

B. Remuneration to other directors (Contd.)

2. Other Non-executive Directors

(In ₹)

Particulars of remuneration	Rahul Bajaj	Madhur Bajaj	Rajiv Bajaj	Manish Kejriwal	Total amout
i. Fee for attending Board/Committee Meetings	450,000	300,000	300,000	400,000	1,450,000
ii. Commission	900,000	600,000	600,000	800,000	2,900,000
iii. Other	–	–	–	–	–
TOTAL (B)(2)	**1,350,000**	**900,000**	**900,000**	**1,200,000**	**4,350,000**
TOTAL (B)(1) + (B)(2)					**12,000,000**
Total Managerial Remuneration					**114,607,723**
Overall ceiling as per the Act					**821,800,000**

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	Key Managerial Personnel		Total amount
		Company Secretary	Chief Financial Officer	
		Vallari Gupte	Anant Marathe	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	1,871,073	2,921,595	4,792,668
	(b) Value of perquisites under section 17 (2) of Income-tax Act, 1961	25,000	45,828	70,828
	(c) Profits in lieu of salary under section 17 (3) of Income-tax Act, 1961	–	–	–
2	Stock options	–	–	–
3	Sweat equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- others	–	–	–
5	Others - Contribution to Provident Fund etc.	154,672	241,400	396,072
	TOTAL (C)	**2,050,745**	**3,208,823**	**5,259,568**

VII. Penalties/Punishment/Compounding of offences:

During the year 2015-16, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

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 2016.

To the Members,
Bajaj Holdings & Investment Ltd.,
L35911PN1945PLC004656
Mumbai-Pune Road,
Akurdi, Pune - 411 035.

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March 2016, complied with the applicable statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March 2016, according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable for Foreign Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) to the extent applicable: -

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and share transfer agents) Regulations, 1993, regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

(i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

(ii) Listing Agreements entered into by the Company with BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) (As applicable upto 30 November 2015).

During the period 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 Company's affairs.

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

Pune: 25 May 2016

Auditors' certificate regarding compliance of conditions of Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by Bajaj Holdings & Investment Ltd., for the year ended 31 March 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015).

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

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

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Russell I Parera
Partner
Membership Number: 42190

Pune: 25 May 2016

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

Sanjiv Bajaj
Managing Director

Pune: 25 May 2016

Management Discussion and Analysis

Background

The Company (BHIL) is essentially an investment company.

As on 31 March 2016, the Company held

- strategic stakes of 31.49% in Bajaj Auto Ltd.(BAL), 39.29% in Bajaj Finserv Ltd. (BFS) and 24% in Maharashtra Scooters Ltd.(MSL), the results of which it consolidates
- other investments of ₹ 6,149 crore at market value and
- investments in property of ₹ 201 crore at cost (net of depreciation).

The market value of the said portfolio is ₹ 39,706 crore as on 31 March 2016.

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

BHIL came into existence upon the demerger in 2007-08 of erstwhile Bajaj Auto Ltd. into three entities - Bajaj Auto Ltd., Bajaj Finserv Ltd. and the erstwhile Bajaj Auto Ltd. which was renamed as Bajaj Holdings & Investment Ltd. The demerger provided an opportunity to BHIL to invest its surplus funds on an arm's length basis in its associate companies, if required. In the interim, the funds are invested prudently across multiple asset classes.

The demerger has brought greater focus to the core businesses; it enabled investors to hold separate focused stocks and facilitated easier benchmarking of the companies with its peers in their respective industries. More importantly, it has unlocked the value of the shares of the Company. This is evidenced by the increase in the combined market capitalisation of the three entities - ₹ 112,996 crore as on 31 March 2016 compared to ₹ 24,542 crore as on 31 March 2007 of erstwhile Bajaj Auto Ltd. The combined return of three companies post demerger is 18.5% compared to 7.6% of Sensex for the corresponding period.

Economy and markets

A sharp decline in commodity prices, choppy financial markets and volatile currencies were key highlights of 2015-16 (FY2016). Expectations of rate hikes in the US, depreciation of the Chinese currency along with fears of China's hard landing kept financial markets on edge. Global macroeconomic parameters remained uncertain as downward risks to growth in advanced economies emerged while emerging economies were already struggling with weak growth, high inflation and tight financial markets.

India's growth story on the contrary remained reasonably positive due to stable domestic consumption, lower commodity and energy prices and hence improving macroeconomic parameters. Inflation, fiscal deficit and current account balance exhibited some signs of improvement. The data on national income released in February 2016 by the Central Statistical Organisation of the Government of India anticipates real GDP growth of 7.6% for FY2016 — up from 7.2% in the previous year. This is a creditable achievement given the muted global economic scenario.

Unfortunately, these positive factors were accompanied by two consecutive years of drought across many parts of India, rising non-performing assets (NPAs) of banks and low credit growth.

The Reserve Bank of India (RBI) cut policy rate by 50 basis points in FY2015, 75 basis points in FY2016 and by further 25 basis points in April 2016. However, due to continued stress of high NPAs on bank balance sheets, this did not translate into equivalent reduction in interest costs for borrowers and curtailed incremental lending by the banks.

By April 2016, the Indian rupee strengthened as the US Federal Reserve decided to hike rates at a slower pace than anticipated initially; the European Central Bank enhanced its stimulus and the Bank of Japan introduced negative interest rates. RBI too made a substantial total cut of 150 basis points in this rate cutting cycle and introduced significant permanent liquidity improvement measures. If monsoons are good in FY2017, as the meteorological office has suggested, the country should be set to achieve higher growth this fiscal.

Results

BHIL, being an investment company, is largely dependent on the stock and money markets for its income. While a decline in interest rates provided an opportunity to book gains on fixed income securities, subdued equity markets lowered the Company's realised returns in equities. However, interim dividends declared by corporates in Q4 FY2016 boosted revenue and profit of the Company.

As a result, BHIL's standalone profit for the year increased by 46% to ₹ 1,270.51 crore in FY2016 v/s ₹ 867.73 crore in FY2015.

BHIL's consolidated profit for the year increased by 12% to ₹ 2,265.24 crore in FY2016 v/s ₹ 2,029.24 crore in FY2015 aided by strong performances of BAL and BFS.

(₹ In Crore)

Particulars	FY2016	FY2015	%
Standalone revenue	1,401.28	1,006.46	↑ 39%
Standalone profit for the year	1,270.51	867.73	↑ 46%
Consolidated revenue *	476.69	558.83	
Consolidated profit for the year	2,265.24	2,029.24	↑ 12%

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

Standalone results

Total revenue of the Company is summarised as given in Table 1:

Table 1: Summary of Total revenue

(₹ In Crore)

Particulars	FY2016	FY2015
Interest on fixed income investments	243.74	207.25
Dividend		
From associates, subsidiary and joint venture	953.63	474.24
From others	64.11	55.06
Profit on sale of investments, net		
From equity investments	23.92	164.38
From fixed income investments	89.59	49.28
Rent from investment property	16.38	16.16
Others	3.14	5.85
Revenue from operations	**1,394.51**	**972.22**
Interest on income-tax refund	–	30.45
Other income	6.77	3.79
Total revenue	**1,401.28**	**1,006.46**

Investments

The objective of BHIL's investments portfolio is to balance risk with adequate return. The Company has a Board approved investment policy which prescribes in detail its asset allocation. The said investment policy has set a floor of 40% of surplus funds at cost (excluding strategic investments) for investments in fixed income securities and a ceiling of 60% of the surplus funds at cost for equity and equity linked investments.

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

The Company, being a NBFC-ND-SI, also complies with the prudential norms regarding investments prescribed by RBI.

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

Table 2: Position of investments held by the Company

(₹ In Crore)

Particulars	FY2016			FY2015		
	Cost	Market value *	% to Total surplus (At cost)	Cost	Market value *	% to Total surplus (At cost)
a) Strategic investments - equity	1,188	33,356		1,188	27,964	
b) Other equities						
Other listed equities	1,454	2,248	27.3	1,241	2,712	25.7
Unlisted equities	432	432	8.1	429	429	8.9
Real estate funds	25	25	0.5	27	27	0.6
subtotal	**1,911**	**2,705**	**35.9**	**1,697**	**3,168**	**35.2**
c) Fixed income securities						
Government securities	1,231	1,252	23.1	1,727	1,775	35.9
Debentures and bonds	705	713	13.2	1,008	1,065	20.9
Mutual funds	73	73	1.4	208	208	4.3
Certificate of Deposit (CD)	1,209	1,209	22.7	116	116	2.4
Commercial Paper (CP)	197	197	3.7	23	23	0.5
Fixed deposits with banks	–	–	–	40	40	0.8
subtotal	**3,415**	**3,444**	**64.1**	**3,122**	**3,227**	**64.8**
Total (b+c)	**5,326**	**6,149**	**100.0**	**4,819**	**6,395**	**100.0**
d) Investment in property (net of depreciation)	201	201		206	206	
e) Grand total (a+b+c+d)	**6,715**	**39,706**		**6,213**	**34,565**	

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

Equity investments

Strategic/group investments

BHIL, subsequent to the demerger in 2007-08, is holding strategic/group investments, as set out in Table 3.

Table 3: Position of strategic/group investments held by the Company as on 31 March 2016

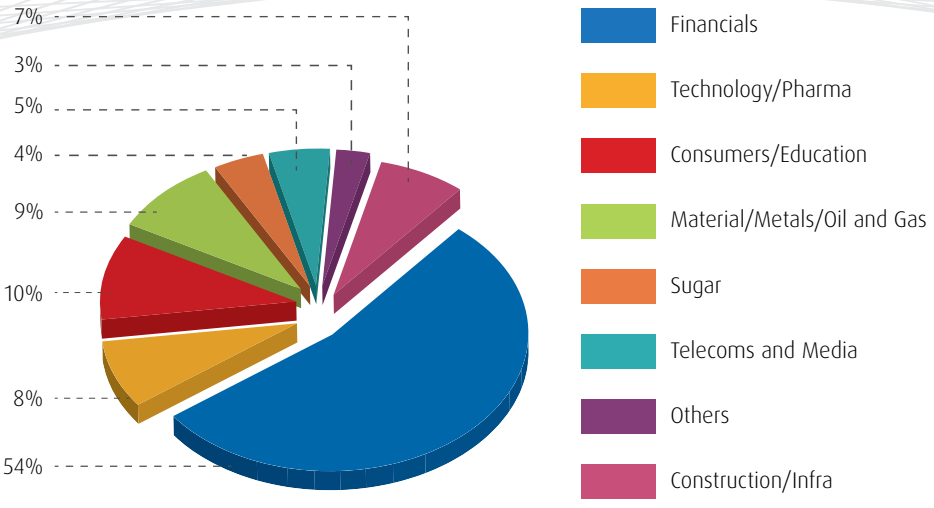
(₹ In Crore)

Equity shares held in	Cost		Market value	
Bajaj Auto Ltd.		286.22		21,922.78
Bajaj Finserv Ltd.		743.82		10,662.59
Bajaj Auto Holdings Ltd.	0.25		0.25	
Maharashtra Scooters Ltd.	0.24		335.82	
Bajaj Electricals Ltd.	111.77		317.26	
Mukand Ltd.	32.89		25.88	
Hercules Hoists Ltd.	12.34		91.01	
Mukand Engineers Ltd.	0.10		0.13	
subtotal		157.59		770.35
Total		**1,187.63**		**33,355.72**

Other equities

Keeping in mind the prescribed ceiling of 60% of surplus funds, BHIL invests dynamically in equities based on the Company's views of returns from public equity markets as well as opportunities in the private equity space. This helps in managing its liquidity risk while generating adequate returns. The Company invests in equities normally with a 5 year holding horizon or even longer, based on its views on further growth potential. Over the past few years, the Company has diversified its portfolio across key sectors to boost returns and manage risk. Chart A below shows the sector specific stock allocation as on 31 March 2016.

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



Sensex and BSE Midcap index closed FY2016 with returns of -9.36% and 0.85% respectively. Mid caps outperformed large caps substantially. Automobiles, technology and consumers outperformed the Sensex while financials, commodities and pharmaceuticals underperformed.

BHIL's other equities portfolio is a combination of listed and unlisted investments. Listed investments dominate the pie with a 76.1% share of other equity investments.

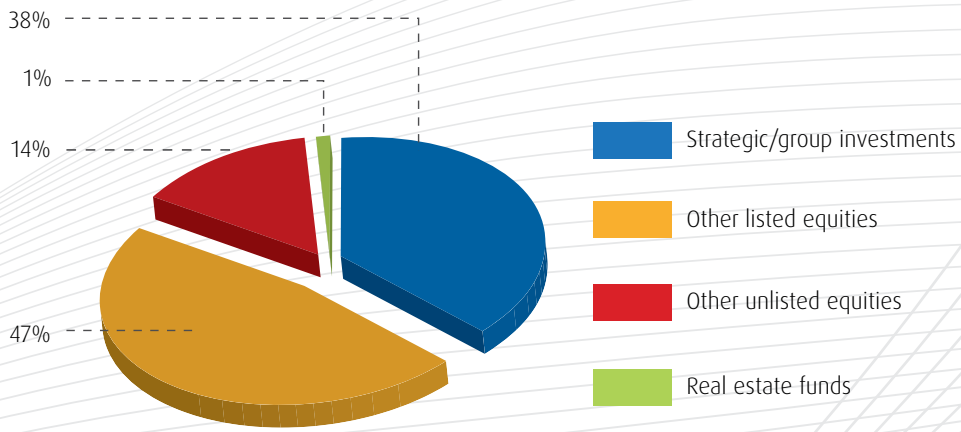
BHIL's investments in unlisted companies are in National Stock Exchange of India Ltd. (NSE), BSE (Bombay Stock Exchange) Ltd., National Multi-Commodity Exchange of India Ltd. and Ujjivan Financial Services Ltd. BSE and NSE are expected to list over short to medium term. Based on Ujjivan's listing price of ₹ 227 per share, the appreciation on BHIL's investment of ₹ 75 crore, stands at ₹ 41 crore.

During the year, BHIL sold a part of its investments in ICICI Bank, Axis Bank, Bharti Infratel, United Phosphorous, BHEL, Tata Steel and NMDC, while it completely exited NTPC.

Key new stocks added to portfolio in FY2016 were HDFC Bank and Bata India, while it made additional purchases in Reliance Industries, Coal India, L&T, Marico, Tech Mahindra thus primarily increasing exposure to consumers, energy and retail banking.

BHIL's other equities portfolio generated returns of -18.1% for FY2016 underperforming the Sensex. BHIL's other equities portfolio has a high weight in financials (54% of other equities portfolio at cost) as a proxy for growth in the domestic economy. ICICI Bank underperformed the Sensex with returns of -23.5% in FY2016, impacting the portfolio return with its large weight. In FY2016, investments in Reliance Industries and Marico outperformed the markets while various mid cap and small cap investments like CARE, Treehouse Education and IL&FS Transportation underperformed the Sensex.

Chart B: Composition of equity investments (at cost)



Fixed income investments

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

During FY2016, sentiments in the bond market remained mixed. The start of the year saw a hardening bias on yields. This was fueled by reversal in oil prices, hardening in global bond yields, volatility witnessed by global financial markets and a depreciating rupee. The 10 year government security which started the year at a yield of 7.74% touched a high of 7.91% in August 2015.

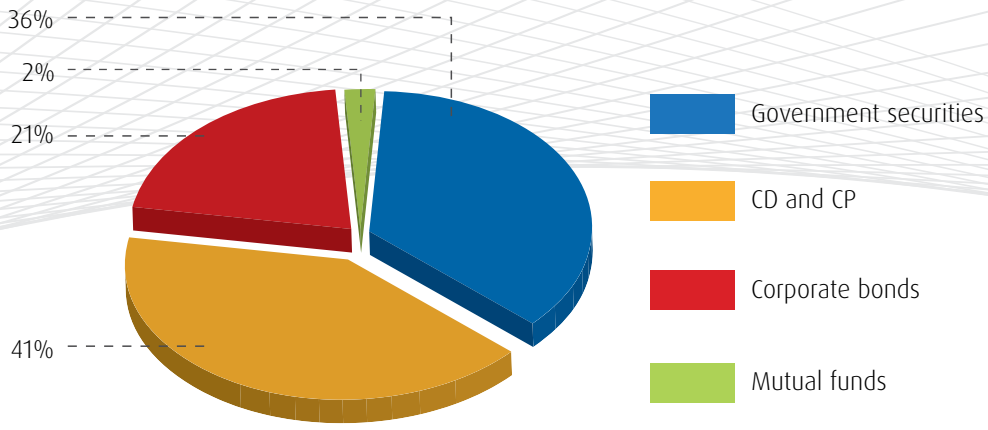
RBI's repo rate cut by 50 basis points in its September 2015 policy and staggered increase of foreign portfolio investment (FPI) limits in debt securities reversed sentiments with a yield on 10 year government security dropping to a low of 7.54%. March 2016 was an eventful month as the union budget emphasised that fiscal consolidation was on track and RBI addressed liquidity situation by open market operations. The benchmark 10 year government security (new) closed the year at a yield of 7.46%, 28 basis points lower than the previous year.

In this backdrop, BHIL continued to remain high on duration throughout the year by investing in 5 to 13 year dated government securities. By mid of the year, as corporate bonds spread started widening, BHIL added 5 year corporate bonds for higher income. At year end, as bond yields dropped sharply and market priced in further repo rate cut, BHIL sold part of its long duration holdings of bonds and government securities and invested it in shorter duration money market instruments.

For FY2016 BHIL's realised yield on the portfolio was 10.6% while total return (realised and unrealised) was 7.9%. At year end, the portfolio yield was 8.3% with average maturity of 4.1 years.

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

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



Consolidated results

Consolidated financial results include results of companies shown in Table 4.

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

Name of the company	% shareholding and voting power of BHIL and its subsidiary	Consolidated as
a. Bajaj Auto Ltd.	31.49%	Associate
b. Bajaj Finserv Ltd.	39.29%	Associate
c. Bajaj Auto Holdings Ltd.	100%	Subsidiary
d. Maharashtra Scooters Ltd.	24%	Joint venture

Table 5: Summarised consolidated financials of BHIL

(₹ In Crore)

Particulars	FY2016	FY2015
Total revenue	476.69	558.83
Share of profit after tax of associates	1,923.65	1,615.41
Profit before tax	2,353.55	2,128.60
Profit for the year	2,265.24	2,029.24

Status of subsidiary, associates and joint venture

Subsidiary

Bajaj Auto Holdings Ltd. (BAHL)

BAHL is a 100% subsidiary of BHIL. The summary of financial results is given below:

Table 6: Summary financial results

(₹ In Crore)

Particulars	FY2016	FY2015
Total revenue	1.00	9.83
Profit before tax	0.81	9.78
Profit for the year	0.55	7.19
Profit attributable to BHIL (100%)	0.55	7.19

Associates

Bajaj Auto Ltd. (BAL)

The summary of consolidated financial results of BAL is given below:

Table 7: Summary consolidated financial results

(₹ In Crore)

Particulars	FY2016	FY2015
Total revenue	23,511.85	22,198.22
Profit before tax	5,516.75	4,296.67
Profit for the year	3,783.98	3,025.63
Profit attributable to BHIL (31.49%)	1,191.54	952.74

Bajaj Finserv Ltd. (BFS)

The summary of consolidated financial results of BFS is given below:

Table 8: Summary consolidated financial results

(₹ In Crore)

Particulars	FY2016	FY2015
Total revenue	9,446.74	7,590.38
Profit before tax	3,804.05	3,246.15
Profit for the year	1,863.27	1,689.79
Profit attributable to BHIL (39.29%)	732.11	662.67

Joint venture

Maharashtra Scooters Ltd. (MSL)

The summary of financial results of MSL is given below:

Table 9: Summary financial results

(₹ In Crore)

Particulars	FY2016	FY2015
Total revenue	117.15	69.86
Profit before tax	101.00	54.76
Profit for the year	101.00	54.76
Profit attributable to BHIL (24%)	24.24	13.14

Cautionary statement

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

Corporate Governance

SEBI vide its notification No. SEBI/LAD-NRO/GN/2015-16/013 dated 2 September 2015 notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI Listing Regulations, 2015'), which were made applicable with effect from 1 December 2015, and repealed the erstwhile Listing Agreement with the stock exchanges.

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

Given below are the Company's corporate governance policies and practices for 2015-16. 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 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 to the working of the Bajaj Group. Bajaj Holdings & Investment Ltd. ('the Company' or 'BHIL') maintains the same tradition and commitment.

Board of Directors

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

Composition

As on 31 March 2016, the Board of the Company consisted of ten directors, of whom one was executive (Managing Director), five were non-executive independent (including one woman director) and four were non-executive and non-independent. The Board has no institutional nominee director. The Company has a Non-executive Chairman.

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

Number of meetings of the Board

During the financial year 2015-16, the Board met seven times, viz. 21 May 2015, 23 July 2015, 14 September 2015, 21 October 2015, 4 February 2016, 9 March 2016 and 17 March 2016. The gap between any two meetings has been less than one hundred and twenty days.

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for 2015-16

Name of director	Category	Relationship with other directors	No. of Borad meetings attended	Whether attended last AGM
Rahul Bajaj	Chairman, non-executive	Father of Rajiv Bajaj and Sanjiv Bajaj, father-in-law of Manish Kejriwal	7/7	Yes
Sanjiv Bajaj	Managing Director, executive	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	7/7	Yes
Madhur Bajaj	Non-executive	–	6/7	Yes
Rajiv Bajaj	Non-executive	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	6/7	Yes
D J Balaji Rao	Non-executive, independent	–	6/7	Yes
S H Khan*	Non-executive, independent	–	4/4	Yes
Nanoo Pamnani	Non-executive, independent	–	6/7	Yes
Manish Kejriwal	Non-executive	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	4/7	Yes
Naresh Chandra	Non-executive, independent	–	6/7	Yes
P Murari	Non-executive, independent	–	4/7	Yes
Dr. Gita Piramal	Non-executive, independent	–	5/7	Yes

*S H Khan expired on 12 January 2016

Non-executive directors' compensation

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

The shareholders/members at the annual general meeting of the Company held on 14 July 2011 approved the payment of commission to the non-executive directors at such rate as may be decided by the Board within such overall ceiling of one percent of the net profits, valid for a period of five years upto 31 March 2016.

In view of the increased demands on non-executive directors' participation in Board and committee meetings and the higher responsibilities they are expected to bear, in the interest of higher level of excellence in corporate governance on account of statutory and regulatory changes, it is proposed to continue to pay such commission to the non-executive directors for a further period of five years upto and including the year 2020-21. The matter is being separately put up for shareholders' approvals through the Notice of the ensuing 71st annual general meeting of the Company.

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

Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to officers of the Company. In addition to items, which are 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 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 17 March 2016 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

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

i. Progress made in putting in place a progressive risk management system, risk management policy and strategy followed.

ii. Conformity with the prescribed corporate governance standards.

iii. Minutes of Risk Management Committee and Asset Liability Management Committee meetings.

Orderly succession to Board and Senior Management

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

Directorships and memberships of board committees

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

Table 2: Number of directorships/committee positions of directors as on 31 March 2016

Name of the director	Directorships			Committee positions in listed and unlisted public limited companies	
	In listed companies	In unlisted public limited companies	In private limited companies	As Chairman	As member (other than as Chairman)
Rahul Bajaj	4	2	7	–	–
Madhur Bajaj	6	–	3	–	–
Rajiv Bajaj	4	1	–	–	2
Sanjiv Bajaj	6	4	7	1	6
D J Balaji Rao	7	–	–	3	4
Nanoo Pamnani	4	2	–	5	4
Manish Kejriwal	3	1	1	–	3
Naresh Chandra*	9	–	1	1	9
P Murari	7	1	1	3	3
Dr. Gita Piramal	4	–	3	1	3

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

As per declarations received, none of the directors serves as an independent director in more than seven listed companies. Further, the whole-time director in the Company does not serve as an independent director in more than three listed companies.

*Out of the total directorships, Naresh Chandra holds position of 'non-executive non-independent director' in two 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 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 the clause 49 of the erstwhile Listing Agreement (now corresponding to regulation 17(5) of the SEBI Listing Regulations, 2015), the Board at its meeting held on 10 September 2014 adopted a revised Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on the Company's website www.bhil.in

All Directors and Senior Management personnel have affirmed compliance with the new Code for 2015-16. A declaration to this effect signed by the Managing Director (CEO) is given in this Annual Report.

Maximum tenure of independent directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and regulation 25(2) of SEBI Listing Regulations, 2015.

Formal letter of appointment to independent directors

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013. As per regulation 46(2) of the SEBI Listing Regulations, 2015, the terms and conditions of appointment of independent directors are placed on the Company's website www.bhil.in

Performance Evaluation

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

- Performance evaluation criteria for Board, Committees of the Board and Directors were approved by the Board at its meeting held on 10 September 2014. The criteria are placed on the Company's website www.bhil.in
- Based on the said criteria, rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of performance of the Board, its Committees and Directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the ratings given by each of the director was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and the 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 Board at their meetings held on 17 March 2016.
- Under law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment did not arise.

Details on the evaluation carried out by the independent directors at their meeting held in March 2016 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 detailed Remuneration Policy is placed on http://www.bhil.in/inv/remuneration.html

Board Diversity Policy

In compliance with provisions of 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 adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition as at present broadly meets with the above objective.

Familiarisation Programme

With a view to familiarise the independent directors with the Company's operations, as required under regulation 25(7) of SEBI Listing Regulations, 2015, the Company has held various familiarisation programmes for the independent directors throughout the year on an ongoing and continuous basis.

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

Whistle Blower Policy/Vigil Mechanism

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

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

The directors in all cases and employees in appropriate or exceptional cases will have direct access to the Chairman of the Audit Committee. The said Policy is placed on the Company's website www.bhil.in

Subsidiary companies

The Company has Bajaj Auto Holdings Ltd. as its unlisted subsidiary company which however, is not a `material subsidiary' as defined under regulation 16(1)(c) of 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 10 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.bhil.in/inv/material_subsidiaries.html

Provisions to the extent applicable as required under regulation 24 of the SEBI Listing Regulations, 2015 with reference to subsidiary companies were duly complied.

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

Related party transactions

All related party transactions (RPTs) which were entered into during the financial year were on an arm's length basis and were 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 SEBI Listing Regulations, 2015.

During the year 2015-16, as required under section 177 of the Companies Act, 2013 and regulation 23 of SEBI Listing Regulations, 2015 all RPTs were placed before the Audit Committee for approval.

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

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

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

Disclosures

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

Audit Committee

Constitution and composition

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

During the year under review, Nanoo Pamnani, an independent director of the Company, relinquished his chairmanship in the Audit Committee of the Company, while continuing as its member. In view of the vacancy arising out of the relinquishment of Chairmanship by Nanoo Pamnani, the Board at its meeting held on 4 February 2016 appointed Naresh Chandra, an independent director of the Company and member of the Audit Committee as its Chairman, in place of Nanoo Pamnani.

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

Meetings and attendance

During 2015-16, the Audit Committee met four times viz. 21 May 2015, 23 July 2015, 21 October 2015, and 4 February 2016. The meetings were scheduled well in advance and not more than one hundred and twenty days elapsed between any two meetings.

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

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

Table 3: Composition of Audit Committee and attendance record of members for 2015-16

Name of director	Category	Meetings attended
Naresh Chandra	Chairman, non-executive, independent	4/4
S H Khan*	Non-executive, independent	3/3
Nanoo Pamnani	Non-executive, independent	4/4
Manish Kejriwal	Non-executive	3/4

* S H Khan expired on 12 January 2016

Nanoo Pamnani, the then Chairman of Audit Committee was present at the annual general meeting of the Company held on 23 July 2015, to answer shareholders' queries.

Nomination and Remuneration Committee

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

The Board at its meeting held on 15 May 2014, renamed the Committee as Nomination and Remuneration Committee and also revised the terms of reference for this Committee at its meeting held on 10 September 2014, in compliance with section 178 of Companies Act, 2013 and clause 49 of the erstwhile Listing Agreement.

In view of the vacancy arising out of the sad demise of S H Khan (erstwhile Chairman of the Nomination and Remuneration Committee), the Board at its meeting held on 4 February 2016 appointed Naresh Chandra as the Chairman of the Nomination and Remuneration Committee of the Company.

During the year under review, the Committee met twice, i.e. on 21 May 2015 and 17 March 2016.

Table 4: Composition of the Nomination and Remuneration Committee and attendance record of members for 2015-16

Name of director	Category	Meetings attended
Naresh Chandra	Chairman, Non-executive, independent	2/2
D J Balaji Rao	Non-executive, independent	2/2
S H Khan*	non-executive, independent	1/1
Nanoo Pamnani	Non-executive, independent	2/2
Rahul Bajaj	Non-executive	2/2

* S H Khan expired on 12 January 2016

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

On 21 May 2015, the Committee, inter alia, approved and recommended to the Board:

i) Revision in the remuneration of Managing Director.
ii) Review of change in remuneration to Senior Managerial Personnel.

On 17 March 2016, the Committee, inter alia, recommended for consideration of the Board:

i) Evaluation of the Board, Committees and the Directors.
ii) Directors' annual declarations regarding 'fit and proper' status for the year 2016-17 as per NBFC Regulations.

S H Khan, the then Chairman of Nomination and Remuneration Committee was present at the annual general meeting of the Company held on 23 July 2015, to answer shareholders' queries.

Risk Management Committee

Regulation 21 of SEBI Listing Regulations, 2015 mandates constitution of Risk Management Committee applicable to top 100 listed companies by market capitalisation, as at the end of the immediate previous financial year. BHIL was not covered in such a list as on 31 March 2015.

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

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

Stakeholders Relationship Committee

The Board of Directors of the Company constituted its Shareholders' and Investors' Grievance Committee in 2000. This Committee was constituted to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends etc.

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

In compliance with the provisions of section 178 of the Companies Act, 2013 and clause 49 of the erstwhile Listing Agreement (now corresponding to regulation 20 of the SEBI Listing Regulations, 2015), the Board renamed the Committee as 'Stakeholders Relationship Committee' and revised the terms of reference of said Committee as follows:

1. To look into the redressal of complaints of security-holders on matters relating to transfer of shares, dematerialisation of shares, non-receipt of annual report, non-receipt of dividend, matters relating to issue of new share certificates etc.

2. To look into matters that can facilitate better security-holders services and relations.

During the year under review, the Committee met on 17 March 2016 to, inter alia, review the status of investors' services rendered.

Table 5: Composition of the Stakeholders Relationship Committee

Name of director	Category	Meeting attendance
P Murari	Chairman, non-executive, independent	No
S H Khan*	Non-executive, independent	NA
Nanoo Pamnani	Non-executive, independent	Yes
Manish Kejriwal	Non-executive	Yes
Dr. Gita Piramal	Non-executive, independent	Yes

* S H Khan expired on 12 January 2016

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

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

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

P Murari, Chairman of Stakeholders Relationship Committee was present at the annual general meeting of the Company held on 23 July 2015, to answer shareholders' queries.

Table 6: Investors' Complaints attended and resolved during 2015-16

Investors' complaints	Attended/resolved during 2015-16
Pending at the beginning of the year	Nil
Received during the year	11
Disposed of during the year	11
Remaining unresolved at the end of the year	Nil

Pursuant to circular issued by SEBI in December 2010 (now corresponding to regulation 39(4) of SEBI Listing Regulations, 2015) for dealing with physical unclaimed shares, the Company has a demat account with HDFC Bank titled 'Bajaj Holdings & Investment Ltd. - Unclaimed Suspense Account' to which all the unclaimed shares stand transferred in terms of the said circular.

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

Independent Directors' Meeting

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of SEBI Listing Regulations, 2015, the independent directors held their separate meeting on 17 March 2016, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

i) review the performance of non-independent directors and the Board as a whole;

ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

iii) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and

iv) review the responsibility of independent directors with regard to internal financial controls.

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

The independent directors present elected Naresh Chandra as Chairman for the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

Remuneration of directors

Pecuniary transactions with non-executive directors

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

The register of contracts is maintained by the Company pursuant to section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

Criteria of making payments to non-executive directors

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

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

Non-executive directors

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

Managing Director

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

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

Details of Remuneration to directors

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

In 2015-16, the Company did not advance any loans to any of the non-executive directors, and/or Managing Director. Details of remuneration paid/payable to directors during 2015-16 are provided in an annexure to the Directors' Report in section VI(B) of Form MGT-9, i.e. extract of the Annual Return.

Shareholding of Directors

Information on shares held by directors in the Company as on 31 March 2016 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 separate chapter in the Annual Report.

Disclosure of material transactions

Pursuant to regulation 26(5) of the SEBI Listing Regulations, 2015, Senior Management made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was nil.

Compliances regarding insider trading

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

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

a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and

b) Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.

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

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

Means of Communication

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

The Company has its own website www.bhil.in which contains all important public domain information including presentations, if any, made to the media, analysts and institutional investors. The website contains information as prescribed under the Companies Act, 2013 and SEBI Listing Regulations, 2015, including details of the corporate contact persons and share transfer agent of the Company, shareholding pattern etc.

Section 20 and 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members'/ shareholders' email addresses. The Company, during the year under review, sent documents, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report, credit of dividend intimation letters, etc. in electronic form at the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request.

All financial and other vital official news releases and documents under SEBI Listing Regulations, 2015 are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

The Company further files online such information on financial statements and other matters as specified on the approved website of London Stock Exchange.

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

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

Details of AGM	Date and time of AGM
68th AGM	19 July 2013 at 4.15 p.m.
69th AGM	17 July 2014 at 4.15 p.m.
70th AGM	23 July 2015 at 4.15 p.m.

No special resolution was passed at the annual general meetings held during the years 2013, 2014 and 2015. During the year under review, the Company did not adopt postal ballot mode for passing any resolution by the shareholders.

Details of capital market non-compliance, if any

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

Compliance Certificate

The MD and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) read with Part B of Schedule II of 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 2015-16. The Company has been regularly forwarding the quarterly compliance report to the Stock exchanges as required under regulation 27(2) of the SEBI Listing Regulations, 2015.

Auditors' certificate on corporate governance

The Company has obtained the certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in Part E of Schedule V to the SEBI Listing Regulations, 2015. This certificate is annexed to the Directors' Report and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.

Compliance of mandatory and discretionary requirements

Mandatory

The Company has complied with the mandatory requirements of the SEBI Listing Regulations, 2015.

Discretionary

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

1. The Board

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

2. Shareholder rights

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

3. Modified opinion(s) in audit report

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

4. Separate posts of Chairperson and Chief Executive Officer

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

5. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

General Shareholder Information

71st Annual General Meeting

Date	27 July 2016
Time	4.00 p.m.
Venue	Registered office at Mumbai-Pune Road, Akurdi, Pune 411 035

Financial calendar

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

Dividend

The Board at its meeting held on 9 March 2016 declared an interim dividend at the rate of ₹ 25 per equity share (250%) for the year ended 31 March 2016. The same was credited/ dispatched to the shareholders on 23 March 2016.

Further, the Board of Directors of the Company has proposed a dividend of ₹ 7.50 per equity share (75%) for the financial year 2015-16, subject to approval by the shareholders at the ensuing annual general meeting.

Total dividend (including interim dividend), being paid to the shareholders for the year 2015-16 shall be ₹ 32.50 per equity share of ₹ 10 each (325%), same as in the previous year.

Dates of book closure

The register of members and share transfer books of the Company will remain closed from **Saturday, 16 July 2016** to **Wednesday, 27 July 2016**, both days inclusive.

Date of dividend payment

Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 1 August 2016 and/or 2 August 2016:

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, 15 July 2016;** and

b) to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/share transfer agent (i.e. Karvy Computershare Pvt. Ltd.) on or before the close of business hours on **Friday, 15 July 2016.**

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

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

Beneficial owners holding shares in electronic form are requested to furnish their bank account details to their respective depository participants and make sure that such changes are recorded by them correctly. The request for updation 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

Unclaimed dividends upto 1994-95 have been transferred to the general revenue account of the Central Government. Those who have not encashed their dividend warrants for the period prior to and including 1994-95 are requested to claim the amount from Registrar of Companies, Maharashtra, Pune, situated at PMT Building, Deccan Gymkhana, Pune 411 004.

As per section 205-C of the Companies Act, 1956, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the Investor Education and Protection Fund (Fund) set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1995-96 to 2007-08 were transferred by the Company to the said Fund in the respective years 2003 to 2015. No claims shall lie against the Fund or the Company in respect of amounts so transferred.

Unpaid/unclaimed dividend for 2008-09 shall become transferable to the Fund in September 2016. Members are requested to verify their records and send claim, if any, for the financial year 2008-09, before the amount becomes due for transfer to the Fund. Communication has been sent to the members who have not yet claimed dividend for the financial year 2008-09, requesting them to claim the same.

Further, the Ministry of Corporate Affairs vide its notification dated 10 May 2012 prescribed the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, which mandates all the companies to file the particulars of all the unclaimed and unpaid amounts through e-Form 5 INV on the web portal of Ministry of Corporate Affairs http://www.iepf.gov.in/IEPF/index.html and subsequently also upload the data on the website of the Company. During the year under review, the Company has accordingly filed the necessary e-Form on 15 October 2015 for the financial year ended 31 March 2015. The details of unclaimed dividends for the financial years 2007-08 to 2013-14 have been uploaded on the Company's website www.bhil.in

Share transfer agent

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

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

Share transfer system

Share transfers received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. Total number of shares transferred in physical category during 2015-16 was 57,189 shares versus 42,293 shares during 2014-15.

Dematerialisation/rematerialisation of shares and liquidity

During 2015-16, 1,896,804 shares were dematerialised, compared to 152,686 shares during 2014-15. Shares held in physical and electronic mode as on 31 March 2016 are as given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2016		Position as on 31 March 2015		Net change during 2015-16	
	No. of shares	% of total shareholding	No. of shares	% of total shareholding	No. of shares	% of total shareholding
Physical	7,049,992	6.33	8,946,496	8.04	(1,896,504)	(1.71)
Demat:						
NSDL	101,377,512	91.09	99,724,028	89.60	1,653,484	1.49
CDSL	2,866,006	2.58	2,622,986	2.36	243,020	0.22
Sub Total	104,243,518	93.67	102,347,014	91.96	1,896,504	1.71
Total	**111,293,510**	**100.00**	**111,293,510**	**100.00**	–	–

Outstanding convertible instruments/ADRs/GDRs/Warrants

The Company issued Global Depository Receipts (GDRs) in 1994 and the underlying shares against each GDR were issued in the name of the overseas depository i.e. Deutsche Bank Trust Company Americas. As on 31 March 2016, 193,338 GDRs were outstanding and represented an equal number of underlying equity shares. The Company did not have any other outstanding convertible instruments/ADRs/GDRs/Warrants as on 31 March 2016.

GDRs of the Company have been transferred from the Main Market to the Professional Securities Market of the London Stock Exchange, with effect from 10 March 2007. With this transfer, the Company continued to present its financial statements under Indian GAAP.

Stock code

BSE, Mumbai	500490
National Stock Exchange	BAJAJHLDNG
Reuters	BJAT.BO
Bloomberg	BJHI.IN
ISIN for Depositories (NSDL and CDSL)	INE118A01012
SEDOL for GDRs on London Stock Exchange	4039077
ISIN for GDRs on London Stock Exchange	US0571002080

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.

GDRs are listed on the London Stock Exchange, having its registered office at 10 Paternoster Square, EC4M 7LS, London, UK.

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

For the year 2015-16, the listing fees payable to these stock exchanges have been paid in full.

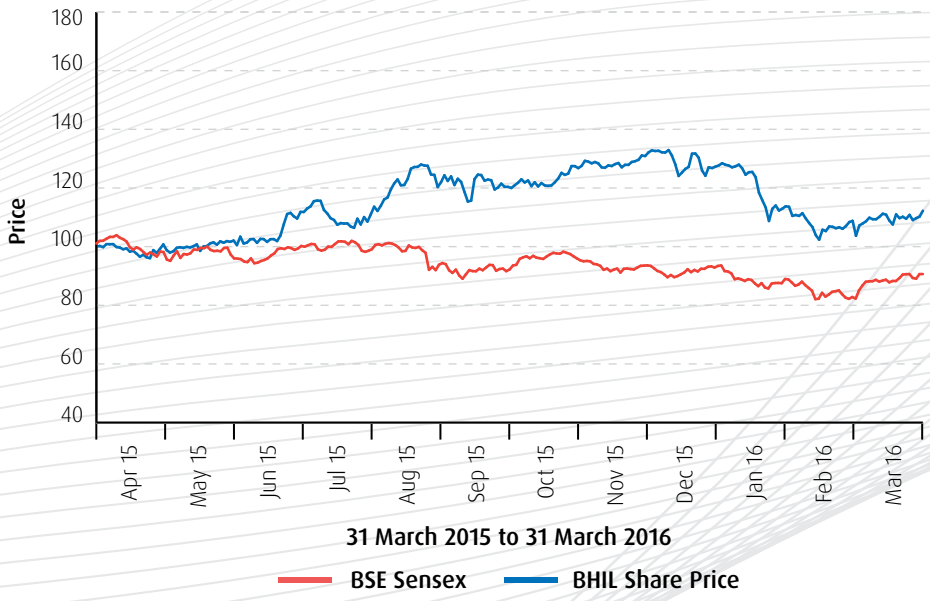
Market price data

Table 2 gives the monthly highs and lows of the Company's shares on the BSE Ltd. (BSE), the National Stock Exchange (NSE) and for the GDRs, on the London Stock Exchange (London SE)

Table 2: Monthly highs and lows of equity shares of Bajaj Holdings & Investment Ltd. during 2015-16 (₹ vis-à-vis BSE Sensex)

Month	BSE		NSE		LONDON SE (GDRs)		Closing BSE Sensex
	High	Low	High	Low	High	Low	
Apr 15	1,344.00	1,242.85	1,348.00	1,244.20	1,367.78	1,313.08	27,011.31
May 15	1,359.55	1,265.00	1,346.00	1,259.05	1,382.19	1,362.20	27,828.44
Jun 15	1,495.00	1,282.70	1,494.10	1,296.30	1,380.66	1,211.82	27,780.83
Jul 15	1,533.30	1,380.00	1,537.90	1,372.25	1,410.31	1,202.79	28,114.56
Aug 15	1,690.00	1,469.00	1,694.05	1,462.00	1,808.60	1,401.47	26,283.09
Sep 15	1,660.00	1,490.00	1,660.35	1,480.05	1,483.39	1,443.75	26,154.83
Oct 15	1,710.00	1,553.00	1,718.95	1,559.10	1,576.41	1,450.16	26,656.83
Nov 15	1,740.00	1,650.00	1,740.00	1,649.95	1,644.93	1,579.11	26,145.67
Dec 15	1,745.00	1,585.20	1,747.80	1,601.00	1,653.05	1,624.47	26,117.54
Jan 16	1,690.30	1,406.70	1,695.00	1,406.65	1,675.93	1,634.90	24,870.69
Feb 16	1,525.00	1,310.85	1,526.00	1,310.00	1,695.56	1,660.66	23,002.00
Mar 16	1,527.80	1,360.00	1,533.30	1,350.55	1,663.59	1,627.22	25,341.86

Bajaj Holdings & Investment Ltd. Vs BSE Sensex, indexed to 100 on 31 March 2015



Distribution of shareholding

Table 3 gives details about the pattern of shareholding among various categories as on 31 March 2016, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholding across categories as on

Categories	31 March 2016		31 March 2015	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	47,042,717	42.27	45,845,335	41.19
Friends and associates of promoters	14,595,844	13.12	14,707,511	13.22
GDR*	193,338	0.17	234,679	0.21
Foreign Institutional Investors/ Foreign Portfolio Investors	19,146,222	17.20	19,954,940	17.93
Public financial institutions	5,387,520	4.85	6,736,534	6.05
Mutual funds	1,373,801	1.23	1,462,034	1.31
Nationalised and other Banks	51,922	0.05	67,937	0.06
NRIs and OCBs	605,884	0.54	531,183	0.48
Others	22,896,262	20.57	21,753,357	19.55
Total	**111,293,510**	**100.00**	**111,293,510**	**100.00**

*Under the deposit agreement, the depository exercises the voting rights on the shares underlying the GDRs as directed by the promoters of the Company.

Table 4: Distribution of shareholding according to size class as on 31 March 2016

Category	Number of shareholders	% to total shareholders	Number of shares	% to total shares
1 to 500	39,359	91.01	2,266,288	2.04
501 to 1000	1,337	3.10	975,268	0.88
1001 to 2000	965	2.23	1,374,829	1.23
2001 to 3000	447	1.03	1,118,826	1.01
3001 to 4000	218	0.50	768,576	0.69
4001 to 5000	158	0.37	728,822	0.65
5001 to 10000	318	0.74	2,230,286	2.00
10001 And Above	443	1.02	101,830,615	91.50
Total	**43,245**	**100.00**	**111,293,510**	**100.00**

Shareholders' and investors' grievances

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

Routine queries/complaints received from shareholders are promptly attended to and replied. Queries/complaints received during the period under review related to non-receipt of dividend by warrants as well as through electronic clearing service, non-receipt of annual report, non-receipt of transferred shares and change of address and/or bank particulars. As on 31 March 2016, there were no pending issues to be addressed or resolved.

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

Demat suspense account with HDFC Bank for unclaimed shares

In accordance with the provisions contained in clause 5A of the erstwhile Listing Agreement (now corresponding to regulation 39(4) of the SEBI Listing Regulation, 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 17,947 shares held by 100 shareholders were transferred to the said suspense account in April 2012. Voting rights on such shares are to remain frozen till the rightful owner claims the shares.

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

The summary of this account for the year 2015-16 is as follows:

Sr.No.	Particulars	No. of shareholders	No. of shares
i.	Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 April 2015	93	10,104
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2015-16	1	300
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2015-16	1	300
iv.	Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 March 2016	92	9,804

Nomination

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

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

Voting through electronic means

Pursuant to section 108 of the Companies Act, 2013 and the Rules made thereunder and provisions under the SEBI Listing Regulations, 2015, every listed company is required to provide its members 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 be therefore able to exercise their voting rights on the items put up in the Notice of annual general meeting, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Rules, 2014 as amended, the Company shall also be making arrangements to provide e-voting facility at the venue of the annual general meeting.

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

Cut-off date, as per the said Rules shall be **20 July 2016** and the remote e-voting shall be open for a period of three days, from **24 July 2016 (9.00 a.m.)** till **26 July 2016 (5.00 p.m.)**. The Board has appointed Shyamprasad D Limaye, Practising Company Secretary as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice of the seventy first annual general meeting and is also placed on the website of the Company.

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

Address for correspondence

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

Share transfer agent

Karvy Computershare Pvt. Ltd.

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

Contact persons

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

Company

Bajaj Holdings & Investment Ltd.

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

Company Secretary and Compliance Officer

Vallari Gupte
Tel No: (020) 6610 7150, 2747 2851
Fax No: (020) 2740 7380
E-mail: investors@bhil.in
Website: www.bhil.in

Standalone Financial Statements

Independent Auditors' Report on the Standalone Financial Statements

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

1. We have audited the accompanying standalone financial statements of Bajaj Holdings & Investment Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

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

Report on other legal and regulatory requirements

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

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

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

        i. The Company has disclosed the impact, if any, of pending litigations as at 31 March 2016 on its financial position in its standalone financial statements.

        ii. The Company did not have any long-term contracts including derivative contracts as at 31 March 2016.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2016.

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Bajaj Holdings & Investment Ltd. on the standalone financial statements for the year ended 31 March 2016

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

1. We have audited the internal financial controls over financial reporting of Bajaj Holdings & Investment Ltd. ('the Company') as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

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

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

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

Meaning of internal financial controls over financial reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure A to Independent Auditors' Report (Contd.)

Inherent limitations of internal financial controls over financial reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Bajaj Holdings & Investment Ltd. on the standalone financial statements as of and for the year ended 31 March 2016

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

   (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

   (c) The title deeds of immovable properties, as disclosed in Note 9 on fixed assets to the financial statements, are held in the name of the Company, except for leasehold land of gross block amounting to ₹ 1.21 crore and net block of ₹ 1.19 crore wherein title is pending to be transferred in the MIDC records in the name of the Company due to change in the name consequent to the demerger of erstwhile Bajaj Auto Ltd.

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

3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

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

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

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

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

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at 31 March 2016 which have not been deposited on account of a dispute, are as follows:

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income tax	Matters arising out of assessment orders received	0.58	Assessment year 1990-91, Assessment year 1991-92	ITAT (Income Tax Appellate Tribunal)
Income tax	Matters arising out of assessment orders received	391.17	Assessment year 1995-96 to Assessment year 2007-08	ITAT (Income Tax Appellate Tribunal)
	Total	**391.75**		

Annexure B to Independent Auditors' Report (Contd.)

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

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

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

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

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

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

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

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

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

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March 2016	2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	111.29	111.29
Reserves and surplus	4	6,686.76	5,851.58
		6,798.05	**5,962.87**
Non-current liabilities			
Deferred tax liabilities (net)	5	6.16	5.21
Other long-term liabilities	6	25.78	25.65
Long-term provisions	7	1.26	0.15
		33.20	**31.01**
Current liabilities			
Trade payables	8	0.52	1.09
Other current liabilities	8	24.70	14.22
Short-term provisions	7	113.57	447.44
		138.79	**462.75**
Total		**6,970.04**	**6,456.63**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	6.92	7.13
Lease adjustment account - plant and machinery		17.50	17.50
		24.42	24.63
Non-current investments	10	5,285.62	5,799.77
Long-term loans and advances	11	137.23	151.62
Other non-current assets	12	–	–
		5,447.27	**5,976.02**
Current assets			
Current investments	10	22.75	372.74
Cash and bank balances	13	1,421.46	45.19
Short-term loans and advances	11	12.58	10.71
Other current assets	12	65.98	51.97
		1,522.77	**480.61**
Total		**6,970.04**	**6,456.63**
Summary of significant accounting policies followed by the Company	2		

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Naresh Chandra
Chairman - Audit Committee

Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2016	2015
Revenue from operations	14	1,394.51	972.22
Other income	15	6.77	34.24
Total revenue		**1,401.28**	**1,006.46**
Expenses			
Employee benefits expense	16	14.43	6.46
Depreciation and amortisation	17	5.30	5.16
Other expenses	18	22.99	30.34
Total expenses		**42.72**	**41.96**
Profit before tax		**1,358.56**	**964.50**
Tax expense			
Current tax		87.10	91.40
Less: MAT credit entitlement		–	12.34
Net current tax		87.10	79.06
Deferred tax		0.95	0.52
Total tax expense		88.05	79.58
Profit after tax		**1,270.51**	**884.92**
Tax (debits)/credits pertaining to earlier years		–	(17.19)
Profit for the year		**1,270.51**	**867.73**
Basic and diluted Earnings per share (In ₹)	19	114.2	78.0
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Company	2		

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Naresh Chandra
Chairman - Audit Committee

Cash Flow Statement

(₹ In Crore)

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
I. Operating activities				
Profit before tax		1,358.56		964.50
Adjustments:				
Add:				
i) Depreciation and amortisation	5.30		5.16	
ii) Provision for diminution in value of investments	–		15.00	
		5.30		20.16
Less:				
i) Provision for diminution in value of investments written back	3.14		3.72	
ii) Profit on sale of investments, net	113.51		213.66	
iii) Surplus on redemption of securities, net	–		0.33	
iv) Income from units of mutual fund	–		0.79	
v) Amortisation of premium/discount on acquisition of fixed income securities	19.03		11.43	
		135.68		229.93
		1,228.18		754.73
Change in assets and liabilities				
i) Loans and advances	0.01		3.01	
ii) Other assets	(14.01)		(2.58)	
iii) Other bank balances	(10.28)		0.50	
iv) Liabilities and provisions	13.81		3.59	
		(10.47)		4.52
(Purchase)/sale of money market mutual funds, etc., net *	13.11		47.77	
		13.11		47.77
Net cash from operating activities before income-tax		1,230.82		807.02
Income-tax refund/paid for earlier years (net)		–		69.52
Income-tax paid		(87.37)		(100.18)
Net cash from operating activities		**1,143.45**		**776.36**
Carried forward		1,143.45		776.36

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Brought forward	1,143.45	776.36
II. Investing activities		
i) Sale of current and long-term investments*	2,420.62	1,850.03
ii) Purchase of current and long-term investments*	(1,399.00)	(2,294.73)
Net cash from investing activities	**1,021.62**	**(444.70)**
III. Financing activities		
i) Dividend paid	(629.65)	(334.38)
ii) Corporate dividend tax paid	(129.43)	(56.59)
Net cash from financing activities	**(759.08)**	**(390.97)**
Net change in cash and cash equivalents	**1,405.99**	**(59.31)**
Cash and cash equivalents as at 1 April 2015 [Opening balance]	0.92	60.23
Cash and cash equivalents as at 31 March 2016 [Closing balance]	1,406.91	0.92
	-	-

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

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Vallari Gupte
Company Secretary

Naresh Chandra
Chairman - Audit Committee

Notes to financial statements for the year ended 31 March 2016

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

2 Summary of significant accounting policies followed by the Company

Basis of preparation

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

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016.

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

1) System of accounting

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

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

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

2) Revenue recognition

Income

The Company recognises income (including rent etc.) on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

(1) Income from debentures and bonds is accrued over the maturity of the security, net of amortisation of premium/discount, thereby recognising the implicit yield to maturity, with reference to the coupon dates, where applicable. However, income is accrued only where interest is serviced regularly and is not in arrears, as per the applicable prudential norms prescribed for NBFCs by RBI to the extent applicable to the Company and the guidelines framed by the Management.

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

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

Notes to financial statements for the year ended 31 March 2016 (Contd.)

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

3) Fixed assets and depreciation

A. Tangible assets

i) Tangible assets except land are carried at cost of acquisition, construction or at manufacturing cost, as the case may be, less accumulated depreciation and amortisation. Land is carried at cost of acquisition. Cost represents all expenses directly attributable to bringing the asset to its working condition for its expected use.

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

B. Depreciation and amortisation

(a) Leasehold land

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

(b) On other tangible assets

i. a. Depreciation is provided on a pro rata basis on the straight line method over the useful lives of the assets.

b. Useful life of assets are determined by the Management by internal technical assessments.

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

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

Assets given on lease in relation to investment property having nil residual value
Computers
Furniture
Office equipment
Electric fittings

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

iv. Depreciation on assets sold, discarded or demolished during the year is being provided upto the month in which such assets are sold, discarded or demolished.

C. Impairment of assets

An assessment is done at each Balance Sheet date as to whether there are any indications that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset is made. Where the carrying value of the asset exceeds the recoverable amount, the carrying value is written down to the recoverable amount.

4) Investments

a) Current investments representing debt securities with a maturity less than 1 year and those intended to be held for a period less than 1 year from the date on which the investment is made are stated at cost adjusted for amortisation and diminution with reference to realisable value, as necessary.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

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

b) Where the Management reassesses its intention of holding a security for long-term or short-term, necessary transfers are made inter se between long-term and current investments, in accordance with the prudential norms specified by RBI, applicable to the Company in this behalf.

c) Debt securities, other than current, are carried at cost, less amortisation of premium/discount, as the case may be, and provision for diminution, if any, as considered necessary.

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

e) Long-term investments maturing within 12 months from the close of the year (current maturities) are reclassified as current investments. Investments with maturity of less than 3 months from the date of acquisition are classified as cash and cash equivalents.

f) Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments.

g) The Management has laid out guidelines for the purpose of assessing likely impairments in investments and for making provisions based on given criteria. Appropriate provisions are accordingly made, which in the opinion of the Management are considered adequate and also considering the prudential norms specified by RBI, applicable to the Company in this behalf.

h) Investment property represents immovable property not intended to be used for the Company's own operations and is carried at cost, less depreciation computed in the manner prescribed for Fixed assets.

5) Employee benefits

a) Privilege leave entitlements

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

b) Gratuity

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

c) Superannuation

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

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

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

f) Long-term incentive plan

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

Notes to financial statements for the year ended 31 March 2016 (Contd.)

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

6) Taxation

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

b) MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

c) Deferred tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystalise with reasonable certainty. However, in case of deferred tax assets (representing unabsorbed depreciation or carried forward losses) are recognised, if and only if there is virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised. Deferred tax is recognised on adjustments to revenue reserves to the extent the adjustments are allowable as deductions in determination of taxable income and they would reverse out in future periods.

7) Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

8) Operating leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

As a lessor

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

9) Earnings per share

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

Notes to financial statements for the year ended 31 March 2016 (Contd.)

3 Share capital

(₹ In Crore)

Particulars	As at 31 March 2016	2015
Authorised:		
150,000,000 equity shares of ₹ 10 each	150.00	150.00
Issued, subscribed and fully paid-up shares:		
111,293,510 equity shares of ₹ 10 each	111.29	111.29
	111.29	111.29

a. Of the above

4,342,676 equity shares issued by way of Euro equity issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares, excluding 2,171,388 equity shares allotted as bonus shares thereon. Outstanding GDRs at the close of the year were 193,338 (234,679).

b. Terms/rights/restrictions attached to equity shares

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

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

	As at 31 March 2016		As at 31 March 2015	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	17,914,001	16.10%	17,173,481	15.43%
Franklin Templeton Investment Funds	5,847,978	5.25%	6,269,648	5.63%
Jaya Hind Investments Pvt. Ltd.	5,805,256	5.22%	5,805,256	5.22%

Notes to financial statements for the year ended 31 March 2016 (Contd.)

4 Reserves and surplus

(₹ In Crore)

Particulars	As at 31 March 2016	2015
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	959.88	786.33
Add: Transferred from surplus in Statement of Profit and Loss	254.10	173.55
Closing balance	1,213.98	959.88
Securities premium account		
Balance as at the beginning of the year	444.42	444.42
General reserve		
Balance as at the beginning of the year	3,526.09	3,439.32
Add: Transferred from surplus in Statement of Profit and Loss	127.05	86.77
Closing balance	3,653.14	3,526.09
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	921.19	748.27
Profit for the year	1,270.51	867.73
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	254.10	173.55
Transfer to General reserve	127.05	86.77
Interim dividend	278.23	–
Tax on interim dividend	56.64	–
Proposed dividend	83.47	361.70
Tax on proposed dividend	16.99	72.79
Total appropriations	816.48	694.81
Balance in Statement of Profit and Loss	1,375.22	921.19
	6,686.76	5,851.58

Notes to financial statements for the year ended 31 March 2016 (Contd.)

5 Deferred tax liabilities (net)

(₹ In Crore)

Particulars	As at 31 March 2016	2015
Deferred tax liabilities		
On account of timing difference in		
Depreciation	7.52	7.52
Amortisation of discount on acquisition of fixed income securities	2.04	1.87
Long-term capital gain	5.75	5.75
Gross deferred tax liabilities	15.31	15.14
Deferred tax assets		
On account of timing difference in		
Diminution in value of investments	2.25	2.91
Provision for bad and doubtful debts, ICDs etc.	0.43	1.12
Provision for privilege leave etc.	0.11	0.05
Taxes, duties etc.	0.04	0.04
Amortisation of premium/discount on acquisition of fixed income securities	0.33	–
Adjustments on account of gratuity provisions	0.24	0.05
Provision for diminution in value of investments in terms of scheme of arrangement	–	0.01
Long-term capital loss	5.75	5.75
Gross deferred tax assets	9.15	9.93
	6.16	5.21

6 Other long-term liabilities

(₹ In Crore)

Particulars	As at 31 March 2016	2015
Lease security deposit	17.50	17.50
Other security deposits	8.28	8.15
	25.78	25.65

Notes to financial statements for the year ended 31 March 2016 (Contd.)

7 Provisions

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Provision for employee benefits [See note 22]				
Provision for gratuity	0.71	0.15	–	–
Provision for compensated absence	–	–	0.33	0.17
Provision for long-term incentive plan	0.55	–	–	–
	1.26	0.15	0.33	0.17
Other provisions				
Provision for tax (net of tax paid in advance)	–	–	12.78	12.78
Proposed dividend *	–	–	83.47	361.70
Tax on proposed dividend	–	–	16.99	72.79
	–	–	113.24	447.27
	1.26	0.15	113.57	447.44

* Dividend per equity share recognised as distribution to equity shareholders, for the year ended 31 March 2016 amounts to ₹ 32.50 comprising of interim dividend of ₹ 25 and proposed dividend of ₹ 7.50 (325%). The final dividend for the year ended 31 March 2015 was also ₹ 32.50 per equity share (325%).

8 Current liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2016	2015
Trade payables		
Total outstanding dues of micro enterprises and small enterprises *	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.52	1.09
	0.52	1.09
Other current liabilities		
Security deposits	1.00	3.00
Unclaimed dividend	14.55	4.27
Directors' remuneration and commission payable	7.64	4.60
Employee benefits payable	0.97	0.10
Taxes payable	0.26	2.13
Other payables	0.28	0.12
	24.70	14.22
	25.22	15.31

* On the basis of information requested from vendors with regards to their registration (filing of Memorandum) under 'The Micro, Small and Medium Enterprises Development Act, 2006. (27 of 2006)' and in view of the terms of payments not exceeding 45 days, which has been promptly paid, no liability exists at the close of the year and hence no disclosures have been made in this regard.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

9 Fixed assets (tangible assets)

Current year

(₹ In Crore)

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

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

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

ii Excludes premises held as investment properties and given on lease disclosed as an investment. Cost of investment property includes premises on ownership basis ₹ 5.61 crore represented by 1,770 equity shares and 182 debentures of the face value of ₹ 17,700 and ₹ 18,900,000 respectively. Correspondingly depreciation for the year on investment property amounting to ₹ 5.09 crore (previous year ₹ 4.95 crore) has been reduced from the same investments under note 10.

(c) Refer note 2 clause 3) A. and B. of summary of significant accounting policies.

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

(e) Represents amount amortised over lease period.

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

Previous year

(₹ In Crore)

Particulars	Gross block (a) (c)				Depreciation				Net block
	As at 31 Mar 14	Additions	Deductions/ adjustments	As at 31 Mar 15	As at 31 Mar 14	Deductions/ adjustments	For the year (c) (g)	As at 31 Mar 15	As at 31 Mar 15
Land freehold (d)	–	–	–	–	–	–	–	–	–
Land leasehold (f)	1.23	–	0.02 (e)	1.21	–	–	–	–	1.21
Buildings (b)	8.18	–	–	8.18	2.43	–	0.14	2.57	5.61
Vehicles	0.44	–	–	0.44	0.08	–	0.05	0.13	0.31
Leased assets: Plant and machinery	87.50	–	–	87.50	87.50	–	–	87.50	–
Total	**97.35**	**–**	**0.02**	**97.33**	**90.01**	**–**	**0.19**	**90.20**	**7.13**

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

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

ii Excludes premises held as investment properties and given on lease disclosed as an investment. Cost of investment property includes premises on ownership basis ₹ 5.61 crore represented by 1,770 equity shares and 182 debentures of the face value of ₹ 17,700 and ₹ 18,900,000 respectively. Correspondingly depreciation for the year on investment property amounting to ₹ 4.95 crore (previous year ₹ 4.36 crore) has been reduced from the same investments under note 10.

(c) Refer note 2 clause 3) A. and B. of summary of significant accounting policies.

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

(e) Represents amount amortised over lease period.

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

(g) Consequent to the enactment of the Companies Act, 2013(the Act) and its applicability for accounting periods commencing after 1 April 2014, the Company has re-worked depreciation with reference to the estimated economic lives of fixed assets in the manner prescribed by Schedule II to the Act as against past practice of providing at the minimum of rates prescribed in Schedule XIV of the Companies Act, 1956. There are no assets whose useful life has completed at the beginning of the year. The carrying value has been depreciated over the remaining of the revised life of the assets and recognised in the Statement of Profit and Loss.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

10 Investments

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
(A) Long-term investments:				
In Investment Property:				
Unquoted:				
Cost of premises given on operating lease	218.48	206.46	–	–
Add: Additions during the year	–	12.02	–	–
Less: Accumulated depreciation	17.19	12.10	–	–
	201.29	206.38	–	–
In Government and Trust Securities:				
Quoted:				
7.16% Government of India Stock 2023 of face value of ₹ 1,000,000,000 (net of provision for diminution amounting to ₹ Nil - previous year ₹ 0.44 crore)	–	91.94	–	–
7.28% Government of India Stock 2019 of face value ₹ 750,000,000 (net of provision for diminution amounting to ₹ Nil - previous year ₹ 0.10 crore)	–	70.73	–	–
8.12% Government of India Stock 2020 of face value ₹ 1,600,000,000 (net of provision for diminution amounting to ₹ Nil - previous year ₹ 0.02 crore)	–	155.33	–	–
8.20% Government of India Stock 2025 of face value ₹ 200,000,000 (net of provision for diminution amounting to ₹ Nil - previous year ₹ 1.40 crore)	–	18.50	–	–
8.33% Government of India Stock 2026 of face value of ₹ 200,000,000 (net of provision for diminution amounting to ₹ Nil - previous year ₹ 0.72 crore)	–	19.02	–	–
7.80% Government of India Stock 2020 of face value ₹ 1,500,000,000	–	144.50	–	–
8.28% Government of India Stock 2027 of face value of ₹ 2,500,000,000 (previous year - ₹ 4,000,000,000)	257.81	412.50	–	–
8.35% Government of India Stock 2022 of face value of ₹ 3,300,000,000 (previous year - ₹ 3,300,000,000)	326.65	326.65	–	–
8.40% Government of India Stock 2024 of face value of ₹ 2,250,000,000 (previous year - ₹ 400,000,000)	232.78	41.73	–	–
8.60% Government of India Stock 2028 of face value of ₹ Nil (previous year - ₹ 1,500,000,000)	–	160.77	–	–
8.83% Government of India Stock 2023 of face value of ₹ 1,200,000,000 (previous year - ₹ 2,750,000,000)	123.92	283.99	–	–
8.08% Government of India Stock 2022 of face value of ₹ 600,000,000	60.76	–	–	–
8.15% Government of India Stock 2026 of face value of ₹ 2,253,730,000	230.11	–	–	–
	1,232.03	1,725.66	–	–
Less: Amortisation of premium/(discount) on acquisition	1.41	(1.82)	–	–
	1,230.62	1,727.48	–	–
Carried over	1,431.91	1,933.86	–	–

Notes to financial statements for the year ended 31 March 2016 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2016	**2015**	**2016**	**2015**
Brought over	1,431.91	1,933.86	–	–
In Fully Paid Preference Shares:				
Unquoted:				
196,169 0.01% Cumulative Redeemable Preference Shares of ₹ 10 each in Mukand Ltd.	0.19	0.19	–	–
300,000 14.50% Redeemable Cumulative Non Convertible Preference Shares of ₹ 100 each in Southern Petrochemical Industries Corporation Ltd. (net of provision for diminution amounting to ₹ 2.99 crore - previous year ₹ 2.99 crore)	–	–	–	–
	0.19	0.19	–	–
In Fully Paid Equity Shares:				
Associate Company				
Trade:				
Quoted:				
91,119,000 Shares of ₹ 10 each in Bajaj Auto Ltd.	286.22	286.22	–	–
62,314,214 Shares of ₹ 5 each in Bajaj Finserv Ltd.	743.82	743.82	–	–
	1,030.04	1,030.04	–	–
Joint Venture				
Trade:				
Quoted:				
2,742,848 Shares of ₹ 10 each in Maharashtra Scooters Ltd.	0.24	0.24	–	–
Subsidiary Company				
Trade:				
Unquoted:				
24,500 Shares of ₹ 100 each in Bajaj Auto Holdings Ltd.	0.25	0.25	–	–
Others				
Trade:				
Quoted:				
16,697,840 Shares of ₹ 2 each in Bajaj Electricals Ltd. (Group Company)	111.77	111.77	–	–
6,251,040 Shares of ₹ 1 each in Hercules Hoists Ltd. (Group Company)	12.34	12.34	–	–
54,000 Shares of ₹ 10 each in Mukand Engineers Ltd. (Group Company)	0.10	0.10	–	–
8,113,204 Shares of ₹ 10 each in Mukand Ltd. (Group Company)	32.89	32.89	–	–
	157.10	157.10	–	–
Carried over	2,619.73	3,121.68	–	–

Notes to financial statements for the year ended 31 March 2016 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars		Non-current portion		Current maturities/investments	
		As at 31 March		As at 31 March	
		2016	2015	2016	2015
	Brought over	2,619.73	3,121.68	–	–
Others:					
Unquoted:					
1	Share of ₹ 100 each in The Poona District Motor Transport Co-operative Co Ltd. (₹ 100)			–	–
Quoted:					
877,123	(1,284,640) Shares of ₹ 2 each in Axis Bank Ltd.	24.45	27.80	–	–
13,068,511	Shares of ₹ 1 each in Bajaj Hindusthan Sugar Ltd. (formerly known as Bajaj Hindusthan Ltd.)	87.18	87.18	–	–
723,276	(1,033,251) Shares of ₹ 2 each in Bharat Heavy Electricals Ltd.	28.11	40.15	–	–
1,068,339	(801,672) Shares of ₹ 5 each in Bharti Airtel Ltd.	35.95	26.52	–	–
2,357,210	(2,617,210) Shares of ₹ 10 each in Bharti Infratel Ltd.	51.32	56.98	–	–
1,067,022	(-) Shares of ₹ 5 each in Bata India Ltd.	55.98	–	–	–
1,002,615	Shares of ₹ 10 each in Credit Analysis and Research Ltd.	56.21	56.21	–	–
1,609,814	(1,227,025) Shares of ₹ 10 each in Coal India Ltd.	52.56	38.74	–	–
321,317	(356,917) Shares of ₹ 10 each in Container Corporation of India Ltd.	23.22	25.80	–	–
1,138,688	(-) Shares of ₹ 2 each in HDFC Bank Ltd.	118.60	–	–	–
49,391,295	(50,908,310) Shares of ₹ 2 each in ICICI Bank Ltd.	361.82	372.93	–	–
1,777,643	(1,880,412) Shares of ₹ 10 each in IL&FS Transportation Networks Ltd.	31.71	33.54	–	–
271,150	Shares of ₹ 1 each in Innovision E-Commerce Ltd. (net of provision for diminution amounting to ₹ 0.22 crore - previous year ₹ 0.22 crore)	–	–	–	–
706,519	(589,887) Shares of ₹ 2 each in IPCA Laboratories Ltd.	55.71	47.03	–	–
632,432	(517,714) Shares of ₹ 2 each in L&T Ltd.	76.82	57.59	–	–
3,318,092	(1,418,082) Shares of ₹ 1 each in Marico Ltd. (Bonus issue of 1:1)	56.29	46.61	–	–
1,492,504	(1,152,504) Shares of ₹ 5 each in Tech Mahindra Ltd.	74.15	54.58	–	–
2,430,882	(2,075,000) Shares of ₹ 10 each in Tree House Education and Accessories Ltd.	75.22	61.52	–	–
–	(1,236,843) Shares of ₹ 10 each in National Thermal Power Corporation Ltd.	–	25.82	–	–
1,562,056	(2,231,508) Shares of ₹ 1 each in NMDC Ltd.	24.50	35.00	–	–
1,200	Shares of ₹ 10 each in Pilani Investment and Industries Corporation Ltd.	0.14	0.14	–	–
–	(71,104)Shares of ₹ 1 each in Pidilite Industries Ltd.	–	1.57	–	–
	Carried over	1,289.94	1,095.71	–	–
	Carried over	2,619.73	3,121.68	–	–

Notes to financial statements for the year ended 31 March 2016 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Brought over	2,619.73	3,121.68	–	–
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	1,289.94	1,095.71	–	–
2,167,222 (1,554,456) Shares of ₹ 10 each in Power Finance Corporation Ltd.	45.81	31.56	–	–
784,445 (571,720) Shares of ₹ 10 each in Reliance Industries Ltd.	70.27	51.05	–	–
588,423 (840,604) Shares of ₹ 10 each in Tata Steel Ltd.	28.53	40.77	–	–
1,403,491 (1,563,491) Shares of ₹ 2 each in UPL Ltd.	19.73	21.98	–	–
	1,454.28	1,241.07	–	–
In Fully Paid Equity Shares:				
Others:				
Unquoted:				
3,006,796 Shares of ₹ 1 each in BSE Ltd.	121.62	121.62	–	–
1 Shares of ₹ 10 each Hero Motors Ltd.			–	–
562,000 Shares of ₹ 10 each in National Stock Exchange of India Ltd.	210.18	210.18	–	–
2,450,000 Shares of ₹ 10 each in National Multi-Commodity Exchange of India Ltd. (net of provision for diminution amounting to ₹ 15 crore - previous year ₹ 15 crore)	9.99	9.99	–	–
5,124,702 Shares of ₹ 10 each in Ujjivan Financial Services Ltd.	75.00	75.00	–	–
	416.79	416.79	–	–
In Bonds and Debentures:				
Fully paid:				
Others:				
Quoted:				
– (800) Zero Percent HDFC Ltd. of ₹ 1,000,000 each	–	90.01	–	–
75 (-) 8.50% HDFC Ltd. of ₹ 10,000,000 each	75.06	–	–	–
20 (-) 8.65% HDFC Ltd. of ₹ 10,000,000 each	20.19	–	–	–
3,000 (-) 8.70% HDFC Ltd. of ₹ 500,000 each	150.80	–	–	–
250 9.45% HDFC Ltd. of ₹ 1,000,000 each	25.25	25.25	–	–
– (150) 9.75% HDFC Ltd. of ₹ 1,000,000 each	–	–	–	15.88
– (250) 9.14% IDFC Ltd. of ₹ 1,000,000 each	–	–	–	26.00
– (6,600) 6.70% India Railway Finance Corporation Ltd. of ₹ 100,000 each	–	66.00	–	–
– (100) 8.20% Indian Railway Finance Corporation Ltd. of ₹ 1,000,000 each	–	–	–	10.23
Carried over	271.30	181.26	–	52.11
Carried over	4,490.80	4,779.54	–	–

Notes to financial statements for the year ended 31 March 2016 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Brought over	4,490.80	4,779.54	–	–
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	271.30	181.26	–	52.11
– (750) 8.35% Indian Railway Finance Corporation Ltd. of ₹ 1,000,000 each	–	75.05	–	–
– (250) 8.48% Indian Railway Finance Corporation Ltd. of ₹ 1,000,000 each	–	25.02	–	–
– (50) 8.80% L&T Ltd. of ₹ 1,000,000 each	–	5.13	–	–
1,250 (-) 8.65% LIC Housing Finance of ₹ 1,000,000 each	125.01	–	–	–
300 (-) 8.67% LIC Housing Finance of ₹ 1,000,000 each	30.03	–	–	–
250 9.44% LIC Housing Finance Ltd. of ₹ 1,000,000 each	25.00	25.00	–	–
500 9.45% LIC Housing Finance Ltd. of ₹ 1,000,000 each	49.97	49.97	–	–
500 9.51% LIC Housing Finance Ltd. of ₹ 1,000,000 each	50.01	50.01	–	–
– (500) 10.57% LIC Housing Finance Ltd. of ₹ 1,000,000 each	–	50.00	–	–
– (250,000) 8.27% National Highways Authority of India of ₹ 1,000 each	–	25.00	–	–
– (500) 8.35% National Highways Authority of India of ₹ 1,000,000 each	–	50.01	–	–
– (250) 8.48% National Highways Authority of India of ₹ 1,000,000 each	–	25.00	–	–
– (750,000) 8.50% National Highways Authority of India of ₹ 1,000 each	–	75.00	–	–
– (90,246) 8.63% National Housing Bank of ₹ 5,000 each	–	45.12	–	–
– (79,162) 8.41% National Thermal Power Corporation Ltd. of ₹ 1,000 each	–	7.92	–	–
1,236,843 8.49% National Thermal Power Corporation Ltd. of ₹ 12.50 each (Received bonus debentures of face value ₹ 12.50 in lieu of dividend received on Company's holding in equity shares of National Thermal Power Corporation Ltd. in the ratio of one bonus debenture for every one equity share held bearing interest rate at 8.49% p.a. redeemable in installments commencing from 25-03-2023 to upto 25-03-2025)	1.54	1.54	–	–
– (150) 8.78% National Thermal Power Corporation Ltd. of ₹ 1,000,000 each	–	15.00	–	–
21,397 (-) Zero Percent National Bank for Agriculture and Rural Development of ₹ 20,000 each	34.41	–	–	–
6,000 (-) Zero Percent National Housing Bank of ₹ 10,000 each	4.50	–	–	–
Carried over	591.77	706.03	–	52.11
Carried over	4,490.80	4,779.54	–	–

Notes to financial statements for the year ended 31 March 2016 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Brought over	4,490.80	4,779.54	–	–
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	591.77	706.03	–	52.11
– (100) 8.46% Power Finance Corporation Ltd. of ₹ 1,000,000 each	–	10.00	–	–
9,400 (-) Zero Percent Power Finance Corporation of ₹ 100,000 each	51.29	–	–	–
– (688) 8.84% Power Grid Corporation of India Ltd. of ₹ 1,250,000 each	–	90.72	–	–
– (50) 8.46% Rural Electrification Corporation Ltd. of ₹ 1,000,000 each	–	5.01	–	–
250 9.02% Rural Electrification Corporation Ltd. of ₹ 1,000,000 each	24.76	24.76	–	–
2,830 (-) Zero Percent Rural Electrification Corporation Ltd. of ₹ 30,000 each	5.45	–	–	–
361,485 (361,485) 12% Saurashtra Cement Ltd. of ₹ 150 each balance Non Convertible Portion of ₹ 100 each (Balance after part redemption) (net of provision for diminution amounting to ₹ Nil - previous year ₹ 0.20 crore)	–	–	–	–
148,905 (148,905) 12% Saurashtra Cement Ltd. of ₹ 250 each - balance Non Convertible Portion of ₹ 200 each (Balance after part redemption) (net of provision for diminution amounting to ₹ Nil - previous year ₹ 0.13 crore)	–	–	–	–
– (150) 9.05% State Bank of India of ₹ 1,000,000 each	–	15.03	–	–
– (14,852) 9.50% State Bank of India of ₹ 10,000 each	–	15.64	–	–
– (5,000) 9.95% State Bank of India of ₹ 10,000 each	–	5.15	–	–
250 (-) 8.90% Sundaram Finance Ltd of ₹ 1,000,000 each	25.01	–	–	–
– (250) 9.90% Tata Sons Ltd. of ₹ 1,000,000 each	–	–	–	26.06
– (150) 8.01% Ultra Tech Cement Ltd. of ₹ 1,000,000 each	–	15.03	–	–
– (300) 9.10% Vedanta Ltd. (formaly known as Sesa Sterlite Ltd.) of ₹ 1,000,000 each (net of provision for diminution amounting to ₹ Nil - previous year ₹ 0.13 crore)	–	30.25	–	–
	698.28	917.62	–	78.17
Less: Amortisation of premium/(discount) on acquisition	(6.85)	(13.71)	–	2.08
	705.13	931.33	–	76.09
Carried over	5,195.93	5,710.87	–	76.09

Notes to financial statements for the year ended 31 March 2016 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Brought over	5,195.93	5,710.87	–	76.09
In Mutual Fund Unit:				
Fully Paid:				
Unquoted:				
– (20,000,000) Units of Birla Sun Life Fixed Term Plan Growth (Series KP/KT)	–	–	–	20.00
– (10,000,000) Units of DWS Fixed Maturity Plan Direct Growth (Series 53)	–	–	–	10.00
– (20,000,000) Units of HDFC Fixed Maturity Plan Direct Growth (Series 29)	–	–	–	20.00
– (15,000,000) Units of IDFC Fixed Term Plan Direct Growth (Series 77)	–	–	–	15.00
10,000 (10,000) J M Financial Property Fund - I of Face Value of ₹ 10,000 each, fully paid up (Balance after part redemption)	5.96	6.44	–	–
(10,000,000) Units of L&T Fixed Maturity Plan Direct Growth (Series 10[Plan M])	–	–	–	10.00
(15,000,000) Units of Reliance Fixed Horizon Fund Direct Growth (Plan XXV [Series 27])	–	–	–	15.00
51,035,586 Units of Sundaram Flexi Fund ST Plan Direct Plan Bonus	49.87	49.87	–	–
– (10,000,000) Units of Tata Fixed Maturity Plan Direct Growth (Series 46[Scheme R])	–	–	–	10.00
834.284 Leadership Equity Fund of ₹ 10 each of Unit Trust of India	–	–	–	–
2,320 (2,320) Urban Infrastructure Opportunities Fund-Face Value ₹ 100,000 each (Balance after part redemption)	19.18	20.63	–	–
	75.01	76.94	–	100.00
Other Alternative Investment Fund:				
Unquoted:				
9,677,666 (6,959,115.1) Units of Kedaara Capital Advisors- LLP AIF	9.68	6.96	–	–
50,000 Units of ₹ 1,000 each of V.E.C. Strategic Advantage Scheme III	5.00	5.00	–	–
	14.68	11.96	–	–
Total (A)	5,285.62	5,799.77	–	176.09
(B) Current investments:				
In Commercial Paper:				
Unquoted:				
– (500) Commerical Paper of ₹ 500,000 each of Small Industries Development Bank of India 364D - 24-03-2016	–	–	–	23.03
Less: Amortisation of premium/(discount) on acquisition	–	–	–	(0.03)
	–	–	–	23.06
Carried over	–	–	–	23.06

Notes to financial statements for the year ended 31 March 2016 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Brought over	–	–	–	23.06
In Certificate of Deposit:				
Unquoted:				
– (5,000) Certificate of Deposit of ₹ 100,000 each of Bank of India - 18-03-2016	–	–	–	46.14
– (2,500) Certificate of Deposit of ₹ 100,000 each of Bank of India - 23-03-2016	–	–	–	23.07
– (5,000) Certificate of Deposit of ₹ 100,000 each of Canara Bank - 14-03-2016	–	–	–	46.11
	–	–	–	115.32
Less: Amortisation of premium/(discount) on acquisition	–	–	–	(0.29)
	–	–	–	115.61
In Mutual Fund Units:				
Unquoted:				
– (15,000,000) Units of DWS Fixed Maturity Plan - Direct Growth (Series 47)	–	–	–	16.38
– (1,111,099) ICICI Prudential Liquid-Direct Plan- Growth	–	–	–	23.00
– (17,000,000) Units of L&T Fixed Maturity Plan Growth (Series 10 - [Plan H])	–	–	–	18.60
61,626 (-) Reliance Liquid Fund-Direct Treasury Plan -Growth	–	–	22.75	–
	–	–	22.75	57.98
Total (B)	–	–	22.75	196.65
Total (A+B)	5,285.62	5,799.77	22.75	372.74
Aggregate provision for diminution in value of investments	18.21	21.35	–	–

(₹ In Crore)

Particulars	Book value		Market value	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Quoted	4,577.41	5,163.35	37,568.91	33,516.13
Unquoted	730.96	1,009.16		
Total	5,308.37	6,172.51		

Notes to Investments

1. Quoted investments for which quotations are not available, if any, have been included in market value at the face value/paid-up value, whichever is lower, except in case of Debentures, Bonds and Government securities, where the Net Present Value at current yield to maturity have been considered.
2. Investments made by the Company other than those with a maturity of less than one year, are intended to be held for long-term, hence diminutions in the value of quoted investments are considered to be of a temporary nature. On an assessment of the non-performing investments (quoted and unquoted) and keeping in mind the relevant provisioning norms applicable to the Company as a NBFC and the guidelines adopted by the Management, no provision (previous year ₹ 15 crore) was determined during the year ended 31 March 2016.
3. Refer note 2 clause 4 for accounting policy and valuation principles for investments.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

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

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Security deposits	1.28	1.30	–	–
Loan and advances to related parties [See note 23]	–	–	0.08	0.07
Other loans and advances				
CENVAT credit receivable	–	–	–	0.01
Advance income-tax (net of provision for tax)	28.32	23.62	–	–
MAT credit entitlement *	134.33	153.40	12.49	10.63
Less: Provision for possible unutilisation	33.50	33.50	–	–
	100.83	119.90	12.49	10.63
Others	6.80	6.80	0.01	–
	135.95	150.32	12.50	10.64
	137.23	151.62	12.58	10.71

* On an assessment of its ability to utilise the available MAT credit within the prescribed limits under the Income-tax Act, 1961, the Management has determined MAT credit of ₹ Nil (previous year ₹ 18.00 crore) may be unlikely to be set off/adjusted due to possible inadequacy of tax payable in the available future periods. Hence the MAT credit of a similar amount has been provided for under Tax (debits)/credits pertaining to earlier years.

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

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Non-current bank balances [See note 13]	–	–	–	–
Others				
Interest accrued but not due on fixed deposits	–	–	–	6.40
Interest receivable on investments	–	–	60.72	45.57
Dividend receivable	–	–	5.26	–
Interest receivable on investments/loans, doubtful	1.18	1.18	–	–
Less: Provision for doubtful receivable	1.18	1.18	–	–
	–	–	–	–
	–	–	65.98	51.97

Notes to financial statements for the year ended 31 March 2016 (Contd.)

13 Cash and bank balances

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Cash and cash equivalents				
Balances with banks				
In current accounts	–	–	0.62	0.92
Cash equivalents				
Certificate of Deposits with maturity of less than 3 months from date of acquisition	–	–	1,209.16	–
Commercial Paper with maturity of less than 3 months from date of acquisition	–	–	197.13	–
	–	–	1,406.91	0.92
Other bank balances				
In unclaimed dividend accounts	–	–	14.55	4.27
Deposits with residual maturity for less than 12 months	–	–	–	40.00
	–	–	14.55	44.27
Amount disclosed under 'other non-current assets' [See note 12]	–	–	–	–
	–	–	1,421.46	45.19

Notes to financial statements for the year ended 31 March 2016 (Contd.)

14 Revenue from operations

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Interest		
Interest income on		
Bank deposits	4.39	21.22
Long-term investments	220.32	174.60
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	5.81	5.32
Current investments	13.22	6.11
	243.74	207.25
Other financial services		
Dividend income on		
Long-term investments in subsidiaries, associates and joint ventures	953.63	474.24
Other long-term investments	64.11	55.06
Profit on sale of investments, net *	113.51	213.66
Surplus on redemption of securities, net *	–	0.33
Provision for diminution in value of investments written back	3.14	3.72
Investments/balances earlier written off, recovered	–	1.01
Income from units of mutual fund	–	0.79
	1,378.13	956.06
Other revenue from operations		
Rent from investment property	16.38	16.16
	1,394.51	972.22

* Including on current investments ₹ 13.88 crore (previous year ₹ 17.97 crore)

15 Other income

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Interest on income-tax refunds	–	30.45
Miscellaneous receipts	4.44	3.78
Provision no longer required	2.33	0.01
	6.77	34.24

Notes to financial statements for the year ended 31 March 2016 (Contd.)

16 Employee benefits expense

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Salaries, wages and bonus to employees	3.79	0.25
Remuneration to whole-time director	9.12	5.59
Contribution to provident and other funds	1.47	0.61
Staff welfare expenses	0.05	0.01
	14.43	6.46

17 Depreciation and amortisation

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Depreciation on tangible assets	0.19	0.19
Depreciation on investment property	5.09	4.95
Amount written off against leasehold land	0.02	0.02
	5.30	5.16

18 Other expenses

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Repairs to buildings	1.37	1.36
Repairs to machinery (₹ 14,594 - previous year ₹ 805)		
Rent	0.01	0.01
Rates and taxes	1.59	2.60
Insurance	0.07	0.05
Payment to auditor	0.11	0.11
Directors' fees and travelling expenses	0.41	0.41
Commission to non-executive directors	0.80	0.41
Expenditure towards Corporate Social Responsibility (CSR) activities	6.91	4.00
Miscellaneous expenses	11.72	6.39
Provision for diminution in value of investments	–	15.00
	22.99	30.34

Notes to financial statements for the year ended 31 March 2016 (Contd.)

18 Other expenses (Contd.)

Payment to auditor

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
As auditor		
Audit fee	0.06	0.06
Tax audit fee	0.02	0.02
Limited review	0.02	0.02
Other services (certification fees)	0.01	0.01
Reimbursement of expenses (₹ 30,252 - previous year ₹ 45,172)		
	0.11	0.11

Expenditure towards Corporate Social Responsibility (CSR) activities

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
a) Gross amount required to be spent by the Company during the year	6.86	5.47
b) Amount spent in cash during the year on:		
i) Construction/acquisition of any asset	–	–
ii) On purposes other than (i) above	6.91	4.00
	6.91	4.00

19 Earnings Per Share (EPS)

Particulars	For the year ended 31 March 2016	2015
Profit for the year (₹ In Crore)	1,270.51	867.73
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	114.2	78.0
Face value per share ₹	10.0	10.0

Notes to financial statements for the year ended 31 March 2016 (Contd.)

20 Contingent liabilities

(₹ In Crore)

Particulars	As at 31 March 2016	2015
a. Claims against the Company not acknowledged as debts	0.04	0.03
b. Income-tax matters under dispute		
Appeal by the Company	3.33	1.60
Appeal by the Department	391.75	391.75

21 Expenditure in foreign currency (accrual basis)

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Other matters	1.19	0.01

22 Employee benefits

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

Funded scheme

(₹ In Crore)

Particulars	Gratuity As at 31 March 2016	2015
Amount to be recognised in Balance Sheet		
Present value of funded obligations	1.75	0.44
Fair value of plan assets	(1.04)	(0.29)
Net liability	**0.71**	**0.15**
Amounts in Balance Sheet		
Liability	0.71	0.15
Assets	–	–
Net liability	**0.71**	**0.15**
Expense to be recognised in the Statement of Profit and Loss		
Current service cost	0.15	0.08
Interest on defined benefit obligation	0.05	0.03
Expected return on plan assets	(0.03)	(0.01)
Net actuarial losses/(gains) recognised in year	0.57	0.13
Total, included in 'Employee benefits expense'	**0.74**	**0.23**
Actual return on plan assets	0.08	0.02

Notes to financial statements for the year ended 31 March 2016 (Contd.)

22 Employee benefits (Contd.)

Funded scheme (Contd.)

(₹ In Crore)

Particulars	Gratuity	
	As at 31 March	
	2016	2015
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	**0.44**	**0.20**
Current service cost	0.15	0.08
Interest cost	0.05	0.03
Actuarial losses/(gains)	0.62	0.13
Liabilities assumed on acquisition/(settled on divestiture)	0.49	–
Closing defined benefit obligation	**1.75**	**0.44**
Change in fair value of assets		
Opening fair value of plan assets	**0.29**	**0.16**
Expected return on plan assets	0.03	0.01
Actuarial gains/(losses)	0.05	–
Contributions by employer	0.18	0.12
Assets acquired on acquisition/(distributed on divestiture)	0.49	–
Closing fair value of plan assets	**1.04**	**0.29**
Expected employer's contribution next year	0.25	0.15

(₹ In Crore)

Particulars		As at 31 March	
	2016	2016	2015
Assets information			
Insurer managed funds	1.04	100.00%	100.00%

(₹ In Crore)

Particulars	Year ended 31 March				
	2012	2013	2014	2015	2016
Experience adjustments					
Defined benefit obligation	0.01	0.05	0.20	0.44	1.75
Plan assets	0.01	0.05	0.16	0.29	1.04
Surplus/(deficit)	–	–	(0.04)	(0.15)	(0.71)
Exp. adj. on plan liabilities	0.10	–	0.07	0.05	0.63
Exp. adj. on plan assets	–	–	–	–	0.05

Notes to financial statements for the year ended 31 March 2016 (Contd.)

22 Employee benefits (Contd.)

Funded scheme (Contd.)

Particulars	As at 31 March 2016	2015
Principal actuarial assumptions (Expressed as weighted averages)		
Discount rate (p.a.)	7.95%	7.90%
Expected rate of return on assets (p.a.)	7.50%	7.50%
Salary escalation rate (p.a.) - senior staff	10.00%	10.00%
Salary escalation rate (p.a.) - junior staff	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Unfunded schemes

(₹ In Crore)

Particulars	As at 31 March 2016	2015
Compensated absences		
Present value of unfunded obligations	0.33	0.17
Expense recognised in the Statement of Profit and Loss	0.22	0.09
Discount rate (p.a.)	7.95%	7.90%
Salary escalation rate (p.a.) - senior staff	10.00%	10.00%
Salary escalation rate (p.a.) - junior staff	10.00%	10.00%
Long-term incentive plan		
Present value of unfunded obligations	0.55	–
Expense recognised in the Statement of Profit and Loss	0.55	–
Discount rate (p.a.)	7.95%	–

Amount recognised in the Statement of Profit and Loss

(₹ In Crore)

Particulars	As at 31 March 2016	2015
Defined Contribution Plans:		
Provident fund paid to Government authorities	0.38	0.17
Superannuation paid to Trust	0.34	0.21
Pension fund paid to Government authorities (previous year ₹ 15,630)	0.01	
Others (₹ 6,917 - previous year ₹ 1,563)		
Defined Benefit Plans:		
Gratuity	0.74	0.23
Others (₹ 13,036 - previous year ₹ 7,689)		
	1.47	0.61

Notes to financial statements for the year ended 31 March 2016 (Contd.)

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

(₹ In Crore)

Name of related party and Nature of relationship	Nature of transaction	2015-16 Transaction value	2015-16 Outstanding amounts carried in Balance Sheet	2014-15 Transaction value	2014-15 Outstanding amounts carried in Balance Sheet
A Holding company, subsidiaries and fellow subsidiary:					
Bajaj Auto Holdings Ltd. (Fully owned subsidiary)	Contribution to equity (24,500 shares of ₹ 100 each)	-	0.25	-	0.25
	Dividend received	4.17	-	0.88	-
B Associates, joint ventures and investing parties:					
Maharashtra Scooters Ltd. (A Joint venture - 24% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity (2,742,848 shares of ₹ 10 each)	-	0.24	-	0.24
	Dividend received	16.46	-	6.86	-
	Dividend paid	19.48	-	10.16	-
Bajaj Auto Ltd. (An associate - 31.49% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity (91,119,000 shares of ₹ 10 each)	-	286.22	-	286.22
	Dividend received	911.19	-	455.60	-
	Business support services rendered	1.07	-	0.33	-
	Business support services received	4.14	-	0.91	-
Bajaj Finserv Ltd. (An associate - 39.16% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity (62,314,214 shares of ₹ 5 each)	-	743.82	-	743.82
	Dividend received	21.81	-	10.90	-
	Business support services rendered	0.06	-	0.12	-
	Business support services received	-	-	1.79	-
	Purchase of investments from BFS	-	-	34.97	-
C Individuals controlling voting power/exercising significant influence and their relatives:					
Rahul Bajaj (Chairman)	Sitting fees	0.05	-	0.04	-
	Commission	0.09	(0.09)	0.04	(0.04)
Madhur Bajaj	Sitting fees	0.03	-	0.03	-
	Commission	0.06	(0.06)	0.03	(0.03)
Rajiv Bajaj	Sitting fees	0.03	-	0.02	-
	Commission	0.06	(0.06)	0.02	(0.02)
Sanjiv Bajaj (Managing Director)	Remuneration	3.42	-	2.11	-
(Also Key management personnel)	Commission	6.84	(6.84)	4.19	(4.19)
Shekhar Bajaj	Nil	-	-	-	-
Niraj Bajaj	Nil	-	-	-	-
D Key management personnel and their relatives:	**Included in 'C' above**				
E Enterprises over which anyone in (c) and (d) exercises significant influence:					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	0.07	0.07	0.05	0.07
Bajaj Finance Ltd.	Business support services rendered	2.54	-	2.54	-
	Business support services received	0.20	-	0.16	-
	Dividend paid (₹ 4,313) (Previous year - ₹ 2,250)	-	-	-	-
Bajaj Electricals Ltd.	Contribution to equity (16,697,840 shares of ₹ 2 each)	-	111.77	-	111.77
	Dividend received	7.18	-	2.50	-
Hindustan Housing Co. Ltd.	Maintenance charges paid	1.24	0.01	0.96	(0.33)
	Security deposit paid/(received back)	(0.03)	0.17	(0.03)	0.20
Hind Musafir Agency Ltd.	Services received	0.14	-	-	-
Mukand Ltd.	Contribution to equity (8,113,204 shares of ₹ 10 each)	-	32.88	-	32.88
	0.01% 196,169 redeemable preference shares of ₹ 10 each	-	0.20	-	0.20
	Dividend received on preference shares (previous year ₹ 196)	-	-	-	-
	Purchase of property	-	-	11.30	-
	Security deposit received/(refunded)	(2.00)	(1.00)	3.00	(3.00)
Mukand Engineers Ltd.	Contribution to equity (54,000 shares of ₹ 10 each)	-	0.10	-	0.10
	Dividend received on equity shares	-	-	0.01	-
Hercules Hoists Ltd.	Contribution to equity (6,251,040 shares of ₹ 1 each)	-	12.34	-	12.34
	Dividend received on equity shares	0.94	-	0.94	-

Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.

Related parties as defined under clause 3 of the Accounting Standard 18 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

24 Lease

As a lessor:
The Company has given premises on operating leases. These lease arrangements range for a period between one to five years and include both cancellable and non cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(₹ In Crore)

Particulars	As at 31 March 2016	2015
i) Premises		
Gross carrying amount	218.48	218.48
Depreciation for the year	5.09	4.95
Accumulated depreciation	17.19	12.10

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

Particulars	As at 31 March 2016	2015
Receivable		
Within one year	16.58	16.21
After one year but not more than five years	24.67	38.76
More than five years	–	–
	41.25	54.97

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

25 Schedule to Balance Sheet as at 31 March 2016

Balance Sheet of a Non Deposit taking Non-Banking Financial Company

(As required in terms of Paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

(₹ In Lakh)

Liabilities side	Amount outstanding	Amount overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : secured	–	–
: unsecured (Other than falling within the meaning of public deposit*)	–	–
(b) Deferred credits	–	–
(c) Term loans	–	–
(d) Inter-corporate loans and borrowings	–	–
(e) Commercial paper	–	–
(f) Other loans (specify nature)	–	–

* Please see note 1 below

Notes to financial statements for the year ended 31 March 2016 (Contd.)

25 Schedule to Balance Sheet as at 31 March 2016 (Contd.)

(₹ In Lakh)

Asset side	Amount outstanding
(2) Break-up of loans and advances including bills receivables (other than those included in (4) below)	
(a) Secured	–
(b) Unsecured	14,981
(Comprises advance income-tax paid, interest receivable and other miscellaneous receivables)	
(3) Break-up of leased assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	–
(b) Operating lease	–
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	–
(b) Repossessed assets	–
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	–
(b) Loans other than (a) above	–
(4) Break-up of investments	
Current investments	
1. Quoted:	
(i) Shares: (a) Equity	–
(b) Preference	–
(ii) Debentures and bonds	–
(iii) Units of mutual funds	–
(iv) Government securities	–
(v) Others	–
2. Unquoted:	
(i) Shares: (a) Equity	–
(b) Preference	–
(ii) Debentures and bonds	–
(iii) Units of mutual funds	2,275
(iv) Government securities	–
(v) Others: (a) Certificate of deposit	–
(b) Commercial paper	–
Long-term investments	
1. Quoted	
(i) Shares: (a) Equity	264,166
(b) Preference	–
(ii) Debentures and bonds	70,513
(iii) Units of mutual funds	–
(iv) Government securities	123,062
(v) Others (please specify)	–

Notes to financial statements for the year ended 31 March 2016 (Contd.)

25 Schedule to Balance Sheet as at 31 March 2016 (Contd.)

(₹ In Lakh)

Asset side	Amount outstanding
2. Unquoted:	
(i) Shares: (a) Equity	41,704
(b) Preference	19
(ii) Debentures and bonds	–
(iii) Units of mutual funds	8,969
(iv) Government securities	–
(v) Others (please specify): Investment property	20,129
Total	530,837

(5) Borrower group-wise classifications of assets financed as in (2) and (3) above: (Please see note (2) below)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related parties**			
(a) Subsidiaries	–	-	-
(b) Companies in the same group	–	-	-
(c) Other related parties	–	25	25
2. Other than related parties	–	14,956	14,956
Total	–	14,981	14,981

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

Category	Market value/break up or fair value or NAV	Book value (net of provisions)
1. Related parties **		
(a) Subsidiaries (unquoted, hence disclosed at break up value)	5,486	25
(b) Companies in the same group (disclosed at market value)	3,258,537	103,004
(c) Other related parties		
- Unquoted (disclosed at face value)	19	19
- Quoted	77,010	15,734
2. Other than related parties		
- Unquoted @	52,215	73,052
- Quoted (disclosed at market value)	421,345	339,003
Total	3,814,612	530,837

** As per Accounting Standard of ICAI (Please see Note 3)

@ Investment in preference shares are disclosed at face value. Investments in equity shares are disclosed at break up value and investments in mutual funds are disclosed at fund value. The break up values are computed based on latest available consolidated financial statements/reports.

The investments in non-performing investments are disclosed at book value net of provisions.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

25 Schedule to Balance Sheet as at 31 March 2016 (Contd.)

(7) Other information

(₹ In Lakh)

Particulars	Amount
(i) Gross non-performing assets	
(a) Related parties	–
(b) Other than related parties	1,939
(ii) Net non-performing assets	
(a) Related parties	–
(b) Other than related parties	–
(iii) Assets acquired in satisfaction of debt	–

Notes:

1. As defined in paragraph 2(1)(xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long-term or current in (4) above.

(8) Investments

Particulars	As at 31 March 2016	2015
(1) Value of investments		
(i) Gross value of investments		
(a) In India	532,658	619,386
(b) Outside India	–	–
(ii) Provisions for depreciation		
(a) In India	1,821	2,135
(b) Outside India	–	–
(iii) Net value of investments		
(a) In India	530,837	617,251
(b) Outside India	–	–
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	2,135	1,007
(ii) Add: Provisions made during the year	–	1,500
(iii) Less: Write-off/write-back of excess provisions during the year	314	372
(iv) Closing balance	1,821	2,135

Notes to financial statements for the year ended 31 March 2016 (Contd.)

25 Schedule to Balance Sheet as at 31 March 2016 (Contd.)

(9) Provisions and contingencies

(₹ In Lakh)

Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit and Loss Account	As at 31 March 2016	As at 31 March 2015
(i) Provisions for depreciation on investment.	–	1,500
(ii) Provision towards NPA	–	–
(iii) Provision made towards income-tax	8,805	7,958
(iv) Other provision and contingencies	–	–
(v) Provision for standard assets	–	–

(10) CRAR

Items	As at 31 March 2016	As at 31 March 2015
(i) CRAR %	162%	133%
(ii) CRAR - Tier I capital (%)	162%	133%
(iii) CRAR - Tier II capital (%)	0%	0%
(iv) Amount of subordinated debt raised as Tier-II capital	–	–
(v) Amount raised by issue of Perpetual Debt Instruments	–	–

(11) Exposures

11.1 Exposures to real estate sector

Category	As at 31 March 2016	As at 31 March 2015
(a) Direct exposure	–	–
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans upto ₹ 15 lakh may be shown seperately)	–	–
(ii) Commercial real estate -		
Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multitenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits	–	–
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(a) Residential	–	–
(b) Commercial real estate	–	–
(b) Indirect exposure	55,600	32,226
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	55,600	32,226

Notes to financial statements for the year ended 31 March 2016 (Contd.)

25 Schedule to Balance Sheet as at 31 March 2016 (Contd.)

11.2 Exposures to capital market

(₹ In Lakh)

Category	As at 31 March 2016	2015
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	265,634	244,041
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds;	–	–
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	–	–
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	–	–
(vii) Bridge loans to companies against expected equity flows/issues;	–	–
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	–	–
Total exposure to capital market	265,634	244,041

(12) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

Particulars	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities	–	–	–	–	–	–	–	–	–
Borrowings from banks	–	–	–	–	–	–	–	–	–
Market borrowings	–	–	–	–	–	–	–	–	–
Foreign currency liabilities	–	–	–	–	–	–	–	–	–
Assets	2,275	–	–	–	–	15,659	58,180	454,723	530,837
Deposits	–	–	–	–	–	–	–	–	–
Advances	–	–	–	–	–	–	–	–	–
Investments	2,275	–	–	–	–	15,659	58,180	454,723	530,837
Foreign currency assets	–	–	–	–	–	–	–	–	–

Notes to financial statements for the year ended 31 March 2016 (Contd.)

25 Schedule to Balance Sheet as at 31 March 2016 (Contd.)

(13) Miscellaneous disclosures

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

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

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

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

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

1. Derivatives
- Forward rate agreement/Interest rate swap
- Exchange traded interest rate (IR) derivatives
- Qualitative disclosures on risk exposure in derivatives
- Quantitative disclosures on risk exposure in derivatives

2. Securitisation
- Disclosures relating to securitised assets etc.
- Details of financial assets sold to securitisation/reconstruction company for asset reconstruction
- Details of assignment transactions undertaken by NBFCs
- Details of non-performing financial assets purchased/sold

3. Details of financing of parent company products

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

5. Unsecured advances

6. Concentration of deposits, advances, exposures and NPAs
- Concentration of deposits (for deposit taking NBFCs)
- Concentration of advances
- Concentration of exposures
- Concentration of NPAs
- Sector-wise NPAs
- Movement of NPAs

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

8. Off-balance sheet SPVs sponsored

9. Disclosure of customer complaints

Notes to financial statements for the year ended 31 March 2016 (Contd.)

26 Joint ventures

The Company has the following investment in jointly controlled entity:

Name of joint venture	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2016	As at 31 March 2015
Maharashtra Scooters Ltd.	India	24%	24%

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

(₹ In Crore)

Particulars	31 March 2016	31 March 2015
(a) Assets		
Fixed assets	1.72	1.05
Non-current investments	56.31	56.31
Long-term loans and advances	2.48	2.10
Other non-current assets	6.45	3.12
Current investments	10.97	8.77
Inventories	0.13	0.30
Trade receivables	0.59	0.62
Cash and bank balances	1.48	2.99
Short-term loans and advances	0.21	0.44
Other current assets	0.62	0.69
(b) Liabilities		
Other long-term liabilities	3.34	3.98
Long-term provisions	–	0.02
Trade payables	0.11	0.06
Current liabilities	2.47	1.73
Short-term provisions	0.16	0.16
(c) Income		
Revenue from operations	2.16	1.67
Other income	25.96	15.10
(d) Expenses		
Cost of raw material and components consumed	0.92	1.02
(Increase)/decrease in inventories of finished goods, and work-in-progress	0.19	(0.18)
Employee benefits expense	1.92	1.40
Depreciation and write downs	0.18	0.76
Other expenses	0.67	0.63
Current and deferred tax	–	–
(e) Share of the Company in the contingent liabilities and commitments has been disclosed in note 23 and 24 to consolidated financial statements.		

Notes to financial statements for the year ended 31 March 2016 (Contd.)

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

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

28 Previous year figures

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

29 Miscellaneous

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

b. Amounts less than ₹ 50,000 have been shown at actual against respective line items statutorily required to be disclosed.

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190

Pune: 25 May 2016

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Vallari Gupte
Company Secretary

Naresh Chandra
Chairman - Audit Committee

Consolidated Financial Statements

Independent Auditors' Report on the Consolidated Financial Statements

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

1. We have audited the accompanying consolidated financial statements of Bajaj Holdings & Investment Ltd. ('hereinafter referred to as the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), its jointly controlled entity and associate companies; (refer Note [1] to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at 31 March 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as 'the Consolidated Financial Statements').

Management's responsibility for the consolidated financial statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entity in accordance with accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the audit report.

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

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in

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

conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other matters

8. We did not audit the financial statements of one jointly controlled entity whose financial statements reflect total assets of ₹ 80.97 crore and net assets of ₹ 74.88 crore as at 31 March 2016, total revenue of ₹ 28.12 crore, net profit of ₹ 24.25 crore and net cash outflows amounting to ₹ 1.51 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 492.68 crore for the year ended 31 March 2016 as considered in the consolidated financial statements, in respect of three subsidiaries of associate companies, one jointly controlled entity of associate company and one associate of subsidiary of associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity, subsidiaries of associate companies, associate of subsidiary of associate company and jointly controlled entity of associate company and our report in terms of sub-sections (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

9. The financial statements of Bajaj Allianz General Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd. an associate of Holding company was audited by other firms of chartered accountants jointly for the year ended 31 March 2016, who vide their report dated 19 May 2016 have reported as follows:
   (a) The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary.The actuarial valuation of these liabilities as at 31 March 2016 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that in her opinion, the assumptions for such valuation are in accordance with the guidelines and norms, if any, issued by IRDAI and the Actuarial Society of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.
   (b) The financial statements of the Company for the year ended 31 March 2015 were audited by the joint auditors of the Company, one of which is the predecessor audit firm,whose report dated 15 May 2015 expressed an unmodified opinion on those statements.

10. The financial statements of Bajaj Allianz Life Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of Holding company was audited by other firms of chartered accountants jointly for the year ended 31 March 2016, who vide their report dated 19 May 2016 have reported as follows:
    The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2016 is the responsibility of the Company's Appointed Actuary (the 'Appointed Actuary'). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2016 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists on standalone financial statements of the Company.

    Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

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

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

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

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

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

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, associate companies and jointly controlled company incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled company incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary company, associate companies and jointly controlled company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations as at 31 March 2016 on the consolidated financial position of the Group, its associates and jointly controlled entity.

ii. The Group and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts as at 31 March 2016 except in case of Bajaj Finance Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of the Holding company,where provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at 31 March 2016.The aforesaid Company did not have any outstanding long-term derivative contracts as at 31 March 2016.

In case of Bajaj Allianz General Insurance Company Ltd.; a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company, audited by other firm of chartered accountants, jointly for the year ended 31 March 2016, who vide their report dated 19 May 2016 have reported as follows:
'The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any outstanding long-term derivative contracts.'

In case of Bajaj Allianz Life Insurance Company Ltd.; a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company, audited by other firm of chartered accountants, jointly for the year ended 31 March 2016, who vide their report dated 19 May 2016 have reported as follows:
'The liability for insurance contracts, is determined by the Company's Appointed Actuary and is covered by the Appointed Actuary's certificate, referred to in Other matters paragraph above, on which we have placed reliance; and the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.'

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its associate companies and jointly controlled company incorporated in India during the year ended 31 March 2016 except In case of Bajaj Auto Holdings, a subsidiary of Holding company and Bajaj Financial Holdings Ltd., Bajaj Housing Finance Ltd. and Bajaj Financial Securities Ltd., a subsidiary of Bajaj Finserv Ltd. an associate of the Holding Company, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2016.

In case of Bajaj Allianz General Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company, audited by other firm of chartered accountants, jointly for the year ended 31 March 2016, who vide their report dated 19 May 2016 have reported as follows:
'There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.'

In case of Bajaj Allianz Life Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of the Holding Company, audited by other firm of chartered accountants, jointly for the year ended 31 March 2016, who vide their report dated 19 May 2016 have reported as follows:
'The Company was not required to deposit or pay any dues in respect of the Investor Education and Protection Fund during the year.'

In case of Bajaj Allianz Financial Distributors Ltd., a jointly controlled entity of Bajaj Finserv Ltd., an associate of the Holding Company, audited by other firm of chartered accountants, for the year ended 31 March 2016, who vide their consolidated report dated 16 May 2016 have reported as follows:
'There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.'

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Bajaj Holdings & Investment Ltd. on the consolidated financial statements for the year ended 31 March 2016

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Bajaj Holdings & Investment Ltd. (hereinafter referred to as 'the Holding Company') and its subsidiary company and jointly controlled company, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

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

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure A to Independent Auditors' Report (Contd.)

Inherent limitations of internal financial controls over financial reporting

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

Opinion

8. In our opinion, the Holding Company, its subsidiary company, associate companies and jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

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

10. The financial statements of Bajaj Allianz General Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., an associate of Holding Company was audited by other firms of chartered accountants jointly for the year ended 31 March 2016, who vide their report dated 19 May 2016 have reported as follows:
The actuarial valuation for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), has been duly certified by the Company's Appointed Actuary in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority and the Institute of Actuaries of India in concurrence with the Authority and has been relied upon by us, as mentioned in paragraph 9(a) of our audit report on the consolidated financial statements of the Company as at and for the year ended 31 March 2016. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the adequacy and operating effectiveness of internal controls over valuation and accuracy of aforesaid actuarial liabilities.

11. The financial statements of Bajaj Allianz Life Insurance Company Ltd., a subsidiary of Bajaj Finserv Ltd., was audited by other firms of chartered accountants jointly for the year ended 31 March 2016, who vide their report dated 19 May 2016 have reported as follows:
The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued is required to be certified by the Appointed Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the 'IRDA Financial Statements Regulations'), and has been relied upon by us, as mentioned in paragraph 10 of our audit report on the consolidated financial statements of the Company as at and for the year ended 31 March 2016. Accordingly the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuarial valuation is also certified by the Appointed Actuary and has been relied upon by us.

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Consolidated Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	111.29	111.29
Reserves and surplus	3	15,182.03	13,281.94
		15,293.32	**13,393.23**
Non-current liabilities			
Deferred tax liabilities (net)		6.16	5.21
Other long-term liabilities	4	29.13	29.64
Long-term provisions	5	1.26	0.17
		36.55	**35.02**
Current liabilities			
Trade payables	6		
Total outstanding dues of micro enterprises and small enterprises		0.01	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.64	1.15
Other current liabilities	6	27.17	15.95
Short-term provisions	5	113.99	447.63
		141.81	**464.73**
Total		**15,471.68**	**13,892.98**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	8.71	8.25
Lease adjustment account - plant and machinery		17.50	17.50
		26.21	25.75
Goodwill on investments in associates		518.21	518.21
Non-current investments	8	13,215.41	12,669.64
Long-term loans and advances	9	141.54	155.06
Other non-current assets	10	6.45	3.12
		13,907.82	**13,371.78**
Current assets			
Current investments	8	60.43	407.92
Inventories	11	0.13	0.31
Trade receivables	12	0.59	0.61
Cash and bank balances	13	1,423.01	48.24
Short-term loans and advances	9	12.79	11.16
Other current assets	10	66.91	52.96
		1,563.86	**521.20**
Total		**15,471.68**	**13,892.98**

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Naresh Chandra
Chairman - Audit Committee

Consolidated Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2016	2015
Sales		2.42	1.87
Less: Excise duty		0.27	0.21
Net Sales		2.15	1.66
Other operating revenue		467.69	522.27
Revenue from operations (net)	14	469.84	523.93
Other income	15	6.85	34.90
Total revenue		**476.69**	**558.83**
Expenses			
Cost of raw material and components consumed	16	0.92	1.02
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	17	0.19	(0.18)
Employee benefits expense	18	16.35	7.87
Depreciation and amortisation	19	5.48	5.93
Other expenses	20	23.85	31.00
Total expenses		**46.79**	**45.64**
Profit before tax		**429.90**	**513.19**
Tax expense			
Current tax		87.64	93.36
Share of current tax of joint venture		0.28	0.34
Less: MAT credit entitlement		0.28	12.34
Less: Share of MAT credit entitlement of joint venture		0.28	0.34
		87.36	81.02
Deferred tax		0.95	0.52
Total tax expense		88.31	81.54
Profit after tax		**341.59**	**431.65**
Tax (debits)/credits pertaining to earlier years		–	(17.82)
Share of profit after tax of associates		1,923.65	1,615.41
Profit for the year		**2,265.24**	**2,029.24**
Basic and diluted Earnings per share (In ₹)		203.5	182.3
(Nominal value per share ₹ 10)			

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

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

Rahul Bajaj
Chairman

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Vallari Gupte
Company Secretary

Naresh Chandra
Chairman - Audit Committee

Consolidated Cash Flow Statement

(₹ In Crore)

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
I. Operating activities				
Profit before tax		429.90		513.19
Add: Dividend from associates		933.08		466.50
		1,362.98		979.69
Adjustments:				
Add:				
i) Depreciation and amortisation	5.48		5.93	
ii) Provision for diminution in value of investments	–		15.00	
iii) Amortisation of premium/discount on acquisition of fixed income securities	(19.02)		(12.10)	
		(13.54)		8.83
Less:				
i) Provision for diminution in value of investments written back	3.14		3.72	
ii) Profit on sale of investments, net	114.50		223.24	
iii) Surplus on redemption of securities, net	0.10		0.45	
iv) Income from units of mutual fund	–		0.79	
		117.74		228.20
		1,231.70		760.32
Change in assets and liabilities				
i) Inventories	0.18		(0.19)	
ii) Trade receivable	0.02		(0.30)	
iii) Loans and advances	0.27		3.95	
iv) Other assets	(13.95)		(2.35)	
v) Other bank balances	(10.98)		3.44	
vi) Liabilities and provisions	1.18		2.32	
		(23.28)		6.87
(Purchase)/sale of money market mutual funds, etc., net *	14.31		61.76	
		14.31		61.76
Net cash from operating activities before income-tax		1,222.73		828.95
Income-tax paid		(75.51)		(32.94)
Net cash from operating activities		**1,147.22**		**796.01**
Carried forward		1,147.22		796.01

Consolidated Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Brought forward	1,147.22	796.01
II. Investing activities		
i) Capital expenditure	(0.85)	(0.05)
ii) Sales proceeds of assets	–	0.01
iii) Sale of current and long-term investments*	2,434.91	1,978.07
iv) Purchase of current and long-term investments*	(1,414.63)	(2,442.26)
Net cash from investing activities	**1,019.43**	**(464.23)**
III. Financing activities		
i) Dividend paid	(629.65)	(334.38)
ii) Corporate dividend tax paid	(131.11)	(56.59)
Net cash from financing activities	**(760.76)**	**(390.97)**
Net change in cash and cash equivalents	**1,405.89**	**(59.19)**
Cash and cash equivalents as at 1 April 2015 [Opening balance]	1.09	60.28
Cash and cash equivalents as at 31 March 2016 [Closing balance]	1,406.98	1.09
	–	–

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

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Naresh Chandra
Chairman - Audit Committee

Notes to consolidated financial statements for the year ended 31 March 2016

1 a) The consolidated financial statements include results of the subsidiary, associates and joint venture of Bajaj Holdings & Investment Ltd., consolidated in accordance with Accounting Standard 21 'Consolidated Financial Statements', Accounting Standard 23 'Accounting for Investment in Associates in Consolidated Financial Statements' and Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures'.

Name of the company	Country of incorporation	% Shareholding of Bajaj Holdings & Investment Ltd. and its subsidiary	Consolidated as
Bajaj Auto Ltd.*	India	31.49%	Associate
Bajaj Finserv Ltd.**	India	39.29%	Associate
Bajaj Auto Holdings Ltd.	India	100.00%	Subsidiary
Maharashtra Scooters Ltd.	India	24.00%	Joint Venture

* The consolidated financial results of Bajaj Auto Ltd. include results of following companies:

Name of the company	Country of incorporation	% Shareholding of Bajaj Auto Ltd.	Consolidated as
PT. Bajaj Auto Indonesia	Indonesia	99.25%	Subsidiary
Bajaj Auto International Holdings BV	Netherlands	100.00%	Subsidiary

The consolidated financial statements of Bajaj Auto International Holdings BV include 47.99% interest in KTM AG as an associate.

** The consolidated financial results of Bajaj Finserv Ltd. include results of following companies

Name of the company	Country of incorporation	% Shareholding of Bajaj Finserv Ltd.	Consolidated as
Bajaj Allianz General Insurance Company Ltd.	India	74.00%	Subsidiary
Bajaj Allianz Life Insurance Company Ltd.	India	74.00%	Subsidiary
Bajaj Finance Ltd.@	India	57.28%	Subsidiary
Bajaj Financial Holdings Ltd.	India	100.00%	Subsidiary
Bajaj Allianz Financial Distributors Ltd.^	India	50.00%	Joint Venture

@ The consolidated financial results of Bajaj Finance Ltd. include 100% interest in Bajaj Housing Finance Ltd. (along with later's wholly-owned subsidiary Bajaj Financial Securities Ltd.) as a subsidiary.

^ The consolidated financial results of Bajaj Allianz Financial Distributors Ltd. include 100% interest in Bajaj Allianz Staffing Solutions Ltd.

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

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016.

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

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

2 Share capital

(₹ In Crore)

Particulars	As at 31 March 2016	2015
Authorised:		
150,000,000 equity shares of ₹ 10 each	150.00	150.00
Issued, subscribed and fully paid-up shares:		
111,293,510 equity shares of ₹ 10 each	111.29	111.29
	111.29	111.29

a. Of the above

4,342,676 equity shares issued by way of Euro equity issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares, excluding 2,171,388 equity shares allotted as bonus shares thereon. Outstanding GDRs at the close of the year were 193,338 (234,679).

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 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 2016 Nos.	% Holding	As at 31 March 2015 Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	17,914,001	16.10%	17,173,481	15.43%
Franklin Templeton Investment Funds	5,847,978	5.25%	6,269,648	5.63%
Jaya Hind Investments Pvt. Ltd.	5,805,256	5.22%	5,805,256	5.22%

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

3 Reserves and surplus

(₹ In Crore)

Particulars	As at 31 March 2016	2015
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	971.12	796.13
Add: Transferred from surplus in Statement of Profit and Loss	254.10	174.99
Add/(Less): Transfer to surplus in Statement of Profit and Loss	(11.24)	–
Closing balance	1,213.98	971.12
Securities premium account		
Balance as at the beginning of the year	444.42	444.42
General reserve		
Balance as at the beginning of the year	10,953.74	9,904.70
Add/(Less): Share of accumulated reserves of associate	74.38	(207.75)
Add/(Less): Adjustment on account of dividend distribution and others	(2.52)	7.25
Add: Transferred from surplus in Statement of Profit and Loss	1,117.62	1,236.40
Add: Transferred from surplus in Statement of Profit and Loss (share of joint venture)	16.01	13.14
Closing balance	12,159.23	10,953.74
Capital reserve arising on consolidation of joint venture	2.50	2.50
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	910.16	739.94
Add/(Less): Transfer from Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	11.24	–
Profit for the year	2,265.24	2,029.24
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	254.10	174.99
Transfer to General reserve	1,117.62	1,236.40
Transfer to General reserve (share of joint venture)	16.01	13.14
Interim dividend	278.23	–
Tax on interim dividend	56.64	–
Share of tax on interim dividend of joint venture	1.68	–
Proposed dividend	83.47	361.70
Tax on proposed dividend	16.99	72.79
Total appropriations	1,824.74	1,859.02
Balance in Statement of Profit and Loss	1,361.90	910.16
	15,182.03	13,281.94

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

4 Other long-term liabilities

(₹ In Crore)

Particulars	As at 31 March 2016	2015
Share of annuity payable to VRS optees of joint venture	3.34	3.98
Lease security deposit	17.50	17.50
Other security deposits	8.28	8.15
Other payables	0.01	0.01
	29.13	29.64

5 Provisions

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Provision for employee benefits				
Provision for gratuity	0.71	0.15	–	–
Provision for compensated absences	–	–	0.33	0.17
Share of provision for compensated absences of joint venture	–	–	0.16	0.16
Provision for long-term incentive plan	0.55	–	–	–
Share of provision for welfare scheme of joint venture	–	0.02	–	–
	1.26	0.17	0.49	0.33
Other provisions				
Provision for tax (net of tax paid in advance)	–	–	13.04	12.81
Proposed dividend	–	–	83.47	361.70
Tax on proposed dividend	–	–	16.99	72.79
	–	–	113.50	447.30
	1.26	0.17	113.99	447.63

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

6 Current liabilities

(₹ In Crore)

Particulars	As at 31 March 2016	2015
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (share of joint venture)	0.01	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.53	1.09
Total outstanding dues of creditors other than micro enterprises and small enterprises (share of joint venture)	0.11	0.06
	0.65	1.15
Other current liabilities		
Security deposits	1.00	3.00
Unclaimed dividend	14.55	4.27
Share of unclaimed dividend of joint venture	1.24	0.54
Share of temporary overdraft of joint venture	0.12	–
Directors' remuneration and commission payable	7.64	4.60
Employee benefits payable	0.97	0.10
Share of employee benefits payable of joint venture	0.12	0.02
Taxes payable	0.26	2.13
Share of taxes payable of joint venture	0.03	0.04
Other payables	0.28	0.12
Share of other payables of joint venture	0.04	0.03
Share of advance against order of joint venture	0.02	0.16
Share of annuity payable to VRS optees of joint venture	0.90	0.94
	27.17	15.95
	27.82	17.10

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

7 Fixed assets (tangible assets)

Current year

(₹ In Crore)

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

Previous year

(₹ In Crore)

Particulars	Gross block				Depreciation				Net block
	As at 31 Mar 14	Additions	Deductions/ adjustments	As at 31 Mar 15	As at 31 Mar 14	Deductions/ adjustments	For the year	As at 31 Mar 15	As at 31 Mar 15
Land freehold	0.04	–	–	0.04	–	–	–	–	0.04
Land leasehold	1.24	–	0.02	1.22	–	–	–	–	1.22
Buildings	9.65	–	–	9.65	3.49	–	0.42	3.91	5.74
Plant and machinery	5.01	0.05	0.08	4.98	3.69	0.08	0.48	4.09	0.89
Furniture and fixtures	0.07	–	–	0.07	0.06	–	–	0.06	0.01
Office equipments	0.02	–	0.02	–	0.01	0.01	–	–	–
Vehicles	0.51	–	–	0.51	0.10	–	0.06	0.16	0.35
Leased assets: Plant and machinery	87.50	–	–	87.50	87.50	–	–	87.50	–
Total	**104.04**	**0.05**	**0.12**	**103.97**	**94.85**	**0.09**	**0.96**	**95.72**	**8.25**
Share of fixed assets of joint ventures	6.55	0.05	0.10	6.50	4.78	0.09	0.76	5.45	1.05

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

8 Investments

(₹ In Crore)

Particulars	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2016	**2015**	**2016**	**2015**
In Investment property	201.29	206.38	–	–
In Government and trust securities	1,230.62	1,727.48	–	–
In Fully paid preference shares	0.19	0.19	–	–
In Equity shares				
Long-term: associate company	8,905.91	7,840.96	–	–
Others	2,026.26	1,813.05	–	–
Share of joint venture	37.12	37.12	–	–
	10,969.29	9,691.13	–	–
In Debentures, bonds and secured premium notes	705.13	936.37	5.01	76.09
Share of joint venture	19.20	19.19	–	–
In Mutual fund units	75.01	76.94	44.44	159.68
Share of joint venture	–	–	0.90	0.64
In Other alternative investment fund	14.68	11.96	–	–
In Certificate of deposits	–	–	–	140.32
Share of joint venture	–	–	10.08	8.13
In Commercial paper	–	–	–	23.06
	13,215.41	12,669.64	60.43	407.92

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

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

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Capital advances	–	–	–	–
Security deposits	1.28	1.30	–	–
Share of security deposits of joint venture	0.01	0.01	–	–
Loan and advances to related parties	–	–	0.08	0.07
Advances recoverable in cash or kind	0.85	0.86	–	–
Share of advances recoverable in cash or kind of joint venture	–	–	0.03	0.03
Other loans and advances				
Share of VAT refund receivable of joint venture	0.07	0.07	–	–
CENVAT credit receivable	–	–	–	0.01
Advance income-tax (net of provision for tax)	29.20	24.00	–	–
Share of Advance income-tax (net of provision for tax) of joint venture	2.21	1.84	–	0.01
MAT credit entitlement	134.33	153.40	12.49	10.63
Less: Provision for possible unutilisation	33.50	33.50	–	–
	100.83	119.90	12.49	10.63
Share of loans to former employees of joint venture	0.18	0.17	0.04	0.37
Others	6.91	6.91	0.01	–
Share of others of joint venture	–	–	0.14	0.04
	139.40	152.89	12.68	11.06
	141.54	155.06	12.79	11.16

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

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

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Non-current bank balances [See note 13]	6.45	3.12	–	–
Others				
Interest accrued but not due on fixed deposits	–	–	–	6.40
Dividend receivable	–	–	5.26	–
Interest receivable on investments/loans	–	–	61.03	45.87
Share of interest receivable on investments/loans of joint venture	–	–	0.62	0.69
Interest receivable on investments/loans, doubtful	1.18	1.18	–	–
Less: Provision for doubtful receivable	1.18	1.18	–	–
	–	–	61.65	46.56
	6.45	3.12	66.91	52.96

11 Inventories

(₹ In Crore)

Particulars	As at 31 March	
	2016	2015
Raw materials and components (share of joint venture)	0.05	0.04
Work-in-progress (share of joint venture)	0.07	0.26
Stores (share of joint venture)	0.01	0.01
	0.13	0.31

12 Trade receivables
(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Outstanding for a period exceeding six months from the date they are due for payment (share of joint venture)	–	–	0.09	0.07
Share of others, good of joint venture	–	–	0.50	0.54
	–	–	0.59	0.61

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

13 Cash and bank balances

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Cash and cash equivalents				
Balances with banks				
In current accounts	–	–	0.69	0.98
Share of current accounts of joint venture	–	–	–	0.11
Cash equivalents				
Certificate of deposits with maturity of less than 3 months from date of acquisition	–	–	1,209.16	–
Commercial paper with maturity of less than 3 months from date of acquisition	–	–	197.13	–
	–	–	1,406.98	1.09
Other bank balances				
In unclaimed dividend account	–	–	14.55	4.27
Share of unclaimed dividend account of joint venture	–	–	1.24	0.54
Deposits with residual maturity for less than 12 months	–	–	–	40.00
Deposits with residual maturity for less than 12 months (share of joint venture)	–	–	0.24	2.34
Deposits with residual maturity for more than 12 months (share of joint venture)	6.45	3.12	–	–
	6.45	3.12	16.03	47.15
Amount disclosed under 'other non-current assets' [See note 10]	(6.45)	(3.12)	–	–
	–	–	1,423.01	48.24

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

14 Revenue from operations

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Sale of products (share of joint venture)	2.42	1.87
Less: Excise duty on sale of products (share of joint venture)	0.27	0.21
Net sales (share of joint venture)	2.15	1.66
Other operating revenue		
Interest		
Interest income on		
Bank deposits	4.39	21.22
Share of bank deposits of joint venture	0.58	0.46
Long-term investments	220.80	174.75
Share of long-term investments of joint venture	1.74	1.80
Share of others of joint venture	0.05	0.06
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	5.79	6.00
Current investments	13.22	6.11
Share of amortisation of (premium)/discount on acquisition of fixed income securities of joint venture	0.01	(0.01)
	246.58	210.39
Other financial services		
Dividend income on		
Long-term investments	64.11	55.06
Share of long-term investments of joint venture	22.88	11.45
Profit on sale of investments, net	113.91	222.04
Share of profit on sale of investments, net of joint venture	0.59	1.20
Surplus on redemption of securities, net	-	0.33
Share of surplus on redemption of securities, net of joint venture	0.10	0.12
Provision for diminution in value of investments write back	3.14	3.72
Income from units of mutual fund	-	0.79
Investments/balances earlier written off, recovered	-	1.01
	451.31	506.11
Other reveune from operations		
Rent from investment property	16.38	16.16
	467.69	522.27
	469.84	523.93

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

15 Other income

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Interest on income-tax refunds	–	30.45
Miscellaneous receipts	4.50	4.41
Share of miscellaneous receipts of joint venture	0.02	0.02
Provision no longer required	2.33	0.01
Share of surplus on sale of assets of joint venture	–	0.01
	6.85	34.90

16 Cost of raw material and components consumed

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Raw materials and boughtout items (share of joint venture)	0.92	1.02
	0.92	1.02

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

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	0.07	0.26	0.19
Finished goods	–	–	–
	0.07	0.26	0.19
Inventories at the beginning of the year			
Work-in-progress	0.26	0.08	(0.18)
Finished goods	–	–	–
	0.26	0.08	(0.18)
	0.19	(0.18)	

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

18 Employee benefits expense

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Salaries, wages and bonus to employees	3.79	0.25
Share of salaries, wages and bonus to employees of joint venture	1.62	1.12
Remuneration to whole time-director	9.12	5.59
Contribution to provident and other funds	1.47	0.61
Share of contribution to provident and other funds of joint venture	0.17	0.17
Staff welfare expenses	0.05	0.01
Share of staff welfare expenses of joint venture	0.13	0.12
	16.35	7.87

19 Depreciation and amortisation

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Depreciation on tangible assets	0.19	0.20
Share of depreciation on tangible assets of joint venture	0.18	0.76
Depreciation on investment property	5.09	4.95
Amount written off against leasehold land	0.02	0.02
	5.48	5.93

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

20 Other expenses

(₹ In Crore)

Particulars	For the year ended 31 March 2016	2015
Share of stores and tools consumed of joint venture	0.09	0.07
Share of power, fuel and water of joint venture	0.12	0.11
Repairs to buildings	1.37	1.36
Share of repairs to buildings of joint venture	0.08	0.14
Repairs to machinery (₹ 14,594 - previous year ₹ 805)		
Share of repairs to machinery of joint venture	0.04	0.04
Share of repairs to others of joint venture	0.08	0.07
Rent	0.01	0.01
Rates and taxes	1.59	2.61
Share of rates and taxes of joint venture	0.01	0.01
Insurance	0.07	0.05
Share of insurance of joint venture	0.01	0.01
Payment to auditor	0.13	0.11
Share of payment to auditor of joint venture	0.03	0.03
Directors' fees and travelling expenses	0.41	0.41
Share of directors' fees and travelling expenses of joint venture	0.03	0.03
Commission to non-executive directors	0.80	0.41
Expenditure towards Corporate Social Responsibility (CSR) activities	7.03	4.00
Share of expenditure towards Corporate Social Responsibility (CSR) activities of joint venture	0.03	–
Miscellaneous expenses	11.78	6.42
Share of miscellaneous expenses of joint venture	0.14	0.11
Provision for diminution in value of current investments	–	15.00
	23.85	31.00

21 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.

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

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

23 Cosolidated contingent liability

(₹ In Crore)

Particulars	As at 31 March 2016	As at 31 March 2015
i) Claims against the Company not acknowledged as debts (including ₹ 153.45 crore (previous year ₹ 149.17 crore) being share of joint venture and associate)	153.49	149.20
ii) Taxes, duties and other sums due (including ₹ 509.77 crore (previous year ₹ 380.90 crore) being share of joint venture and associate)	906.75	776.15
iii) Claims made by temporary workmen (of associate)	Liability unascertained	Liability unascertained
iv) Claims, under policies, not acknowledged as debts (being share of associate)	10.43	8.96
v) Guarantees given on behalf of Company (being share of associate)	1.30	0.88

24 Capital and other commitments

(₹ In Crore)

Particulars	As at 31 March 2016	As at 31 March 2015
Capital commitments to the extent not provided for, net of capital advances (being share of joint venture and associate)	101.04	110.47

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

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

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

(₹ In Crore)

Particulars	Net assets (i.e. Total assets minus total liabilities)		Share in profit or (loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
1 Parent				
Bajaj Holdings & Investment Ltd.	44.45%	6,798.05	56.09%	1,270.51
2 Subsidiaries (Indian)				
Bajaj Auto Holdings Ltd.	0.36%	54.86	0.02%	0.55
(Less): Minority interests in all subsidiaries	–	–	–	–
(Less): Inter-company eliminations	–	(0.25)	(0.18%)	(4.17)
3 Associates (Investment as per equity method) Indian				
Bajaj Auto Ltd.	27.22%	4,162.71	52.60%	1,191.54
Bajaj Finserv Ltd.	34.40%	5,261.41	32.32%	732.11
(Less): Inter-company eliminations	(6.91%)	(1,056.19)	(41.19%)	(933.08)
4 Joint venture (as per proportionate consolidation method) Indian				
Maharashtra Scooters Ltd.	0.49%	74.88	1.07%	24.24
(Less): Inter-company eliminations	(0.01%)	(2.15)	(0.73%)	(16.46)
Total	100.00%	15,293.32	100.00%	2,265.24

27 Previous year figures

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

28 Miscellaneous

₹ 1 crore is equal to ₹ 10 million.

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 25 May 2016

Anant Marathe
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Naresh Chandra
Chairman - Audit Committee

Salient features of the financial statements of subsidiaries for the year ended 31 March 2016

Form AOC-1: In accordance with section 129(3) of the Companies Act, 2013, the salient features of the financial statements of subsidiaries are given below:

Part A: Subsidiary

(₹ In Crore)

	Particulars	Bajaj Auto Holdings Ltd.
a	Reporting period for the subsidiary	1 April 2015 to 31 March 2016
b	Paid-up share capital	0.25
c	Reserves and surplus	54.61
d	Total assets	54.92
e	Total liabilities	54.92
f	Investments	52.85
g	Turnover/Operating result	1.00
h	Profit before tax	0.81
i	Provision for tax	0.26
j	Profit after tax	0.55
k	Proposed dividend	–
l	% of shareholding	100.00%

Part B: Associates and Joint Venture

(₹ In Crore)

	Particulars	Bajaj Auto Ltd. (Associate)	Bajaj Finserv Ltd. (Associate)	Maharashtra Scooters Ltd. (Joint Venture)
a	Latest audited balance sheet date	31 March 2016	31 March 2016	31 March 2016
b	Shares of associate/joint venture held by the company and its subsidiary on the year end			
	- Number	91,119,000	62,523,219	2,742,848
	- Amount of investment in associate/joint venture	286.22	769.97	0.24
	- Extent of holding %	31.49%	39.29%	24.00%
c	Description of how there is significant influence	By way of shareholding	By way of shareholding	By way of shareholding
d	Reason why associate/joint venture is not consolidated	N.A.	N.A.	N.A.
e	Networth attributable to shareholding as per latest audited balance sheet	4,107.88	5,261.41	74.88
f	Profit/(loss) for the year			
	- Considered in consolidation	3,783.98	1,863.27	101.00
	- Not considered in consolidation	–	–	–

On behalf of the Board of Directors

Rahul Bajaj
Chairman

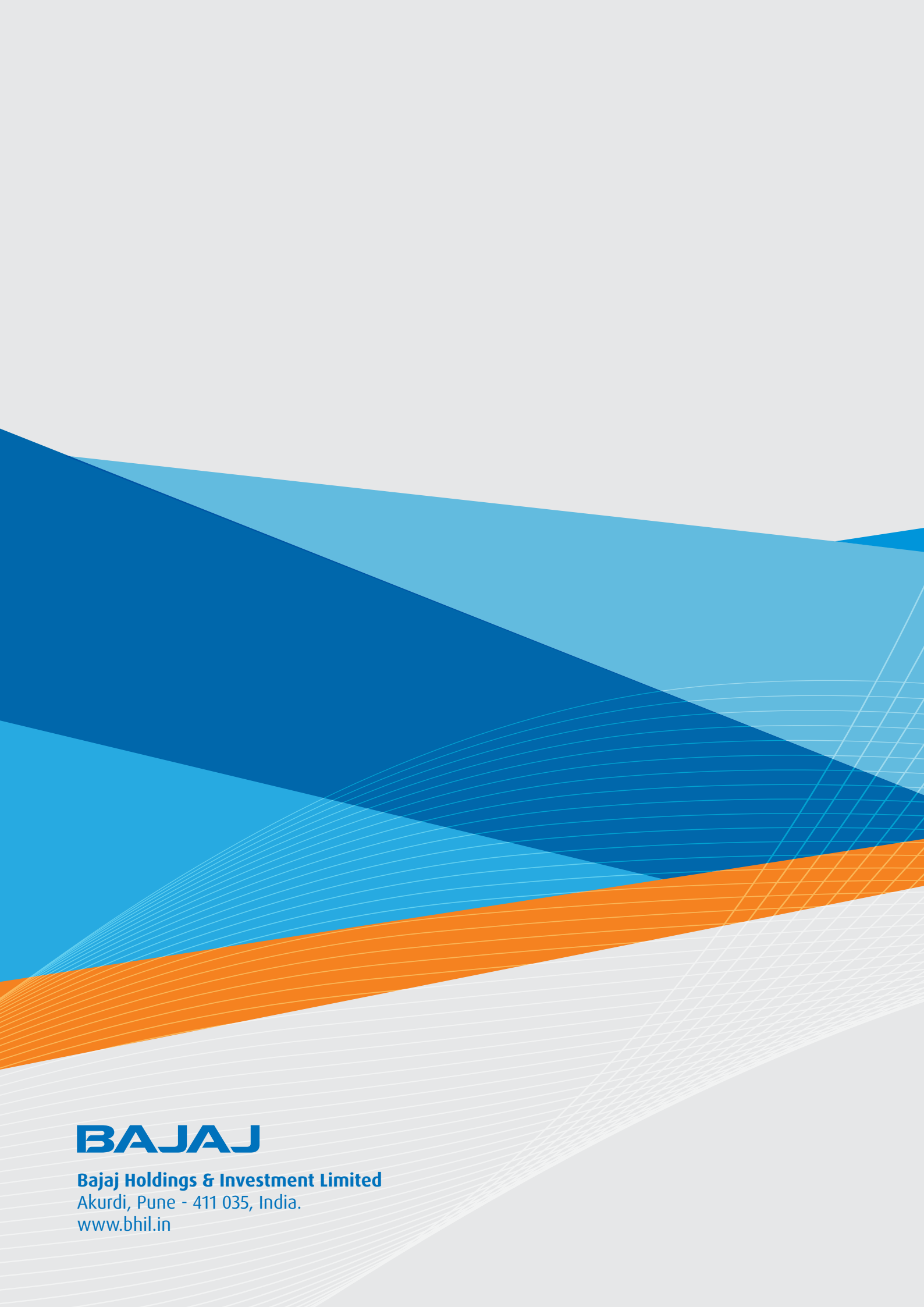
Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Vallari Gupte
Company Secretary

Naresh Chandra
Chairman - Audit Committee

Pune: 25 May 2016



BAJAJ

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

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

NOTICE

Notice is hereby given that the seventy first annual general meeting of the shareholders of Bajaj Holdings & Investment Ltd. will be held on **Wednesday, 27 July 2016** at **4.00 p.m.** at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the standalone financial statements and the consolidated financial statements of the Company for the year ended 31 March 2016, together with the Directors' and Auditors' Reports thereon.

2. To declare final dividend of ₹ 7.50 per equity share of face value of ₹ 10 each, and to approve the interim dividend of ₹ 25 per equity share of face value of ₹ 10 each, already paid during the year, for the year ended 31 March 2016.

3. 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.

4. To ratify appointment of Dalal & Shah LLP, Chartered Accountants (Firm Registration No. 102021W/W100110) as Statutory Auditors of the Company, for the year 2016-17 and to fix their remuneration.

SPECIAL BUSINESS:

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

   "RESOLVED that pursuant to the provisions of sections 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of sections 198 of the Companies Act, 2013 be paid to and distributed amongst the directors of the Company or some or any of them (other than the managing director and whole-time directors, if any) in such amounts, subject to such ceiling/s and in such manner and in such respects as may be decided by the Board of directors of the Company and such payments shall be made in respect of the profits of the Company for each year for a period of five years commencing from 1 April 2016."

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



Vallari Gupte
Company Secretary

Pune: 25 May 2016

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 UPTO 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 An interim dividend at the rate of ₹ 25 per equity share of ₹ 10 each declared by the Board at its meeting held on 9 March 2016 has been paid to all the eligible members as on 17 March 2016, being the record date for the purpose of dividend. Directors have further recommended a final dividend for the year 2015-16.

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

6 Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder and in terms of the approval given by the members at the AGM of the Company held on 17 July 2014, the current auditors of the Company, Dalal & Shah LLP, Chartered Accountants are eligible to hold the office for a period of three years, upto 2017, subject to ratification by members at every subsequent AGM. The ratification of appointment of Dalal & Shah LLP, Chartered Accountants as auditors from the conclusion of this annual general meeting till the conclusion of the next annual general meeting along with their remuneration has hence been put up for the approval of members.

7 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, 16 July 2016** to **Wednesday, 27 July 2016**, both days inclusive.

8 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 **1 August 2016** and/or **2 August 2016** 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, 15 July 2016**; and

b) to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/share transfer agent (i.e. Karvy Computershare Pvt. Ltd.) on or before the close of business hours on **Friday, 15 July 2016**.

9 Dividend will be preferably paid through NECS, wherever the facility is available. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the members. In cases, where the dividend cannot be paid through NECS, the same will be paid by account payee/not negotiable instruments.

10 **To ensure timely credit of dividend through National Electronic Clearing Service (NECS) 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/NECS 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 15 July 2016.**

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

12 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.

13 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.

14 **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**

15 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.

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

17 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, upto the date of the meeting.

18 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.

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

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

21 Members/Proxies are requested to bring the copies of annual reports and attendance slips to the meeting, if the same are received in physical form.

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

23 Route map for the directions to venue of the meeting is available on the Company's website http://www.bhil.in/pdf/agm_route_map.pdf

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

25 **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 **20 July 2016** (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 Holdings & Investment Ltd.**

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

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

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

x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send 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 e-mail 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: **24 July 2016 (9.00 a.m.)** till **26 July 2016 (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:

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

C. Voting facility at Annual General Meeting:

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

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

D. General Instructions:

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

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

iii. The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutiniser's report shall be placed on the Company's website www.bhil.in and on the website of Karvy – https://evoting.karvy.com and shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the annual general meeting of the Company scheduled to be held on **Wednesday, 27 July 2016.**

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

Manish Kejriwal (DIN 00040055)

As regards re-appointment of Manish Kejriwal referred to in item No 3 of the notice, following necessary disclosures are made for the information of the shareholders:

Information about the appointee:

Manish Kejriwal (born on 8 November 1968) is the Managing Partner of Kedaara Capital Advisors LLP, 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. Kedaara offers solution-oriented capital combining deep strategic and operational expertise in focused sectors, consultative approach and global connectivity to deliver superior returns. The firm enjoys a strategic partnership with Clayton, Dubilier & Rice of the United States.

He brings over 10 years of experience, encompassing the full cycle of experiences in private equity across a variety of industries and sectors in private and public companies and in other private equity funds. His achievements/previous assignments include the following:

- Senior Managing Director of Temasek Holdings Advisors India Pvt. Ltd., which was founded by Kejriwal in early 2004.
- Partner at McKinsey & Company, Inc, and had been a part of their Cleveland, New York and Mumbai offices.
- Worked at the World Bank in Washington D. C, and had spent the summer between his two years at business school with Goldman Sachs (Principal Investment/Corporate Finance) in Hong Kong.
- Received an AB from Dartmouth College, where he graduated Magna Cum Laude with a major in Economics and Engineering Sciences. He holds an MBA from Harvard University, where he graduated with high distinction as a Baker Scholar.
- He has been on the boards of Temasek Holdings Advisors India Pvt. Ltd., Punj Lloyd, Bharti Infratel, Tata Tele, Fullerton Financial Holdings and Fullerton India Credit Company.
- An active member of the Young Presidents' Organisation (YPO) and named a Young Global Leader (YGL) by the World Economic Forum in 2005.

Major Directorships

Bajaj Auto Ltd.
Bajaj Holdings & Investment Ltd.
Bharti Airtel Ltd.

Committee positions

Bajaj Holdings & Investment Ltd.
Bharti Airtel Ltd.

Shareholding in the Company

He holds 100 equity shares of ₹ 10 each in 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.

None of the directors, except Rahul Bajaj and Manish Kejriwal, is concerned or interested in the said resolution.

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

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 of the Notice

Section 197 of the Companies Act, 2013 permits the payment of remuneration to a director who is neither a whole-time director nor a managing director of a company, by way of commission not exceeding one percent of the net profits of the company, if the same is approved by the members. By a special resolution passed on 14 July 2011, members of the Company had approved such payment for a period of five years, which was valid upto 31 March 2016.

In view of the increasing demands on non-executive directors' participation in Board and committee meetings and the higher responsibilities they are expected to bear, in the interest of higher level of excellence in corporate governance on account of statutory and regulatory changes, it is proposed to continue to pay such commission to the non-executive directors for a further period of five years upto and including the year 2020-21.

The amount of commission shall be payable each year after the annual accounts are approved by the Board of directors and adopted by the shareholders.

No approval of Central Government shall be required for the said payment of commission, since it is within the prescribed limits as specified under section 197. The above payment to non-executive directors will be in addition to the sitting fees payable to them for attending Board/Committee meetings, which at present is fixed at ₹ 50,000 per meeting.

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

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

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



Vallari Gupte
Company Secretary

Pune: 25 May 2016

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

PROXY FORM

Form No. MGT-11

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

CIN	:	L35911PN1945PLC004656
Name of the Company	:	Bajaj Holdings & Investment Ltd.
Registered office	:	Mumbai Pune Road, Akurdi, Pune 411 035
Name of the member (s)	:	_____
Registered address	:	_____
E-mail ID	:	_____
Folio No/Client ID	:	_____
DP ID	:	_____

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

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

(2) Name : _____ Address : _____
E-mail Id: _____ Signature : _____ or failing him

(3) Name : _____ Address : _____
E-mail Id: _____ Signature : _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the SEVENTY FIRST annual general meeting of the Company, to be held on **Wednesday, 27 July 2016** at **4.00 p.m.** at Mumbai-Pune Road, Akurdi, Pune 411 035 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1 Adoption of financial statements for the year ended 31 March 2016 and Directors' and Auditors' Reports thereon.
2 To declare final dividend and approve interim dividend for the year ended 31 March 2016.
3 Re-appointment of Manish Kejriwal, who retires by rotation.
4 Ratification of appointment of Dalal & Shah LLP, Chartered Accountants, as Statutory Auditors and fixing their remuneration for the year 2016-17.

Special Business

5 Approval for payment of commission to non-executive directors for a period of five years commencing from 1 April 2016.

Signed this_____ day of _____ 2016

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.**

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

ATTENDANCE SLIP

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

Name & Address :

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

No. of Shares held :

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

I/We hereby record my/our presence at the SEVENTY FIRST annual general meeting of the Company on **Wednesday, 27 July 2016** at **4.00 p.m.** at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035.

Signature of First holder/Proxy/Authorised Representative

Signature of Joint holder(s)

Place:
Date:

Notes:

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

E-VOTING

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

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

Note:

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