



Bajaj Auto Limited

Since 1945



9th ANNUAL REPORT
2015-16





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Board of Directors

Rahul Bajaj
Chairman
Madhur Bajaj
Vice Chairman
Rajiv Bajaj
Managing Director
Sanjiv Bajaj
Kantikumar R Podar
Shekhar Bajaj
D J Balaji Rao
D S Mehta
J N Godrej
S H Khan (Upto 12.1.2016)
Naresh Chandra
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Dr. Gita Piramal
Pradeep Shrivastava (From 1.4.2016)

Audit Committee

Nanoo Pamnani, Chairman
D J Balaji Rao
Naresh Chandra

Stakeholders Relationship Committee

D J Balaji Rao, Chairman
J N Godrej
Naresh Chandra
Dr. Gita Piramal

Nomination and Remuneration Committee

D J Balaji Rao, Chairman
Naresh Chandra
Rahul Bajaj
Dr. Gita Piramal

Corporate Social Responsibility Committee

Rahul Bajaj, Chairman
Rajiv Bajaj
Nanoo Pamnani

Risk Management Committee

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

Management

Rahul Bajaj
Chairman
Madhur Bajaj
Vice Chairman
Rajiv Bajaj
Managing Director
Pradeep Shrivastava
Executive Director
Abraham Joseph
Chief Technology Officer
R C Maheshwari
President (Commercial Vehicle Business)
Rakesh Sharma
President (International Business)
Eric Vas
President (Motorcycle Business)
Kevin D'sa
President (Finance)-CFO

S Ravikumar
President (Business Development and Assurance)

Amrut Rath
President (Human Resources)
Amit Nandi
President (Probiking)

C P Tripathi
Advisor (CSR)

Company Secretary

J Sridhar

Auditors

Dalal & Shah LLP
Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye
Practising Company Secretary

Bankers

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

Registered under the Companies Act, 1956

Registered Office

Mumbai-Pune Road,
Akurdi, Pune 411 035.

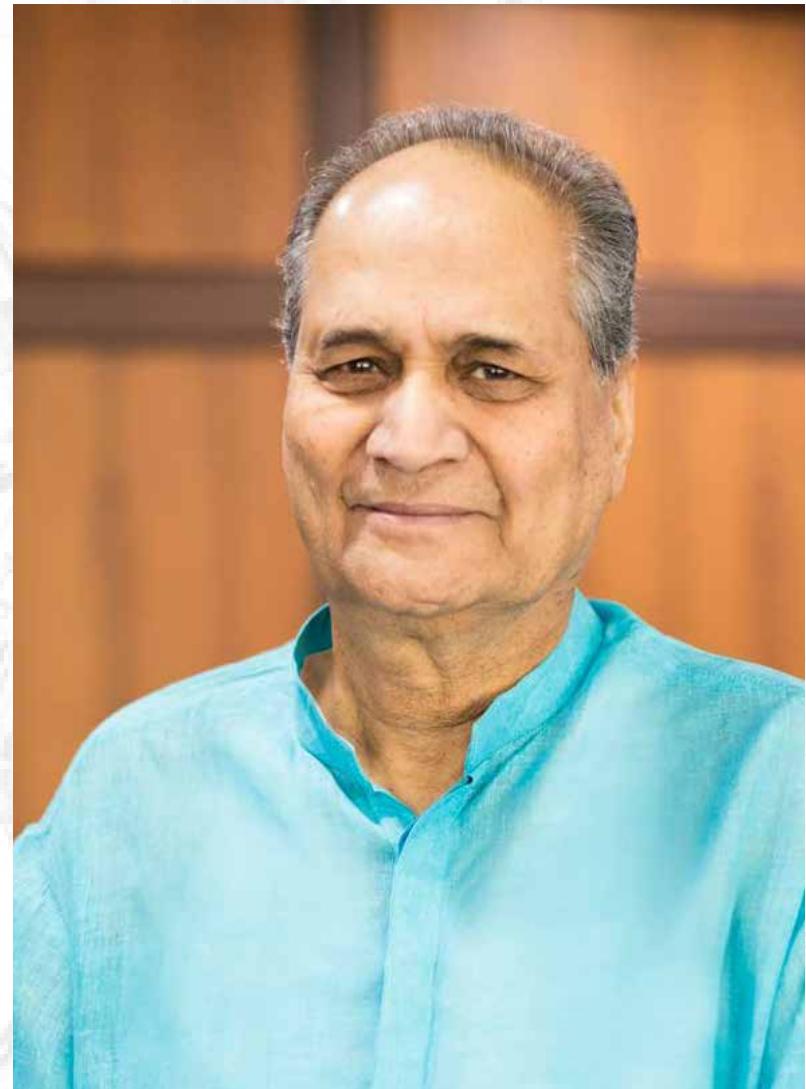
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Works

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



Madhur Bajaj
Vice Chairman



Rahul Bajaj
Chairman

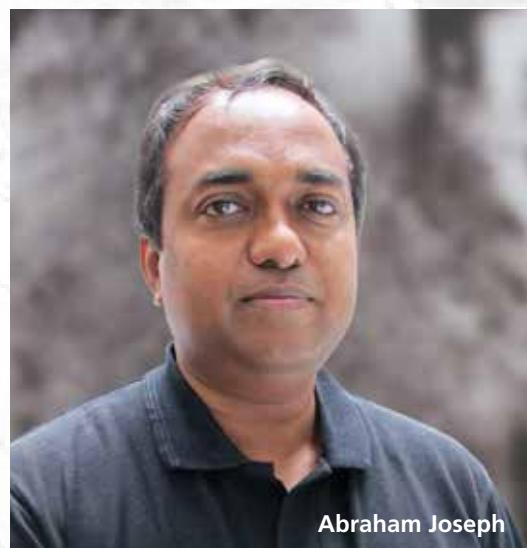
Management Team



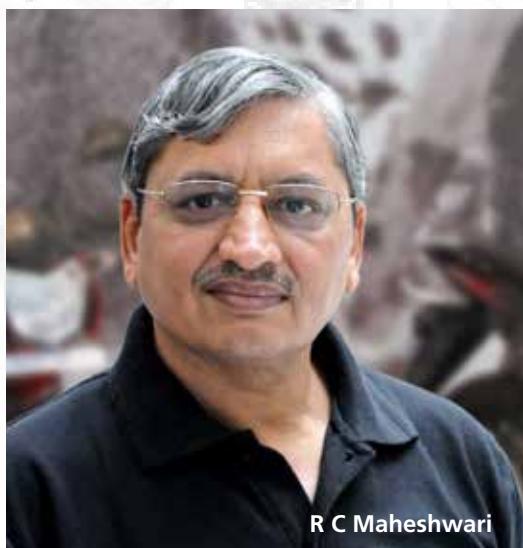
Rajiv Bajaj



Pradeep Srivastava



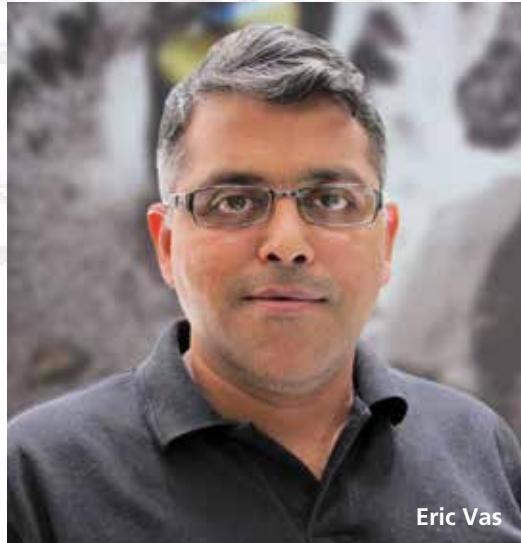
Abraham Joseph



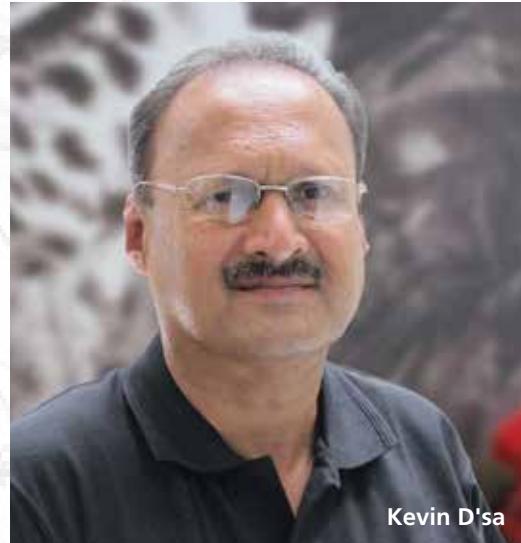
R C Maheshwari



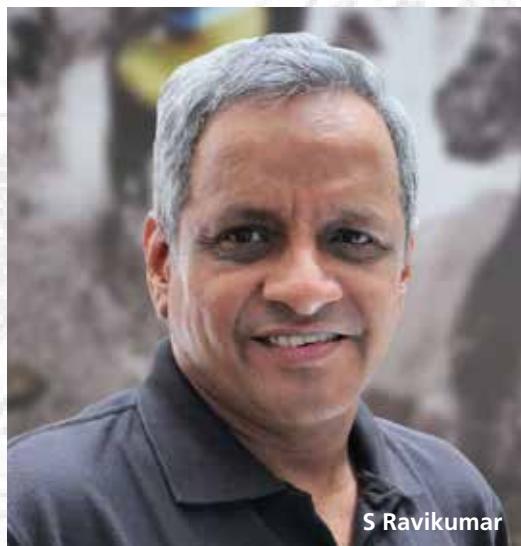
Rakesh Sharma



Eric Vas



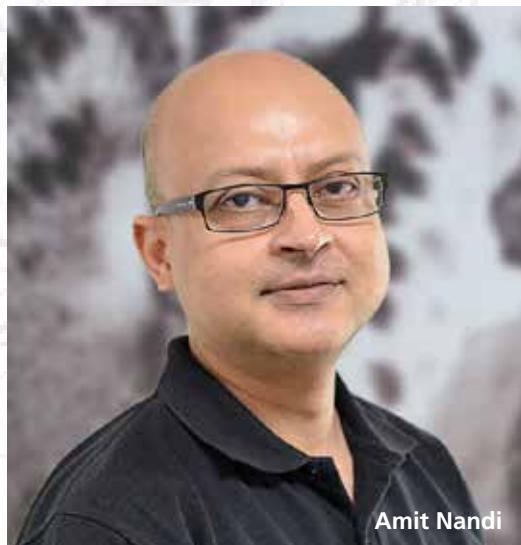
Kevin D'sa



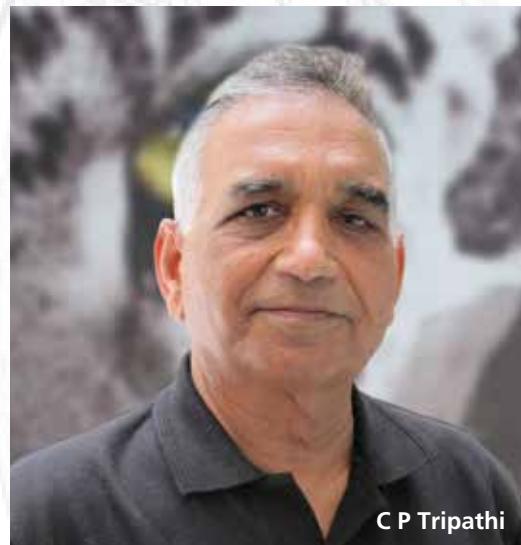
S Ravikumar



Amrut Rath



Amit Nandi



C P Tripathi



Chairman's Letter

Dear Shareholder,

Let me start with some encouraging news. 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 2015–16 (FY2016) — up from 7.2% in the previous year. I believe this to be a reasonable estimate. Just as I believe that if we have good monsoons in 2016–17, as the meteorological office has suggested, we should be set to achieve even higher growth of around 8% this fiscal. The worst is hopefully behind us.

I will touch upon a somewhat worrisome macroeconomic issue towards the end of this letter. But for now I need to share with you the results of your Company. Despite headwinds in both the domestic and international markets, Bajaj Auto has performed very well. Here are the key financials:

- Net sales increased by 5.4% to ₹ 22,253 crore. Total operating income (net sales plus other operating income) grew by 5.3% to ₹ 22,967 crore.
- Operating EBITDA increased by 17.5% to ₹ 5,147 crore. This is the highest in your Company's history.
- At 22.4% of net sales and other operating income, the operating EBITDA margin is, I believe, the highest in the industry.
- Operating profits grew by 17.9% to a record of ₹ 4,839 crore. The operating profit margin was 21.1% of net sales plus other operating income — also the best in the industry.
- Profit before tax (PBT) increased by 31.8% to a record ₹ 5,385 crore.
- Profit after tax (PAT) rose by 29.8% to ₹ 3,652 crore, another record for the Company.
- Inspite of two dividend payouts in FY2016, surplus cash and cash equivalents as on 31 March 2016 was up by 7.5% to ₹ 9,089 crore.

So, these are very good results, and your Company's Management deserves congratulations for such achievements.

Let me now touch upon some other aspects of Bajaj Auto's performance. After three consecutive years of de-growth, your Company's domestic sale of motorcycles increased by 7.2% to almost 1.9 million units. That has been very encouraging especially in an environment where overall demand still remains somewhat subdued. So, too, has Bajaj Auto done well in domestic sale of three-wheelers, which has increased by 8.8% over the previous year to just a tad short of 255,000 units.

However, due to external factors, especially poor economic conditions and severe foreign currency constraints in some of the key importing countries, we have not succeeded in equal measure on the export front — both in motorcycles and three-wheelers. After a 15% growth in motorcycle exports last year, the numbers fell by 4.1% to 1.46 million units; and, similarly, on the back of a 9.2% growth in FY2015, exports of three-wheelers dropped by 1.6% to some 280,000 units. This does not take away from the fact that your Company remains India's largest exporter of both motorcycles and three-wheelers and it still enjoys significant market shares. In fact it has improved its market share in important geographies: 24% in markets where it operates in Latin America, driven by the Pulsar 200NS; and 33% share in the relevant markets of Africa where the Boxer continues to lead our motorcycle sales. I hope that exports will pick up when some of these markets abroad get into better economic and financial shape.

Regarding the domestic play, I am impressed by the strategy that Bajaj Auto has been following to garner significant market shares in certain key segments. Using what your Company's Managing Director likes to call the strategy of creative differentiation — more of which is described in the Management Discussion and Analysis — we have succeeded in capturing major, often leading, market shares in three categories: (i) the super-sports segment with the KTM and the Pulsar RS 200; (ii) the sports or performance segment with the Pulsars and the Avengers; and (iii) the entry-level segment with the Platina and CT 100.

In February 2016 your Company launched the V15, a 150 cc bike, to create a new and differentiated model for the large mass commuter segment. These are early days yet. But I hope that this new and more powerful offering will steadily increase Bajaj Auto's presence in this important sector of the market — the more so as demand picks up with an overall economic rebound in FY2017.

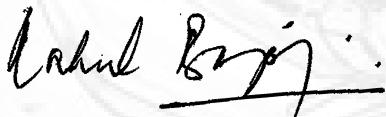
Amidst successes, there has been a disappointment. Your Company has produced what I believe to be an excellent Quadricycle called Qute (rhymes with 'cute'). In FY2016, we exported under 400 units to 13 markets across the world. It was ready for introduction in India last year. Unfortunately, everything has been held up by on-going court cases, which now await a final verdict in the Supreme Court. The matter is *sub-judice*. All I can hope for is a positive outcome, so that passengers in India enjoy the benefits of this fuel efficient and emission friendly four-wheeled vehicle as have their counterparts abroad.

That brings me to the worrying macroeconomic theme that I alluded to earlier. Each year, India is producing an extra 12 million young people of an age that makes them ready for the nation's workforce. Unfortunately, while there is no doubt that we as a country can increase our GDP growth initially to 8% per annum and then hit a steady-state of around 8.5% for several years, everything seems to suggest that employment will not rise at anywhere close to that rate of growth. Indeed, all recent data across most manufacturing and service sector activities show that employment elasticities (namely, the percentage increase in employment for a percentage growth in value added) are not only less than unity, but often negative. Matters worsen if you juxtapose significantly greater skill and multi-tasking needs of the future with the inadequate educational and technical abilities of many who are entering the labour force — thanks to years of neglect of our schools, colleges and technical and vocational training institutions. How then can we expect to employ the majority of our youth even when we attain higher growth? And what will this do to inequality and social tensions? I don't have ready answers. But as a nationalist in his seventh decade, I am concerned.

Finally, I live in wonderment with what technology brings in every day. I recently read a very good book by my friend Klaus Schwab of the World Economic Forum entitled *The Fourth Industrial Revolution*, where he writes of 23 deeply disruptive technological shifts that are on the anvil. Some of these are implantable technologies, wearable internet, artificial intelligence, the internet of things, ubiquitous robotics, 3D printing and various forms of nano-technologies. I can only speculate how these could disrupt automobile manufacturing, especially of motorcycles, three-wheelers and other two-wheelers. Since I am a generalist, these are but naive speculations and guesses. Perhaps the senior team of Bajaj Auto might want to pool resources to explore some of these out-of-the-box ideas in addition to what they are already doing.

Let me end by stating that I have great faith and confidence in the capability of your Company's Management, and its ability to deliver good results in the future. Also, my thanks to our customers, dealers, vendors and employees who have always done their utmost for your Company. And my thanks to you, dear shareholders, for your long and continued support.

With best regards,



Rahul Bajaj
Chairman

25 May 2016

Management Discussion and Analysis

"Presence is Nothing without Performance"

The advance estimate of real GDP growth released in February 2016 by the Central Statistical Organisation of the Government of India suggests a pick-up from 7.2% in the previous year to 7.6% for 2015-16 (henceforth FY2016). While still short of the 8% growth that India needs to achieve, on a steady state basis, this will be a creditable achievement given the muted global economic scenario. Indeed, there have been early signs of an up-tick in both consumer demand and the beginnings of much needed growth in investments. As of now, these are more in the nature of 'green shoots'. However, if the monsoons are as good as the preliminary meteorological forecast suggests — coming as it will after two consecutive years of drought across many parts of India — then the country ought to expect higher GDP growth in 2016-17.

How was FY2016 for India's two- and three-wheeler industry? Despite somewhat higher estimated GDP growth for the year, domestic sales of motorcycles (in units) showed a marginal degrowth of 0.4% compared to the previous year. Given the difficult global scenario, exports of motorcycles for the industry as a whole reduced by 1.9%. Consequently, total motorcycle sales in India plus exports in FY2016 fell by 0.7% over FY2015. After a smart growth of three-wheelers sales (domestic plus exports) in FY2015, the numbers for the industry remained almost flat in FY2016 — with a modest growth in domestic sales being netted out by an almost similar degrowth in exports. To summarise, for the Indian industry, motorcycles and three-wheelers sales both in the country and abroad degrew by 0.6% in FY2016 vis-à-vis the previous year.

How did Bajaj Auto Ltd. ('Bajaj Auto' or 'BAL') perform in what was a difficult year for the industry?

In two words: very well.

To appreciate this, it is useful to start with the financials.



Bajaj Auto's Financial Performance for FY2016

- Net sales grew by 5.4% to ₹ 22,253 crore. Total operating income (net sales plus other operating income) increased by 5.3% to ₹ 22,967 crore.
- Operating earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 17.5% to ₹ 5,147 crore, making it **the highest in the Company's history**.
- The operating EBITDA margin was 22.4% of net sales and other operating income, which remains **the highest in the industry**.
- Operating profit grew by 17.9% to a **record** ₹ 4,839 crore.
- At 21.1%, the operating profit margin to net sales plus other operating income was also **the highest in the industry**.
- Profit before tax (PBT) increased by 31.8% to a **record** ₹ 5,385 crore.
- Profit after tax (PAT) rose by 29.8% to ₹ 3,652 crore, **another record** for the Company.
- Notwithstanding two dividend payouts in FY2016 totalling to ₹ 3,465 crore, surplus cash and cash equivalents as on 31 March 2016 was up by 7.5% to ₹ 9,089 crore.





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

Chart C shows the two-wheeler industry (domestic + exports) over the last eight fiscal years.

Chart A: EBITDA and EBITDA %

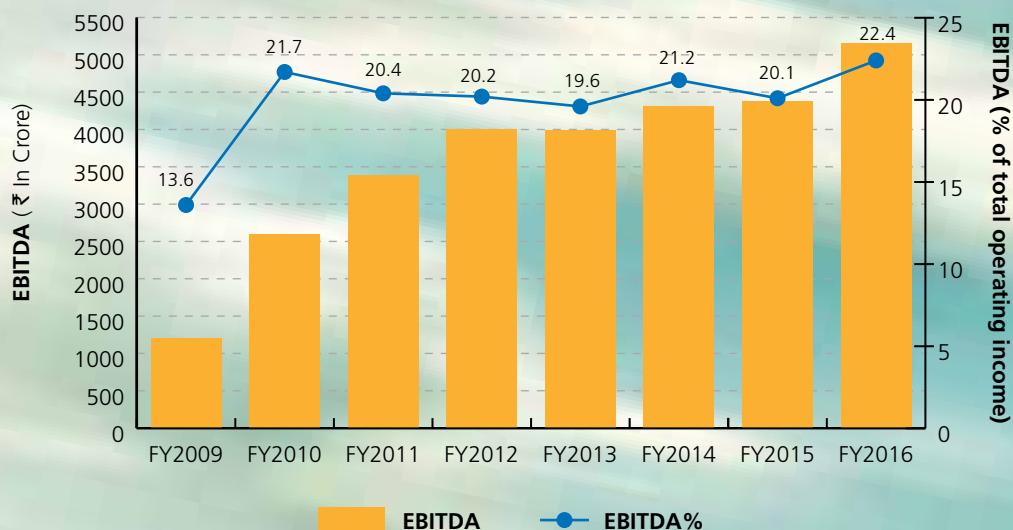
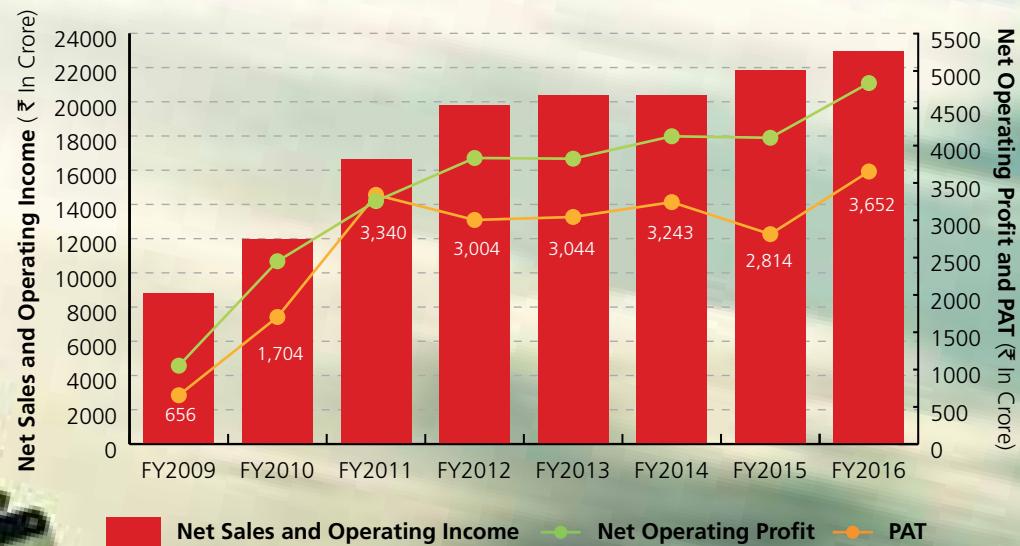


Chart B: Net Sales and Operating Income, Net Operating Profit and PAT



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



Motorcycles

In recent years, Bajaj Auto's story on motorcycles is based on key strategic perceptions backed up by rigorous implementation of such insights. To understand this in some detail, one needs to start with the picture of overall industry sales of two-wheelers, which is given in Chart C.

As is evident from the chart, there has been hardly any growth in motorcycle sales for the last three years. In fact, there has been a marginal degrowth in FY2016. In such a milieu, the challenge to creatively differentiate becomes greater than ever before. **Indeed, it becomes the single most important factor that separates a market or segment leader from others.**

Creative Differentiation in the World of Mobikes

What does creative differentiation mean in the world of motorcycles? In an ingenious turn of phrase it means that '*there is no replacement for displacement*'. Bajaj Auto believes that the differentiation which matters has to do with the size or cubic capacity (cc) of the engine, and hence the power of the bike. While differentiation carries with it features of new styling, design and riding comfort, these are necessary conditions — in that everyone introducing a new model will have to try and do all of these. **But the key factor in creative differentiation is to move ahead of the usual necessary conditions and to deliberately buck the trend of familiarity.**

On several occasions in the recent past, Bajaj Auto has creatively differentiated with its new offerings. Here are a few:

- Consider the initial launch of the Pulsar 180 cc — totally different from all other Indian bikes of the time, with greater power through more displacement that was backed by specialised styling. A bike that was looked at as 'Definitely Male'.
- So too the Avenger. For all its retro-styling features, the original 220 cc version was too intimidating to create significant sales. Creative differentiation has occurred by introducing a 150 cc model which has a distinct market niche for itself in the sports segment.
- And now, the all new V15, the 150 cc bike, which is an entirely new, differentiated model in the commuter segment dominated by 100 cc and 125 cc bikes.



To understand how such creative differentiation has worked for Bajaj Auto, it is useful to start with the Company's sales of motorcycles, both domestic and exports, over the last five years. Table 1 gives the data.

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

Year ended 31 March	Domestic Sales		Exports	
	BAL (nos.)	BAL's growth	BAL (nos.)	BAL's growth
2012	2,566,757	6.3%	1,267,648	30.4%
2013	2,463,874	(4.0%)	1,293,231	2.0%
2014	2,099,230	(14.8%)	1,323,173	2.3%
2015	1,770,778	(15.6%)	1,521,306	15.0%
2016	1,898,957	7.2%	1,459,295	(4.1%)

In FY2016, Bajaj Auto sold almost 3.36 million motorcycles in India and abroad. It sold nearly 1.9 million motorcycles in India, which was 7.2% higher than in the previous year, driven by:

- a) The Pulsar and the Avenger in the sports or performance segment. For the year, Bajaj Auto sold 729,304 such bikes and reinforced its dominant leadership position in this segment, **improving** its market share from 41% in Q4/FY2015 to **49% in Q4/FY2016**.
- b) The CT and the Platina in the entry or utility segment. Here, by a combination of pricing and aggressive marketing of the CT 100 and by creating a niche value proposition for the Platina, the Company succeeded in selling 865,366 bikes in FY2016 and ended the year with a healthy market share of **35%**. **In fact, the entire growth in this segment was monopolised by BAL.**
- c) The KTM and the Pulsar RS 200 in the niche super-sports segment. The KTM, India's fastest growing sports motorcycle brand, increased its sales by 32% between FY2015 and FY2016. And the new Pulsar RS 200 (RS for Race Sports), introduced in March 2015, has done impressively with sales of over 2,900 per month. There are nearly 35,000 customers who have bought the RS 200. Our share in this super-sports segment of the market has increased from 35% in FY2015 to nearly **60%** in FY2016.

Through our creatively differentiated offerings, we have, therefore, captured major market shares in three segments: the super-sports, the sports and the entry-level. In February 2016, Bajaj Auto launched the V15, a 150 cc model to create a new, differentiated and more powerful engine category within the mass commuter segment that is presently dominated by 100 cc and 125 cc motorcycles. Though early days yet, the Company is confident that the V15, whose fuel tank assembly contains metal from India's flagship aircraft carrier, the INS Vikrant, will occupy a white space where the traditional commuter segment ends (100 cc to 125 cc) and the sports/performance segment begins (150 cc and above). In doing so, BAL expects to attract more customers to this newly differentiated segment, create and grow a premium offering and thus increase our market presence in the commuter category.

Commercial Vehicles: Three-Wheelers

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

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

Particulars	Total sales			Domestic sales			Exports		
	FY2016	FY2015	FY2014	FY2016	FY2015	FY2014	FY2016	FY2015	FY2014
Passenger sales									
Industry sales	842,588	837,604	736,365	441,091	432,234	384,923	401,497	405,370	351,442
Bajaj Auto's sales	533,670	519,117	447,618	253,670	234,345	186,856	280,000	284,772	260,762
Bajaj Auto's share	63.3%	62.0%	60.8%	57.5%	54.2%	48.5%	69.7%	70.2%	74.2%
Total Three-wheelers									
Industry sales	942,533	939,884	833,026	538,092	531,927	479,634	404,441	407,957	353,392
Bajaj Auto's sales	534,995	519,117	447,674	254,995	234,345	186,912	280,000	284,772	260,762
Bajaj Auto's share	56.8%	55.2%	53.7%	47.4%	44.1%	39.0%	69.2%	69.8%	73.8%

Bajaj Auto ended the FY2016 with a record domestic sale of 254,995 vehicles, up by 8.8% over the previous year as against an industry growth of 1%. **In the domestic three-wheeler passenger vehicle industry, BAL expanded its market share by 3.3%, from 54.2% in FY2015 to 57.5% in FY2016.** Total three-wheeler sales of the Company, which includes domestic and exports, was its **highest ever**, at 534,995 units in FY2016 — a growth of 3.1% over the preceding year. In the aggregate, i.e. domestic sales plus exports, Bajaj Auto accounted for 56.8% of sales — with its relative leadership position having risen from 55.2% in FY2015.

New three-wheeler permits were released during the year in Maharashtra, Delhi, Chandigarh, Hyderabad, Jaipur, and Kota, which played their roles in growing the Company's sales. The Company has maintained a strong performance in the petrol and alternate fuel markets, where it enjoys a dominant market share of 90%. It also maintained its dominance in the small diesel market with a market share of 65%. Moreover, even in the large diesel category, a segment where it has a relatively lesser presence, Bajaj Auto's market share went up from 18% in FY2015 to 20% in FY2016.

Bajaj Auto's **growth performance has been better than the industry in all categories** - in petrol and alternate fuel vehicles, in small diesel vehicles as well as in large diesel vehicles.

In exports, however, the Company registered a drop in sales of 1.7% over the previous year. Part of this is on account of the impressive export growth of 9.2% in FY2015, which substantially raised the base. The drop in FY2016 was due to external factors — such as economic and political crises as well as financial and foreign currency constraints in some countries like Egypt and Nigeria, which are key markets where we sell our three-wheelers.

International Business

Relatively speaking, though Bajaj Auto's international business was somewhat muted in FY2016 for reasons stated immediately above, it continues to be by far India's largest exporter of motorcycles and three-wheelers. It exports to 78 countries and enjoys the No.1 or No.2 position in more than 20 of them. During FY2016, exports accounted for 43.9% of the Company's net sales. Table 3 gives the data.

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

Particulars	FY2016	FY2015	Change
In number of units			
Motorcycles	1,459,295	1,521,306	(4.1%)
Three-wheelers + Quadricycle	280,334	284,772	(1.6%)
Total numbers	1,739,629	1,806,078	(3.7%)
Exports in ₹ (crore)	9,773	9,758	0.2%
Exports in USD (million)	1,418	1,524	(6.9%)

As mentioned in the previous section, economic, fiscal, financial and political problems besetting some key countries in Africa like Nigeria and Egypt, as well as sharp depreciation of currencies across some nations in Latin America and Africa, affected exports of both motorcycles and three-wheelers. In numbers, motorcycle exports grew by 4.1%; while three-wheelers exports fell by 1.6%. In US dollars, revenue from exports fell by 6.9% to USD 1.42 billion in FY2016.

Despite this downturn, it is necessary to mention two noteworthy features of the key export markets. The first is the growth of Pulsar exports, which has increased from around 226,000 units in FY2014 to 250,000 in FY2015 and then quite sharply to 313,000 units in FY2016. It goes to show that the Company's offerings in the premium sports category are increasingly attracting consumers abroad and getting definite traction. The second is that Bajaj Auto still enjoys **significant market shares, and has in fact improved**, in important geographies: **24%** in markets where it operates in **Latin America**, driven by the Pulsar 200NS; and **33%** share in the relevant markets of **Africa** where the Boxer continues to lead our motorcycle sales.

Chart D plots the growth of exports of the Company, while Chart E gives a sense of the composition of exports across major geographies for FY2016.

Chart D: Bajaj Auto's Export Performance

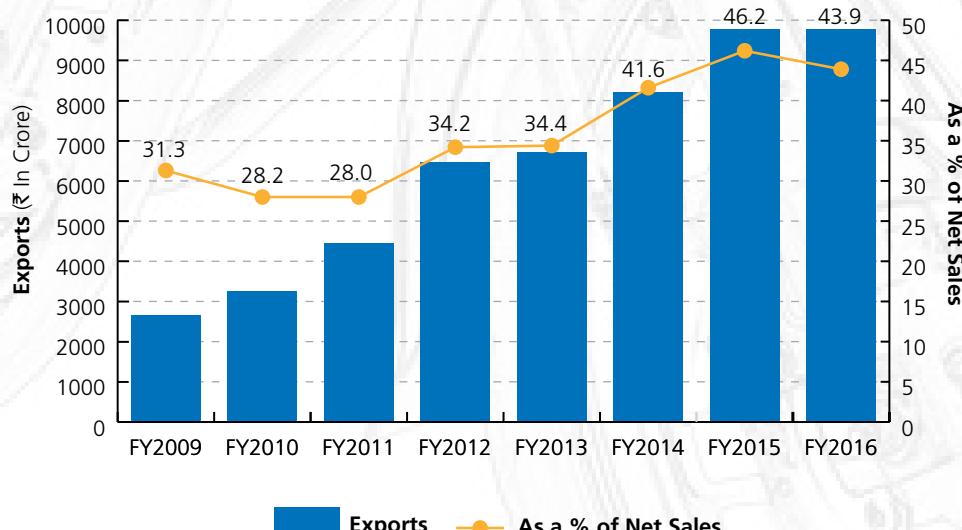
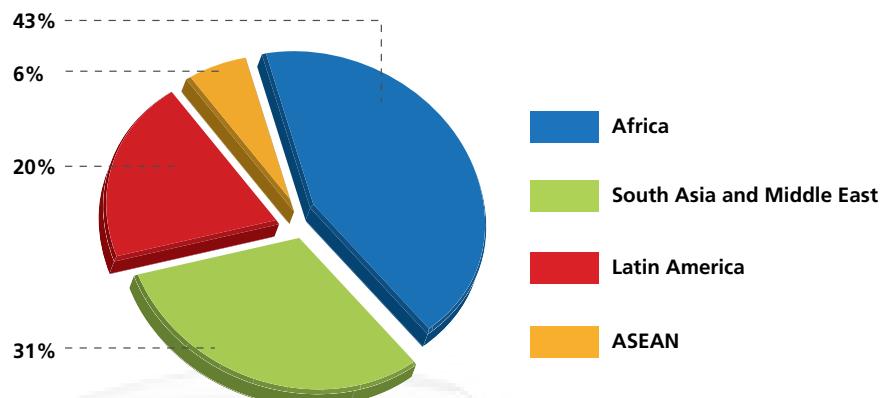


Chart E: Geographical spread of exports (% of Vehicles)



Awards

FY2016 saw Bajaj Auto winning several awards for its motorcycles, most of which were on account of the Pulsar RS 200 and the AS 200. The **Pulsar RS 200 has alone won a record 15 awards** in the course of the year. Table 4 gives a list of these awards.

Table 4: Awards won by Bajaj Auto's Motorbikes in FY2016

No.	Publications/TV Channels/Auto Portals	Awards for BAL
1	Autocar/Times Now	Pulsar RS 200: Bike of the Year Pulsar RS 200: Reader's Choice Bike of the Year
2	BBC Top Gear	Pulsar RS 200: Reader's Choice Bike of the Year
3	Bike India	Pulsar AS 150: Bike of the Year (upto 160 cc) Pulsar RS 200: Bike of the Year (upto 200 cc)
4	CNBC, Overdrive	Pulsar RS 200: Viewer's Choice Bike of the Year
5	NDTV	CT 100: Creative TV Commercial of the Year Pulsar RS 200: Viewer's Choice of the Year Pulsar RS 200: Two-Wheeler of the Year (by Jury) Pulsar RS 200: Motorcycle of the Year upto 250 cc
6	Zeegnition	Platina ES: Bike of the Year upto 125 cc Pulsar RS 200: Bike of the Year upto 250 cc Pulsar RS 200: Best Value for Money Bike Pulsar RS 200: Best Two-Wheeler Commercial of the Year
7	Zigwheels	Pulsar RS 200: Bike of the Year Pulsar RS 200: Executive Bike of the Year
8	Cardekho.com	Pulsar AS 200: Executive Bike of the Year Pulsar RS 200: Premium Bike of the Year
9	Motorbeam.com	Pulsar RS 200: Motorcycle of the Year

pulsar
RS 200



R&D: New Products

Bajaj Auto's R&D has been on a 'super-active' mode to help the Company launch one product after another in FY2016. These have helped us to grow strongly despite a subdued market situation. The key highlights are given below.

V15

Each fuel tank assembly made contains steel from India's legendary aircraft carrier, the INS Vikrant. V15, the new premium commuter from Bajaj Auto, not only pays homage to our heritage and history, but also has defined an invincible form by its looks, proportions and an understated tough design. The completely 'neo-retro' styling with an imposing front fascia and a pumped up fuel tank takes this vehicle to a totally new dimension.

The V15 comes with an all new 150 cc, air cooled single-cylinder DTS-i engine which offers a maximum output of 12 PS (metric horsepower) at 7,500 rpm and a peak torque of 1.34 kg per metre at 5,500 rpm. With its five-speed gear box, the power train offers ample reserve of torque at all rpms for different riding terrain.

The throaty exhaust sound differentiates the V15 from others and gives it a unique character. A double cradle frame combined with a 33 mm diameter fork give an edge to the handling of the V15. Lower seat height and wider handle bars provide a commanding ergonomic position to the rider. Bigger and wider tyres add to performance and safety.



CT 100B

CT 100B is the new variant of CT 100. This entry level commuter bike retains the engine of the CT 100, which produces 8 PS power while meeting customer expectations on fuel efficiency and costs. It has a strong visual appeal with a flat, longer and comfortable seat and a round head lamp.

The fuel efficiency of the CT 100B is at a high of over 99 km per litre thanks to improvements made in the ignition system. The bike has a conventional telescopic suspension in the front and a spring-in-spring (SNS) suspension for the rear.

Boxer BM150X

This is intended for export to African countries and is a variant of Boxer BM150. It employs a four stroke, single cylinder, air cooled 144.8 cc engine which generates 12 PS power at 7,500 rpm and 1.25 kg per metre at 5,000 rpm. It has a four-speed transmission. The Boxer BM150X is strong and rugged due to a semi-double cradle frame. It has alloy wheels, front suspension bellows, rear SNS suspension, round head lamp and has some features for improved on- and off-road riding, such as: (i) Special raised front fender with a two-tier design which effectively prevents mud from being trapped while providing better splash protection to the rider; (ii) High ground clearance of 190 mm; and (iii) Specially designed semi knobby (block pattern) tyres, for perfect handling during off-road usage.



Avenger 220 Cruise

In October 2015, the Avenger brand was revamped with introduction of Avenger Triplets. The Avenger 220 Cruise has traditional chrome looks. Elements like the foot pegs, the handle holder logo, the badge on the grab and seats were updated to represent a modern Cruiser. Speedometer was improved with better graphics and a new LCD inlay. Also, a new suspension gives a better ride. These subtle feature enhancements went a long way in uplifting the brand value of the model.



Avenger 220 Street

The second of the Avenger triplets was the 220 Street. With a black dusky look this bike is an exciting value proposition for the customer. A combination of excellent ergonomics for street usage has improved urban manoeuvrability. Its alloy wheels aid better handling and control. Other improvements of the Avenger 220 Cruise are also available in the Street version.



Avenger 150 Street

The Street has been made in two engine capacities to give more choice to the customer. The 150 cc, two-valve engine is tuned and matched to the vehicle. Wider tyres offer the bike excellent stability and agility when required. This version has been made compatible to meet Euro 3 norms and was exported to Europe.



Pulsar AS 150

After the successful domestic launch of Pulsar AS 200 in March 2015, a smaller sibling entered within a month. With these AS models, a larger cross section of younger Indians have now got a flavour of adventure sport biking. The lighter and more fuel efficient version of AS 150 is more affordable as well. It has a four-valve high power engine with a counter balancer and optimised engine mounting arrangement. It also has other enhanced features like mono-shock absorbers and a wider rear tyre compared to that of the existing Pulsar 150.



Maxima-Cargo (Diesel and CNG)

BAL already has a commanding market share in the three-wheeler passenger segment. To add to this, we have added the Maxima Cargo model in the cargo segment. The Maxima Cargo has a long wheel base, full steel cabin with doors and has been launched with two fuel options: diesel and CNG. The vehicle is offered in two configurations, namely fully built with cabin and load body, and a drive-away-chassis with the cabin. The product shares many of the features of the Maxima passenger vehicle.



Power Clutch (Compact, Compact+ and Maxima)

R&D has provided a highly ergonomic hand clutch on all the diesel variants. The clutch uses an innovative design which gives low hand force while giving over 40,000 km of clutch life. This has helped Bajaj Auto to gain substantial market penetration in the diesel segment.



Operations, Productivity and Quality

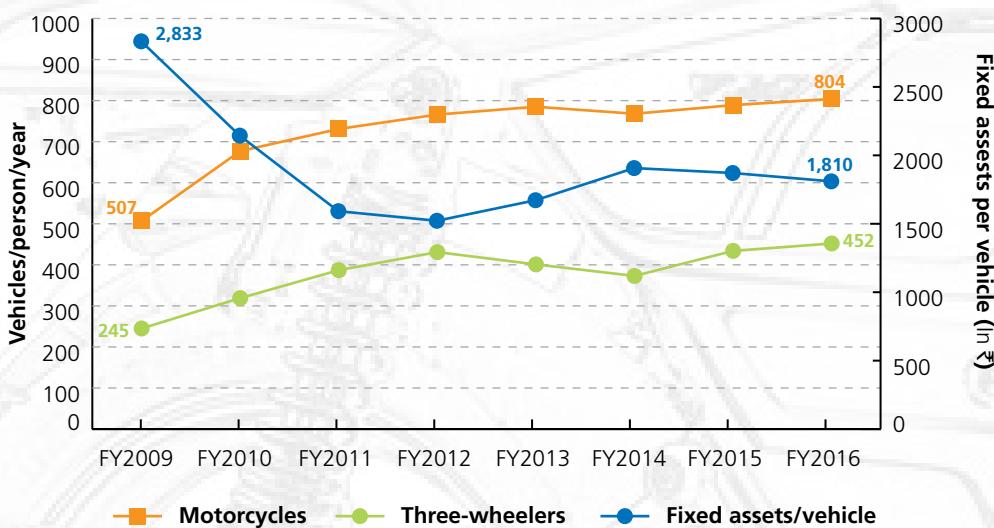
A consistent theme across all Bajaj Auto's manufacturing plants (Waluj, Chakan and Pantnagar) has been the continuous improvements in performance through lean manufacturing, higher quality, cost reduction, tight and lean supply chains, greater throughput and the introduction of new products and processes. This journey is termed as Company-wide TPM Implementation, and has enabled the Company to reduce unit costs, optimise plant capacities, efficiently introduce new products, and bring about profit enhancing flexibilities in the manufacturing line.

This shows up in the data, some of which is plotted in Chart F below. For instance, over the last eight years:

- The number of motorcycles produced per person per year has increased from 507 to 804 — a productivity growth of 58.5%.
- The number of three-wheelers produced per person per annum has risen from 245 to 452 — representing a growth of 84.5%.
- And the value of fixed assets utilised per vehicle produced has reduced from ₹ 2,833 to ₹ 1,810 — a reduction of 36.1%.

These improvements have helped to avoid needless investments. As an example, the productivity improvements in FY2016 alone saved investments worth over ₹ 40 crore.

Chart F: Productivity Improvements



These are not all. Turnover per employee has risen by 17.3% between FY2013 and FY2016. And the asset turnover ratio has improved by 11% over the same period.

Quality improvements go hand-in-hand with productivity, which have been carried out through a Company-wide implementation of the TPM philosophy. To give another example, thanks to continuous TPM work and consequential productivity improvements across our plants, Bajaj Auto's warranty cost per vehicle has steadily reduced from ₹ 26 in FY2012 to ₹ 18.70 in FY2016 — a remarkable drop of 28% over a period of four years.

The Japan Institute of Plant Maintenance (JIPM) has awarded the Chakan and Waluj plants with its 'Special Award for TPM Achievement'; and the Pantnagar plant with the 'Consistent TPM Commitment Award'. Even more rewarding are the comments from Professor Toyoshiro Inamura, JIPM Assessor and Professor Emeritus at the Nagoya Institute of Technology. During the TPM award ceremony he said:

"Your 'Vendor Improvement' is better than the case in Japan and will be the best in the world... Your 'TPM University' is also unique and has the possibility to be a research institute from which new TPM technology is developed."



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As a part of sustainable development initiatives, plants have implemented various breakthrough ideas that have, for instance, saved 5.9% and 15.5% in electricity and fuel consumption, respectively. The Waluj plant is situated in Marathawada, an area plagued by water scarcity. In response to this, we have worked on water conservation and achieved an annual physical saving of almost 17%. Both Waluj and Chakan plants have sustained their water-positive status.

In FY2016, Waluj, which is the export hub of Bajaj Auto, produced 1.65 million motorcycles of which 1.19 million were exported; and 527,000 three-wheelers, of which 280,000 were shipped abroad. Chakan, which concentrates on manufacturing high-end bikes, produced over 870,000 motorcycles. And Pantnagar manufactured nearly 820,000 motorbikes.

Table 5 gives the Company's plant-wise capacities, and their product range.

Table 5: Plant-wise Capacities (in numbers) and Product Range

Plant	FY2016 (As on 31 March 2016)		Product range
Waluj	Motorcycles	2,400,000	Boxer, CT 100, Platina, Discover, Pulsar, V15 and three-wheelers
	Three-wheelers	600,000	
	Quadricycle	60,000	
Waluj Subtotal		3,060,000	
Chakan		1,200,000	Pulsar, Avenger, Ninja and KTM
Pantnagar		1,800,000	Platina, Discover, CT100, V15 and Pulsar
Grand Total		6,060,000	

As on 31 March 2016, BAL's employee strength stood at 9,347 persons.

Subsidiary

Bajaj Auto International Holdings BV (BAIH BV)

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

Calendar year 2015 has been a record year for KTM, with **highest sales** in units and **highest turnover** in the history of the Company. It sold 183,170 motorcycles, a **growth of 15%** and achieved a turnover of **€ 1.02 billion — crossing the billion euro mark** and recording a growth of 18%. Profit after tax was at € 63.9 million (₹ 461 crore), a growth of 12%. The proportionate profit to Bajaj Auto Ltd. is € 30.65 million (₹ 221 crore), which has been accounted for in the consolidated results.

In its Annual General Meeting for the calendar year 2015, held on 21 April 2016, KTM AG declared a dividend of € 2.00 per share, compared to € 1.50 per share for the year 2014. BAIH BV is entitled to receive € 10.41 million (₹ 78 crore) as its share of dividend.

During the year, Bajaj Auto manufactured 69,532 units of KTM Duke at its Chakan plant. 30,362 units were sold through the Pro-Biking network in India and 38,926 were exported to KTM/KTM distributors.

KTM is listed in the Third Regulated Market of the Vienna Stock Exchange and its market capitalisation as on 31 March 2016 was € 1,329 million (₹ 10,020 crore). In the recent AGM, it was proposed to delist KTM from the stock exchange.

In March 2016, Bajaj Auto and KTM entered into an agreement vide which Bajaj Auto will establish the KTM brand in Indonesia, the largest motorcycle market in South-East Asia.

Financials

Table 6 gives the summarised standalone Profit and Loss statement of Bajaj Auto.

Table 6: Summarised Standalone Profit and Loss Statement

Particulars	FY2016	FY2015
Operations		
Sales	23,546	22,013
Less: Excise duty	1,293	909
Net Sales	22,253	21,104
Other operating income	714	713
Total operating income	22,967	21,817
Cost of materials consumed, net of expenditures capitalised	15,040	14,790
	65.5%	67.8%
Stores and tools	132	132
	0.6%	0.6%
Employee cost	917	896
	4.0%	4.1%
Factory and administrative expenses	683	708
	3.0%	3.2%
Sales and after sales expenses	1,048	912
	4.5%	4.2%
Total expenses	17,820	17,438
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5,147	4,379
EBITDA %	22.4%	20.1%
Interest	1	7
Depreciation and amortisation	307	267
Operating profit	4,839	4,105
	21.1%	18.8%
CSR spends and Donations	87	56
	4,752	4,049
Non-operating income	634	377
Less: Non-operating expense	1	1
Non-operating income, net	633	376
Profit before tax and exceptional items	5,385	4,425
Exceptional item: charge for NCCD	—	340
Profit before tax	5,385	4,085
Tax expense	1,733	1,271
Profit after tax	3,652	2,814

Bajaj Auto traditionally has had a lean organisation with a tightly controlled cost structure. As Table 6 shows, at 21.1% of total operating income, the Company's operating profit percentage is higher than any other automobile enterprise in India.

Bajaj Auto's **return on operating capital employed stood at 179%**. Surplus cash and cash equivalents as at 31 March 2016 stood at **₹ 9,089 crore** versus ₹ 8,455 crore as at 31 March 2015 — an increase of 7.5%. These surplus funds are invested in (i) fixed income securities rated P1+ and equivalent for short-term investments, (ii) AA+ and above rated securities for long-term investments, and (iii) fixed deposits with banks.

Consolidation of accounts and segment reporting

Table 7: Segment Revenue and Segment Results

Particulars	(₹ In Crore)	
	FY2016	FY2015
Segment Revenue		
Automotive	22,967	21,821
Investment and others	545	377
Total	23,512	22,198
Segment Results		
Profit from each segment before tax		
Automotive	4,973	3,927
Investment and others	544	376
Total	5,517	4,303
Less: Interest	–	6
Profit before tax	5,517	4,297
Profit after tax	3,784	3,026

50 Years... And Counting

A Company's annual Management Discussion and Analysis is a formal document, not a celebratory piece. At Bajaj Auto, however, there is a very important reason for celebration. FY2016 saw Rahul Bajaj complete **50 years** with the Company. He has been a guiding force all through, as a hands on manager, as the Chairman and Managing Director, and in more recent times, as Chairman. It is not an exaggeration to say that he has played a huge role in making Bajaj Auto a household name in India. Nothing escaped his attention then. And quite frankly, nothing does now. On behalf of the Management of Bajaj Auto, we thank him for five decades of leadership and wish him many more years at the helm.

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.



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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 the compliance status as per requirements of Companies Act, 2013 and SEBI Listing Regulations, 2015.

Given below are the Company's corporate governance policies and practices for 2015-16. As will be seen, Bajaj Auto'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 Auto Ltd. ('BAL' or 'the Company' or 'Bajaj Auto') maintains the same tradition and commitment.

Board of Directors

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

Composition

As on 31 March 2016, the Board of the Company consisted of fifteen directors, of whom three were executive, eight 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 an executive Chairman.

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

Number of meetings of the Board

During the financial year 2015-16, the Board of Directors met 8 times, viz. 21 May 2015, 23 July 2015, 15 September 2015, 21 October 2015, 4 February 2016, 9 March 2016, 16 March 2016 and 17 March 2016. The gap between any two meetings has been less than one hundred and twenty days.

Non-executive directors' compensation

Non-executive directors of the Company are being paid, in addition to the sitting fee of ₹ 100,000 per meeting for every meeting of the Board and its committees, commission at the rate of ₹ 150,000 per meeting of the Board and its committees attended by them, subject to the overall ceiling of one percent of net profits.

In terms of the approvals given by the Board of Directors and shareholders, Nanoo Pamnani will be paid ₹ 2,000,000 as additional commission for the year 2015-16 in consideration of the extra services rendered by him at the request of the Management during the year 2015-16.

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 ensuing 9th annual general meeting of the Company.

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

Attendance record of directors

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

Name of director	Category	Relationship with other directors	No. of Board Meetings attended	Whether attended last AGM
Rahul Bajaj	Chairman, executive	Father of Rajiv Bajaj and Sanjiv Bajaj, father-in-law of Manish Kejriwal		
Madhur Bajaj	Vice Chairman, executive	Brother of Shekhar Bajaj and Niraj Bajaj	8/8	Yes
Rajiv Bajaj	Managing Director, executive	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	7/8	Yes
Sanjiv Bajaj	Non-executive	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	6/8	Yes
D S Mehta	Non-executive, independent	–	8/8	Yes
Kantikumar R Podar	Non-executive, independent	–	7/8	Yes
Shekhar Bajaj	Non-executive	Brother of Madhur Bajaj and Niraj Bajaj	5/8	No
D J Balaji Rao	Non-executive, independent	–	7/8	Yes
J N Godrej	Non-executive, independent	–	2/8	No
S H Khan*	Non-executive, independent	–	4/4	Yes
Naresh Chandra	Non-executive, independent	–	7/8	Yes
Nanoo Pamnani	Non-executive, independent	–	8/8	Yes
Manish Kejriwal	Non-executive	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	5/8	Yes
P Murari	Non-executive, independent	–	5/8	Yes
Niraj Bajaj	Non-executive	Brother of Madhur Bajaj and Shekhar Bajaj	7/8	Yes
Dr. Gita Piramal	Non-executive, independent	–	6/8	Yes

*S H Khan expired on 12 January 2016

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.

Orderly succession to Board and Senior Management

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

Directorships and memberships of Board Committees

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

Name of director	Directorships			Committee positions in listed and unlisted public limited companies	
	In listed companies	In unlisted public limited companies	In private limited companies	As Chairman	As Member
Rahul Bajaj	4	2	7	–	–
Madhur Bajaj	6	–	3	–	–
Rajiv Bajaj	4	1	–	–	2
Sanjiv Bajaj	6	4	7	1	6
Kantikumar R Podar	2	1	1	–	–
Shekhar Bajaj	3	4	4	–	1
D J Balaji Rao	7	–	–	3	4
D S Mehta	3	–	5	1	3
J N Godrej	5	2	2	1	2
Naresh Chandra	9*	–	1	1	9
Nanoo Pamnani	4	2	–	5	4
Manish Kejriwal	3	1	1	–	3
P Murari	7	1	1	3	3
Niraj Bajaj	3	5	12	1	–
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 directors in the Company do 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 the SEBI Listing Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013.

As required under clause 49 of the erstwhile listing agreement (now corresponding to regulation 17(5) of the SEBI Listing Regulations, 2015), the Board at its meeting held on 15 September 2014 adopted a revised Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on <http://www.bajajauto.com/pdf/bal-code-of-conduct-final.pdf>

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 is given in this Annual Report.

Maximum tenure of independent directors

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

Formal letter of appointment to independent directors

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

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, during the year under review, the Board has carried out an annual performance 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 14 October 2014. The criteria are placed on the Company's website www.bajajauto.com
- 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 directors was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and Directors during the year under review.
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and Board at their meetings held on 16 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.bajajauto.com/remuneration-policy.asp>

Board Diversity Policy

In compliance with the provisions of the SEBI Listing Regulations, 2015, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity.

The objective of the Policy is to ensure that the Board comprises 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 meets with the above objective.

Familiarisation programmes

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

The details of such familiarisation programmes are placed on http://www.bajajauto.com/pdf/Familiarisation_programme-BAL.pdf

Whistle Blower Policy/Vigil mechanism

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

The Whistle Blower Policy/Vigil mechanism provides a mechanism for the director/employee to report 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.bajajauto.com

Subsidiary companies

The Company has two overseas subsidiaries viz. PT. Bajaj Auto Indonesia and Bajaj Auto International Holdings BV, Netherlands, which however are not 'material subsidiaries' as prescribed under regulation 16(1)(c) of the SEBI Listing Regulations, 2015.

A Policy on 'material subsidiaries' in terms of clause 49 of the erstwhile listing agreement had been formulated by the Board at its meeting held on 15 September 2014. Pursuant to regulation 16(1)(c) of the SEBI Listing Regulations, 2015, the Board at its meeting held on 4 February 2016 modified the aforesaid Policy. The same is placed on http://www.bajajauto.com/pdf/bal_policy_on_material_subsidiary_final.pdf

Provisions to the extent applicable under 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 (in particular, the investments made) of each unlisted subsidiary company to the extent applicable. A statement of all significant transactions and arrangements entered into by these subsidiary companies, as applicable, was regularly placed before the Board.

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 the SEBI Listing Regulations, 2015.

During the year 2015-16, as required under section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, 2015, all RPTs were placed before Audit Committee for approval. A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in this Annual Report.

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

A Policy on materiality of RPTs and also on dealing with RPTs has been formulated by the Board at its meeting held on 17 July 2014 and amended on 14 October 2014. The same is placed on <http://www.bajajauto.com/pdf/final-policy-on-materiality-of-rpts-bajaj-auto-limited.pdf>

Disclosures

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

Audit Committee

Constitution and composition

After the demerger of erstwhile BAL in 2008, the new Bajaj Auto set up its Audit Committee in 2008 under the erstwhile Companies Act, 1956 and clause 49 of the listing agreement. To meet the additional requirement of Companies Act, 2013 and clause 49 of the erstwhile listing agreement (now corresponding to regulation 18 of the SEBI Listing Regulations, 2015), the terms of reference of the Committee were amended by the Board at its meeting held on 15 May 2014. The Board has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

All members of the Audit Committee are independent, non-executive directors and are 'financially literate' as required by regulation 18(1)(c) of the SEBI Listing Regulations, 2015. Moreover, the Chairman and members of the Audit Committee have 'accounting or related financial management expertise'.

Meetings, attendance and topics discussed

During 2015-16, the Audit Committee met four times: 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 the Audit Committee and attendance record of members for 2015-16

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

*S H Khan expired on 12 January 2016

Nanoo Pamnani, 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

Bajaj Auto Ltd. constituted the Remuneration Committee of the Board in January 2008. Subsequently, the Board extended the terms of reference of the said Committee to include nomination functions and restyled the said Committee as 'Remuneration and Nomination Committee' in January 2009.

The Board at its meeting held on 15 May 2014, renamed the Committee as Nomination and Remuneration Committee and also revised the terms of reference for this Committee at its meeting held on 15 September 2014, in compliance with section 178 of 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 member of the Nomination and Remuneration Committee) on 12 January 2016, the Board at its meeting held on 4 February 2016 appointed Dr. Gita Piramal as a member of the Nomination and Remuneration Committee of the Company.

During the year under review, the Committee met on 16 March 2016.

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

Name of director	Category	Meeting attended
D J Balaji Rao	Chairman, Non-executive, independent	Yes
S H Khan*	Non-executive, independent	No
Naresh Chandra	Non-executive, independent	Yes
Rahul Bajaj	Executive Chairman of Board	Yes
Dr. Gita Piramal	Non-executive, independent	Yes

*S H Khan expired on 12 January 2016

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

On 16 March 2016, the Committee, inter alia, recommended for consideration of the Board, its report on evaluation of the Board, Committees and the Directors. On the same day, the Committee recommended to the Board the appointment of Pradeep Shrivastava, Chief Operating Officer of the Company, as a whole-time director, with the designation of Executive Director and as an Additional Director.

D J Balaji Rao, the 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

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

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

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

The Committee held two meetings on 21 October 2015 and 17 March 2016. All the members attended these meetings. Further, on invitation, directors who are not members of the Committee also attended the meetings of the Committee.

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

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

Stakeholders Relationship Committee

The Board of Directors of the Company constituted its Shareholders' and Investors' Grievance Committee in its meeting held on 30 January 2008. This Committee was constituted to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends, etc.

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

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

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.

Table 5: Composition of the Stakeholders Relationship Committee and attendance record of members for 2015-16

Name of director	Category	Meeting Attendance
D J Balaji Rao	Chairman, non-executive, independent	Yes
J N Godrej	Non-executive, independent	No
Naresh Chandra	Non-executive, independent	Yes
S H Khan*	Non-executive, independent	N.A.
Dr. Gita Piramal	Non-executive, independent	Yes

*S H Khan expired on 12 January 2016

J Sridhar, Company Secretary of the Company acts as the Compliance Officer.

During the year under review, the Committee met on 16 March 2016 to, inter alia, review the status of investors' services rendered. On invitation, directors who are not members of the Committee, also attended the meeting of the Committee. The secretarial auditor was also present.

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

D J Balaji Rao, the 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

Investor Complaints	No. of complaints attended/resolved during 2015-16
Pending at the beginning of the year	Nil
Received during the year	19
Disposed of during the year	19
Remaining unresolved at the end of the year	Nil

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

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

Independent Directors' meeting

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

The independent directors present elected Naresh Chandra as Chairman for the meeting.

All independent directors except J N Godrej and P Murari were present at 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 under section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making, and provide leadership and strategic guidance while maintaining objective judgment. They also oversee 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 the Company's website www.bajajauto.com

Non-executive directors

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

Executive directors

Executive directors are entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company, which forms part of the perquisites allowed to them. No pension is paid by the Company.

Details of remuneration to directors

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

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

Shareholding of directors

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

Disclosure of material transactions

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

Compliances regarding insider trading

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

Accordingly, the Board at its meeting held on 24 March 2015, approved and adopted:

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

The code referred to in (a) above is placed on the Company's website www.bajajauto.com

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

Means of communication

Quarterly, half-yearly and annual financial results are published in numerous leading dailies such as Financial Express, Kesri, 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.bajajauto.com which contains all important public domain information including presentations, if any, made to the media, analysts and institutional investors. The website contains information as prescribed under the Companies Act, 2013 and SEBI Listing Regulations, 2015, including details of the corporate contact persons and share transfer agent of the Company, shareholding pattern, etc.

Section 20 and 129 of the Companies Act, 2013 read with Companies (Accounts) 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.

Information on general body meetings and details of special resolutions passed

During the preceding three years, the annual general meetings of the Company were held at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 on the following dates and time and special resolutions were passed thereat as under:

Details of AGM	Date and time of AGM	Details of special resolutions(s) passed at the Annual General Meetings, if any
6th AGM	19 July 2013 at 11.30 a.m.	No special resolutions were passed
7th AGM	17 July 2014 at 12.15 p.m.	No special resolutions were passed
8th AGM	23 July 2015 at 12.15 p.m.	Re-appointment of Rahul Bajaj as the Chairman of the Company for a five year term commencing from 1 April 2015 to 31 March 2020 Re-appointment of Madhur Bajaj as the Vice Chairman of the Company for a five year term commencing from 1 April 2015 to 31 March 2020 Re-appointment of Rajiv Bajaj as the Managing Director of the Company for a five year term commencing from 1 April 2015 to 31 March 2020

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

Details of capital market non-compliance, if any

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

Compliance certificate

The MD and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8), read with Part B of Schedule II to the SEBI Listing Regulations, 2015.

Report on corporate governance

This chapter, read together with the information given in the Directors' Report and the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on Corporate Governance during 2015-16. The Company has been regularly submitting the quarterly compliance report to the stock exchanges as required under regulation 27 of the SEBI Listing Regulations, 2015.

Auditors' certificate on corporate governance

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

Compliance of mandatory and non-mandatory requirements

Mandatory

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

Discretionary

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

1) The Board

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

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.



THE INVINCIBLE



General Shareholder Information

9th Annual General Meeting

Date	27 July 2016
Time	12.15 p.m.
Venue	Registered office at Bajaj Auto Ltd. Complex, 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 of ₹ 50 per equity share (500%) of face value of ₹ 10 each 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 ₹ 5 per equity share (50%) for the financial year 2015-16, subject to the 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 ₹ 55 per equity share (550%). Dividend paid in the previous year was ₹ 50 per equity share (500%).

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 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 closing 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. 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

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 dividend for the financial year 2007-08 had been transferred to the Fund in September 2015.

Unpaid/unclaimed dividend for the financial year 2008-09 shall become due for transfer to the said 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 having unclaimed 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.bajajauto.com

Share transfer agent

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

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

Share transfer system

Share transfers received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. Total number of shares transferred in physical category during 2015-16 was 74,004 shares versus 80,372 shares during 2014-15.

Dematerialisation/rematerialisation of shares

During 2015-16, 3,735,256 shares were dematerialised, compared to 249,896 shares during 2014-15.

Total number of shares rematerialised during 2015-16 was 725.

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	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	13,544,349	4.68	17,278,880	5.97	(3,734,531)	(1.29)
Demat						
NSDL	270,578,151	93.51	266,838,530	92.22	3,739,621	1.29
CDSL	5,244,520	1.81	5,249,610	1.81	(5,090)	
Sub-total	275,822,671	95.32	272,088,140	94.03	3,734,531	1.29
Total	289,367,020	100.00	289,367,020	100.00	-	-

Outstanding convertible instruments/ADRs/GDRs/Warrants

The Company issued and allotted Global Depository Receipts (GDRs) on 3 April 2008 to the shareholders of BHIL (formerly BAL) pursuant to the scheme of demerger sanctioned by the Hon'ble High Court of judicature of Bombay vide its order dated 18 December 2007, and the underlying shares against each GDR were issued in the name of the overseas depository, i.e., Deutsche Bank Trust Company Americas. The Company has entered into a deposit agreement with Deutsche Bank Trust Company Americas on 21 August 2008 in respect of these GDRs. Outstanding GDRs as on 31 March 2016 were 52,844. The Company did not have any other outstanding convertible instruments/ADRs/GDRs/Warrants as on 31 March 2016.

Stock code

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

Listing on stock exchanges

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

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

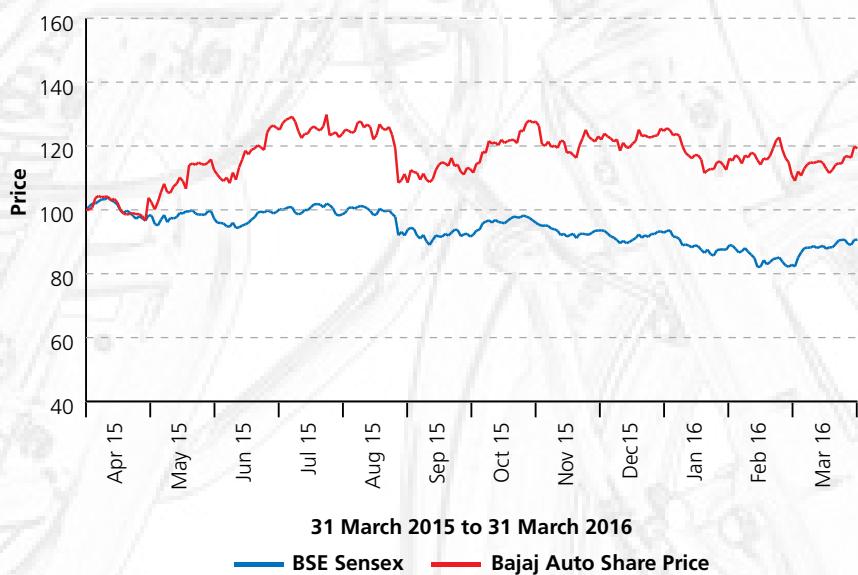
Pursuant to the SEBI Listing Regulations, 2015, the Company has entered into uniform listing agreement with BSE and NSE. For the year 2015-16, the listing fees payable to these stock exchanges have been paid in full.

Market price data

**Table 2: Monthly highs and lows of Company's shares during 2015-16
(₹ vis-à-vis BSE Sensex)**

Month	BSE		NSE		Closing BSE Sensex
	High	Low	High	Low	
Apr 15	2,141.00	1,913.80	2,128.00	1,912.50	27,011.31
May 15	2,342.55	1,938.25	2,340.90	1,932.95	27,828.44
Jun 15	2,581.00	2,175.25	2,584.00	2,177.40	27,780.83
Jul 15	2,655.00	2,440.00	2,656.00	2,439.60	28,114.56
Aug 15	2,606.00	2,133.15	2,608.00	2,133.65	26,283.09
Sep 15	2,374.00	2,175.05	2,378.55	2,175.55	26,154.83
Oct 15	2,599.00	2,285.95	2,600.00	2,284.10	26,656.83
Nov 15	2,555.00	2,341.00	2,575.00	2,336.50	26,145.67
Dec 15	2,550.65	2,375.05	2,546.10	2,375.10	26,117.54
Jan 16	2,545.85	2,230.10	2,547.60	2,230.00	24,870.69
Feb 16	2,488.00	2,173.40	2,485.00	2,171.95	23,002.00
Mar 16	2,455.00	2,206.50	2,457.00	2,205.10	25,341.86

Bajaj Auto 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 shareholdings across categories as on

Categories	31 March 2016		31 March 2015	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	142,623,082	49.29	142,491,682	49.24
Friends and associates of promoters	30,618,070	10.58	30,930,935	10.69
GDRs*	52,844	0.02	60,044	0.02
Foreign Institutional Investors	33,813,603	11.68	43,445,153	15.01
Public Financial Institutions	17,581,354	6.08	17,705,686	6.12
Mutual Funds	4,188,141	1.45	3,066,548	1.06
Nationalised and other banks	138,618	0.05	588,589	0.20
NRIs and OCBs	951,731	0.33	917,092	0.32
Others	59,399,577	20.52	50,161,291	17.34
Total	289,367,020	100.00	289,367,020	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	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	70,374	91.33	3,708,356	1.28
501 to 1000	2,226	2.89	1,646,569	0.57
1001 to 2000	1,415	1.84	2,074,097	0.72
2001 to 3000	687	0.89	1,709,568	0.59
3001 to 4000	360	0.47	1,265,718	0.44
4001 to 5000	310	0.40	1,412,516	0.49
5001 to 10000	633	0.82	4,574,038	1.58
10001 and above	1,051	1.36	272,976,158	94.33
Total	77,056	100.00	289,367,020	100.00

Shareholders' and investors' grievances

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

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

During the year, letters were received from SEBI/ROC/Stock Exchanges/Investors concerning 19 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 listing agreement (now corresponding to regulation 39(4) of the SEBI Listing Regulations, 2015) as amended by SEBI vide circular dated 16 December 2010, the Company, during the year 2011-12, had sent three reminders to such shareholders whose shares were lying 'undelivered/unclaimed' with the Company, followed by opening of the unclaimed share suspense demat account with HDFC Bank in April 2012.

After completing the necessary formalities 44,375 shares held by 148 shareholders were transferred to the said suspense account in April 2012. Voting rights on such shares are to remain frozen till the rightful owner claims the shares.

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

The summary of this account for the year 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	138	24,864
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2015-16	2	725
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2015-16	2	725
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	136	24,139

Nomination

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

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

Voting through electronic means

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

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

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

Shareholders who are attending the meeting and who have not already cast their votes by 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 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 ninth 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.

Plant locations

Bajaj Auto has plants located at the following places:

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

Address for correspondence

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

Share transfer agent

Karvy Computershare Pvt. Ltd.

Unit: Bajaj Auto Ltd.

Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad 500 032

Contact persons

M S Madhusudhan

Mohd.Mohsinuddin

Tel No : (040) 6716 2222

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Company

Bajaj Auto Ltd.

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Company Secretary and Compliance Officer

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AVENGER STREET



Directors' Report

The Directors present their Ninth 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 Financial Results are as under:

Sales in Numbers	FY2016	FY2015
Two-wheelers	3,358,252	3,292,084
Three-wheelers + Quadricycle	535,329	519,117
Total	3,893,581	3,811,201
Of which Exports	1,739,629	1,806,078

Particulars	FY2016	FY2015
Total revenue	23,600.86	22,194.43
Total expenses	18,215.68	17,769.35
Profit before exceptional items and tax	5,385.18	4,425.08
Exceptional items	–	340.29
Profit before tax	5,385.18	4,084.79
Tax expense	1,732.77	1,271.05
Profit for the year	3,652.41	2,813.74
Transfer to General Reserve	366.00	282.00
Interim dividend (inclusive of dividend tax)	1,741.38	–
Proposed dividend (inclusive of dividend tax)	174.13	1,734.57
Provision for dividend tax for previous year written back	(11.35)	–
Balance carried to Balance Sheet	1,382.25	797.17
Earnings per share (₹)	126.2	97.2

Dividend

The Board at its meeting held on 9 March 2016 declared an interim dividend at the rate of ₹ 50 per share (500%) 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 ₹ 1,741.38 crore.

The directors now recommend for consideration of the shareholders at the ensuing annual general meeting, payment of final dividend at the rate of ₹ 5 per equity share (50%) for the financial year ended 31 March 2016. The amount of final dividend and tax thereon to the extent applicable aggregate to ₹ 174.13 crore.

For the year ended 31 March 2016, the total dividend including interim dividend, therefore, works out to ₹ 55 per share (550%) and the total dividend and tax thereon to the extent applicable aggregate to ₹ 1,915.51 crore.

For the year ended 31 March 2015, dividend paid was ₹ 50 per share (500%). The amount of dividend and the tax thereon to the extent applicable aggregated to ₹ 1,734.57 crore.

Share capital

The paid up equity share capital as on 31 March 2016 was ₹ 289.37 crore. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

Operations

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

Capacity expansion and new projects

The Company's current installed capacity is 6.06 million units per annum. The Company plans to increase the installed capacity to around 6.24 million units per annum by March 2017.

Detailed information on the quadricycle RE 60 and new projects, is provided in the Management Discussion and Analysis Report.

Research and Development and technology absorption

A) Products

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

B) Process

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

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

C) Technology

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

D) Outgo

The expenditure on research and development during 2015-16 and in the previous year was:

Particulars	FY2016	FY2015
i. Capital (including technical know-how)	52.82	139.73
ii. Recurring	277.13	221.68
Total	329.95	361.41
iii. Total research and development expenditure as a percentage of sales, net of excise duty	1.48%	1.71%

Conservation of energy

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

Significant reduction in energy consumption has been achieved as set out below:

A) Electrical energy

- Micro mapping of equipments for energy consumption and countermeasures thereon.
- Lifecycle cost analysis and countermeasures at centralised coolant system.
- Installation of DC brushless motor with direct drive in place of AC induction motor at paint shop air supply unit.
- Reduction in emission height of exhaust blowers.
- Use of electrical blower in place of pneumatic vacuum blower at de-watering stage in paint shop.
- Installation of energy efficient pumps/motors, equipments, air dryers, exhaust blowers axial fans.
- Use of induction/LED/CFLs for street lighting/shop lighting/office.
- Use of auto shut off coolant pumps in machine shop to prevent excess pump loads.
- Use of isolator switches for standby transformers for reduction of fixed load.
- Providing portable compressor for jig stripping plant for non-working days.
- Installation of breeze air coolers in record room in place of air circulators.
- Use of HVLS (High Volume and Low Speed) fans for fixed load reduction of air circulators.

B) Water

- Reuse of treated water by using reverse osmosis plants.
- Use of auto close water taps and orificing for controlled consumption of water at wash basin.
- Installation of water meters for monitoring and controlling consumption of key users.
- Use of ETP/STP water for gardening and toilet flushing.
- Rain water harvesting at all plants.

C) LPG/propane

- Thermal imaging audit to assess the heat losses through paint shop ovens and countermeasures on them.
- Extending incinerator heat for backing ovens.
- Removable hook arrangement for multi models for fuel tank jigs.
- Reducing colour change time from 11 min to 5 min/occurrence.

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- Optimisation of air velocity in ovens.
- Burner efficiency improvement through magnetic resonators.
- Provision of air curtains at oven exit to reduce heat loss.
- Weight reduction of job fixtures in heat treatment.
- Operation of lower size oven in heat treatment.
- Usage of solar water heaters for canteen.

D) Utilisation of renewable energy - key initiatives

- Use of solar energy through solar concentrator.
- Installation of natural light transparent roof sheets.

Impact of measures taken

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

Description	% Reduction w.r.t. previous year	
	FY2016	FY2015
Electricity consumption	5.96	3.95
Water consumption	16.99	7.37
LPG/PNG consumption	15.65	9.66

Investment/savings

Description	₹ In Crore	
	FY2016	FY2015
Investment for energy conservation activities	3.76	3.24
Annual savings achieved through above activities	2.52	3.57

Awards and Accolades

Sr.	Details
1	Excellence in Energy Conservation and Management by MEDA for Waluj Plant
2	Green Manufacturing Excellence Award by Frost and Sullivan for Chakan Plant
3	Best Energy Efficient plant Award by TV 100 for Pantnagar Plant

International Business

Bajaj Auto continues to be India's No.1 exporter of motorcycles and three-wheelers. It exports to 74 countries and enjoys the No.1 or No.2 position in more than 20 of them. During the year under review, exports accounted for 43.9 % of the Company's net sales. Detailed information on the International Business is given in the Management Discussion and Analysis Report.

Foreign exchange earnings and outgo

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

Total foreign exchange earned by the Company during the year under review was ₹ 9,404.55 crore, compared to ₹ 9,443.51 crore during the previous year.

Total foreign exchange outflow during the year under review was ₹ 774.90 crore as against ₹ 856.08 crore during the previous year.

Industrial relations

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

At Akurdi and Chakan, periodic wage review is due with effect from 1 April 2016, as per the terms of the respective wage settlements signed for a period of nine years, in the year 2010. Both, Management and Union have exchanged their Charter of Demands/Requirements with each other. Negotiations/dialogues to conclude the review process have commenced and are going on in a congenial atmosphere at both the locations.

The Employers' Federation of India (EFI) conferred The National Award for Excellence in Employee Relations - 2015 on Bajaj Auto Ltd., Motorcycle Division, Waluj, Aurangabad, in recognition of 'Strong Commitment to Employee Relations', at Mumbai, on 9 December 2015.

One workman from Engine Assembly (MCD) Waluj, received National 'Vishwakarma Rashtriya Puraskar' from the Labour and Employment Ministry, Government of India, for the year 2013.

The employees of Chakan Plant won first prize five times in TPM Circle National Level Competition and once in National Level Champion's Competition organised by Confederation of Indian Industry (CII). The Chakan Plant also received first prize in the Productivity Case Study Contest 2016 organised by Indian Institute of Industrial Engineering (IIIE).

The employees of Pantnagar Plant won first prize in Breakthrough Kaizen category in National Level Kaizen Competition organised by CII. Likewise, the Pantnagar Plant also received TV 100 Excellence Award for implementing various Kaizens for Energy Saving. The Award was given by the Hon'ble Chief Minister of State of Uttarakhand, Mr. Harish Rawat.

Subsidiaries and joint ventures

PT. Bajaj Auto Indonesia

Routine business operations of PT. Bajaj Auto Indonesia have stopped. In March 2016, Bajaj Auto and KTM entered into an agreement vide which Bajaj Auto will establish the KTM brand in Indonesia, the largest motorcycle market in South-East Asia.

Bajaj Auto International Holdings BV, Netherlands (BAIH BV)

Bajaj Auto International Holdings BV is a 100% Netherlands based subsidiary of Bajaj Auto Ltd. Over the years, through this subsidiary, Bajaj Auto has invested a total of € 198.1 million (₹ 1,219 crore), and holds approximately 48% stake in KTM AG of Austria (KTM), the fastest growing motorcycle brand in the world. Calendar year 2015 has again been a record year for KTM, with highest sales in units and highest turnover in the history of the Company. Detailed information on the developments at the subsidiary and KTM AG is provided in the Management Discussion and Analysis Report.

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

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

Extract of annual return

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

Number of meetings of the board

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

Directors' responsibility statement

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

- in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls 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 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 SEBI Listing Regulations, 2015, all RPTs were placed before the Audit Committee for its approval.

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

Material changes and commitments

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

Risk Management Policy

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

Corporate Social Responsibility (CSR)

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

Formal annual evaluation of the performance of 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.

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, and as prepared in compliance with the Companies Act, 2013, applicable Accounting Standards and SEBI Listing Regulations, 2015 as prescribed by SEBI.

A separate statement containing the salient features of its subsidiaries in the prescribed form (AOC-1) is annexed separately.

Statutory disclosures

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

Details as required under the provisions of section 197(12) of the Companies Act, 2013, read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are placed on the Company's website www.bajajauto.com 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.

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 framed a Policy on Prevention of Sexual Harassment at Workplace. There was no case reported during the year under review under the said Policy.

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.

Pradeep Shrivastava, COO, has been appointed as an Additional Director and whole-time director with the designation of Executive Director for a period of five years commencing from 1 April 2016. The members are requested to approve his appointment in the ensuing annual general meeting.

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

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

Detailed information on the directors is provided in the annexed 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.

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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.

Corporate governance

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

All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 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 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.

Business Responsibility Report

Regulation 34(2) of the SEBI Listing Regulations, 2015, inter alia, provides that the annual report of the top 100 listed entities based on market capitalisation (calculated as on March 31 of every financial year), shall include a Business Responsibility Report.

Since Bajaj Auto Ltd. is one of the top 100 listed entities, the Company, as in the previous years, has presented its BR Report for the financial year 2015-16, which is part of this Annual Report. As a green initiative, the BR Report has been hosted on the Company's website www.bajajauto.com

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

Secretarial Standards of ICSI

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

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) were appointed by the members at the 7th annual general meeting to hold office until the conclusion of the 10th 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.

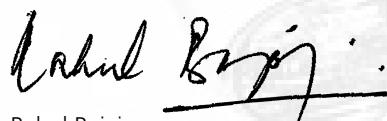
The Statutory Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by Statutory Auditor.

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, (Membership No.1587) Company Secretary in Practice to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2015-16 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 14 May 2014, with approvals of the CSR Committee and Board of Directors. The Policy, inter alia, covers the following:

- Philosophy
- Scope
- List of CSR activities
- Modalities of execution of Projects/Programmes
- Implementation through CSR Cell
- Monitoring 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.bajajauto.com/pdf/csr-policy-bal.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
Rajiv Bajaj

During the year under review, the Committee met five times on 13 May 2015, 1 September 2015, 5 October 2015, 13 January 2016 and 11 March 2016.

- 3. Average net profit of the Company for last three financial years prior to 2015-16:**
₹ 4,323.05 crore.

- 4. Prescribed CSR Expenditure** (2% of amount as in item No.3): ₹ 86.46 crore

5. Details of CSR spent during the financial year:

Particulars	(₹ In Crore)
a. Total amount to be spent:	86.46
b. Amount spent:	86.72
c. Amount unspent, if any (a-b):	Nil
d. Manner in which the amount spent/committed during the financial year: As provided in enclosed Table 1.	

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

In addition to what is stated above, Bajaj Group implements many CSR initiatives of substantial value through its Group Charitable Trusts operating at various locations in the country. Major initiatives that continued and/or that were taken up anew by the Bajaj Group through such entities during the year under review are given in an annexure to this Report. This annexure is hosted on the Company's website www.bajajauto.com 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

Rajiv Bajaj
Managing Director

Pune: 25 May 2016



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- 1 Construction of dam across river in village Lahanechivadi, Aurangabad.
- 2 Mr. Jayant Patil, Ex Minister Rural Dev. visiting Bajaj CSR water conservation site, Aurangabad
- 3 Tahsildar and Police officers visiting Bajaj CSR water conservation site, Aurangabad
- 4 Seminar on water conservation at Wardha
- 5 Mahila Melava, Wardha
- 6 Workshop for school principals, Bajaj Education Initiative.
- 7 Meeting with Chief Minister at Mumbai to discuss water conservation work by Director and Secretary, JBGVS

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2016

Sr No.	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	(₹ In Crore) Cumulative expenditure upto 2015-16
1	College of Engineering, Pune	Upgradation of Mechanical Engineering building	Education	Pune	4.50	2.50	4.50
2	Pune Citizens Police Foundation, Pune	To expand the Pune Police Public School by building a floor for 8 classrooms	Education	Pune	0.02	–	0.01
3	Sri Aurobindo Society, Puduchery	To set up a Centre for Sustainable Rural Transformation and make a model for villages, government, NGOs, etc.	Rural Development Projects	Puduchery	3.50	0.52	0.87
4	Anath Hindu Mahilashram, Pune	To construct a new building to provide the modern facilities for girl inmates	Homes and Hostels for women	Pune	1.00	–	0.25
5	RTM Nagpur University, Nagpur	Nagpur University building an Administrative Bldg	Education	Nagpur	10.00	–	0.50
6	Bharatiya Yuva Shakti Trust (BYST)	Fostering entrepreneurship and creating jobs for the vulnerable youth.	Employment enhancing vocation skills and livelihood enhancement projects	Aurangabad	6.00	0.65	0.90
7	Indian School of Business (ISB), Hyderabad	Research, learning center, library, etc.	Education	Hyderabad	30.00	20.00	30.00
8	All India Nai Talim Samitee, Wardha	Renovation/upgradation of Samitee's various buildings	Promoting education	Wardha	0.30	0.20	0.30
9	Cheshire Homes India, Delhi Unit	Taking care of disabled/ mentally challenged people, day care creche, etc.	Welfare of differently abled	Delhi	0.51	0.34	0.51
10	Lok Biradari Prakalp, Gadchiroli (Maharogi Sewa Samiti)	Construction of quarters for volunteers working for tribals	Reducing social inequalities	Gadchiroli	0.50	0.40	0.50
11	Nari Seva Samiti	To render skill development and livelihood enhancement	Skill development and livelihood enhancement	Lucknow	0.45	–	0.15
12	Swami Vivekananda Youth Movement, Mysore district.	For running hospital for rural and tribal people, mobile health unit, etc.	Health care	Mysore district.	0.36	0.36	0.36
13	Dr. S. N. Subbarao Yuva Sakshamikaran Kendra, Ahmednagar	To help orphans find livelihood/education, etc. after leaving orphanages	Enhancing vocation skills among children	Ahmednagar	0.10	0.10	0.10
14	Jamnalal Bajaj Institute of Management, Mumbai	New building for the Institute	Education	Mumbai	30.00	–	–
15	Sane Gurjji Arogya Mandir, Nasik (Loksamitee)	Expansion of Aarogya Mandir at Malegaon camp, Dist. Nasik	Healthcare	Nasik	0.50	0.50	0.50
16	Rotary Club of Poona North	To de-silt percolation lake in Bhandgaon, near Yavat, Taluka Daund	Making available safe drinking water	Pune	0.15	0.15	0.15
17	Centre of Science for Villages, Dattaour, Wardha	Construction of toilets in Sirkutni, a tribal village in Wardha district	Sanitation	Wardha	0.24	0.15	0.15
18	Umed Pariwar, Pune	Rehabilitation of mentally challenged people	Welfare of differently abled	Pune	0.30	0.30	0.30
19	Darpana Academy of Performing Arts	Programme for women empowerment	Women Empowerment	Ahmedabad etc.	0.60	–	–

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2016 (Contd.)

Sr No.	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
20	Suhrud Mandal, Pune	Infrastructure development of special residential school at Dhayari and Development of supplementary educational material	Education	Pune	0.10	0.10	0.10
21	National Association of Disabled's Enterprises, Mumbai	To set up a special school at Vikhroli for the benefit of poor and needy Mentally Challenged Children	Education for differently abled	Mumbai	0.10	0.10	0.10
22	Ushatai Lokhande Charitable Trust, Dist Pune	Infrastructure work for school in Sangise and provision of computers, cupboards, etc.	Education	Pune	0.12	0.12	0.12
23	Akshaya's Helping in H.E.L.P Trust, Madurai	Expansion and construction of a home for destitute	Home for orphans	Madurai	1.50	—	—
24	Kailash Satyarthi Children's Foundation	To create a Foundation dedicated for causes Child Abuse, Child Health and Child Education	Welfare of children/orphans from socially and economically backward groups	All India	5.00	5.00	5.00
25	Antara Foundation	To tackle mal-nutrition of Mother and Child in a pre-determined village	Eradicating hunger and malnutrition	Dhod,Sikar	2.00	—	—
26	Dr Babasaheb Ambedkar Marathwada University	To build an Incubation Center in the University Campus at Aurangabad	Technology incubators located within academic institution	Aurangabad	1.50	—	—
27	Patanjali Yogeeth (Trust)	Relief help to victims of recent earthquake in Nepal	Health care	Nepal	0.50	0.50	0.50
28	Shree Sant Tukaram Maharaj Sansthan, Dehu	Purchase of an ambulance	Health care	Pune	0.12	0.12	0.12
29	SOFOSH–Society of Friends of Sassoon Hospitals, Pune	Rehabilitation of abandoned children through adoption	Home for orphans	Pune	0.40	0.28	0.28
30	Social Action for Manpower Creation SAMPARC, Pune	Rehabilitation, care and educational development of orphan children, children of sex workers and all other needy, poor and disadvantaged children	Welfare of orphans and socially and economically backward groups	Pune	0.50	0.10	0.10
31	Sumangali Seva Ashrama, Bangalore	To rejuvenate soil, promote sustainable village economies, organic farming, through Jaya Organic Yojana	Maintaining quality of soil, air and water	Bangalore	0.50	0.50	0.50
32	CANINE, Pune	Donation for Veterinary van	Animal Welfare	Pune	0.12	0.12	0.12
33	JBGVS Project- AFARM Action for Agricultural Renewal in Maharashtra, Pune	To construct nala bandharas with deepening and widening of streams, rehabilitation of old water bodies, construction of earthen nala bunds, farm ponds	Rural Development Projects	Pune	6.40	6.40	6.40
34	JBGVS Project - (Jaldoot and Jankalyan), Excavation in 7 villages of Paithan Taluka	Integrated water management to help store rain-water	Maintaining quality of soil, air and water	Aurangabad	14.00	14.00	14.00
35	JBGVS Project-ART Action for Rural Technology, Dist Yeovatmal	Watershed development program	Maintaining quality of soil, air and water	Yeovatmal	0.30	0.30	0.30

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2016 (Contd.)

Sr. No.	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
36	Dr. Anjali Morris Education and Health Foundation, Pune	Sensitize main-stream teachers, train child psychologists and special educators in handling children with learning disabilities	Promoting education, including special education to children	Pune	0.20	0.10	0.10
37	Prafulla Dahanukar Art Foundation, Mumbai	Donation to support the activity of giving awards to artists to support the 'Folk Art'	Promotion and development of traditional arts	Mumbai	0.20	0.20	0.20
38	CORD-Chinmaya Organisation for Rural Development, New Delhi	Holistic Rural Development	Rural Development Projects	New Delhi	0.30	0.30	0.30
39	Prime Minister's Relief Fund	Aid of people affected by the earthquakes in Nepal	Contribution to PM's National Relief Fund	Nepal	6.00	6.00	6.00
40	Banasthali Vidyapith Tonk, Rajasthan	Center for automation and Girls' Hostel and corpus for scholarship to students	Hostel for women	Banasthali, Tonk	8.50	4.00	4.00
41	Rural Development Trust, Anantpur, A. P.	Purchase of Ambulance and to construct school cum community centers	Rural development projects	Andhra Pradesh	0.23	0.23	0.23
42	JBGVS—For Upgradation of select PCMC Schools, Pune	Program to upgrade the schools in PCMC area and to improve education standards in the same schools	Promoting education	Pune	15.00	0.25	0.25
43	Smt Manmath Goswami, Pantnagar, Uttarakhand	Rendering financial help to the family of late Mr Manmath Goswami of Special Forces of the Indian Army	Measure for the benefit of armed forces dependents	Pantnagar	0.08	0.08	0.08
44	All India Nai Talim Samiti, Sevagram, Wardha	To ensure quality education, to construct building for school, research laboratory and Library	Promoting education	Wardha	1.15	0.20	0.20
45	Sevagram Ashram Pratishtan, Wardha	Renovation of Bapu Kutir and Yatri nivas	Protection of national heritage	Wardha	2.40	0.40	0.40
46	Family Planning Association of India – Goran Grosskopf Family Clinic, Pune	To purchase a van for mobile clinic	Health care	Pune	0.16	0.16	0.16
47	RTM Nagpur University, Nagpur	To construct administrative building (in addition to ₹ 10 cr already approved in 2014–15)	Education	Nagpur	5.00	—	—
48	CANINE—Control and Care, Pune	To purchase a three-wheeler for transport of animals, surgical equipment and personnel	Animal welfare	Pune	0.02	0.02	0.02
49	CII Foundation, Gurgaon	To promote women empowerment through women exemplar programme	Empowering women	Gurgaon	0.35	0.35	0.35
50	Teach to Lead (Teach for India)	To recruit 30 outstanding university graduates and working professionals, who become dedicated full-time class teachers	Promoting education	Pune	0.99	—	—

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2016 (Contd.)

Sr No.	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	(₹ In Crore) Cumulative expenditure upto 2015-16
51	Mahatma Gandhi Institute of Medical Sciences, Wardha	To give scholarships to students of Nursing at MGIMS, Wardha over 3/4 years	Promoting education	Wardha	0.42	-	-
52	Marathwada Medical and Research Institute (Kamalnayan Bajaj Hospital), Aurangabad	To create centre for Hematology (₹ 6 crore), creation of charity fund to deal with poor patient cases (₹ 7.50 crore)	Promoting health care including preventive health care	Aurangabad	13.50	13.50	13.50
53	PM's Relief fund for Chennai flood relief	To render help to the people affected by the floods in Chennai	Contribution to the PM's National Relief fund	Chennai	5.00	5.00	5.00
54	JBGVS-For Sevagram Grampanchayat, Wardha	To construct a RCC retaining wall for Nallah at Sevagram village	Rural development projects	Wardha	0.29	-	-
55	JBGVS-For Pavnar Grampanchayat, Wardha	To construct a RCC retaining wall for soil at the side of cement road Mouza-Pavnar	Rural development projects	Wardha	0.09	0.09	0.09
56	Development Initiative for Self-Help and Awakening-(Brig. R. V. Jatar) Pune	Towards SHG training, sanitation, waste management, water provision, health camp and awareness programmes in 10 villages	Rural development projects	Pune	0.15	0.08	0.08
57	JBGVS-For Garbage Management through CII Foundation, CARPE and Municipal Corporation, Aurangabad	Garbage management and cleaning at Aurangabad	Sanitation	Aurangabad	1.60	1.60	1.60
58	BAIF, Warje, Pune	Fees to prepare Detailed Project Report (DPR), on the subject of addressing agricultural distress in Wardha District	Rural development projects	Pune	0.05	0.05	0.05
59	JBGVS-For school Infrastructure at Waluj	To improve the quality of infrastructure at seven schools in the vicinity of Bajaj Auto Plant, Waluj, Aurangabad	Promoting education	Waluj, Aurangabad	1.71	-	-
60	The Barefoot College, Tilonia-(Mr. Bunker Roy), Ajmer	To provide basic services and solutions to problems in rural communities and make them self-sufficient and sustainable (for corpus)	Rural development projects	Ajmer, Rajasthan	0.25	-	-
61	Family of Disabled (Ref. Ms. Amita Joseph), New Delhi	Towards rehabilitation of handicapped persons, where 96 handicapped people will be given brief formal training in small businesses	Livelihood enhancement projects	New Delhi	0.25	-	-
62	Commissioner of Police, Aurangabad	For support to Aurangabad Police Public School, to provide grants for higher education of meritorious wards of police personnel	Promoting education	Aurangabad	0.05	0.05	0.05
63	JBGVS-For Paani Foundation (Aamir Khan)	To communicate, impart knowledge and bring about change in outlook at the grassroots level about water conservation and watershed management	Conservation of natural resources and maintaining quality of water	Maharashtra	2.50	-	-

(₹ In Crore)

Sr No.	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
64	Ashoka University, Kundli, NCR	To build (1) Hostel building (2) Funding through corpus for 10 Bajaj scholars for 10 years	Promoting education	Noida	20.00	—	—
65	Raja Dinkar Kelkar Museum, Pune	To render financial aid of ₹ 50 lacs for the existing Museum and its proposed Museum City	Protection of National Heritage	Pune	0.50	—	—
66	Direct-Bajaj YCMH ART Centre	Health care to AIDS patients	Health Care	Pune	0.25	0.25	0.25
Total						86.72	

Notes:

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

Extract of Annual Return (Form MGT-9)

As on the financial year ended on 31 March 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)	L65993PN2007PLC130076
Registration Date	30 April 2007
Name of the Company	Bajaj Auto Ltd.
Category/Sub-category of the Company	Public Company/Limited by shares
Address of the Registered office and contact details	Bajaj Auto Ltd. Complex, Mumbai Puna Road, Akurdi, Pune - 411 035 E-mail id: investors@bajajauto.co.in Tel. No: (020) 6610 6063
Whether listed company	Yes (BSE and NSE) Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032
Name, Address and contact details of the Registrar and Transfer Agent, if any.	Contact Persons: M. S. Madhusudhan Mohd. Mohsinuddin Tel No: (040) 6716 2222 Fax No: (040) 2300 1153 Toll Free No: 1800 345 4001 E-mail: mohsin.mohd@karvy.com Website: www.karvy.com

II. Principal business activities of the Company

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

Sr. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Manufacture of Motorcycles, three-wheelers (including parts thereof)	3091	97

III. Particulars of holding, subsidiary and associate companies

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



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**IV. Shareholding pattern
(equity share capital break up 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			% of total shares	No. of shares held at the end of the year as on 31 March 2016			% change during the year		
	Demat	Physical	Total		Demat	Physical	Total			
A. Promoters										
(1) Indian										
a) Individual/HUF	12,613,090	—	12,613,090	4.36	12,613,090	—	12,613,090	4.36		
b) Central Govt	—	—	—	—	—	—	—	—		
c) State Govt(s)	—	—	—	—	—	—	—	—		
d) Bodies Corp.	129,878,592	—	129,878,592	44.88	130,009,992	—	130,009,992	44.93		
e) Banks/FI	—	—	—	—	—	—	—	—		
f) Any other	—	—	—	—	—	—	—	—		
Sub-Total (A) (1)	142,491,682	—	142,491,682	49.24	142,623,082	—	142,623,082	49.29		
								0.05		
(2) Foreign										
a) NRIs-Individual	—	—	—	—	—	—	—	—		
b) Others-Individuals	—	—	—	—	—	—	—	—		
c) Bodies Corporate	—	—	—	—	—	—	—	—		
d) Banks/FI	—	—	—	—	—	—	—	—		
e) Any Other	—	—	—	—	—	—	—	—		
Sub-Total (A) (2)	—	—	—	—	—	—	—	—		
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	142,491,682	—	142,491,682	49.24	142,623,082	—	142,623,082	49.29		
								0.05		
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds	3,065,123	1,425	3,066,548	1.06	4,186,716	1,425	4,188,141	1.45		
b) Banks/FI	1,681,903	20,790	1,702,693	0.59	140,983	20,790	161,773	0.06		
c) Central Govt	—	—	—	—	—	—	—	—		
d) State Govt(s)	—	—	—	—	—	—	—	—		
e) Venture Capital Funds	—	—	—	—	—	—	—	—		
f) Insurance Companies	20,227,866	600	20,228,466	6.99	20,668,606	600	20,669,206	7.14		
g) FIIs/FPIs	49,181,822	2,675	49,184,497	17.00	50,114,482	—	50,117,157	17.32		
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—		
i) Others (specify)	—	—	—	—	—	—	—	—		
Sub-total (B)(1):	74,156,714	25,490	74,182,204	25.64	75,110,787	22,815	75,136,277	25.97		
								0.33		
(2) Non-Institutions										
a) Bodies Corp.	—	—	—	—	—	—	—	—		
i) Indian	20,165,320	4,407,660	24,572,980	8.49	19,274,497	835,930	20,110,427	6.95		
ii) Overseas	—	—	—	—	—	—	—	—		
b) Individuals	—	—	—	—	—	—	—	—		
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12,546,536	1,469,507	14,016,043	4.84	12,312,048	1,378,186	13,690,234	4.73		
								(0.11)		

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	18,664,635	11,350,003	30,014,638	10.37	22,029,162	11,278,523	33,307,685	11.51	1.14
c) Others (specify)	—	—	—	—	—	—	—	—	—
i) NBFC Registered with RBI	—	—	—	—	10,616	—	10,616	0.00	0.00
ii) Non Resident Indians	890,872	24,795	915,667	0.32	925,511	24,795	950,306	0.33	0.01
iii) Overseas Corporate Bodies	—	1,425	1,425	0.00	—	1,425	1,425	0.00	—
iv) Foreign Nationals	—	—	—	—	182	—	182	0.00	0.00
v) Clearing Members	174,708	—	174,708	0.06	300,946	—	300,946	0.10	0.04
vi) Trusts	2,929,159	—	2,929,159	1.01	3,179,804	—	3,179,804	1.10	0.09
vii) Foreign Bodies-DR	8,470	—	8,470	0.00	3,192	—	3,192	0.00	(0.00)
Sub-total (B)(2):	55,379,700	17,253,390	72,633,090	25.10	58,035,958	13,518,859	71,554,817	24.72	(0.38)
Total Public Shareholding (B)=(B)(1)+(B)(2)	129,536,414	17,278,880	146,815,294	50.74	133,146,745	13,541,674	146,691,094	50.69	(0.05)
C. Shares held by Custodian for GDRs and ADRs	60,044	—	60,044	0.02	52,844	—	52,844	0.02	—
Grand Total (A+B+C)	272,088,140	17,278,880	289,367,020	100.00	275,822,671	13,541,674	289,367,020	100.00	—

ii) Shareholding of Promoters:

Sr. No.	Shareholders 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			
							No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Anant Bajaj	149,614	0.05	—	114	0.00	—	—	—	(0.05)
2	Deepa Bajaj	21,150	0.01	—	21,150	0.01	—	—	—	—
3	Geetika Bajaj	600	0.00	—	600	0.00	—	—	—	—
4	Kiran Bajaj	2,050	0.00	—	2,050	0.00	—	—	—	—
5	Kriti Bajaj	70,000	0.02	—	70,000	0.02	—	—	—	—
6	Kumud Bajaj	969,868	0.34	—	969,868	0.34	—	—	—	—
7	Madhur Bajaj	1,432,232	0.49	—	1,432,232	0.49	—	—	—	—
8	Minal Bajaj	125,800	0.04	—	125,800	0.04	—	—	—	—
9	Neelima Bajaj Swamy	535,438	0.19	—	535,438	0.19	—	—	—	—
10	Nimisha Jaipuria	314,570	0.11	—	314,570	0.11	—	—	—	—
11	Niraj Bajaj	2,109,476	0.73	—	2,109,476	0.73	—	—	—	—
12	Nirav Nayyan Bajaj	423,132	0.15	—	423,132	0.15	—	—	—	—
13	Rahulkumar Bajaj	2,970,570	1.03	—	2,970,570	1.03	—	—	—	—
14	Rajiv Nayyan Bajaj	726,100	0.25	—	726,100	0.25	—	—	—	—
15	Rishabh Nayyan Bajaj	17,000	0.01	—	17,000	0.01	—	—	—	—

ii) Shareholding of Promoters: (Contd.)

Sr. No.	Shareholders 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	
16	Sanjali Bajaj	18,200	0.01	—	18,200	0.01	—	—
17	Sanjivnayan Bajaj	800,448	0.28	—	800,448	0.28	—	—
18	Shefali Bajaj	20,000	0.01	—	20,000	0.01	—	—
19	Shekhar Bajaj	421,760	0.15	—	421,760	0.15	—	—
20	Siddhantnayan Bajaj	15,000	0.01	—	15,000	0.01	—	—
21	Suman Jain	1,047,008	0.36	—	1,047,008	0.36	—	—
22	Sunaina Kejriwal	423,074	0.15	—	423,074	0.15	—	—
23	Pooja Bajaj	—	—	—	149,500	0.05	—	0.05
24	Bachhraj And Company Pvt. Ltd.	3,711,756	1.28	—	3,711,756	1.28	—	—
25	Bachhraj Factories Pvt. Ltd.	1,961,174	0.68	—	1,961,174	0.68	—	—
26	Bajaj Finance Ltd.	150	0.00	—	150	0.00	—	—
27	Bajaj Holdings & Investment Ltd.	91,119,000	31.49	—	91,119,000	31.49	—	—
28	Bajaj Sevashram Pvt. Ltd.	4,462,720	1.54	—	4,462,720	1.54	—	—
29	Baroda Industries Pvt. Ltd.	1,670,802	0.58	—	1,670,802	0.58	—	—
30	Hercules Hoists Ltd.	182,590	0.06	—	182,590	0.06	—	—
31	The Hindustan Housing Company Ltd.	14,400	0.00	—	20,800	0.01	—	0.01
32	Jamnalal Sons Pvt. Ltd.	25,844,400	8.93	—	25,844,400	8.93	0.02	—
33	Kamalnayan Investment & Trading Pvt. Ltd.	132,200	0.05	—	132,200	0.05	—	—
34	Madhur Securities Pvt. Ltd.	79,400	0.03	—	79,400	0.03	—	—
35	Niraj Holdings Pvt. Ltd.	19,600	0.01	—	19,600	0.01	—	—
36	Rahul Securities Pvt. Ltd.	270,600	0.09	—	270,600	0.09	—	—
37	Rupa Equities Pvt. Ltd.	286,800	0.10	—	286,800	0.10	—	—
38	Sanraj Nayan Investments Pvt. Ltd.	60,000	0.02	—	60,000	0.02	—	—
39	Shekhar Holdings Pvt. Ltd.	63,000	0.02	—	63,000	0.02	—	—
40	Bajaj Allianz Life Insurance Company Ltd.	—	—	—	125,000	0.04	—	0.04
Total		142,491,682	49.24	—	142,623,082	49.29	0.02	0.05

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iii) Change in Promoters' shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year 1 April 2015	142,491,682	49.24		
	Date-wise increase/(decrease)				
1	Anant Bajaj				
	24-06-2015- Family gift	(149,500)	(0.05)	142,342,182	49.19
2	Pooja Bajaj				
	24-06-2015- Family gift	149,500	0.05	142,491,682	49.24
3	The Hindustan Housing Company Ltd.				
	13-11-2015-Purchase	6,200	0.01	142,497,882	49.25
	16-11-2015-Purchase	200	0.00	142,498,082	49.25
4	Bajaj Allianz Life Insurance Company Ltd.				
	11-09-2015-Purchase	125,000	0.04	142,623,082	49.29
	At the end of the year 31 March 2016			142,623,082	49.29

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

Sr. No.	Name of shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Life Insurance Corporation of India				
	At the beginning of the year 1 April 2015	16,967,330	5.86		
	Date-wise increase/(decrease)				
	10-04-2015-Purchase	182,821	0.06	17,150,151	5.93
	24-04-2015-Purchase	21,000	0.01	17,171,151	5.93
	01-05-2015-Purchase	4,117	0.00	17,175,268	5.94
	29-05-2015-Sale	(5,551)	(0.00)	17,169,717	5.93
	03-07-2015-Sale	(69,191)	(0.02)	17,100,526	5.91
	10-07-2015-Sale	(187,723)	(0.06)	16,912,803	5.84
	17-07-2015-Sale	(125,850)	(0.04)	16,786,953	5.80

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

Sr. No.	Name of shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	24-07-2015-Sale	(182,409)	(0.06)	16,604,544	5.74
	31-07-2015-Sale	(112,473)	(0.04)	16,492,071	5.70
	07-08-2015-Sale	(116,379)	(0.04)	16,375,692	5.66
	14-08-2015-Sale	(162,999)	(0.06)	16,212,693	5.60
	21-08-2015-Sale	(16,364)	(0.01)	16,196,329	5.60
	04-09-2015-Purchase	174,210	0.06	16,370,539	5.66
	11-09-2015-Purchase	226,743	0.08	16,597,282	5.74
	18-09-2015-Purchase	31,274	0.01	16,628,556	5.75
	25-09-2015-Purchase	99,656	0.03	16,728,212	5.78
	30-09-2015-Purchase	118,918	0.04	16,847,130	5.82
	02-10-2015-Purchase	16,491	0.01	16,863,621	5.83
	09-10-2015-Purchase	6,585	0.00	16,870,206	5.83
	16-10-2015-Sale	(95,691)	(0.03)	16,774,515	5.80
	23-10-2015-Sale	(183,151)	(0.06)	16,591,364	5.73
	30-10-2015-Sale	(310,288)	(0.11)	16,281,076	5.63
	06-11-2015-Sale	(650)	(0.00)	16,280,426	5.63
	27-11-2015-Sale	(19,227)	(0.01)	16,261,199	5.62
	15-01-2016-Purchase	56,901	0.02	16,318,100	5.64
	22-01-2016-Purchase	210,606	0.07	16,528,706	5.71
	29-01-2016-Purchase	124,182	0.04	16,652,888	5.75
	05-02-2016-Purchase	16,889	0.01	16,669,777	5.76
	12-02-2016-Purchase	232,777	0.08	16,902,554	5.84
	19-02-2016-Purchase	312,728	0.11	17,215,282	5.95
	26-02-2016-Purchase	77,342	0.03	17,292,624	5.98
	04-02-2016-Purchase	277,263	0.10	17,569,887	6.07
	11-03-2016-Purchase	15,073	0.01	17,584,960	6.08
	At the end of the year 31 March 2016			17,584,960	6.08
2	M/s Jaya Hind Investments Pvt. Ltd.				
	At the beginning and at the end of the year-No change during the year ended 31 March 2016	10,242,928	3.54	10,242,928	3.54
3	Maharashtra Scooters Ltd.				
	At the beginning and at the end of the year-No change during the year ended 31 March 2016	6,774,072	2.34	6,774,072	2.34

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

Sr. No.	Name of shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Government Pension Fund Global				
	At the beginning of the year				
	1 April 2015	3,985,280	1.38		
	Date-wise increase/(decrease)				
	29-05-2015-Sale	(34,062)	(0.01)	3,951,218	1.37
	05-06-2015-Sale	(332,258)	(0.11)	3,618,960	1.25
	12-06-2015-Purchase	257,500	0.09	3,876,460	1.34
	19-06-2015-Purchase	496,000	0.17	4,372,460	1.51
	26-06-2015-Purchase	171,807	0.06	4,544,267	1.57
	30-06-2015-Sale	(114,269)	(0.04)	4,429,998	1.53
	03-07-2015-Sale	(42,280)	(0.01)	4,387,718	1.52
	17-07-2015-Sale	(28,495)	(0.01)	4,359,223	1.51
	21-08-2015-Sale	(5,424)	(0.00)	4,353,799	1.50
	04-09-2015-Purchase	72,032	0.02	4,425,831	1.53
	27-11-2015-Sale	(72,620)	(0.03)	4,353,211	1.50
	04-12-2015-Sale	(8,773)	(0.00)	4,344,438	1.50
	25-12-2015-Sale	(54,454)	(0.02)	4,289,984	1.48
	22-01-2016-Sale	(52,868)	(0.02)	4,237,116	1.46
	29-01-2016-Sale	(22,031)	(0.01)	4,215,085	1.46
	19-02-2016-Sale	(187,442)	(0.06)	4,027,643	1.39
	26-02-2016-Sale	(84,738)	(0.03)	3,942,905	1.36
	04-03-2016-Sale	(49,326)	(0.02)	3,893,579	1.35
	11-03-2016-Sale	(20,608)	(0.01)	3,872,971	1.34
	25-03-2016-Sale	(13,549)	(0.00)	3,859,422	1.33
	At the end of the year				
	31 March 2016			3,859,422	1.33
5	Niraj Bajaj (as trustee of Yamuna Trust)				
	At the beginning of the year				
	1 April 2015	-	-	-	-
	04-12-2015-Purchase	3,659,916	1.26	3,659,916	1.26
	At the end of the year				
	31 March 2016			3,659,916	1.26

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

Sr. No.	Name of shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	Abu Dhabi Investment Authority-Gulab				
	At the beginning of the year				
	1 April 2015	2,601,860	0.90		
	Date-wise increase/(decrease)				
	17-04-2015-Sale	(70,028)	(0.02)	2,531,832	0.87
	15-05-2015-Purchase	13,071	0.00	2,544,903	0.88
	22-05-2015-Purchase	21,699	0.01	2,566,602	0.89
	29-05-2015-Purchase	12,574	0.00	2,579,176	0.89
	05-06-2015-Sale	(2,716)	(0.00)	2,576,460	0.89
	12-06-2015-Sale	(482)	(0.00)	2,575,978	0.89
	26-06-2015-Purchase	64,700	0.02	2,640,678	0.91
	24-07-2015-Purchase	50,000	0.02	2,690,678	0.93
	14-08-2015-Purchase	2,190	0.00	2,692,868	0.93
	21-08-2015-Purchase	36,275	0.01	2,729,143	0.94
	28-08-2015-Purchase	28,866	0.01	2,758,009	0.95
	04-09-2015-Purchase	22,125	0.01	2,780,134	0.96
	18-09-2015-Sale	(5,050)	(0.00)	2,775,084	0.96
	25-09-2015-Purchase	16,916	0.01	2,792,000	0.96
	23-10-2015-Sale	(83,042)	(0.03)	2,708,958	0.94
	30-10-2015-Purchase	59,702	0.02	2,768,660	0.96
	06-11-2015-Purchase	3,298	0.00	2,771,958	0.96
	20-11-2015-Sale	(5,231)	(0.00)	2,766,727	0.96
	27-11-2015-Sale	(17,493)	(0.01)	2,749,234	0.95
	04-12-2015-Sale	(47,140)	(0.02)	2,702,094	0.93
	22-01-2016-Purchase	4,600	0.00	2,706,694	0.94
	29-01-2016-Purchase	46,779	0.02	2,753,473	0.95
	05-02-2016-Sale	(1,417)	(0.00)	2,752,056	0.95
	26-02-2016-Sale	(7,388)	(0.00)	2,744,668	0.95
	04-03-2016-Sale	(10,445)	(0.00)	2,734,223	0.94
	18-03-2016-Sale	(40,231)	(0.01)	2,693,992	0.93
	At the end of the year				
	31 March 2016			2,693,992	0.93

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

Sr. No.	Name of shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Lazard Asset Management LLC A/C Lazard Emerging MA				
	At the beginning of the year				
	1 April 2015	2,824,791	0.98		
	Date-wise increase/(decrease)				
	01-05-2015-Purchase	106,009	0.04	2,930,800	1.01
	08-05-2015-Purchase	3,703	0.00	2,934,503	1.01
	28-08-2015-Sale	(45,230)	(0.02)	2,889,273	1.00
	18-09-2015-Sale	(121,303)	(0.04)	2,767,970	0.96
	25-09-2015-Sale	(71,494)	(0.02)	2,696,476	0.93
	06-11-2015-Sale	(70,399)	(0.02)	2,626,077	0.91
	04-12-2015-Sale	(75,733)	(0.03)	2,550,344	0.88
	25-12-2015-Sale	(70,135)	(0.02)	2,480,209	0.86
	31-12-2015-Sale	(41,219)	(0.01)	2,438,990	0.84
	At the end of the year				
	31 March 2016			2,438,990	0.84
8	Niraj Bajaj (as trustee of Narmada Trust)				
	At the beginning and at the end of the year-No change during the year ended				
	31 March 2016	2,184,150	0.75	2,184,150	0.75
9	Government of Singapore				
	At the beginning of the year				
	1 April 2015	1,495,609	0.52		
	Date-wise increase/(decrease)				
	10-04-2015-Purchase	12,181	0.00	1,507,790	0.52
	24-04-2015-Sale	(1,031)	(0.00)	1,506,759	0.52
	01-05-2015-Sale	(34,140)	(0.01)	1,472,619	0.51
	08-05-2015-Sale	(24,494)	(0.01)	1,448,125	0.50
	05-06-2015-Purchase	3,258	0.00	1,451,383	0.50
	12-06-2015-Sale	(1,702)	(0.00)	1,449,681	0.50
	03-07-2015-Purchase	31,001	0.01	1,480,682	0.51
	10-07-2015-Purchase	20,122	0.01	1,500,804	0.52
	31-07-2015-Purchase	12,187	0.00	1,512,991	0.52
	07-08-2015-Purchase	30,212	0.01	1,543,203	0.53
	21-08-2015-Sale	(3,810)	(0.00)	1,539,393	0.53
	28-08-2015-Purchase	61,428	0.02	1,600,821	0.55

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

Sr. No.	Name of shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	04-09-2015-Purchase	89,508	0.03	1,690,329	0.58
	11-09-2015-Sale	(36,240)	(0.01)	1,654,089	0.57
	02-10-2015-Purchase	17,125	0.01	1,671,214	0.58
	09-10-2015-Purchase	58,405	0.02	1,729,619	0.60
	23-10-2015-Sale	(28,826)	(0.01)	1,700,793	0.59
	30-10-2015-Sale	(18,517)	(0.01)	1,682,276	0.58
	06-11-2015-Sale	(2,834)	(0.00)	1,679,442	0.58
	13-11-2015-Sale	(5,097)	(0.00)	1,674,345	0.58
	20-11-2015-Sale	(2,021)	(0.00)	1,672,324	0.58
	27-11-2015-Purchase	149,979	0.05	1,822,303	0.63
	04-12-2015-Purchase	1,915	0.00	1,824,218	0.63
	11-12-2015-Purchase	9,882	0.00	1,834,100	0.63
	18-12-2015-Purchase	5,581	0.00	1,839,681	0.64
	31-12-2015-Sale	(6,665)	(0.00)	1,833,016	0.63
	08-01-2016-Purchase	20,987	0.01	1,854,003	0.64
	15-01-2016-Purchase	5,645	0.00	1,859,648	0.64
	22-01-2016-Sale	(20,934)	(0.01)	1,838,714	0.64
	29-01-2016-Purchase	47,739	0.02	1,886,453	0.65
	05-02-2016-Purchase	89,273	0.03	1,975,726	0.68
	12-02-2016-Purchase	21,259	0.01	1,996,985	0.69
	26-02-2016-Sale	(95,562)	(0.03)	1,901,423	0.66
	04-03-2016-Sale	(101,551)	(0.04)	1,799,872	0.62
	11-03-2016-Sale	(51,435)	(0.02)	1,748,437	0.60
	18-03-2016-Sale	(59,345)	(0.02)	1,689,092	0.58
	25-03-2016-Sale	(22,461)	(0.01)	1,666,631	0.58
	31-03-2016-Purchase	7,818	0.00	1,674,449	0.58
	31-03-2016-Sale	(2,485)	(0.00)	1,671,964	0.58
	At the end of the year 31 March 2016			1,671,964	0.58

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

Sr. No.	Name of shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	Future Fund Board of Guardians Managed By Schroder				
	At the beginning of the year				
	1 April 2015	1,681,776	0.58		
	Date-wise increase/(decrease)				
	30-06-2015-Sale	(27,927)	(0.01)	1,653,849	0.57
	03-07-2015-Sale	(22,181)	(0.01)	1,631,668	0.56
	10-07-2015-Sale	(61,388)	(0.02)	1,570,280	0.54
	07-08-2015-Sale	(65,837)	(0.02)	1,504,443	0.52
	14-08-2015-Sale	(65,692)	(0.02)	1,438,751	0.50
	21-08-2015-Sale	(70,231)	(0.02)	1,368,520	0.47
	28-08-2015-Sale	(49,123)	(0.02)	1,319,397	0.46
	30-10-2015-Sale	(51,959)	(0.02)	1,267,438	0.44
	13-11-2015-Sale	(17,191)	(0.01)	1,250,247	0.43
	20-11-2015-Purchase	9,886	0.00	1,260,133	0.44
	27-11-2015-Sale	(5,278)	(0.00)	1,254,855	0.43
	18-03-2016-Sale	(39,284)	(0.01)	1,215,571	0.42
	25-03-2016-Sale	(30,221)	(0.01)	1,185,350	0.41
	At the end of the year				
	31 March 2016			1,185,350	0.41

v) Shareholding of directors and key managerial personnel:

Sr. No	Particulars	Shareholding		Cumulative shareholding	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Rahul Bajaj				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	2,970,570	1.03	2,970,570	1.03
2	Madhur Bajaj				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	1,432,232	0.49	1,432,232	0.49
3	Rajiv Bajaj				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	726,100	0.25	726,100	0.25
4	Sanjiv Bajaj				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	800,448	0.28	800,448	0.28

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

Sr. No	Particulars	Shareholding		Cumulative shareholding	
		No. of shares	% of total shares	No. of shares	% of total shares
5	D S Mehta At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	9,980	0.00	9,980	0.00
6	Shekhar Bajaj At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	421,760	0.15	421,760	0.15
7	Manish Kejriwal At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	200	0.00	200	0.00
8	Niraj Bajaj At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	2,109,476	0.73	2,109,476	0.73
9	Kevin D'sa (CFO) At the beginning of the year and at the end of the year-No change during the year ended 31 March 2016	3,620	0.00	3,620	0.00

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

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

V. Indebtedness

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

(In ₹)

Sr. No.	Particulars	Secured loans excluding deposits	Total indebtedness		
			Unsecured loans	Deposits	
A	Indebtedness at the beginning of the financial year 1 April 2015				
i.	Principal amount	-	1,125,945,815	-	1,125,945,815
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	1,125,945,815	-	1,125,945,815
B	Change in indebtedness during the financial year				
	* Addition	-	498,816,391	-	498,816,391
	* Reduction	-	-	-	-
	Net Change	-	498,816,391	-	498,816,391

V. Indebtedness (Contd.)

(In ₹)

Sr. No.	Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
C	Indebtedness at the end of the financial year 31 March 2016				
i.	Principal amount	–	1,624,762,206	–	1,624,762,206
ii.	Interest due but not paid	–	–	–	–
iii.	Interest accrued but not due	–	–	–	–
	Total (i+ii+iii)	–	1,624,762,206	–	1,624,762,206

VI. Remuneration of the directors and key managerial personnel

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

(In ₹)

Sr. No.	Particulars of remuneration	Rajiv Bajaj (MD)	Rahul Bajaj (Chairman)	Madhur Bajaj (Vice Chairman)	Total amount
1	Gross Salary				
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,140,000	23,437,500	17,812,500	89,390,000
b.	Value of perquisites under section 17(2) of Income-tax Act, 1961	31,962,917	17,874,016	12,488,641	62,325,574
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission				
	-as % of profit	–	–	–	–
	-others	133,920,000	67,500,000	51,300,000	252,720,000
5	Others, please specify				
	Contribution to PF, etc.	9,257,956	4,734,086	3,620,441	17,612,483
	Total (A)	223,280,873	113,545,602	85,221,582	422,048,057
	Ceiling as per the Act				5,323,400,000

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 5 years and notice period is of 90 days and is in compliance with the applicable provisions of the Companies Act, 2013.

B. Remuneration to other directors

(In ₹)

Sr. No.	Name	Fee for attending Board/ Committee meetings	Commission	Others, please Specify	Total
1 Independent Directors					
1.	D S Mehta	700,000	1,050,000	–	1,750,000
2.	Kantikumar Podar	500,000	750,000	–	1,250,000
3.	D J Balaji Rao	1,500,000	2,250,000	–	3,750,000
4.	J N Godrej	200,000	300,000	–	500,000
5.	S H Khan*	700,000	1,050,000	–	1,750,000
6.	Naresh Chandra	1,300,000	1,950,000	–	3,250,000
7.	Nanoo Pamnani	1,400,000	4,100,000	–	5,500,000
8.	P Murari	500,000	750,000	–	1,250,000
9.	Dr. Gita Piramal	800,000	1,200,000	–	2,000,000
TOTAL (B)(1)		7,600,000	13,400,000	–	21,000,000
2 Other Non-executive Directors					
1.	Sanjiv Bajaj	800,000	1,200,000	–	2,000,000
2.	Shekhar Bajaj	700,000	1,050,000	–	1,750,000
3.	Manish Kejriwal	500,000	750,000	–	1,250,000
4.	Niraj Bajaj	700,000	1,050,000	–	1,750,000
TOTAL (B)(2)		2,700,000	4,050,000	–	6,750,000
TOTAL (B)(1) + (B)(2)		10,300,000	17,450,000	–	27,750,000
Overall Ceiling as per the Act					5,855,700,000

Note:

*S H Khan expired on 12 January 2016

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/WTD/Manager

(In ₹)

Sr. No.	Particulars of remuneration	J Sridhar (CS)	Kevin D'sa (CFO)
1	Gross Salary		
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,933,195	22,329,800
	b. Value of perquisites under section 17(2) of Income-tax Act, 1961	427,610	1,227,676
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—
2	Stock option	—	—
3	Sweat equity	—	—
4	Commission		
	-as % of profit	—	—
	-others	—	—
5	Others, please specify		
	-Contribution to PF etc.	774,346	1,384,459
	Total	13,135,151	24,941,935

VII. Penalties/punishment/compounding of offences:

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



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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 Auto Ltd.
(CIN: L65993PN2007PLC130076)
Bajaj Auto Ltd. Complex,
Mumbai-Pune Road,
Akurdi, Pune-411035.

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 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 on 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 of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Motor Vehicles Act, 1988 to the extent of product certification before production and from time to time primarily in respect of vehicles manufactured by the Company.

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

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) 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 year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Pune: 25 May 2016

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

Auditors' certificate regarding compliance of conditions of Corporate Governance

To the Members of **Bajaj Auto Ltd.**

We have examined the compliance of conditions of Corporate Governance by Bajaj Auto 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, Rajiv Bajaj, Managing Director of Bajaj Auto Ltd. hereby declare that all the members of Board of Directors and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company.

Rajiv Bajaj
Managing Director

Pune: 25 May 2016



Standalone Financial Statements

Independent Auditors' Report on the Standalone Financial Statements

To the Members of **Bajaj Auto Ltd.**

1. We have audited the accompanying standalone financial statements of Bajaj Auto Limited ('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 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred to in section 133 of the Act read with rule 7 of 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.

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.

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred to in section 133 of the Act read with rule 7 of 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 has made provision as at 31 March 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts ;
 - 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 Auto 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 Auto 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 Auto 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, are held in the name of the Company, except for buildings having gross block of ₹ 15.30 crore and net block of ₹ 13.12 crore, wherein final registration is pending, as disclosed in Note 9 on fixed assets to the financial statements.
2. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii), (iii)(a) and (iii)(b) 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. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments made by it.
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, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise, value added 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
Excise duty	Additional demand received	1.92	Various years	Commissioner Appeals
	Additional demand received	22.90	Various years	CESTAT
	Additional demand received	1.79	Various years	High Court
	Additional demand received	6.13	Financial year 1983-84	Supreme Court
Sales tax	Additional demand received on the basis of assessment order	82.94	Various years	Joint Commissioner of Sales Tax
	Additional demand received on the basis of assessment order	33.20	Financial year 2001-02 to 2004-05, 2008-09 and 2009-10	Tribunal
Income tax	Department appeal against CIT(A) order	12.19	Financial year 2007-08	ITAT
	Demand on various matter	0.46	For the years 2005-06 to 2009-10	Commissioner Appeals
Customs duty	Recovery of duty by treating the vehicles as not fuel efficient	3.85	Financial year 1984-86	High Court

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 not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

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

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

Balance Sheet

Particulars	Note No.	As at 31 March		
		2016	2015	
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	2	289.37	289.37	
Reserves and surplus	3	12,002.29	10,402.78	
		12,291.66	10,692.15	
Non-current liabilities				
Long-term borrowings	4	162.48	111.77	
Deferred tax liabilities (net)	5	188.25	141.58	
Other long-term liabilities	6	29.78	57.59	
Long-term provisions	7	47.57	82.44	
		428.08	393.38	
Current liabilities				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises		15.38	12.83	
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,011.66	1,747.70	
Other current liabilities	8	604.53	806.69	
Short-term provisions	7	321.45	1,909.57	
		2,953.02	4,476.79	
Total		15,672.76	15,562.32	
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	9	1,936.38	1,917.24	
Intangible assets	9	89.29	-	
Capital work-in-progress		26.89	101.72	
Intangible assets under development		25.35	153.22	
		2,077.91	2,172.18	
Non-current investments	10	8,294.34	3,352.76	
Long-term loans and advances	11	682.24	511.07	
Other non-current assets	12	0.02	0.04	
		11,054.51	6,036.05	
Current assets				
Current investments	10	1,218.32	5,800.56	
Inventories	13	719.07	814.15	
Trade receivables	14	717.93	716.96	
Cash and bank balances	15	859.52	586.15	
Short-term loans and advances	11	871.45	1,261.61	
Other current assets	12	231.96	346.84	
		4,618.25	9,526.27	
Total		15,672.76	15,562.32	

Summary of significant accounting policies followed by the Company

1

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

Kevin D'sa
Chief Financial Officer
J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Statement of Profit and Loss

Particulars	Note No.	(₹ In Crore)	
		2016	2015
Sales		23,546.24	22,013.21
Less: Excise duty		1,293.46	909.28
Net sales		22,252.78	21,103.93
Other operating revenue		434.81	508.08
Revenue from operations (net)	16	22,687.59	21,612.01
Other income	17	913.27	582.42
Total revenue		23,600.86	22,194.43
 Expenses			
Cost of raw material and components consumed	18	13,717.01	13,752.79
Purchases of traded goods	19	1,276.40	1,154.57
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	63.45	(57.56)
Employee benefits expense	21	918.44	897.30
Finance costs	22	0.48	6.49
Depreciation and amortisation	23	307.16	267.40
Other expenses	24	1,949.76	1,808.41
Expenses, included in above items, capitalised		(17.02)	(60.05)
Total expenses		18,215.68	17,769.35
 Profit before exceptional items and tax		5,385.18	4,425.08
Exceptional items	25	—	340.29
 Profit before tax		5,385.18	4,084.79
Tax expense			
Current tax		1,686.10	1,258.00
Deferred tax		46.67	13.05
Total tax expense		1,732.77	1,271.05
 Profit for the year		3,652.41	2,813.74
Basic and diluted Earnings per share (In ₹) (Nominal value per share ₹ 10)	27	126.2	97.2
Summary of significant accounting policies followed by the Company	1		

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

Kevin D'sa
Chief Financial Officer
J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Cash Flow Statement

(₹ In Crore)

For the year ended 31 March

Particulars	2016	2015
I. Operating activities		
Profit before tax	5,385.18	4,084.79
Adjustments:		
Add:		
i) Depreciation and amortisation	307.16	267.40
ii) Valuation (gains)/losses of derivative hedging instruments	(105.49)	50.22
iii) Loss on assets sold, demolished, discarded and scrapped	11.87	15.16
iv) Provision for doubtful debts and advances	0.78	3.82
v) Interest expense	0.48	6.49
	214.80	343.09
Less:		
i) Investment income included in above:		
Interest on long-term and current investments	59.73	125.28
Profit on sale of investments, net	359.77	192.50
Surplus/(loss) on redemption of securities, net	–	0.19
Dividend on long-term investments	89.18	–
Amortisation of premium/discount on acquisition of fixed income securities	125.48	58.99
	634.16	376.96
ii) Provision for doubtful debts and advances written back	0.08	0.88
iii) Surplus on sale of assets	1.26	3.54
	(635.50)	(381.38)
	4,964.48	4,046.50
Change in assets and liabilities		
i) Inventories	95.08	(174.43)
ii) Trade receivables	(1.54)	76.37
iii) Loans and advances and other assets	425.63	(150.88)
iv) Liabilities and provisions	11.06	(333.58)
	530.23	(582.52)
Annuity payments (net) to VRS optees	(29.83)	(31.26)
Net cash from operating activities before income-tax	5,464.88	3,432.72
Income-tax refund/paid for earlier years (net)	(37.00)	–
Income-tax paid	(1,782.47)	(1,285.40)
Net cash from operating activities	3,645.41	2,147.32
Carried forward	3,645.41	2,147.32

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2016	2015
Brought forward	3,645.41	2,147.32
II. Investing activities		
i) Sale of current and long-term investments	6,386.43	4,500.58
ii) Purchase of current and long-term investments	(6,270.33)	(4,919.11)
iii) (Purchase)/sale of money market mutual funds, etc., net	7.24	63.95
iv) (Increase)/decrease in other bank balances	(30.89)	(1.88)
v) Capital expenditure	(265.14)	(269.65)
vi) Sales proceeds of assets/adjustment to gross block	5.74	16.16
vii) Capital expenditure on development of technical know-how	(6.06)	(41.71)
	(173.01)	(651.66)
viii) Investment income		
Interest on long-term and current investments	59.73	125.28
Dividend on long-term investments	89.18	-
	148.91	125.28
(Increase)/decrease in investment/interest receivable	5.25	112.03
	154.16	237.31
Net cash from investing activities	(18.85)	(414.35)
Carried forward	3,626.56	1,732.97

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2016	2015
Brought forward	3,626.56	1,732.97
III. Financing activities		
i) Interest expense	(0.48)	(6.49)
ii) Deferral/(repayment) of sales tax deferral liability/loan	50.13	53.16
iii) Dividend paid	(2,862.81)	(1,444.96)
iv) Corporate dividend tax paid	(570.92)	(245.89)
Net cash from financing activities	(3,384.08)	(1,644.18)
Net change in cash and cash equivalents	242.48	88.79
Cash and cash equivalents as at 1 April 2015	575.07	486.28
[Opening balance]		
Cash and cash equivalents as at 31 March 2016	817.55	575.07
[Closing balance]		
	—	—

In terms of our report of even date

For Dalal & Shah LLP
Firm Registration Number: 102021WW100110
Chartered Accountants

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

Kevin D'sa
Chief Financial Officer
J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director
Nanoo Pamnani
Chairman - Audit Committee

Notes to financial statements for the year ended 31 March 2016

1 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] 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 Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

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

a) Sales

- i) Domestic sales are accounted for on dispatch from the point of sale i.e. when the significant risks and rewards of ownership are transferred to the buyer.
- ii) Export sales are recognised on the date of the mate's receipt/shipped on board and initially recorded at the relevant exchange rates prevailing on the date of the transaction.

b) Export incentives

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

c) Other 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.

d) Investment income

- (1) Interest income is accrued over the period of the investment and net of amortisation of premium/discount with respect to debt securities, thereby recognising the implicit yield to maturity, with reference to coupon dates, where applicable. However, income is accrued only where interest is serviced regularly and is not in arrears, as per the guidelines framed by the Management.

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

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

- (2) Dividend is accrued in the year in which it is declared whereby a right to receive is established.
- (3) Profit/loss on sale of investments is recognised on the contract date.

3) 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. Where a significant component (in terms of cost) of an asset has an economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.
c. Useful life of assets are determined by the Management by internal technical assessments except in case where such assessment suggests a life significantly different from those prescribed by Schedule II- Part 'C', where the useful life is as assessed and certified by a technical expert.
- ii. Assets which are depreciated over useful life/residual value different than those indicated by Schedule II are as under:

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

Asset class having residual value at ₹ 1

Computers and IT Equipment

Dies and jigs

Electric installations

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.

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

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

C. Intangible assets

a) Technical know-how acquired

Technical know-how acquired is stated at acquisition cost (including income-tax and R&D cess but net of accumulated amortisation). Technical know-how is amortised equally over a period of estimated useful life i.e. six years.

b) Technical know-how developed by the Company

- i) Expenditure incurred on know-how developed by the Company, post research stage, is recognised as an intangible asset, if and only if the future economic benefits attributable are probable to flow to the Company and the costs can be measured reliably.
- ii) The cost of technical know-how developed is amortised equally over its estimated life i.e. generally three years from the date of commercial production.

D. Impairment of assets

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

4) Investments

- a) Debt securities are carried at cost, less amortisation of premium/discount, as the case may be, and provision for diminution, if any, as considered necessary.
- b) Investments other than debt securities intended to be held for a long-term are valued at cost of acquisition, less provision for diminution as considered necessary. Other long-term investments maturing within 12 months from the close of the year (current maturities) are reclassified as current investments.
- c) Investments intended to be held for a period shorter than 12 months and investments having a maturity of less than 12 months from the date of acquisition are considered as current investments. Investments with maturity of less than 3 months from the date of acquisition are classified as cash and cash equivalents.
- d) Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments. However, current investments, representing debt securities with a maturity less than 1 year and investment not intended to be held for a period more than 1 year, are stated at lower of cost or fair value.
- e) 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.
- f) Investment property representing immovable property intended to be leased out and not intended to be used by the Company are carried at cost, less depreciation computed in the manner prescribed for Fixed assets.

5) Inventories

Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

- a) Finished stocks of vehicles, auto spare parts and work-in-progress are valued at cost or net realisable value whichever is lower. Cost of finished stocks of vehicles lying in the factory premises, branches, depots are valued inclusive of excise duty.
- b) Stores, packing material and tools are valued at cost arrived at on weighted average basis or net realisable value, whichever is lower.
- c) Raw materials and components are valued at cost arrived at on weighted average basis or lower of cost and net realisable value, as circumstances demand. However, obsolete and slow moving items are valued at cost or estimated realisable value whichever is lower.

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

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

- d) Inventory of machinery spares and maintenance materials not being material are expensed in the year of purchase. However, machinery spares forming key components specific to a machinery and held as insurance spares are capitalised along with the cost of the asset.
- e) Goods in transit are stated at actual cost incurred upto the date of Balance Sheet.

6) Foreign currency transactions

- a) On initial recognition, all foreign currency transactions are recorded at foreign exchange rate on the date of transaction.
- b) Monetary items of current assets and liabilities in foreign currency outstanding at the close of financial year are revalued at the appropriate exchange rates prevailing at the close of the year.
- c) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss in the manner detailed in note 38 to financial statements.
- d) Fixed assets purchased at liaison offices in foreign exchange are recorded at their historical cost computed with reference to the average rate of foreign exchange remitted to the liaison office.
- e) Foreign exchange contracts/derivatives:
 - i) Cash flow hedges -

Changes in the fair value of a derivative hedging instrument that qualify for hedge accounting as per the principles of hedge accounting and designated as a cash flow hedge are recognised as Hedge reserve and presented within Reserves and surplus, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in Hedge reserve, remains there until the forecast transaction occurs.

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

- ii) Profits and losses arising from either cancellation or utilisation of contracts are recognised in the Statement of Profit and Loss as detailed in note 38 to financial statements.

7) Research and Development expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Payments for R&D work by contracted agency are being expensed out upto the stage of completion. However, expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as an Intangible asset and accounted in the manner specified in clause 3 C b) above.

8) 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.

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

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

c) Superannuation

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

d) Provident fund contributions are made to Company's Provident Fund Trust. Deficits, if any, of the fund as compared to liability on the basis of an independent actuarial valuation is to be additionally contributed by the Company and hence recognised as a liability.

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

9) 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) Deferred tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax assets and liabilities are expected to crystallise with reasonable certainty. However, in case of deferred tax assets, representing unabsorbed depreciation or carried forward losses, are recognised, if and only if there is virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised. 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.

10) 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 such as product warranty costs. 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.

11) Operating leases

As a lessee

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

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.

12) 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.)

2 Share capital

Particulars	As at 31 March	
	2016	2015
Authorised: 300,000,000 equity shares of ₹ 10 each	300.00	300.00
Issued, subscribed and fully paid-up shares: 289,367,020 equity shares of ₹ 10 each	289.37	289.37
	289.37	289.37

a. Of the above

- i. 144,683,510 equity shares were allotted as fully paid bonus shares by capitalisation of General reserve by the Company on 13 September 2010.
- ii. 1,805,071 equity shares thereof (excluding 1,805,071 equity shares allotted as bonus shares thereon) are deemed to be issued by way of Euro Equity Issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares outstanding on the record date. Outstanding GDRs at the close of the year were 52,844 (60,044)

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

	As at 31 March 2016		As at 31 March 2015	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Bajaj Holdings & Investment Ltd.	91,119,000	31.49%	91,119,000	31.49%
Jamnalal Sons Pvt. Ltd.	25,844,400	8.93%	25,844,400	8.93%
Life Insurance Corporation of India	17,584,960	6.08%	16,967,330	5.86%

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

3 Reserves and surplus

Particulars	(₹ In Crore)		
	As at 31 March	2016	2015
General reserve			
Balance as at the beginning of the year		3,297.60	3,015.60
Add: Transferred from surplus in Statement of Profit and Loss		366.00	282.00
Closing balance		3,663.60	3,297.60
Hedge reserve [See note 26]		36.50	185.24
Surplus in Statement of Profit and Loss			
Balance as at the beginning of the year		6,919.94	6,150.45
Less: Transitional adjustments to carrying value of tangible assets whose revised useful life has expired, net of deferred tax aggregating ₹ 14.65 crore in previous year [See note 9(f)]		-	27.68
Profit for the year		3,652.41	2,813.74
Less: Appropriations			
Transfer to General reserve		366.00	282.00
Interim dividend		1,446.84	-
Tax on interim dividend		294.54	-
Proposed dividend		144.68	1,446.84
Tax on proposed dividend		29.45	287.73
Provision for Corporate Dividend Tax for previous year written back under section 115(O) of Income-tax Act, 1961		(11.35)	-
Total appropriations		2,270.16	2,016.57
Balance in Statement of Profit and Loss		8,302.19	6,919.94
		12,002.29	10,402.78

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

4 Long-term borrowings

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
2016	2015	2016	2015	
Unsecured				
Sales tax deferral liability/loan, an incentive under Package Scheme of Incentives 1983 and 1993 - interest free, partially prepaid	162.48	111.77	-	0.58
	162.48	111.77	-	0.58
Amount disclosed under the head 'other current liabilities' [See note 8]	-	-	-	(0.58)
	162.48	111.77	-	0.58
Terms of repayment:				
Sales tax deferral liability/loan is repayable, free of interest, over predefined equal annual instalments (6/7) after the expiry of a specified period (12/18 years) from the initial date of deferment of liability, as per respective schemes of incentive.				
Repayment schedule				
Repayable to IDBI				
May 15	-	-	-	0.58
Repayable to Sales tax department				
May 32	8.17	8.17	-	-
May 33	15.97	15.97	-	-
May 34	23.21	15.97	-	-
May 35	23.21	15.97	-	-
May 36	23.21	15.97	-	-
May 37	23.21	15.97	-	-
May 38	23.21	15.96	-	-
May 39	15.04	7.79	-	-
May 40	7.25	-	-	-
	162.48	111.77	-	0.58

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

5 Deferred tax liabilities (net)

Particulars	(₹ In Crore)		
	As at 31 March	2016	2015
Deferred tax liabilities			
On account of timing difference in			
Depreciation	307.61	276.80	
Amortisation of discount on acquisition of fixed income securities	7.96	1.97	
Gross deferred tax liabilities	315.57	278.77	
Deferred tax assets			
On account of timing difference in			
Voluntary Retirement Scheme costs	17.37	25.50	
Inventory valuation (section 145A of the Income-tax Act, 1961)	34.07	37.35	
Provision for bad and doubtful debts, DEPB, ICDs etc.	3.33	3.09	
Provision for privilege leave etc.	30.20	27.54	
Taxes, duties, others etc.	16.66	16.63	
Bonus provisions	2.36	-	
Adjustments on account of gratuity provisions	14.93	26.86	
Time value of option contracts	8.18	-	
Transitional provision for diminution in value of investments	0.22	0.22	
Gross deferred tax assets	127.32	137.19	
	188.25	141.58	

6 Other long-term liabilities

Particulars	(₹ In Crore)		
	As at 31 March	2016	2015
Annuity payable to VRS optees	29.78	57.59	
	29.78	57.59	

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

7 Provisions

Particulars	(₹ In Crore)			
	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Provision for employee benefits [See note 34]				
Provision for gratuity	43.14	77.61	—	—
Provision for compensated absences	—	—	87.24	79.56
Provision for welfare scheme	4.43	4.83	0.41	0.38
	47.57	82.44	87.65	79.94
Other provisions				
Provision for warranties	—	—	25.30	23.16
Provision for tax (net of tax paid in advance)	—	—	34.37	71.90
Proposed dividend*	—	—	144.68	1,446.84
Tax on proposed dividend	—	—	29.45	287.73
	—	—	233.80	1,829.63
	47.57	82.44	321.45	1,909.57

Provision for warranties

Particulars	(₹ In Crore)	
	As at 31 March	
	2016	2015
At the beginning of the year	23.16	27.30
Arising during the year	25.29	16.18
Utilised during the year	23.15	20.32
At the end of the year	25.30	23.16

* Dividend per equity share recognised as distribution to equity shareholders, for the year ended 31 March 2016 and 2015 amounts to ₹ 55 (interim dividend of ₹ 50 and proposed dividend of ₹ 5) and ₹ 50 respectively.

8 Other current liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2016	2015
Current maturities of long-term borrowings [See note 4]	—	0.58
Annuity payable to VRS optees	27.93	29.95
Advance received from customers	174.78	439.57
Security deposits	17.99	17.28
Unclaimed dividend	41.95	11.08
Book overdraft	—	0.25
Directors' remuneration and commission payable	27.02	25.36
Employee benefits payable	80.71	62.84
Taxes and duties payable	75.50	72.62
Other payables	158.65	147.16
	604.53	806.69

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

9 Fixed assets (tangible and intangible assets)

Current year

Particulars	Gross block (a)			Depreciation				Net block		
	As at 31 Mar 15	Additions	Deductions/adjustments	As at 31 Mar 16	As at 31 Mar 15	Adjustments	Deductions	For the year (d)	As at 31 Mar 16	As at 31 Mar 16
Tangible assets										
Land freehold	20.18	—	—	20.18	—	—	—	—	—	20.18
Land leasehold	54.99	—	0.65	54.34	—	—	—	—	—	54.34
Buildings (b) (c) (e)	751.72	82.99	12.20	822.51	211.23	—	6.05	26.18	231.36	591.15
Waterpumps, reservoirs and mains	14.34	0.97	(1.44)	16.75	8.29	—	(1.02)	0.74	10.05	6.70
Plant and machinery	1,502.89	49.85	67.39	1,485.35	1,026.75	—	63.10	65.66	1,029.31	456.04
Computers and IT Equipment	67.63	15.28	0.31	82.60	49.40	—	0.30	10.84	59.94	22.66
Dies and jigs	590.48	56.99	4.31	643.16	402.10	—	3.89	45.04	443.25	199.91
Electric installations	72.64	0.20	—	72.84	50.18	—	—	8.11	58.29	14.55
Factory equipments	294.11	55.08	1.48	347.71	118.42	—	1.23	22.29	139.48	208.23
Furniture	32.06	10.23	0.36	41.93	18.97	—	0.21	4.03	22.79	19.14
Office equipment	42.57	3.70	0.32	45.95	27.28	—	0.32	5.30	32.26	13.69
Electric fittings	23.04	6.03	0.04	29.03	13.33	—	0.03	2.89	16.19	12.84
Vehicles and aircraft	634.26	14.12	9.77	638.61	257.72	—	4.28	68.22	321.66	316.95
Total tangible assets	4,100.91	295.44	95.39	4,300.96	2,183.67	—	78.39	259.30	2,364.58	1,936.38
Intangible assets										
Technical know-how	—	133.93	44.64	89.29	—	—	—	—	—	89.29

(a) At cost, except leasehold land and technical know-how which is at cost, less amounts written off.

(b) Includes premises on ownership basis in Co-operative Society ₹ 15.16 crore and cost of shares therein ₹ 4,000.

(c) Includes premises purchased, pending registration amounting to ₹ 15.30 crore.

(d) Refer note 1 clause 3) A. and B. of summary of significant accounting policies.

(e) Excludes premises classified as Investment property which has been given on lease, and accordingly the depreciation for the year thereon amounting to ₹ 2.57 crore (previous year ₹ 2.57 crore) has been reduced from the same under Investments in note 10.

Previous year

Particulars	Gross block (a)			Depreciation				Net block		
	As at 31 Mar 14	Additions	Deductions/adjustments	As at 31 Mar 15	As at 31 Mar 14	Adjustments (f)	Deductions	For the year (d) (f)	As at 31 Mar 15	As at 31 Mar 15
Tangible assets										
Land freehold	20.22	—	0.04	20.18	—	—	—	—	—	20.18
Land leasehold	55.65	—	0.66	54.99	—	—	—	—	—	54.99
Buildings (b) (c) (e)	686.30	65.56	0.14	751.72	173.42	15.47	0.02	22.36	211.23	540.49
Waterpumps, reservoirs and mains	13.89	0.45	—	14.34	7.32	0.08	—	0.89	8.29	6.05
Plant and machinery	1,635.82	47.64	180.57	1,502.89	1,108.37	5.68	163.58	76.28	1,026.75	476.14
Computers and IT Equipment	58.94	11.32	2.63	67.63	38.38	3.71	2.51	9.82	49.40	18.23
Dies and jigs	535.01	68.70	13.23	590.48	369.54	0.68	10.86	42.74	402.10	188.38
Electric installations	70.68	1.96	—	72.64	34.32	6.97	—	8.89	50.18	22.46
Factory equipments	281.57	28.21	15.67	294.11	110.79	0.89	12.88	19.62	118.42	175.69
Furniture	28.03	4.22	0.19	32.06	13.59	0.46	0.09	5.01	18.97	13.09
Office equipment	41.13	1.48	0.04	42.57	12.68	6.98	0.02	7.64	27.28	15.29
Electric fittings	22.09	1.06	0.11	23.04	9.10	1.28	0.02	2.97	13.33	9.71
Vehicles and aircraft	627.71	15.54	8.99	634.26	193.49	0.13	3.85	67.95	257.72	376.54
Total tangible assets	4,077.04	246.14	222.27	4,100.91	2,071.00	42.33	193.83	264.17	2,183.67	1,917.24
Intangible assets										
Technical know-how	—	—	—	—	—	—	—	—	—	—

(a) At cost, except leasehold land and technical know-how which is at cost, less amounts written off.

(b) Includes premises on ownership basis in Co-operative Society ₹ 9.06 crore and cost of shares therein ₹ 2,000.

(c) Includes premises purchased, pending registration amounting to ₹ 15.30 crore.

(d) Refer note 1 clause 3) A. and B. of summary of significant accounting policies.

(e) Excludes premises classified as Investment property which has been given on lease, and accordingly the depreciation for the year thereon amounting to ₹ 2.57 crore (previous year ₹ 1.38 crore) has been reduced from the same under Investments in note 10.

(f) 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. In case of any asset whose useful life has completed at the beginning of the year, the carrying value, net of residual value, as at 1 April 2014 has been adjusted to the retained earnings and in other cases 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. Depreciation Adjustments as disclosed above includes ₹ 42.33 crore adjusted against retained earnings. As a result of this change, the charge of depreciation in Statement of Profit and Loss is higher by ₹ 59.96 crore.

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

10 Investments

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March	As at 31 March	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	67.98	67.98	-	-
Add: Additions during the year	1.48	-	-	-
Less: Accumulated depreciation	9.03	6.46	-	-
	60.43	61.52	-	-
In Government and Trust Securities:				
Unquoted:				
6 Years National Saving Certificates of the face value of ₹ 98,500	-	0.01	0.01	-
In Fully Paid Equity Shares:				
Trade:				
In Subsidiary Company:				
Unquoted:				
1,980,000 Shares of Euro 100 each in Bajaj Auto International Holding BV Amsterdam, Netherlands	1,218.72	1,218.72	-	-
411,875 Shares of US \$ 100 each in PT. Bajaj Auto Indonesia	205.57	205.57	-	-
Less: Provision for diminution in the value of investment	201.57	201.57	-	-
	4.00	4.00	-	-
	1,222.72	1,222.72	-	-
In Bonds and Debentures:				
Fully paid:				
Others:				
Quoted:				
- (150) 8.75% Axis Bank Ltd. of ₹ 1,000,000 each	-	-	-	15.77
200 8.85% Corporation Bank of ₹ 1,000,000 each	21.63	21.63	-	-
748 9.00% Canara Bank of ₹ 1,000,000 each	81.16	81.16	-	-
- (500) 8.25% HDFC Bank Ltd. of ₹ 1,000,000 each	-	-	-	52.01
- (350) 9.75% Housing Development Finance Corporation Ltd. of ₹ 1,000,000 each	-	-	-	36.77
3,000 6.70% Indian Railway Finance Corporation Ltd. - Tax Free of ₹ 100,000 each	30.00	30.00	-	-
250 10.70% Indian Oil Corporation Ltd. of ₹ 1,000,000 each	-	30.25	30.25	-
Carried over	132.79	163.04	30.25	104.55
Carried over	1,283.15	1,284.25	0.01	-

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

10 Investments (Contd.)

Particulars	(₹ In Crore)				
	Non-current portion		Current maturities/investments		
	As at 31 March		As at 31 March	2016	2015
Brought over	1,283.15	1,284.25	0.01	—	—
In Bonds and Debentures: (Contd.)					
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
Brought over	132.79	163.04	30.25	104.55	
30,000 7% Industrial Development Bank of India Ltd. of ₹ 5,000 each (net of provision for diminution amounting to ₹ 1.95 crore - previous year ₹ 1.95 crore)	13.47	13.47	—	—	—
19,632 Zero Coupon National Bank for Agriculture and Rural Development of ₹ 20,000 each	28.95	28.95	—	—	—
– (500) 8.95% Power Finance Corporation Ltd. of ₹ 1,000,000 each	—	51.70	—	—	—
100 11.25% Power Finance Corporation Ltd. of ₹ 1,000,000 each	12.29	12.29	—	—	—
– (100) 7.39% Power Grid Corporation of India Ltd. of ₹ 1,000,000 each	—	—	—	10.23	
– (1,160) 8.84% Power Grid Corporation of India Ltd. of ₹ 1,250,000 each	—	99.51	—	52.52	
– (480) 8.90% Power Grid Corporation of India Ltd. of ₹ 1,250,000 each	—	—	—	63.36	
80 9.33% Power Grid Corporation of India Ltd. of ₹ 1,250,000 each	5.52	10.99	5.47	—	—
– (147) 9.35% Punjab National Bank of ₹ 1,000,000 each	—	16.04	—	—	—
58,520 Zero Percent Rural Electrification Corporation Ltd. of ₹ 30,000 each	78.87	78.87	—	—	—
– (150) 9.90% Tata Sons Ltd. of ₹ 1,000,000 each	—	—	—	15.83	
– (50) 8.80% Ultra Tech Cement Ltd. of ₹ 1,000,000 each	—	—	—	5.25	
	271.89	474.86	35.72	251.74	
Less: Amortisation of premium/(discount) on acquisition	(39.40)	(21.93)	4.27	9.62	
	311.29	496.79	31.45	242.12	
In Mutual Fund Units:					
Unquoted:					
26,781,719 (215,000,000) Units of Axis Fixed Term Plan Direct Growth (Series 43/47/49/52/55/59/60)	26.78	—	—	215.00	
833,166,236 (704,000,000) Units of Birla Sun Life Fixed Term Plan Growth (Series GA/GB/GF/IY/JR/JX/KA/KE/KH/KJ/KO/KP/ KR/KT/KW/KX/LV/MA/MD/MK/MP/MQ/MR/MU/ MX/MY/NB/ND/NE/IY)	827.84	138.00	5.33	566.00	
16,132,500 (90,000,000) Units of DSP Blackrock Fixed Maturity Plan Direct Growth (Series 36/37/88/89/91/93/151/152)	16.13	—	—	90.00	
Carried over	870.75	138.00	5.33	871.00	
Carried over	1,594.44	1,781.04	31.46	242.12	

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

10 Investments (Contd.)

Particulars		(₹ In Crore)			
		Non-current portion		Current maturities/investments	
		As at 31 March		As at 31 March	
		2016	2015	2016	2015
	Brought over	1,594.44	1,781.04	31.46	242.12
In Mutual Fund Units: (Contd.)					
Unquoted: (Contd.)					
	Brought over	870.75	138.00	5.33	871.00
310,823,151	(440,000,000) Units of DHFL Pramerica Fixed Maturity Direct Plan Growth (Series 23/30/33/37/45/47/49/52/53/54/57/63/82/87/91/95) (Formerly known as DWS)	288.63	121.00	22.19	319.00
538,558,622	(691,000,000) Units of HDFC Fixed Maturity Plan (Series 24/29/31/32/33/34/35)	539.10	161.00	–	530.00
1,178,680,000	(912,000,000) Units of ICICI - Prudential Fixed Maturity Plan (Series 65[Plan C/D/J], 66[A/C], 67[E], 68[L], 69[B/D], 70[S], 71[B/D/H/L], 72[B/E/J/L/N/S], 73[G], 75[F/H/J/N/O/P/R/T], 76[D/F/G/T/U/V/W/Y/Z], 77[A/C/D/H/S/T/W], 78[A/C])	1,125.51	486.00	54.40	426.00
184,898,800	(357,933,563) Units of IDFC Fixed Term Plan Growth (Series -2/9/21/26/29/39/48/51/57/60/64/66/70/72/74/75/77/78/79/86/88/108)	72.12	5.93	112.78	352.00
–	– (86,000,000) Units of JP Morgan India Fixed Maturity Plan Direct Growth (Series 30/33)	–	–	–	86.00
798,350,460	(445,000,000) Units of Kotak Fixed Maturity Plan Growth (Series 95/97/98/132/133/141/142/145/146/147/149/150/151/152/160/163/171/175/176/178/179/180/181/182/185/191)	729.11	100.00	70.00	345.00
78,228,447	(185,000,000) Units of L&T Fixed Maturity Plan Direct Growth (Series 9[Plan E/J], 10[B/H/M/Q/S/T])	43.50	–	34.73	185.00
1,061,039,853	(699,431,721) Units of Reliance Fixed Horizon Fund Growth (Plan XXII [Series 21/26/29/33/37/38/39], XXIII [1/2/9/10], XXIV [6/22], XXV [1/6/11/13/16/17/19/21/22/27/28/30], XXVII [4/6/7/8/11], XXVIII [2/4/19], XXIX[1/6/2/8/9/10/16/19/20], XXX[1,2]) and Reliance Interval Fund (Plan IV [Series 3])	1,027.07	208.00	34.25	491.43
308,000,000	(208,000,000) Units of Religare Invesco Fixed Maturity Plan Direct Growth (Series 22[Plan F/H/L], 23[B/G], 24[D/F], 25[A/F], 26[A/C/E], 27[A/C])	308.00	118.00	–	90.00
847,314,693	(400,788,718) Units of SBI Debt Fund Direct Plan Growth (Series 1/13/54/A1/A2/A3/A5/A9/A10/B2/B3/B6/B16/B17/B18/B20/B22/B23/B25/B26/B27/B28/B29/B19/B36)	775.31	85.79	72.00	315.00
275,000,000	(90,000,000) Units of Sundaram Fixed Term Plan Direct Growth (Series ER/EX/FD/FF/FJ/GU/GW/GY/HA/HB/HC)	275.00	20.00	–	70.00
84,908,036	(159,000,000) Units of Tata Fixed Maturity Plan Growth (Series 42[Plan G], 46[K/M/N/Q/R/T])	85.84	–	–	159.00
559,951,200	(189,000,000) Units of UTI Fixed Maturity Plan Growth (Series XIII-IV/XIV-VIII/XVII-VII/XVII-XIV/XX-VIII-XXII - XIV/XII - IX/XXII - X/XXII - XI/XXIII - III/XXIII-XI/XX-X)	559.96	128.00	–	61.00
		6,699.90	1,571.72	405.68	4,300.43
Total (A)		8,294.34	3,352.76	437.14	4,542.55

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

10 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
(B) Current investments:				
In Commercial Paper:				
Unquoted:				
– (1000) Commerical Paper of ₹ 500,000 each of Small Industries Development Bank of India 364D - 24-03-2016	–	–	–	46.06
1,000 (-) Commerical Paper of ₹ 500,000 each of Axis Finance Ltd. - 331D - 15-07-2016	–	–	46.44	–
2,000 (-) Commerical Paper of ₹ 500,000 each of Daimler Financial Services India Private Ltd. - 365D - 07-07-2016	–	–	92.04	–
2,000 (-) Commerical Paper of ₹ 500,000 each of Housing Development Finance Corporation Ltd. - 354D - 27-01-2017	–	–	93.29	–
2,000 (-) Commerical Paper of ₹ 500,000 each of ICICI Home Finance Company Ltd. - 267D - 19-08-2016	–	–	94.40	–
Less: Amortisation of premium/(discount) on acquisition	–	–	326.17	46.06
	–	–	(10.68)	(0.05)
	–	–	336.85	46.11
In Certificate of Deposit:				
Unquoted:				
– (5,000) Certificate of Deposit of ₹ 100,000 each of Bank of India- 04-03-2016	–	–	–	46.33
– (7,500) Certificate of Deposit of ₹ 100,000 each of Canara Bank - 01-03-2016	–	–	–	69.63
– (7,500) Certificate of Deposit of ₹ 100,000 each of Canara Bank - 09-03-2016	–	–	–	69.58
– (10,000) Certificate of Deposit of ₹ 100,000 each of Canara Bank - 23-03-2016	–	–	–	92.32
– (5,000) Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 23-03-2016	–	–	–	46.14
– (5,000) Certificate of Deposit of ₹ 100,000 each of Union Bank of India - 18-03-2016	–	–	–	46.20
Less: Amortisation of premium/(discount) on acquisition	–	–	–	370.20
	–	–	(0.23)	
	–	–	–	370.43
In Bonds and Debentures:				
Fully paid:				
Others:				
Quoted:				
– (100) 9.85% HDB Financial Services Ltd. of ₹ 500,000 each	–	–	–	5.01
– (20) 7.75% HDFC Bank Ltd. of ₹ 1,000,000 each	–	–	–	1.99
Carried over	–	–	–	7.00
Carried over	–	–	336.85	416.54

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	—	—	336.85	416.54
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	—	—	—	7.00
– (800) Zero Percent Housing Development Finance Corporation Ltd. of ₹ 1,000,000 each	—	—	—	81.92
– (750) 9.60% Housing Development Finance Corporation Ltd. of ₹ 1,000,000 each	—	—	—	75.12
– (200) 9.85% Housing Development Finance Corporation Ltd. of ₹ 1,000,000 each	—	—	—	20.03
– (750) 9.02% LIC Housing Finance Ltd. of ₹ 1,000,000 each	—	—	—	74.85
– (700) 9.60% LIC Housing Finance Ltd. of ₹ 1,000,000 each	—	—	—	70.11
– (450) 9.90% LIC Housing Finance Ltd. of ₹ 1,000,000 each	—	—	—	45.04
– (100) 9.99% Sundaram Finance Ltd. of ₹ 1,000,000 each	—	—	—	10.00
– (100) 9.83% Tata Capital Financial Services Ltd. of ₹ 1,000,000 each	—	—	—	10.01
– (750) 9.98% Tata Sons Ltd. of ₹ 1,000,000 each	—	—	—	75.07
500 (-) Zero Percent Kotak Mahindra Prime Ltd. of ₹ 1,000,000 each	—	—	46.66	—
400 (-) 8.54% HDB Financial Services Ltd. of ₹ 1,000,000 each	—	—	39.98	—
850 (-) 8.64% LIC Housing Finance Ltd. of ₹ 1,000,000 each	—	—	85.01	—
250 (-) 8.80% Housing Development Finance Corporation Ltd. of ₹ 1,000,000 each	—	—	25.02	—
180 (-) 9.60% L&T Finance Ltd. of ₹ 2,500,000 each	—	—	45.30	—
700 (-) 9.74% LIC Housing Finance Ltd. of ₹ 1,000,000 each	—	—	70.68	—
150 (-) 9.90% Housing Development Finance Corporation Ltd. of ₹ 1,000,000 each	—	—	15.14	—
Less: Amortisation of premium/(discount) on acquisition	—	—	(1.54)	(3.87)
	—	—	329.33	473.02
In Mutual Fund Units:				
Unquoted:				
– (15,000,000) Units of Axis Fixed Term Plan Growth (Series 55)	—	—	—	16.39
Carried over	—	—	—	16.39
Carried over	—	—	555.18	889.56

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	—	—	666.18	889.56
In Mutual Fund Units: (Contd.)				
Unquoted: (Contd.)				
Brought over	—	—	—	16.39
17,984,075 Units of DHFL Pramerica Premier Bond Fund Direct Plan -Growth (Formerly known as DWS)	—	—	40.00	40.00
– (15,000,000) Units of DWS Fixed Maturity Plan Growth (Series 52)	—	—	—	16.37
– (43,250,000) Units of HDFC Fixed Maturity Plan Growth (Series 29)	—	—	—	47.35
– (37,226,201) Units of ICICI Prudential Blended Plan B Direct Plan Growth Option	—	—	—	75.00
– (26,500,000) Units of ICICI Prudential Fixed Maturity Plan (Series 72[Plan L/S])	—	—	—	28.99
– (6,300,000) Units of IDFC Fixed Term Plan Growth (Series 70)	—	—	—	6.90
– (10,000,000) Units of Kotak Fixed Maturity Plan Growth (Series 145)	—	—	—	10.87
– (42,062,168) Units of Reliance Floating Rate Fund Short Term Plan Direct Growth Plan	—	—	—	90.00
– (5,500,000) Units of Reliance Fixed Horizon Fund Growth (XXV) (Series 21)	—	—	—	6.01
315,411 (54,599) Units of SBI Premier Liquid Fund Direct Plan Growth	—	—	75.00	12.00
– (17,000,000) Units of Tata Fixed Maturity Plan Growth (Series 46[Plan M/Q])	—	—	—	18.57
	—	—	115.00	368.45
Total (B)	—	—	781.18	1,258.01
Total (A+B)	8,294.34	3,352.76	1,218.32	5,800.56
Aggregate provision for diminution in value of investments	203.52	203.52	—	—

(₹ In Crore)

Particulars	Book value		Market value	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Quoted	672.07	1,211.93	674.50	1,214.41
Unquoted	8,840.59	7,941.39	—	—
Total	9,512.66	9,153.32	—	—

Notes to Investments

- National Saving Certificate of face value of ₹ 8,500 deposited with Government Departments.
- 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.
- 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) as per the guidelines adopted by the Management, no provision has been determined during the year ended 31 March 2016.
- In absence of an active market and non availability of quotes on recognised stock exchange, investment in fixed maturity plans and fixed term plans though listed on recognised stock exchange are disclosed as unquoted.
- Refer note 1 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
Capital advances	137.85	93.32	—	—
Security deposits	27.69	27.05	—	—
Loan and advances to related parties [See note 36]	—	—	7.11	7.14
Advances recoverable in cash or kind				
Unsecured considered good	29.73	26.64	83.69	75.39
Doubtful	4.80	4.67	—	—
	34.53	31.31	83.69	75.39
Provision for doubtful advances	4.80	4.67	—	—
	29.73	26.64	83.69	75.39
Other loans and advances				
VAT refund receivable	94.26	67.19	598.21	850.59
Excise duty rebate receivable on export	—	—	138.66	311.23
Advance income-tax (net of provision for tax)	373.65	277.81	—	—
Balances with Central Excise Department	19.06	19.06	43.78	17.26
	486.97	364.06	780.65	1,179.08
	682.24	511.07	871.45	1,261.61

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

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 15]	—	0.02	—	—
	—	0.02	—	—
Others				
Interest receivable on investments	—	—	21.24	26.49
Interest receivable on loans, deposits etc.	—	—	0.44	0.42
Export incentives receivable				
Unsecured considered good	0.02	0.02	197.40	263.79
Doubtful	5.73	5.73	—	—
	5.75	5.75	197.40	263.79
Provision for doubtful export incentives	5.73	5.73	—	—
	0.02	0.02	197.40	263.79
Valuation gains on derivative hedging instruments [See note 26]	—	—	12.88	56.14
	0.02	0.02	231.96	346.84
	0.02	0.04	231.96	346.84

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

13 Inventories*

Particulars	As at 31 March	
	2016	2015
Raw materials and components (includes in transit ₹ 46.10 crore (previous year ₹ 78.15 crore))	271.92	303.36
Work-in-progress	42.61	28.65
Finished goods		
Vehicles (manufactured)	223.35	310.85
Vehicles (traded)	0.87	0.87
Auto spare parts (manufactured)	19.21	18.37
Auto spare parts (traded)	140.91	131.66
Stores, spares and packing material	15.85	17.47
Loose tools	4.35	2.92
	719.07	814.15

* Refer note 1 clause 5 for accounting policy on valuation of inventories.

Details of Inventory

Particulars	As at 31 March	
	2016	2015
Raw materials and components		
Ferrous metal	7.30	3.63
Non-ferrous metal	0.17	2.26
Components	223.82	259.12
Tyres and tubes	33.80	34.18
Others	6.83	4.17
	271.92	303.36
Work-in-progress		
Vehicles	—	—
Factory made components	42.61	28.65
	42.61	28.65
Finished goods		
Vehicles (manufactured)	223.35	310.85
Vehicles (traded)	0.87	0.87
Auto spare parts (manufactured)	19.21	18.37
Auto spare parts (traded)	140.91	131.66
	384.34	461.75

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

14 Trade receivables

(Unsecured, considered good, unless stated otherwise)

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				
Good	—	—	0.93	0.19
Doubtful	4.83	4.26	—	—
	4.83	4.26	0.93	0.19
Provision for doubtful receivable	4.83	4.26	—	—
	—	—	0.93	0.19
Others, good	—	—	717.00	716.77
	—	—	717.93	716.96

15 Cash and bank balances

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	—	—	522.30	574.95
Cash on hand	—	—	0.20	0.12
Cash equivalents				
Certificate of Deposits with maturity of less than 3 months from date of acquisition	—	—	295.05	—
	—	—	817.55	575.07
Other bank balances				
Unclaimed dividend accounts	—	—	41.95	11.08
Deposits with residual maturity for more than 12 months	—	0.02	—	—
Deposits with residual maturity for less than 12 months	—	—	0.02	—
	—	0.02	41.97	11.08
Amount disclosed under 'other non-current assets' [See note 12]	—	(0.02)	—	—
	—	—	859.52	586.15

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

16 Revenue from operations

Particulars	For the year ended 31 March	
	2016	2015
Revenue from operations		
Sale of products		
Less: Excise duty on sale of products	23,546.24	22,013.21
Net sales	1,293.46	909.28
	22,252.78	21,103.93
Other operating revenue		
Scrap sales	46.11	56.09
Export incentives	330.63	409.42
Royalty	58.07	42.29
Technical know-how fees	–	0.28
	434.81	508.08
	22,687.59	21,612.01

Details of products sold

Particulars	For the year ended 31 March	
	2016	2015
Sale of products		
Vehicles (manufactured)	20,974.55	19,727.64
Vehicles (traded)	30.10	33.80
Auto spare parts (manufactured)	282.39	295.01
Auto spare parts (traded)	2,259.20	1,956.76
	23,546.24	22,013.21

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

17 Other income

Particulars	For the year ended 31 March	
	2016	2015
Investment income		
Interest income on		
Long-term investments	20.46	103.53
Current investments	39.27	21.75
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	6.77	(2.94)
Current investments	118.71	61.93
	185.21	184.27
Dividend income on		
Long-term investments in subsidiaries	89.18	-
Profit on sale of investments, net*	359.77	192.50
Surplus on redemption of securities, net*	-	0.19
	634.16	376.96
Others		
Interest - others	34.16	48.18
Rent	20.11	20.90
Insurance claims	0.72	0.46
Miscellaneous receipts	57.16	71.55
Surplus on sale of assets	1.26	3.54
Sundry credit balances appropriated	0.67	0.80
Provision for doubtful debts and advances written back	0.08	0.88
Less: Write backs on account of amounts written off during the year, as per contra	-	0.78
	0.08	0.10
Provision no longer required	48.98	50.29
Valuation gains on derivative hedging instruments	105.49	-
Gain on derivative contracts on break in designation of hedge	0.13	-
Gains on exchange fluctuations	10.35	9.64
	279.11	205.46
	913.27	582.42

* Including on current investments ₹ 95.46 crore (previous year ₹ 42.59 crore)

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

18 Cost of raw material and components consumed

Particulars	For the year ended 31 March	
	2016	2015
Ferrous metal	70.75	88.16
Non-ferrous metal	0.29	0.36
Components	13,019.85	13,009.61
Tyres and tubes	553.20	593.93
Others	72.92	60.73
	13,717.01	13,752.79

19 Purchases of traded goods

Particulars	For the year ended 31 March	
	2016	2015
Vehicles	25.89	28.17
Auto spare parts	1,250.51	1,126.40
	1,276.40	1,154.57

20 (Increase)/decrease in inventories

Particulars	For the year ended 31 March		(Increase)/ Decrease
	2016	2015	
Inventories at the end of the year			
Work-in-progress	42.61	28.65	(13.96)
Finished goods			
Vehicles (manufactured)	223.35	310.85	87.50
Vehicles (traded)	0.87	0.87	-
Auto spare parts (manufactured)	19.21	18.37	(0.84)
Auto spare parts (traded)	140.91	131.66	(9.25)
	426.95	490.40	63.45
Inventories at the beginning of the year			
Work-in-progress	28.65	24.96	(3.69)
Finished goods			
Vehicles (manufactured)	310.85	279.12	(31.73)
Vehicles (traded)	0.87	1.53	0.66
Auto spare parts (manufactured)	18.37	15.02	(3.35)
Auto spare parts (traded)	131.66	112.21	(19.45)
	490.40	432.84	(57.56)
	63.45	(57.56)	

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

21 Employee benefits expense

Particulars	For the year ended 31 March	
	2016	2015
Salaries, wages and bonus to employees	756.65	675.71
Remuneration to whole-time directors	33.70	32.06
Contribution to provident and other funds	69.43	130.41
Staff welfare expenses	58.66	59.12
	918.44	897.30

22 Finance costs

Particulars	For the year ended 31 March	
	2016	2015
Interest expense	0.48	6.49
	0.48	6.49

23 Depreciation and amortisation

Particulars	For the year ended 31 March	
	2016	2015
Depreciation on tangible assets	259.30	264.17
Depreciation on investment property	2.57	2.57
Amount amortised/written off against technical know-how	44.64	-
Amount written off against leasehold land	0.65	0.66
	307.16	267.40

24 Other expenses

Particulars	For the year ended 31 March	
	2016	2015
Stores and tools consumed	131.80	131.69
Power, fuel and water	120.66	114.70
Excise duty on increase/(decrease) in stocks of finished goods	3.22	11.51
Rent	11.88	9.90
Repairs to buildings	49.90	48.98
Repairs to machinery	146.58	143.99
Other repairs	6.53	6.76
Carried over	470.57	467.53

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

24 Other expenses (Contd.)

Particulars	For the year ended 31 March	
	2016	2015
Brought over	470.57	467.53
Insurance	3.33	2.39
Rates and taxes	3.96	4.01
Payment to auditor	1.45	1.51
Directors' fees and travelling expenses	1.14	1.51
Commission to non-executive directors	1.75	1.31
Travelling expnese	55.49	50.22
Miscellaneous expenses	271.46	246.73
Sales tax/VAT expenses	12.83	18.83
Packing material consumed	309.38	312.80
Freight and forwarding expenses	39.12	80.37
Advertisement	434.21	321.51
Vehicle service charges and other expenses	104.87	89.77
Commission and discount	99.15	55.45
Incentives and sales promotion	41.57	29.77
Donations	—	9.50
Contribution to Bajaj Electoral Trust	—	3.05
Expenditure towards Corporate Social Responsibility (CSR) activities	86.72	42.91
Bad debts and other irrecoverable debit balances written off	0.11	0.82
Less: Provisions made in earlier years in respect of amounts written off during the year, adjusted as per contra	—	0.78
	0.11	0.04
Valuation losses on derivative hedging instruments	—	50.22
Loss on assets sold, demolished, discarded and scrapped	11.87	15.16
Provision for doubtful debts and advances	0.78	3.82
	1,949.76	1,808.41

Payment to auditor

Particulars	For the year ended 31 March	
	2016	2015
As auditor:		
Audit fee	1.00	1.00
Tax audit fee	0.07	0.07
Limited review	0.24	0.24
Other services (certification fees)	0.11	0.13
Reimbursement of expenses	0.03	0.07
	1.45	1.51

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

24 Other expenses (Contd.)

Expenditure towards Corporate Social Responsibility (CSR) activities

Particulars	(₹ In Crore)		
	For the year ended 31 March	2016	2015
a) Gross amount required to be spent by the Company during the year		86.46	86.33
b) Amount spent in cash during the year on:			
i) Construction/acquisition of any asset		-	-
ii) On purposes other than (i) above		86.72	42.91
		86.72	42.91

25 Exceptional items

Particulars	(₹ In Crore)		
	For the year ended 31 March	2016	2015
NCCD payment		-	340.29
		-	340.29

The honourable high court of Uttarakhand has passed an order dated 9 October 2014 ruling that the levy of 'National Calamity Contingent Duty' (NCCD) is out of the purview of the exemptions granted to the Company under the scheme of incentives for industries in certain identified growth areas in Uttarakhand. Consequently, the Company has paid the disputed duty for the period from 1 April 2007 to 30 September 2014, together with interest upto the date of payment and penalty.

The charge on account of this item has been disclosed as an exceptional item of expenditure, in the previous year.

26 Derivative hedging instruments

The Company has adopted the accounting treatment and disclosures in accordance with the principles laid down in Accounting Standard 30 and Accounting Standard 32 on foreign currency derivative contracts.

The Company holds foreign currency derivative to hedge its foreign currency exposure. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Company designates foreign currency derivatives as hedges of foreign currency risk associated with a highly probable forecast transaction (cash flow hedge).

The Company has entered into simple forward contracts and par forward contracts to hedge highly probable forecast export transactions. These instruments meet the Management's foreign exchange risk management objectives and also qualify for hedge accounting as per the principles of hedge accounting. The market value of instruments outstanding at the close of the year is a gain of ₹ 9.38 crore as against a gain of ₹ 2.92 crore in the previous year.

The Company has also entered into range forward contracts to hedge highly probable forecast transactions, where the export realisations of the Company are protected below a minimum pre-determined foreign exchange rate whereas the realisation advantages are available to the Company there from up to a higher pre-determined foreign exchange rate. The Company does not benefit by rupee depreciating beyond the pre-determined foreign exchange rate. These instruments meet the Management's foreign exchange risk management objectives and also qualify for hedge accounting as per the principles of hedge accounting.

MTM gains/losses in respect of effective hedges is carried to the Hedge reserve and ineffectiveness, if any, including the time value of option contracts is recognised in the results, as per the principles of Accounting Standard 30. The market value of instruments outstanding at the close of the year indicate a gain aggregating to ₹ 3.50 crore as against a gain of ₹ 53.22 crore in the previous year.

The time value of option contracts from the current year aggregating a net gain of ₹ 105.49 crore after reversals, has been recognised as 'Other income' being recurring in nature, against a net loss of ₹ 50.22 crore in the previous year recognised as 'Other expenses'.

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

26 Derivative hedging instruments (Contd.)

Risk Management Policy and other disclosures

The exports of the Company, presently constituting substantial portion of the turnover, are at prices predetermined for each product in each region. These prices are fixed in USD based on an assumed USD/INR rate. (Budgeted rate of realisation). Exports are then effected at such price and hence it is desirable for the Company to shield itself from adverse movements in forex rates at a future date.

The Company also imports raw materials and components for its motorcycles etc. However, the value of such imports is not material as compared to the value of exports. Nevertheless, the Company may wish to secure its procurement prices in terms of INR to be able to forecast its pricing and profitability. Consequently, the Company may wish to hedge such exposures, future and current, to achieve the aforesaid objective.

The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative financial instruments, such as foreign exchange forward and option contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

The details in respect of the outstanding foreign exchange forward contracts including range forward and par forward contracts are given below. These contracts are due for maturity between one to twelve months. The table below summarises the notional amounts (amounts of contracts booked and outstanding) of foreign currency forward contracts into relevant maturity groupings based on the remaining period as at the 31 March 2016:

	As at 31 March 2016		As at 31 March 2015	
	Notional in USD Mn (Sell)	MTM Gain/(Loss) (₹ In Crore)	Notional in USD Mn (Sell)	MTM Gain/(Loss) (₹ In Crore)
On export transactions:				
Not later than three months	298.00	13.71	336.50	31.68
Later than three months and not later than six months	301.00	11.19	388.50	26.76
Later than six month and not later than one year	602.00	(12.02)	593.00	(2.30)
Total	1,201.00	12.88	1,318.00	56.14

On import transactions: ₹ Nil

The fair values (Marked-to-market) of foreign currency derivative contracts outstanding as on 31 March 2016 and 31 March 2015 are as follows:

	As at 31 March 2016		As at 31 March 2015	
	Notional in USD Mn (Sell)	MTM Gain/(Loss) (₹ In Crore)	Notional in USD Mn (Sell)	MTM Gain/(Loss) (₹ In Crore)
For export transactions:				
Foreign currency derivative designated as hedging instruments - simple forward and par forward contracts	57.00	9.38	19.50	2.92
Foreign currency derivative designated as hedging instruments - range forward contracts	1,144.00	3.50	1,298.50	53.22
Total	1,201.00	12.88	1,318.00	56.14

For import transactions: ₹ Nil

The fair value of forwards and foreign currency option contracts is determined based on the appropriate valuation techniques as given by the banks.

The cash flows from the hedges are expected to occur over the financial year 2016-17 and will accordingly flow to the Statement of Profit and Loss.

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

26 Derivative hedging instruments (Contd.)

In respect of foreign currency derivative contracts designated as cash flow hedges for par forward contracts, the Company has recorded a net gain of ₹ 9.38 crore and ₹ 2.92 crore, as a component of equity (Hedge reserve) as at 31 March 2016 and 2015 respectively and a net gain of ₹ 2.33 crore and a net gain of ₹ 8.40 crore as part of revenue during the year ended 31 March 2016, and 2015 respectively.

The movement of Hedge reserve – par forward is as follows:

Particulars	For the year ended 31 March	
	2016	2015
Opening balance	2.92	1.95
Add: Net gain recognised on cash flow hedges	8.79	9.37
Less: Net loss recognised on cash flow hedges	–	–
Less: Net gain reclassified to profit or loss	2.33	8.40
Add: Net loss reclassified to profit or loss	–	–
Closing balance	9.38	2.92

In respect of foreign currency derivative contracts designated as cash flow hedges for range forward contracts, the Company has recorded a net gain of ₹ 27.12 crore and ₹ 182.32 crore, as a component of equity (Hedge reserve) as at 31 March 2016 and 2015 respectively and a net gain of ₹ 19.18 crore and a net gain of ₹ 85.10 crore as part of revenue during the year ended 31 March 2016 and 2015 respectively and a gain of ₹ 0.13 crore (previous year ₹ Nil) to the Statement of Profit and Loss on a break in the designation of the hedge.

The movement of Hedge reserve – range forward is as follows:

Particulars	For the year ended 31 March	
	2016	2015
Opening balance	182.32	150.65
Add: Net gain recognised on cash flow hedges	–	116.77
Less: Net loss recognised on cash flow hedges	135.89	–
Less: Net gain reclassified to profit or loss	19.31	85.10
Add: Net loss reclassified to profit or loss	–	–
Closing balance	27.12	182.32

Amount that was removed from appropriate equity account (Hedge reserve account) during the year ended 2016 and 2015 in respect of forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur is a gain of ₹ 0.13 crore and previous year ₹ Nil respectively.

Amount that was removed from appropriate equity account (Hedge reserve account) during the period and included in the initial cost or other carrying amount of a non-financial asset or non-financial liability whose acquisition or incurrence was a hedged highly probable forecast transaction is ₹ Nil.

Amount in respect of the ineffectiveness which relates to time value of option contracts recognised in the Statement of Profit and Loss that arises from cash flow hedges is a loss of ₹ 23.62 crore as on 31 March 2016.

In respect of the Company's foreign currency derivative contracts outstanding as on 31 March 2016, a 10% increase in the exchange rates of the currency, underlying such contracts, as given by the banks would have resulted in an adverse movement by approximately ₹ 360.32 crore in the fair value of outstanding contracts.

In respect of the Company's foreign currency derivative contracts outstanding as on 31 March 2016, a 10% decrease in the exchange rates of the currency, underlying such contracts, as given by the banks would have resulted in a positive movement by approximately ₹ 560.58 crore in the fair value of outstanding contracts.

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

26 Derivative hedging instruments (Contd.)

Counter-party risk

Counter-party risk encompasses settlement risk on foreign currency derivative contracts. Exposure to these risks is closely monitored and kept within predetermined parameters. The Company does not expect any losses from non-performance by these counter-parties.

The Company's policy is to transact with creditworthy banks, which are reviewed on an on-going basis. The following table depicts that the majority of the foreign currency derivatives are placed in highly rated banks:

Investment grade of outstanding foreign exchange forward contracts	As at 31 March 2016	(USD Million)
Highest safety		1,201.00
High safety		-
Adequate safety		-
Total		1,201.00

Highest safety represents a credit rating equivalent of AAA and A1+, High safety represents a credit rating equivalent of AA+, AA and Adequate safety represents a credit rating of A.

Open foreign exchange exposures outstanding at close of the year	As at 31 March	2016	2015
Receivables		37	58
Payables		14	17
Others (EEFC balances)		70	88

27 Earnings Per Share (EPS)

Particulars	For the year ended 31 March	
	2016	2015
a Profit for the year (₹ In Crore)	3,652.41	2,813.74
Weighted average number of shares outstanding during the year (Nos)	289,367,020	289,367,020
b Earnings per share (Basic and Diluted) ₹	126.2	97.2
Face value per share ₹	10.0	10.0

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

28 Contingent liabilities

Particulars	As at 31 March	
	2016	2015
a Claims against the Company not acknowledged as debts	454.86	450.51
b Guarantees given by the Company to Housing Development Finance Corporation Ltd. - for loans to employees (previous year ₹ 28,529)	-	
c Excise and Customs demand - matters under dispute and claims for refund of Excise Duty, if any, against Excise Duty Refund received in the earlier year	710.67	486.11
d Income-tax matters - Appeal by Company	583.95	454.17
e Value Added Tax (VAT)/Sales Tax matters under dispute	118.10	126.30
f Claims made by temporary workmen Pending before various judicial/appellate authorities in respect of similar matters adjudicated by the Supreme Court. The matter is contingent on the facts and evidence presented before the courts/adjudicating authorities and not necessarily likely to be influenced by the Supreme Court's order	Liability unascertained	Liability unascertained

29 Capital and other commitments

Particulars	As at 31 March	
	2016	2015
a Capital commitments, net of capital advances	112.54	77.65
b Other commitments The Company has imported capital goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfill quantified exports against which remaining future obligation aggregates USD 39.35 million (previous year - USD 59.15 million). Minimum export obligations to be fulfilled by the Company under the said scheme, by 31 March 2016 have been fulfilled. Non fulfillment of the balance of such future obligation, if any, entails options/rights to the Government to confiscate capital goods imported under the said licence and other penalties under the above referred scheme.		

30 Value of imports calculated on CIF basis

Particulars	For the year ended 31 March	
	2016	2015
Raw materials	28.13	14.27
Components	476.86	616.81
Vehicles and spare parts	20.66	14.86
Machinery spares	11.63	8.39
Capital goods	32.53	25.47
Tools, stores, etc.	9.56	21.16
	579.37	700.96
Converted in equivalent USD million at closing rate of 31 March	87	112

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

31 Expenditure in foreign currency (accrual basis)

Particulars	(₹ In Crore)		
	For the year ended 31 March	2016	2015
Travelling expenses	16.94	9.87	
Royalty, gross of tax	5.75	3.91	
Technical consultancy, gross of tax	0.88	2.11	
Consultancy charges	3.73	3.18	
Advertisement and publicity	102.71	74.28	
Other matters	65.52	61.77	
	195.53	155.12	

32 Imported and indigenous raw materials, components and spare parts consumed

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	(₹ In Crore)	Percentage	(₹ In Crore)	Percentage
Raw materials and components				
Imported	562.42	4.10%	588.04	4.28%
Indigenously obtained	13,154.59	95.90%	13,164.75	95.72%
	13,717.01	100.00%	13,752.79	100.00%
Auto spare parts consumed				
Imported	24.37	1.96%	18.26	1.65%
Indigenously obtained	1,216.05	98.04%	1,085.34	98.35%
	1,240.42	100.00%	1,103.60	100.00%

33 Earnings in foreign currency (accrual basis)

Particulars	(₹ In Crore)		
	For the year ended 31 March	2016	2015
F.O.B. Value of exports * (USD 1,418 million; previous year USD 1,524 million)	9,283.13	9,410.42	
Exchange gain/(loss) on derivative hedging instruments, debtors	7.71	4.26	
Forwarding charges exports recovered	16.78	16.82	
Dividend received	89.18	–	
Interest	1.02	0.63	
Royalty	4.52	2.55	
Technical know-how fees	–	0.28	
Others	2.21	8.55	
	9,404.55	9,443.51	

* Excludes F.O.B. Value of rupee exports ₹ 489.99 crore (previous year ₹ 347.37 crore)

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

34 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 schemes

Particulars	(₹ In Crore)		
	Gratuity		
	As at 31 March	2016	2015
Amount to be recognised in Balance Sheet			
Present value of funded obligations		393.06	351.65
Fair value of plan assets		(349.92)	(274.04)
Net liability		43.14	77.61
Amounts in Balance Sheet			
Liability		43.14	77.61
Assets		–	–
Net liability		43.14	77.61
Expense to be recognised in the Statement of Profit and Loss			
Current service cost		18.97	13.27
Interest on defined benefit obligation		27.90	23.57
Expected return on plan assets		(22.99)	(10.88)
Net actuarial losses/(gains) recognised in year		1.32	64.08
Total, included in 'Employee benefits expense'		25.20	90.04
Actual return on plan assets		25.14	14.97
Reconciliation of benefit obligations and plan assets for the period			
Change in defined benefit obligation			
Opening defined benefit obligation		351.65	253.71
Current service cost		18.97	13.27
Interest cost		27.90	23.57
Actuarial losses/(gains)		3.47	68.17
Benefits paid		(8.93)	(7.07)
Closing defined benefit obligation		393.06	351.65
Change in fair value of assets			
Opening fair value of plan assets		274.04	137.50
Expected return on plan assets		22.99	10.88
Actuarial gains/(losses)		2.15	4.09
Contributions by employer		59.67	128.64
Benefits paid		(8.93)	(7.07)
Closing fair value of plan assets		349.92	274.04
Expected employer's contribution next year		80.00	100.00

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

34 Employee benefits (Contd.)

Funded schemes (Contd.)

Particulars	As at 31 March		
	2016	2016	2015
Assets information			
Insurer managed funds	349.92	100.00%	100.00%

Particulars	For the year ended 31 March			
	2012	2013	2014	2015
Experience adjustments				
Defined benefit obligation	181.26	219.10	253.71	351.65
Plan assets	73.95	90.01	137.50	274.04
Surplus/(deficit)	(107.31)	(129.09)	(116.21)	(77.61)
Exp. adj. on plan liabilities	11.96	9.32	9.65	28.64
Exp. adj. on plan assets	1.26	1.57	2.47	4.09
				2.15

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.

Particulars	(₹ In Crore)	
	Provident fund	
	As at 31 March	
Amount to be recognised in Balance Sheet		
Present value of funded obligations	813.24	664.68
Fair value of plan assets	(813.24)	(664.68)
Net liability		
Amounts in Balance Sheet	–	–
Liability	–	–
Assets	–	–
Net liability	–	–

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

34 Employee benefits (Contd.)

Funded schemes (Contd.)

(₹ In Crore)

Particulars	Provident fund		
	As at 31 March	2016	2015
Expense to be recognised in the Statement of Profit and Loss			
Current service cost		23.04	22.60
Interest on defined benefit obligation		53.16	54.05
Expected return on plan assets		(59.53)	(53.11)
Net actuarial losses/(gains) recognised in year		6.37	(0.94)
Total, included in 'Employee benefits expense'		23.04	22.60
Actual return on plan assets		103.14	53.17
Reconciliation of benefit obligations and plan assets for the period			
Change in defined benefit obligation			
Opening defined benefit obligation		664.68	568.88
Current service cost		23.04	22.60
Interest cost		53.16	54.05
Actuarial losses/(gains)		49.98	(0.88)
Employee contributions		50.45	45.75
Liabilities assumed on acquisition/(settled on divestiture)		1.54	1.00
Benefits paid		(29.61)	(26.72)
Closing defined benefit obligation		813.24	664.68
Change in fair value of assets			
Opening fair value of plan assets		664.68	568.88
Expected return on plan assets		59.53	53.11
Actuarial gains/(losses)		43.61	0.06
Employer contributions during the period		23.04	22.60
Employee contributions during the period		50.45	45.75
Assets acquired on acquisition/(distributed on divestiture)		1.54	1.00
Benefits paid		(29.61)	(26.72)
Closing fair value of plan assets		813.24	664.68
Expected contribution for next year		25.35	24.86

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

34 Employee benefits (Contd.)

Funded schemes (Contd.)

Particulars	As at 31 March			(₹ In Crore)	
	2016	2016	2015		
Assets information					
Category of assets (% allocation)					
Government of India securities	395.67	49.00%	51.00%		
Corporate bonds	257.16	32.00%	40.00%		
Special deposit scheme	56.82	7.00%	9.00%		
Others	103.59	12.00%	—		
Total	813.24	100.00%	100.00%		
For the year ended 31 March					
Particulars	2012	2013	2014	2015	
Experience adjustments					
Defined benefit obligation	408.98	483.55	568.88	664.68	
Plan assets	408.98	483.55	568.88	664.68	
Surplus/(deficit)	—	—	—	—	
Exp. adj. on plan liabilities	—	3.55	6.44	(0.88)	
Exp. adj. on plan assets	—	2.73	3.17	0.06	
As at 31 March					
Particulars	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.)	8.88%	8.67%			
Discount rate for the remaining term to maturity of the investment (p.a.)	7.80%	7.95%			
Average historic yield on the investment (p.a.)	8.73%	8.72%			
Guaranteed rate of return (p.a.)	8.75%	8.75%			

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

34 Employee benefits (Contd.)

Unfunded schemes

Particulars	Compensated absences	
	As at 31 March 2016	2015
Present value of unfunded obligations	87.24	79.56
Expense recognised in the Statement of Profit and Loss	15.63	26.38
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%

Particulars	Welfare scheme	
	As at 31 March 2016	2015
Present value of unfunded obligations	4.84	5.21
Expense recognised in the Statement of Profit and Loss	0.06	0.47
Discount rate (p.a.)	7.95%	7.90%

Particulars	Amount recognised in the Statement of Profit and Loss	
	As at 31 March 2016	2015
Defined contribution plans:		
Superannuation paid to Trust		
	8.13	7.35
Pension fund paid to Government authorities	12.03	9.36
	0.70	0.59
Defined benefit plans:		
Gratuity	25.20	90.04
Provident fund paid to Trust	23.04	22.60
	0.33	0.47
Total	69.43	130.41

35 Segment information

Segment information based on consolidated financial statements is given in note 29 to consolidated financial statements.

The Company has disclosed the business segments as primary reporting segment on the basis that risks and returns are primarily determined by the nature of products and services. Consequently, geographical segment has been considered as a secondary segment.

The business segments have been identified on the basis of the nature of products and services, the risks and returns and internal performance reporting systems.

The business segments comprise the following:

- i. Automotive
- ii. Investments
- iii. Others

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

36 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		2014-15	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Holding company, subsidiaries and fellow subsidiary:					
PT.Bajaj Auto Indonesia (99.25% shares held by Bajaj Auto Ltd.)	Contribution to equity (411,875 shares of USD 100 each)	—	205.57	—	205.57
Bajaj Auto International Holdings BV Amsterdam Netherlands (Fully owned subsidiary)	Sale of spare parts and vehicles SKD Contribution to equity (1,980,000 shares of Euro 100 each)	—	—	0.54	—
	Dividend received	89.18	—	—	—
B Associates, joint ventures and investing parties:					
Bajaj Holdings & Investment Ltd. (Investing party- holds 31.49% shares of Bajaj Auto Ltd.)	Purchase of shares by BHIL (91,119,000 shares of ₹ 10 each)	—	(91.12)	—	(91.12)
	Dividend paid	911.19	—	455.60	—
	Business support service received	1.07	—	0.33	—
	Business support service rendered	4.14	—	0.91	—
C Individuals controlling voting power/exercising significant influence and their relatives:					
Rahul Bajaj (Chairman) (Also Key management personnel)	Remuneration	4.60	—	4.46	—
	Commission	6.75	(6.75)	6.75	(6.75)
	Rent paid for premises	0.15	—	0.14	—
	Deposit paid against premises taken on lease	—	2.70	—	2.70
Madhur Bajaj (Vice Chairman) (Also Key management personnel)	Remuneration	3.39	—	3.22	—
	Commission	5.13	(5.13)	5.13	(5.13)
	Rent paid for premises	0.05	—	0.04	—
	Deposit paid against premises taken on lease	—	0.88	—	0.88
Rajiv Bajaj (Managing Director) (Also Key management personnel)	Remuneration	8.94	—	8.33	—
	Commission	13.39	(13.39)	12.17	(12.17)
	Rent paid for premises	1.97	—	1.97	—
	Deposit paid against premises taken on lease	—	2.82	—	2.82
Sanjiv Bajaj (Non-Executive Director)	Sitting fees	0.08	—	0.08	—
	Commission	0.12	(0.12)	0.08	(0.08)
Ramkrishna Bajaj (HUF)	Rent paid for premises	0.02	—	0.04	—
	Deposit paid against premises taken on lease	(0.88)	—	—	0.88
Shekhar Bajaj	Sitting fees	0.07	—	0.04	—
	Commission	0.11	(0.11)	0.04	(0.04)
	Rent paid for premises	0.07	—	0.04	—
	Deposit paid against premises taken on lease	0.88	1.76	—	0.88
Shekhar Bajaj (HUF)	Rent paid for premises	0.05	—	0.04	—
	Deposit paid against premises taken on lease	—	0.88	—	0.88
Niraj Bajaj	Sitting fees	0.07	—	0.08	—
	Commission	0.11	(0.11)	0.08	(0.08)
	Rent paid for premises	0.05	—	0.04	—
	Deposit paid against premises taken on lease	—	0.88	—	0.88
D Key management personnel and their relatives:					
Included in 'C' above					
E Enterprises over which anyone in (c) and (d) exercises significant influence:					
Bajaj Finserv Ltd.	Purchase of windpower	18.23	—	1.67	—
	Business support service received	—	—	0.61	—
	Business support service rendered	0.53	—	2.90	—
	Aviation charges received	—	—	0.54	—
	Purchase of investments from BFS	—	—	151.45	—

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

36 Disclosure of transactions with related parties as required by the Accounting Standard 18 (Contd.)

(₹ In Crore)

Name of related party and Nature of relationship	Nature of transaction	2015-16		2014-15	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Bajaj Finance Ltd.	Subvention charges paid	15.50	—	7.26	—
	Service rendered	11.67	0.53	14.43	0.68
	Service received	0.82	—	0.91	—
	Other debits	—	—	0.11	—
	Security deposit received	—	(0.21)	—	(0.21)
	Dividend paid (₹ 15,000) (Previous year - ₹ 7,500)	—	—	—	—
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	14.60	6.58	14.22	6.46
	Claims received	12.01	—	—	—
Bajaj Allianz Life Insurance Co. Ltd.	Insurance premiums paid	0.89	—	0.68	—
	Purchase of shares by BALIC (125,000 shares of ₹ 10 each)	—	(0.13)	—	—
	Dividend paid	0.63	—	—	—
Bajaj Electricals Ltd.	Purchases	0.27	(0.20)	1.41	(1.18)
Hind Musafir Agency Ltd.	Services received	19.40	(0.06)	18.61	(0.40)
Hindustan Housing Co. Ltd.	Maintenance charges paid	0.18	—	0.12	(0.06)
KTM AG	Sale of vehicles and material	185.81	(6.72)	—	—
	Royalty paid and payable	4.55	—	—	—
	Services rendered and other debits	2.29	—	—	—
KTM Sportsmotorcycle AG	Sale of vehicles and material	—	—	337.88	(5.66)
	Purchase of accessories	—	—	0.73	—
	Royalty paid and payable	—	—	0.56	—
	Services rendered and other debits	—	—	0.30	—
KTM Motorrad AG	Sale of vehicles and material	31.57	—	163.21	(67.22)
	Purchase of accessories	—	—	—	—
	Royalty paid and payable	1.20	—	3.35	—
	Services rendered and other debits	—	—	1.75	—
KTM Sportsmotorcycle GmbH	Sale of vehicles and material	335.80	(6.24)	232.26	(122.23)
	Purchase of accessories	0.55	—	—	—
	Services rendered and other debits	—	—	0.05	—
KTM Southeast Europe S.A.	Sale of vehicles and material	—	(0.33)	—	—
KTM Sportsmotorcycles India Pvt. Ltd.	Royalty paid and payable	5.75	(0.79)	3.91	(0.92)
	Services rendered and other debits	1.64	—	1.15	—
Maharashtra Scooters Ltd.	Dividend paid	67.74	—	33.87	—
	Purchases	0.04	—	0.53	—
	Sales	0.02	0.01	0.13	0.01
	Services rendered	0.10	—	0.10	—

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 Disclosure' 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.)

37 Lease

As a lessor:

The Company has given premises on operating leases. These lease arrangement range for a period between 11 months to 10 years and include both cancellable and non cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Particulars	(₹ In Crore)		
	As at 31 March	2016	2015
i) Office premises:			
Gross carrying amount	123.35	123.35	
Depreciation for the year	3.44	3.44	
Accumulated depreciation	16.99	13.55	

The total value of premises including electrical fittings, furniture and fixtures is disclosed above as the identification of value of portion given on operating lease is not practicable.

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

Particulars	(₹ In Crore)		
	As at 31 March	2016	2015
Receivable			
Within one year	13.26	14.69	
After one year but not more than five years	17.29	16.00	
More than five years	0.33	0.72	
	30.88	31.41	

As a lessee:

The Company has operating leases for premises. These lease arrangements range for a period between 1 to 90 years which include both cancellable and non cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

The total future minimum lease rentals payable at the Balance Sheet date is as under:

Particulars	(₹ In Crore)		
	As at 31 March	2016	2015
Payable			
Within one year	9.50	9.16	
After one year but not more than five years	12.81	13.84	
More than five years	14.34	13.39	
	36.65	36.39	

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

38 Exchange difference gains/(losses) recognised in the Statement of Profit and Loss

Particulars	(₹ In Crore)		
	For the year ended 31 March	2016	2015
a. Relating to exports during the year as a part of 'Sales'	21.51	93.50	
b. Relating to exports during the year as a part of 'Other income/Other expenses'	7.71	4.26	
c. On settlement of other transactions as a part of 'Other income/Other expenses'	2.77	5.38	
d. Marked to market gain/(loss)(net) on change in time value of derivative hedging instruments i.e. Range forward contracts	105.49	(50.22)	

39 Considering the Company has been extended credit period upto 45 days by its vendors and payments being released on a timely basis, there is no liability towards interest on delayed payments under 'The Micro, Small and Medium Enterprises Development Act 2006' during the year. There is also no amount of outstanding interest in this regard, brought forward from previous years. Information in this regard is on basis of intimation received, on requests made by the Company, with regards to registration of vendors under the said Act.

40 The consolidated financial statements of the Company along with its subsidiaries 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.

41 Previous year figures

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

42 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

Kevin D'sa
Chief Financial Officer

J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee



Consolidated Financial Statements

Independent Auditors' Report on the Consolidated Financial Statements

To the Members of **Bajaj Auto Ltd.**

1. We have audited the accompanying consolidated financial statements of Bajaj Auto Limited ('hereinafter referred to as the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and associate of subsidiary company; (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 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 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred to in section 133 of the Act read with rule 7 of 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 of subsidiary 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 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.

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

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate of subsidiary 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 subsidiary whose financial statements reflect total assets of ₹ 5.68 crore and net assets of ₹ 5.65 crore as at 31 March 2016, total revenue of ₹ 0.17 crore, net profit of ₹ 0.06 crore and net cash outflows amounting to ₹ 0.05 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 ₹ 221.44 crore for the year ended 31 March 2016 as considered in the consolidated financial statements, in respect of one associate of subsidiary 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 subsidiary and associate company and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary and associate of subsidiary, is based solely on the reports of the other auditors.

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 and the financial statements certified by the Management.

Report on other legal and regulatory requirements

9. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, 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. The two subsidiaries and one associate of subsidiary of the Holding Company are incorporated outside India hence requirements of section 143(3) are not applicable to them.
 - (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 including relevant records relating to the preparation of the consolidated financial statements. The two subsidiaries and one associate of subsidiary company of the Holding Company are incorporated outside India hence requirements of section 143(3) are not applicable to them.
 - (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 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred to in section 133 of the Act read with rule 7 of 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, none of the directors are disqualified as on 31 March 2016 from being appointed as a director in terms of section 164(2) of the Act. The two subsidiaries and one associate of subsidiary company of the Holding Company are incorporated outside India hence requirement of section 143(3) are not applicable to them.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A. The two subsidiaries and one associate of subsidiary company of the Holding Company are incorporated outside India hence requirement of section 143(3) are not applicable to them.

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

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

- 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 except in case of Bajaj Auto International Holdings BV, a subsidiary of the Holding Company there were no pending litigations as at 31 March 2016 which would impact the consolidated financial position of the Group.

In case of PT Bajaj Auto Indonesia a subsidiary of the Holding Company audited by other auditor, there were no pending litigations as at 31 March 2016, which would impact the consolidated financial position of the Group.

- ii. 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 including derivative contracts as at 31 March 2016 in respect of such items as it relates to the Group and its associate of subsidiary and the Group's share of net profit in respect of the associate of the subsidiary as reported by other auditor.

In case of PT Bajaj Auto Indonesia a subsidiary audited by other auditor and Bajaj Auto International Holdings BV a subsidiary company, did not have any material foreseeable losses, if any, on 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 Holding Company during the year ended 31 March 2016. The two subsidiaries and one associate of subsidiary company of the Holding Company are incorporated outside India hence requirements of section 143(3) are not applicable to them.

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 9(f) of the Independent Auditors' Report of even date to the members of Bajaj Auto 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 Auto Limited (hereinafter referred to as 'the Holding Company').

Management's responsibility for internal financial controls

2. The Board of Directors of the Holding Company, which is a Company 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.

Auditor's 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 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 which is a company incorporated in India, 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

Consolidated Balance Sheet

Particulars	Note No.	As at 31 March		
		2016	2015	
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	2	289.37	289.37	
Reserves and surplus	3	12,756.05	10,805.95	
		13,045.42	11,095.32	
Minority Interest				
Non-current liabilities				
Long-term borrowings	4	162.48	111.77	
Deferred tax liabilities (net)		188.25	141.58	
Other long-term liabilities	5	29.78	57.59	
Long-term provisions	6	47.57	82.44	
		428.08	393.38	
Current liabilities				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises		15.38	12.83	
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,011.73	1,747.77	
Other current liabilities	7	604.53	806.69	
Short-term provisions	6	321.45	1,909.57	
		2,953.09	4,476.86	
Total		16,426.63	15,965.60	
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	8	1,936.38	1,917.24	
Intangible assets	8	89.29	-	
Capital work-in-progress		26.89	101.72	
Intangible assets under development		25.35	153.22	
		2,077.91	2,172.18	
Goodwill on investments in associate of subsidiary		595.61	530.79	
Non-current investments	9	8,444.94	3,184.69	
Long-term loans and advances	10	682.24	511.07	
Other non-current assets	11	0.02	0.04	
		11,800.72	6,398.77	
Current assets				
Current investments	9	1,218.32	5,800.56	
Inventories	12	719.07	814.15	
Trade receivables	13	717.93	716.96	
Cash and bank balances	14	867.03	592.74	
Short-term loans and advances	10	871.60	1,295.30	
Other current assets	11	231.96	347.12	
		4,625.91	9,566.83	
Total		16,426.63	15,965.60	

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

Kevin D'sa
Chief Financial Officer
J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Consolidated Statement of Profit and Loss

Particulars	Note No.	(₹ In Crore)	
		2016	2015
Sales		23,546.24	22,015.43
Less: Excise duty		1,293.46	909.28
Net sales		22,252.78	21,106.15
Other operating revenue		434.81	508.12
Revenue from operations (net)	15	22,687.59	21,614.27
Other income	16	824.26	583.95
Total revenue		23,511.85	22,198.22
Expenses:			
Cost of raw material and components consumed	17	13,717.01	13,752.79
Purchases of traded goods	18	1,276.40	1,155.10
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	19	63.45	(56.46)
Employee benefits expense	20	918.44	898.48
Finance costs	21	0.48	6.49
Depreciation and amortisation	22	307.16	267.46
Other expenses	23	1,950.62	1,811.17
Expenses, included in above items, capitalised		(17.02)	(60.05)
Total expenses		18,216.54	17,774.98
Profit before exceptional items and tax		5,295.31	4,423.24
Exceptional items	24	—	340.29
Profit before tax		5,295.31	4,082.95
Tax expense			
Current tax		1,686.10	1,258.00
Deferred tax		46.67	13.05
Total tax expense		1,732.77	1,271.05
Profit after tax		3,562.54	2,811.90
Share of profit after tax of associate		221.44	213.72
Minority interest		—	(0.01)
Profit for the year		3,783.98	3,025.63
Basic and diluted Earnings per share (In ₹)		130.8	104.6
(Nominal value per share ₹ 10)			

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

Kevin D'sa
Chief Financial Officer
J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Consolidated Cash Flow Statement

(₹ In Crore)

For the year ended 31 March

Particulars	2016	2015
I. Operating activities		
Profit before tax	5,295.31	4,082.95
Adjustments:		
Add:		
i) Depreciation and amortisation	307.16	267.46
ii) Valuation (gains)/losses of derivative hedging instruments	(105.49)	50.22
iii) Loss on assets sold, demolished, discarded and scrapped	11.87	15.16
iv) Provision for doubtful debts and advances	0.78	3.82
v) Interest expense	0.48	6.49
	214.80	343.15
Less:		
i) Investment income included in above:		
Interest on long-term and current investments	59.82	125.28
Profit on sale of investments, net	359.77	192.50
Surplus/(loss) on redemption of securities, net	–	0.19
Amortisation of premium/discount on acquisition of fixed income securities	125.48	58.99
	545.07	376.96
ii) Provision for doubtful debts and advances written back	0.08	0.88
iii) Surplus on sale of assets	1.26	3.54
	(546.41)	(381.38)
	4,963.70	4,044.72
Change in assets and liabilities		
i) Inventories	95.08	(172.94)
ii) Trade receivables	(1.54)	76.37
iii) Loans and advances and other assets	459.43	(183.46)
iv) Liabilities and provisions	11.06	(334.37)
	564.03	(614.40)
Annuity payments (net) to VRS optees	(29.83)	(31.26)
Net cash from operating activities before income-tax	5,497.90	3,399.06
Income-tax refund/paid for earlier years (net)	(37.00)	–
Income-tax paid	(1,782.45)	(1,285.26)
Net cash from operating activities	3,678.45	2,113.80
Carried forward	3,678.45	2,113.80

Consolidated Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2016	2015
Brought forward	3,678.45	2,113.80
II. Investing activities		
i) Sale of current and long-term investments	6,386.43	4,500.58
ii) Purchase of current and long-term investments	(6,270.33)	(4,919.11)
iii) (Purchase)/sale of money market mutual funds, etc., net	7.24	63.95
iv) (Increase)/decrease in other bank balances	(36.04)	(1.88)
v) Capital expenditure	(265.14)	(269.65)
vi) Sales proceeds of assets/adjustment to gross block	5.74	16.48
vii) Capital expenditure on development of technical know-how	(6.06)	(41.71)
	(178.16)	(651.34)
viii) Investment income		
Interest on long-term and current investments	59.82	125.28
(Increase)/decrease in investment/interest receivable	5.25	112.03
	65.07	237.31
Net cash from investing activities	(113.09)	(414.03)
Carried forward	3,565.36	1,699.77

Consolidated Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2016	2015
Brought forward	3,565.36	1,699.77
III. Financing activities		
i) Interest expense	(0.48)	(6.49)
ii) Deferral/(repayment) of sales tax deferral liability/loan	50.13	53.16
iii) Dividend paid	(2,862.81)	(1,444.96)
iv) Corporate dividend tax paid	(570.92)	(245.89)
Net cash from financing activities	(3,384.08)	(1,644.18)
IV. Change in foreign currency translation arising on consolidation	56.97	34.37
Net change in cash and cash equivalents	238.25	89.96
Cash and cash equivalents as at 1 April 2015	581.66	491.70
[Opening balance]		
Cash and cash equivalents as at 31 March 2016	819.91	581.66
[Closing balance]		
	—	—

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

Kevin D'sa
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On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
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 subsidiaries of Bajaj Auto Ltd., consolidated in accordance with Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard 23 'Accounting for Investment in Associates in Consolidated Financial Statements'.

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.

- 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 Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

- c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. The resultant translation gains and losses are shown separately as 'Foreign Currency Translation Reserve' under 'Reserves and surplus'.
- d) The profit after tax of KTM AG is consolidated on the basis of audited financial statements for the year ended 31 December 2015.

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

2 Share capital

Particulars	(₹ In Crore)		
	As at 31 March	2016	2015
Authorised: 300,000,000 equity shares of ₹ 10 each		300.00	300.00
Issued, subscribed and fully paid-up shares: 289,367,020 equity shares of ₹ 10 each		289.37	289.37
		289.37	289.37

a. Of the above

- i. 144,683,510 equity shares were allotted as fully paid bonus shares by capitalisation of General reserve by the Company on 13 September 2010.
- ii. 1,805,071 equity shares thereof (excluding 1,805,071 equity shares allotted as bonus shares thereon) are deemed to be issued by way of Euro Equity Issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares outstanding on the record date. Outstanding GDRs at the close of the year were 52,844 (60,044).

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

	As at 31 March 2016		As at 31 March 2015	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Bajaj Holdings & Investment Ltd.	91,119,000	31.49%	91,119,000	31.49%
Jamnalal Sons Pvt. Ltd.	25,844,400	8.93%	25,844,400	8.93%
Life Insurance Corporation of India	17,584,960	6.08%	16,967,330	5.86%

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

3 Reserves and surplus

Particulars	(₹ In Crore)		
	As at 31 March	2016	2015
General reserve			
Balance as at the beginning of the year		3,650.85	3,162.23
Add: Adjustments on account of change in share of net assets of associate/subsidiary		17.74	(5.27)
Add: Transferred from surplus in Statement of Profit and Loss		43.78	493.89
Closing balance		3,712.37	3,650.85
Hedge reserve		36.50	185.24
Foreign exchange difference of subsidiary on paid-up capital		8.73	8.36
Surplus in Statement of Profit and Loss			
Balance as at the beginning of the year		6,919.94	6,150.45
Less: Transitional adjustments to carrying value of tangible assets whose revised useful life has expired, net of deferred tax aggregating ₹ 14.65 crore in previous year		-	27.68
Profit for the year		3,783.98	3,025.63
Less: Appropriations			
Transfer to General reserve		43.78	493.89
Interim dividend		1,446.84	-
Tax on interim dividend		294.54	-
Proposed dividend		144.68	1,446.84
Tax on proposed dividend		29.45	287.73
Provision for Corporate Dividend Tax for previous year written back under section 115(O) of Income-tax Act, 1961		(11.35)	-
Total appropriations		1,947.94	2,228.46
Balance in Statement of Profit and Loss		8,755.98	6,919.94
Foreign currency translation reserve		242.47	41.56
		12,756.05	10,805.95

4 Long-term borrowings

Particulars	(₹ In Crore)		Non-current portion		Current maturities		
	As at 31 March	2016	As at 31 March	2015	As at 31 March	2016	2015
Unsecured							
Sales tax deferral liability/loan, an incentive under Package Scheme of Incentives 1983 and 1993 - Interest free, partially prepaid		162.48	111.77	-	0.58		
		162.48	111.77	-	0.58		
Amount disclosed under the head 'other current liabilities' [See note 7]		-	-	-	(0.58)		
		162.48	111.77	-	-		

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

5 Other long-term liabilities

Particulars	As at 31 March	
	2016	2015
Annuity payable to VRS optees	29.78	57.59
	29.78	57.59

6 Provisions

Particulars	As at 31 March			
	Long-term	Short-term	2016	2015
Provision for employee benefits				
Provision for gratuity	43.14	77.61	—	—
Provision for compensated absences	—	—	87.24	79.56
Provision for welfare scheme	4.43	4.83	0.41	0.38
	47.57	82.44	87.65	79.94
Other provisions				
Provision for warranties	—	—	25.30	23.16
Provision for tax (net of tax paid in advance)	—	—	34.37	71.90
Proposed dividend	—	—	144.68	1,446.84
Tax on proposed dividend	—	—	29.45	287.73
	—	—	233.80	1,829.63
	47.57	82.44	321.45	1,909.57

7 Other current liabilities

Particulars	As at 31 March	
	2016	2015
Current maturities of long-term borrowings [See note 4]	—	0.58
Annuity payable to VRS optees	27.93	29.95
Advance against orders	174.78	439.57
Security deposits	17.99	17.28
Unclaimed dividend	41.95	11.08
Book overdraft	—	0.25
Directors' remuneration and commission payable	27.02	25.36
Employee benefits payable	80.71	62.84
Taxes and duties payable	75.50	72.62
Other payables	158.65	147.16
	604.53	806.69

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

8 Fixed assets (tangible and intangible assets)

Current year

Particulars	Gross block			Depreciation			Net block		
	As at 31 Mar 15	Additions	Deductions/ adjustments	As at 31 Mar 16	As at 31 Mar 15	Adjustments	Deductions	For the year	As at 31 Mar 16
Tangible assets:									
Land freehold	20.18	—	—	20.18	—	—	—	—	20.18
Land leasehold	54.99	—	0.65	54.34	—	—	—	—	54.34
Buildings	751.72	82.99	12.20	822.51	211.23	—	6.05	26.18	231.36
Waterpumps, reservoirs and mains	14.34	0.97	(1.44)	16.75	8.29	—	(1.02)	0.74	10.05
Plant and machinery	1,502.89	49.85	67.39	1,485.35	1,026.75	—	63.10	65.66	1,029.31
Computers and IT Equipment	67.63	15.28	0.31	82.60	49.40	—	0.30	10.84	59.94
Dies and jigs	590.48	56.99	4.31	643.16	402.10	—	3.89	45.04	443.25
Electric installations	72.64	0.20	—	72.84	50.18	—	—	8.11	58.29
Factory equipments	294.11	55.08	1.48	347.71	118.42	—	1.23	22.29	139.48
Furniture	32.06	10.23	0.36	41.93	18.97	—	0.21	4.03	22.79
Office equipments	42.57	3.70	0.32	45.95	27.28	—	0.32	5.30	32.26
Electric fittings	23.04	6.03	0.04	29.03	13.33	—	0.03	2.89	16.19
Vehicles and aircraft	634.26	14.12	9.77	638.61	257.72	—	4.28	68.22	321.66
Total tangible assets	4,100.91	295.44	95.39	4,300.96	2,183.67	—	78.39	259.30	2,364.58
Intangible assets:									
Technical know-how	—	133.93	44.64	89.29	—	—	—	—	89.29

Previous year

Particulars	Gross block			Depreciation			Net block		
	As at 31 Mar 14	Additions	Deductions/ adjustments	As at 31 Mar 15	As at 31 Mar 14	Adjustments	Deductions	For the year	As at 31 Mar 15
Tangible assets:									
Land freehold	20.22	—	0.04	20.18	—	—	—	—	20.18
Land leasehold	55.65	—	0.66	54.99	—	—	—	—	54.99
Buildings	686.30	65.56	0.14	751.72	173.42	15.47	0.02	22.36	211.23
Waterpumps, reservoirs and mains	13.89	0.45	—	14.34	7.32	0.08	—	0.89	8.29
Plant and machinery	1,639.05	47.64	183.80	1,502.89	1,111.58	5.68	166.80	76.29	1,026.75
Computers and IT Equipment	58.94	11.32	2.63	67.63	38.38	3.71	2.51	9.82	49.40
Dies and jigs	535.01	68.70	13.23	590.48	369.54	0.68	10.86	42.74	402.10
Electric installations	71.53	1.96	0.85	72.64	35.17	6.97	0.85	8.89	50.18
Factory equipments	282.24	28.21	16.34	294.11	111.39	0.89	13.49	19.63	118.42
Furniture	28.44	4.22	0.60	32.06	13.94	0.46	0.46	5.03	18.97
Office equipments	41.31	1.48	0.22	42.57	12.85	6.98	0.19	7.64	27.28
Electric fittings	22.32	1.06	0.34	23.04	9.33	1.28	0.25	2.97	13.33
Vehicles and aircraft	628.30	15.54	9.58	634.26	193.86	0.13	4.24	67.97	257.72
Total tangible assets	4,083.20	246.14	228.43	4,100.91	2,076.78	42.33	199.67	264.23	2,183.67
Intangible assets:									
Technical know-how	—	—	—	—	—	—	—	—	—

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

9 Investments

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities/investments	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
In Investment property	60.43	61.52	—	—
In Government and trust securities	—	0.01	0.01	—
In Equity shares				
Long-term: associate company	1,373.32	1,054.65	—	—
In Bonds and Debentures	311.29	496.79	360.78	715.14
In Mutual fund units	6,699.90	1,571.72	520.68	4,668.88
In Certificate of deposits	—	—	—	370.43
In Commercial paper	—	—	336.85	46.11
	8,444.94	3,184.69	1,218.32	5,800.56

10 Loans and advances

(Unsecured, good, unless stated otherwise)

Particulars	(₹ In Crore)			
	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Capital advances				
137.85	93.32	—	—	—
Security deposits				
27.69	27.05	—	—	—
Loan and advances to related parties				
—	—	7.11	40.74	
Advances recoverable in cash or kind				
Unsecured considered good	29.73	26.64	83.80	75.42
Doubtful	4.80	4.67	—	—
	34.53	31.31	83.80	75.42
Provision for doubtful advances	4.80	4.67	—	—
	29.73	26.64	83.80	75.42
Other loans and advances				
VAT refund receivable	94.26	67.19	598.25	850.63
Excise duty rebate receivable on export	—	—	138.66	311.23
Advance income-tax (net of provision for tax)	373.65	277.81	—	0.02
Balances with Central Excise Department	19.06	19.06	43.78	17.26
	486.97	364.06	780.69	1,179.14
	682.24	511.07	871.60	1,295.30

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

11 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 14]	—	0.02	—	—
	—	0.02	—	—
Others				
Interest receivable on investments	—	—	21.24	26.49
Interest receivable on loans, deposits etc.	—	—	0.44	0.70
Export incentives receivable				
Unsecured considered good	0.02	0.02	197.40	263.79
Doubtful	5.73	5.73	—	—
	5.75	5.75	197.40	263.79
Provision for doubtful export incentives	5.73	5.73	—	—
	0.02	0.02	197.40	263.79
Valuation gains on derivative hedging instruments	—	—	12.88	56.14
	0.02	0.02	231.96	347.12
	0.02	0.04	231.96	347.12

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

12 Inventories

Particulars	As at 31 March	
	2016	2015
Raw materials and components (includes in transit ₹ 46.10 crore (previous year: ₹ 78.15 crore))	271.92	303.36
Work-in-progress	42.61	28.65
Finished goods		
Vehicles (manufactured)	223.35	310.85
Vehicles (traded)	0.87	0.87
Auto spare parts (manufactured)	19.21	18.37
Auto spare parts (traded)	140.91	131.66
Stores, spares and packing material	15.85	17.47
Loose tools	4.35	2.92
	719.07	814.15

Detail of inventory

Particulars	As at 31 March	
	2016	2015
Raw materials and components		
Ferrous metal	7.30	3.63
Non-ferrous metal	0.17	2.26
Components	223.82	259.12
Tyres and tubes	33.80	34.18
Others	6.83	4.17
	271.92	303.36
Work-in-progress		
Vehicles	—	—
Factory made components	42.61	28.65
	42.61	28.65
Finished goods		
Vehicles (manufactured)	223.35	310.85
Vehicles (traded)	0.87	0.87
Auto spare parts (manufactured)	19.21	18.37
Auto spare parts (traded)	140.91	131.66
	384.34	461.75

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

13 Trade receivables

(Unsecured, considered good, unless stated otherwise)

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				
Good	—	—	0.93	0.19
Doubtful	4.83	4.26	—	—
	4.83	4.26	0.93	0.19
Provision for doubtful receivable	4.83	4.26	—	—
	—	—	0.93	0.19
Others, good	—	—	717.00	716.77
	—	—	717.93	716.96

14 Cash and bank balances

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	—	—	524.66	581.54
Cash on hand	—	—	0.20	0.12
Cash equivalents				
Certificate of Deposits with maturity of less than 3 months from date of acquisition	—	—	295.05	—
	—	—	819.91	581.66
Other bank balances				
Unclaimed dividend accounts	—	—	41.95	11.08
Deposits with residual maturity for more than 12 months	—	0.02	—	—
Deposits with residual maturity for less than 12 months	—	—	5.17	—
	—	0.02	47.12	11.08
Amount disclosed under 'other non-current assets' [See note 11]	—	(0.02)	—	—
	—	—	867.03	592.74

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

15 Revenue from operations

Particulars	For the year ended 31 March	
	2016	2015
Revenue from operations		
Sale of products	23,546.24	22,015.43
Less: Excise duty on sale of products	1,293.46	909.28
Net sales	22,252.78	21,106.15
Other operating revenue		
Scrap sales	46.11	56.13
Export incentives	330.63	409.42
Royalty	58.07	42.29
Technical know-how fees	–	0.28
	434.81	508.12
	22,687.59	21,614.27

Details of products sold

Particulars	For the year ended 31 March	
	2016	2015
Sale of products		
Vehicles (manufactured)	20,974.55	19,728.82
Vehicles (traded)	30.10	33.80
Auto spare parts (manufactured)	282.39	295.01
Auto spare parts (traded)	2,259.20	1,957.80
	23,546.24	22,015.43

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

16 Other income

Particulars	(₹ In Crore)	
	2016	2015
For the year ended 31 March		
Investment income		
Interest income on		
Bank deposits	0.09	—
Long-term investments	20.46	103.53
Current investments	39.27	21.75
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	6.77	(2.94)
Current investments	118.71	61.93
	185.30	184.27
Profit on sale of investments, net	359.77	192.50
Surplus on redemption of securities, net	—	0.19
	545.07	376.96
Others		
Interest - others	34.16	48.46
Rent	20.11	20.90
Insurance claims	0.72	0.46
Miscellaneous receipts	57.16	72.24
Surplus on sale of assets	1.26	3.54
Sundry credit balances appropriated	0.67	0.80
Provision for doubtful debts and advances written back	0.08	0.88
Less: Write backs on account of amounts written off during the year, as per contra	—	0.78
	0.08	0.10
Provision no longer required	49.02	50.50
Valuation gains on derivative hedging instruments	105.49	—
Gain on derivative contracts on break in designation of hedge	0.13	—
Gains on exchange fluctuations	10.39	9.99
	279.19	206.99
	824.26	583.95

17 Cost of raw material and components consumed

Particulars	(₹ In Crore)	
	2016	2015
For the year ended 31 March		
Particulars		
Ferrous metal	70.75	88.16
Non-ferrous metal	0.29	0.36
Components	13,019.85	13,009.61
Tyres and tubes	553.20	593.93
Others	72.92	60.73
	13,717.01	13,752.79

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

18 Purchases of traded goods

Particulars	For the year ended 31 March	
	2016	2015
Vehicles	25.89	28.17
Auto spare parts	1,250.51	1,126.93
	1,276.40	1,155.10

19 (Increase)/decrease in inventories

Particulars	For the year ended 31 March		
	2016	2015	(Increase)/decrease
Inventories at the end of the year			
Work-in-progress	42.61	28.65	(13.96)
Finished goods			
Vehicles (manufactured)	223.35	310.85	87.50
Vehicles (traded)	0.87	0.87	-
Auto spare parts (manufactured)	19.21	18.37	(0.84)
Auto spare parts (traded)	140.91	131.66	(9.25)
	426.95	490.40	63.45
Inventories at the beginning of the year			
Work-in-progress	28.65	24.96	(3.69)
Finished goods			
Vehicles (manufactured)	310.85	280.24	(30.61)
Vehicles (traded)	0.87	1.53	0.66
Auto spare parts (manufactured)	18.37	15.02	(3.35)
Auto spare parts (traded)	131.66	112.19	(19.47)
	490.40	433.94	(56.46)
	63.45	(56.46)	

20 Employee benefits expense

Particulars	For the year ended 31 March	
	2016	2015
Salaries, wages and bonus to employees	756.65	676.69
Remuneration to whole-time directors	33.70	32.06
Contribution to provident and other funds	69.43	130.41
Staff welfare expenses	58.66	59.32
	918.44	898.48

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

21 Finance costs

Particulars	For the year ended 31 March	
	2016	2015
Interest	0.48	6.49
	0.48	6.49

22 Depreciation and amortisation

Particulars	For the year ended 31 March	
	2016	2015
Depreciation on tangible assets	259.30	264.23
Depreciation on investment property	2.57	2.57
Amount amortised/written off against technical know-how	44.64	—
Amount written off against leasehold land	0.65	0.66
	307.16	267.46

23 Other expenses

Particulars	For the year ended 31 March	
	2016	2015
Stores and tools consumed	131.80	131.69
Power, fuel and water	120.66	114.80
Excise duty on increase/(decrease) in stocks of finished goods	3.22	11.51
Rent	11.88	10.78
Repairs to buildings	49.90	49.03
Repairs to machinery	146.58	143.99
Other repairs	6.53	6.76
Insurance	3.33	2.39
Rates and taxes	3.96	4.01
Payment to auditor	1.45	1.51
Directors' fees and travelling expenses	1.14	1.51
Commission to non-executive directors	1.75	1.31
Travelling expences	55.49	50.22
Miscellaneous expenses	272.32	248.40
Sales tax/VAT expenses	12.83	18.83
Packing material consumed	309.38	312.80
Freight and forwarding expenses	39.12	80.39
Advertisement	434.21	321.51
Vehicle service charges and other expenses	104.87	89.79
Commission and discount	99.15	55.45
	Carried over	1,803.57
		1,656.68

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

23 Other expenses (Contd.)

Particulars	For the year ended 31 March	
	2016	2015
	Brought over	1,656.68
Incentives and sales promotion	41.57	29.79
Donations	—	9.50
Contribution to Bajaj Electoral Trust	—	3.05
Expenditure towards Corporate Social Responsibility (CSR) activities	86.72	42.91
Bad debts and other irrecoverable debit balances written off	0.11	0.82
Less: Provisions made in earlier years in respect of amounts written off during the year, adjusted as per contra	—	0.78
	0.11	0.04
Valuation losses on derivative hedging instruments	—	50.22
Loss on assets sold, demolished, discarded and scrapped	11.87	15.16
Provision for doubtful debts and advances	0.78	3.82
	1,950.62	1,811.17

24 Exceptional items

Particulars	For the year ended 31 March	
	2016	2015
NCCD payment	—	340.29
	—	340.29

The honourable high court of Uttarakhand has passed an order dated 9 October 2014 ruling that the levy of 'National Calamity Contingent Duty' (NCCD) is out of the purview of the exemptions granted to the Company under the scheme of incentives for industries in certain identified growth areas in Uttarakhand.

Consequently, the Company has paid the disputed duty for the period from 1 April 2007 to 30 September 2014, together with interest upto the date of payment and penalty.

The charge on account of this item has been disclosed as an exceptional item of expenditure, in the previous year.

25 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.

26 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.

27 Consolidated contingent liability is same as contingent liability of standalone Bajaj Auto Ltd.

28 Consolidated capital commitments are same as capital commitments of standalone Bajaj Auto Ltd.

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

29 Segment information

Segment information is based on the consolidated financial statements.

Segment wise revenue, results and capital employed for the year ended 31 March 2016

(₹ In Crore)

(a) Primary segment: Business segment

Particulars	Automotive	Investments	Consolidated
Revenue			
External sales and other income	22,966.87	544.98	23,511.85
Inter segment sales and other income	—	—	—
Total revenue	22,966.87	544.98	23,511.85
Segment result			
Interest expense	4,973.36	543.87	5,517.23
Tax expense	0.48	—	0.48
Minority interest	—	—	1,732.77
Profit for the year	4,972.88	543.87	3,783.98
Segment assets			
Segment assets	7,446.73	8,606.25	16,052.98
Unallocated corporate assets	—	—	373.65
Total assets	7,446.73	8,606.25	16,426.63
Segment liabilities			
Segment liabilities	2,821.94	—	2,821.94
Unallocated corporate liabilities	—	—	208.50
Total liabilities	2,821.94	—	3,030.44
Capital employed			
Capital expenditure	4,624.79	8,606.25	13,396.19
Depreciation and write downs	295.44	—	295.44
Non cash expenses other than depreciation	307.16	—	307.16
	0.78	—	0.78

Business segments of the consolidated group have been identified as distinguishable components that are engaged in a group of related product or services and that are subject to risks and returns different from other business segments. Accordingly Automotive and Investments have been identified as the business segments.

(b) Secondary segment: Geographic segment

Particulars	India	Rest of the world	Consolidated
Segment revenue			
External sales and other income	13,730.72	9,781.13	23,511.85
Segment assets	14,184.74	2,241.89	16,426.63
Capital expenditure	295.20	0.24	295.44

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

29 Segment information

Segment information is based on the consolidated financial statements.

Segment wise revenue, results and capital employed for the year ended 31 March 2015

(₹ In Crore)

(a) Primary segment: Business segment

Particulars	Automotive	Investments	Consolidated
Revenue			
External sales and other income	21,821.26	376.96	22,198.22
Inter segment sales and other income	—	—	—
Total revenue	21,821.26	376.96	22,198.22
Segment result			
Interest expense	6.49	—	6.49
Tax expense	—	—	1,271.05
Minority interest	—	—	(0.01)
Profit for the year	3,920.75	375.92	3,025.63
Segment assets			
Segment assets	7,730.66	7,957.11	15,687.77
Unallocated corporate assets	—	—	277.83
Total assets	7,730.66	7,957.11	15,965.60
Segment liabilities			
Segment liabilities	2,810.42	—	2,810.42
Unallocated corporate liabilities	—	—	1,806.47
Total liabilities	2,810.42	—	4,616.89
Capital employed			
Capital expenditure	246.14	—	246.14
Depreciation and write downs	267.46	—	267.46
Non cash expenses other than depreciation	54.04	—	54.04

Business segments of the consolidated group have been identified as distinguishable components that are engaged in a group of related product or services and that are subject to risks and returns different from other business segments. Accordingly Automotive and Investments have been identified as the business segments.

(b) Secondary segment: Geographic segment

Particulars	India	Rest of the world	Consolidated
Segment revenue			
External sales and other income	12,432.38	9,765.84	22,198.22
Segment assets	13,985.08	1,980.52	15,965.60
Capital expenditure	246.14	—	246.14

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

30 Consolidated related party transactions are same as related party transactions of standalone Bajaj Auto Ltd. except for following transactions which are additional in consolidated financial statements -

Loan to KTM Motorrad AG: ₹ Nil (previous year - ₹ 33.60 crore)
Interest received from KTM Motorrad AG: ₹ Nil (previous year - ₹ 0.28 crore)

31 Deferred taxes

Particulars	(₹ In Crore)	
	As at 31 March 2016	2015
Liabilities	315.57	278.77
Assets	127.32	137.19
Net	188.25	141.58

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

Particulars	Net Assets (i.e. Total assets minus total liabilities)		Share in profit/(loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount
1. Parent:				
Bajaj Auto Ltd.	94.22%	12,291.66	96.52%	3,652.41
2. Subsidiaries (Foreign):				
PT Bajaj Auto Indonesia	0.04%	5.65	–	0.06
Bajaj Auto International Holdings BV	15.11%	1,970.87	5.83%	220.69
Add/(Less): Minority interests in all subsidiaries	–	(0.04)	–	–
Add/(Less): Inter-company eliminations	(9.37%)	(1,222.72)	(2.35%)	(89.18)
Total	100.00%	13,045.42	100.00%	3,783.98

33 Previous year figures

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

34 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

Kevin D'sa
Chief Financial Officer
J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
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:

(₹ In Crore)

Particulars	PT. Bajaj Auto Indonesia	Bajaj Auto International Holdings BV. (Consolidated)
a Reporting period for the subsidiary	1 April 2015 to 31 March 2016	1 April 2015 to 31 March 2016
b Reporting currency as on the last date of the relevant financial year in the case of foreign subsidiaries	IDR (Indonesian Rupiah)	Euro
c Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	1 USD = IDR 13276 1 USD = ₹ 66.2550	1 Euro = ₹ 75.395
d Share capital	193.75	1,492.82
e Reserves and surplus	(188.10)	478.05
f Total assets	5.68	1,970.91
g Total liabilities	5.68	1,970.91
h Investments	-	1,373.32
i Turnover	0.17	-
j Profit before tax	0.06	220.69
k Provision for tax	-	-
l Profit after tax	0.06	220.69
m Proposed dividend	-	-
n % of shareholding	99.25%	100.00%

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Pune: 25 May 2016

Kevin D'sa
Chief Financial Officer

J Sridhar
Company Secretary

Notes







BAJAJ

Bajaj Auto Limited
Akurdi, Pune - 411 035, India.
www.bajajauto.com

9th ANNUAL REPORT 2015-16



BAJAJ AUTO LTD.

CIN: L65993PN2007PLC130076

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

NOTICE

Notice is hereby given that the ninth annual general meeting of the shareholders of Bajaj Auto Ltd. will be held on **Wednesday, 27 July 2016** at **12.15 p.m.** at the registered office of the Company at Bajaj Auto Ltd. Complex, 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 a final dividend of ₹ 5 per equity share of face value of ₹ 10 each, and to approve the interim dividend of ₹ 50 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 appoint a director in place of Sanjiv Bajaj (DIN 00014615), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
5. To ratify appointment of Dalal & Shah LLP, Chartered Accountants (Registration No.102021WW100110) as Statutory Auditors of the Company, for the year 2016-17 and to fix their remuneration.

SPECIAL BUSINESS

6. Appointment of Pradeep Shrivastava (DIN 07464437) as a Director

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

'RESOLVED that Pradeep Shrivastava (DIN 07464437) who was appointed by the Board of Directors as an additional director under section 161(1) of the Companies Act, 2013 and who vacates his office at this annual general meeting and in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as a Director of the Company, liable to retire by rotation.'

7. Approval of appointment of Pradeep Shrivastava (DIN 07464437) as a Whole-time Director, with the designation as Executive Director

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

'RESOLVED that pursuant to the provisions of sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment thereto or re-enactment thereof for the time being in force) and (including any amendment or statutory modification thereto for the time being in force) and subject to such sanctions as may be necessary, approval is hereby given to the appointment of Pradeep Shrivastava as a Whole-time Director, with the designation as Executive Director of the Company, for a five year term commencing from 1 April 2016 till 31 March 2021 on terms and conditions, including remuneration and minimum remuneration in the event of absence or inadequacy of profits, as set out in the explanatory statement relating to this resolution and in the agreement entered into between the Company and Pradeep Shrivastava, which agreement is hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Pradeep Shrivastava.'

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

Bajaj Auto Limited

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

8. Approval for payment of commission to non-executive directors for a period of five years commencing from 1 April 2016

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, 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 Auto Ltd.



J Sridhar
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 ₹ 50 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 directors, who are 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 annual general meeting. 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 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., Karyv Computershare Pvt. Ltd.) on or before the closing 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/to the 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/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.
- 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 Karyv.
- 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.

Bajaj Auto Limited

- 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 of the numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
- 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/demat form, the members may please contact their respective depository participant.
- 20 Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend the annual general meeting.
- 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 http://www.bajajauto.com/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 Auto Ltd.**
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR'/'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutiniser through 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.kary.com> or call Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).

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

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

C. Voting facility at Annual General Meeting:

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

D. General Instructions:

- i. The Board of Directors has appointed Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587 CP No. 572) as the scrutineer to the e-voting process, and voting at the venue of the annual general meeting in a fair and transparent manner.
- ii. The scrutineer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a consolidated scrutineer'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 scrutineer shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutineer's report shall be placed on the Company's website www.bajajauto.com and on the website of Karvy <https://evoting.kary.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 200 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 resolution for approval.

Item No. 4 of the Notice

Sanjiv Bajaj (DIN 00014615)

As regards re-appointment of Sanjiv Bajaj referred to in Item No. 4 of the notice, following necessary disclosures are made for the information of the shareholders:

Information about the appointee:

Sanjiv Bajaj (born on 2 November 1969) is B.E.(Mech), first class with distinction (8th on merit list) from the University of Pune, M.Sc (Manufacturing Systems Engg) with distinction from the University of Warwick, UK and MBA from Harvard Business School, USA.

- Since 2008, he is the Managing Director of Bajaj Finserv Ltd. Bajaj Finserv operates in the insurance business through Bajaj Allianz Life Insurance Company Ltd. and Bajaj Allianz General Insurance Company Ltd., as well as in the lending business through Bajaj Finance Ltd. His role includes guiding the current businesses and building new ones in the financial services space.
- Vice Chairman of Bajaj Finance Ltd. with effect from 15-10-2013.
- Non-executive Chairman of Bajaj Allianz Life Insurance Company and Bajaj Allianz General Insurance Company with effect from 01-04-2013. (Non-executive Director of these two companies from their inception in 2001).
- Managing Director of Bajaj Holdings & Investment Ltd. with effect from 01-04-2012 (earlier its Non-Executive Director). Role includes building the strategy and team, and guiding this investment company, which has almost ₹ 40,000 crore in cash and investments, including over 30% stake in Bajaj Auto and around 40% in Bajaj Finserv.
- Former Executive Director of Bajaj Auto Ltd. (until 31 March 2012), having headed Finance and Control, legal and international business functions of Bajaj Auto over different periods from 1994 until 2012 and currently its Non-Executive Director.

Awards -

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

Major Directorships

Bajaj Allianz General Insurance Company Ltd.

Bajaj Allianz Life Insurance Company Ltd.

Bajaj Finance Ltd.

Bajaj Holdings and Investment Ltd.

Bajaj Finserv Ltd.

Bajaj Auto Ltd.

Maharashtra Scooters Ltd.

Hindustan Housing Company Ltd.

Committee Positions

Bajaj Finserv Ltd.

Bajaj Allianz General Insurance Company Ltd.

Bajaj Allianz Life Insurance Company Ltd.

Bajaj Finance Ltd.

Maharashtra Scooters Ltd.

Bajaj Auto Limited

Shareholding in the Company

He holds 800,448 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, Rajiv Bajaj and Sanjiv Bajaj, is concerned or interested in the said resolution.

The Board commends the resolution for approval.

Explanatory statement to Item No. 6 and 7

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has appointed Pradeep Shrivastava as an Additional Director effective from 1 April 2016. In terms of section 161 (1) of the Companies Act, 2013, read with Article 119 of the Articles of the Association of the Company, Pradeep Shrivastava holds office as Additional Director only upto the date of the forthcoming annual general meeting. The Company has received a notice pursuant to section 160 of the Companies Act, 2013 along with deposit of the requisite amount from Pradeep Shrivastava, proposing himself as a Director. Notice received under section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day upto the date of the annual general meeting.

Further, at the meeting of the Board of Directors of the Company held on 16 March 2016, Pradeep Shrivastava, subject to necessary approval of shareholders, was appointed as Whole-time Director, with the designation as Executive Director of the Company for a period of five years with effect from 1 April 2016, on the terms of remuneration mentioned hereinbelow, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof:

1. Salary

- a) ₹ 912,450 per month;
- b) Allowances viz. House Rent Allowance, Variable Pay, Education Allowance, Washing Allowance, Special Allowance and Miscellaneous Allowance, amounting to ₹ 1,451,725 per month;
- c) Performance Reward, Annual Variable Pay, Leave Travel Allowance and Statutory Bonus upto ₹ 11,539,800 p.a. as per Company rules; with such annual increments/increases as may be decided by the Board of Directors from time to time, during the remainder of the tenure.

2. Perquisites

- I. Company's contribution to provident fund and superannuation fund as per Company rules.
- II. Gratuity as per Company rules.
- III. Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.
- IV. Reimbursement of medical expenses incurred for self and family or Medical Allowance as per Company rules.
- V. Cover of Insurance policies and Contribution to Employee Deposit Linked Insurance Scheme as per Company rules.
- VI. Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, wrongful act or such other reason as may be approved by the Board of Directors from time to time.
- VII. Reimbursement of membership fee for one club.
- VIII. Reimbursement of entertainment expenses incurred in the course of business of the Company.
- IX. Use of Company's two cars maintained by the Company for official as well as for personal purpose with driver salary as per Company rules.
- X. Telephone, tele-fax and other communication facilities at Company's cost as per Company rules.
- XI. Subject to any statutory ceiling/s, the Executive Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

3. Valuation of perquisites

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

4. Stock Options

Stock Options as per the schemes as may be framed by the Company.

5. Minimum remuneration

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

6. Computation of ceiling

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

- a) Contribution to provident and superannuation funds referred to in para 2 (i) above.
- b) Gratuity payable as per para 2 (ii), to the extent of half a month's salary for each completed year of service.
- c) Encashment of leave as per para 2 (iii) above

Information about the appointee:

Pradeep Shrivastava (born on 31 March 1960) is qualified as a B.Tech (Mechanical Engineer) from IIT Delhi-1981 and also as PGDM-1986 from IIM, Bangalore. He started his career as Asst. Engineer (Maintenance) in Tata Motors during 1981-1984. He joined Bajaj Auto in 1986 and was its Chief Operating Officer, until his elevation as Executive Director with effect from 1 April 2016.

Directorships: Nil

Committee positions: Nil

Shareholding in the Company

He holds 75 Equity Shares of ₹ 10 each in the Company.

The Company has entered into an agreement with Pradeep Shrivastava laying down, inter alia, the terms of remuneration referred to above and the powers and authorities delegated to him. A copy of the said agreement is available for inspection by the members during business hours on any working day between 10.00 a m and 12.00 noon at the registered office of the Company upto and including the date of the meeting.

None of the Directors/key managerial personnel and/or their relatives, except Pradeep Shrivastava 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. 6 and 7 of the Notice.

The Board commends the ordinary resolution set out in Item No. 6 and special resolution set out in Item No. 7 for approval by shareholders.

Explanatory statement to Item No. 8

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 Company authorises such payment by a special resolution. Shareholders of the Company had approved such payment by a special resolution passed on 14 July 2011 for a period, which expired on 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 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 will 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 ₹ 100,000 per meeting.

Bajaj Auto Limited

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. 8 of the Notice.

The Board commends the special resolution set out in Item No. 8 of the Notice for approval by shareholders.

By order of the Board of Directors

for Bajaj Auto Ltd.



J Sridhar
Company Secretary

Pune: 25 May 2016

Registered office:

Bajaj Auto Ltd. Complex,
Mumbai Pune Road, Akurdi, Pune 411035
Email: investors@bajajauto.co.in
Website www.bajajauto.com
Phone: (020)27472851, **Fax:** (020)27407380

PROXY FORM

Form No. MGT-11

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

CIN : L65993PN2007PLC130076
Name of the Company : BAJAJ AUTO LTD.
Registered office : Mumbai Pune Road, Akurdi, Pune 411035
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 NINTH annual general meeting of the Company, to be held on **Wednesday, 27 July 2016 at 12.15 p.m.** at Bajaj Auto Ltd. Complex, Mumbai-Pune road, Akurdi, Pune 411035 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of standalone and consolidated financial statements for the year ended 31 March 2016 and Directors' and Auditors' Reports thereon
2. To declare a final dividend of ₹ 5 per equity share of face value of ₹ 10 each, and to approve the interim dividend of ₹ 50 per equity share of face value of ₹ 10 each, already paid during the year, for the year ended 31 March 2016
3. Re-appointment of Manish Kejriwal, who retires by rotation
4. Re-appointment of Sanjiv Bajaj, who retires by rotation

5. Ratification of appointment of Dalal & Shah LLP, Chartered Accountants, as Auditors and fixing their remuneration for the year 2016-17

Special Business

6. Appointment of Pradeep Shrivastava as a Director
7. Approval of appointment of Pradeep Shrivastava as a Whole-time Director, with the designation as Executive Director
8. 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 AUTO LIMITED
(CIN: L65993PN2007PLC130076)

Registered office:
Bajaj Auto Ltd. complex,
Mumbai-Pune Road, Akurdi, Pune 411 035.
E-mail: investors@bajajauto.co.in
Website: www.bajajauto.com
Phone: (020) 27472851, **Fax:** (020) 27407380

ATTENDANCE SLIP



9th ANNUAL REPORT
2015-16

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 NINTH annual general meeting of the Company on **Wednesday, 27 July 2016 at 12.15 p.m.** at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035.

Signature of First holder/Proxy/Authorised Representative

Signature of Joint holder(s)

Place:

Date:

Notes:

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

E-VOTING

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

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

Note:

Please follow steps for 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.bajajauto.com