



THE WORLD'S FAVOURITE INDIAN



Bajaj Auto Limited

Since 1945





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Board of Directors

Rahul Bajaj, Chairman
Madhur Bajaj, Vice Chairman
Rajiv Bajaj, Managing Director
Sanjiv Bajaj
D S Mehta (upto 31.03.2019)
Shekhar Bajaj
D J Balaji Rao
Nanoo Pamnani
Manish Kejriwal (upto 31.12.2018)
P Murari (upto 31.03.2019)
Niraj Bajaj
Dr. Gita Piramal
Pradeep Shrivastava, Executive Director
Dr. Naushad Forbes
Dr. Omkar Goswami
Anami N. Roy
Rakesh Sharma, Executive Director
(from 01.01.2019)
Lila Poonawalla (from 01.04.2019)
Pradip Shah (from 01.04.2019)

Audit Committee

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

Stakeholders Relationship Committee

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

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

Rahul Bajaj, Chairman
Rajiv Bajaj
Nanoo Pamnani
Pradeep Shrivastava

Risk Management Committee

Nanoo Pamnani, Chairman
D J Balaji Rao
Soumen Ray, CFO

Duplicate Share Certificate Issuance Committee

Rahul Bajaj, Chairman
Rajiv Bajaj
Sanjiv Bajaj

Management

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Pradeep Shrivastava
Executive Director

Rakesh Sharma
Executive Director

Abraham Joseph
Chief Technology Officer

R C Maheshwari
President (Intra-City Business)

Eric Vas
President (Urbanite Business)

Kevin D'sa
President (Retail Finance)

S Ravikumar
President (Business Development and Assurance)

Ravi Kyran Ramasamy
President (Human Resources)

Subash Rao
President (New Projects)

Soumen Ray
President (Finance), CFO

Sarang Kanade
President (Motorcycle Business)

K S Grihapathy
Senior Vice President (Export Business)

Sumeet Narang
Vice President (Probiking Business)

C P Tripathi
Advisor (CSR)

Company Secretary

Dr. J Sridhar

Auditors

S R B C & CO LLP
Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye
Practising Company Secretary

Bankers

State Bank of India
Citibank N A
Standard Chartered Bank
ICICI Bank
HDFC Bank
HSBC Bank

Registered under the Companies Act, 1956

Registered Office

Mumbai-Pune Road,
Akurdi, Pune 411 035.

CIN: L65993PN2007PLC130076

Works

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



Rahul Bajaj
Chairman



MANAGEMENT TEAM

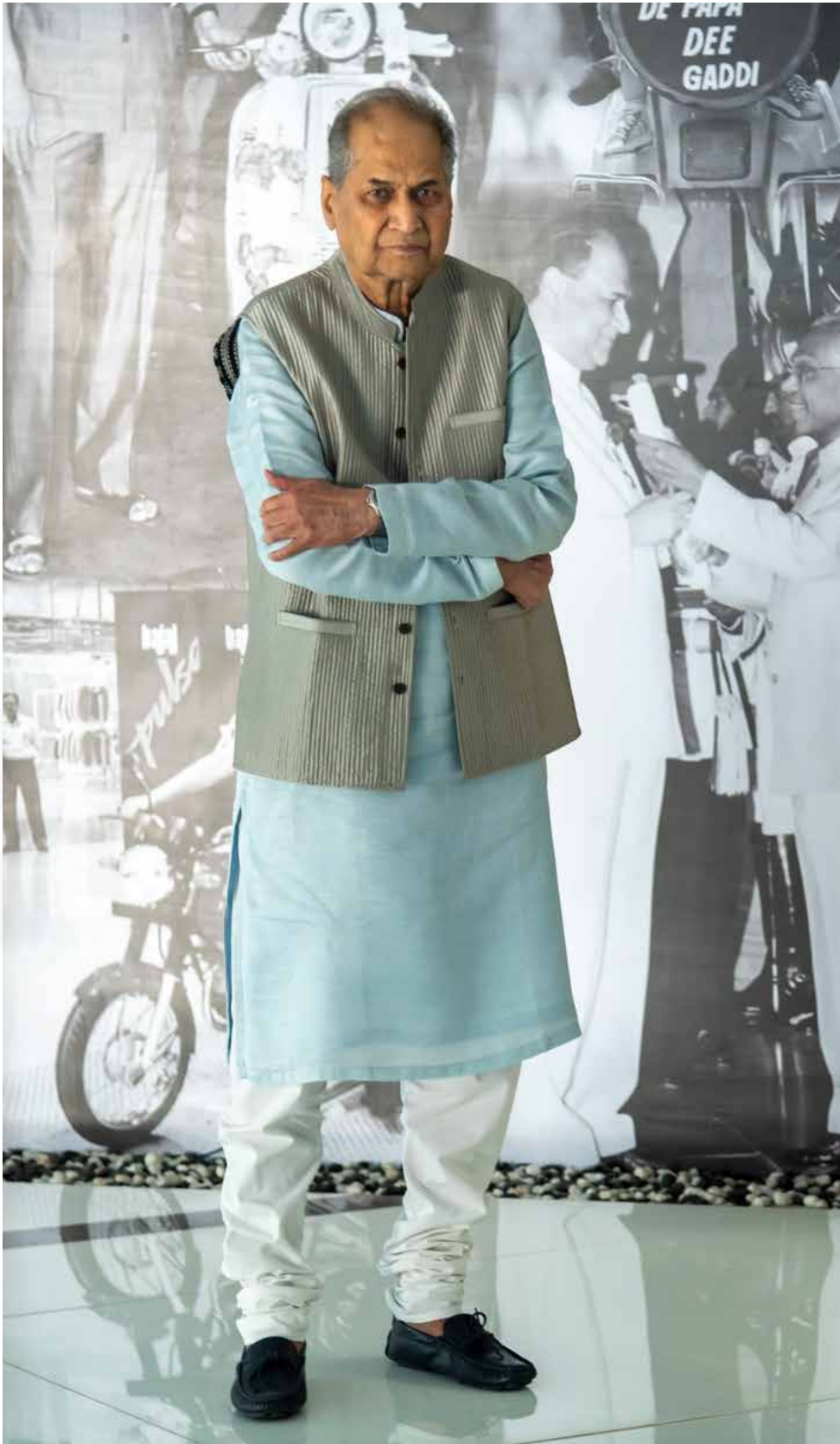


Front Row: (L to R)

Eric Vas, Rakesh Sharma, Pradeep Shrivastava, Rajiv Bajaj,
Abraham Joseph, R C Maheshwari, S Ravikumar, Kevin D'sa

Back Row: (L to R)

Ravi Kyran Ramasamy, Soumen Ray, Sarang Kanade,
K S Grihapathy, Sumeet Narang, Subash Rao, C P Tripathi



CHAIRMAN'S LETTER

Dear Shareholder,

Let me start by clearly saying that I am delighted with your Company's results for FY2019 and proud of the excellent work carried out by your Managing Director and his team.

FY2019 has not been a particularly brilliant year from an economic point of view. The second advance estimate of the Central Statistical Organisation (CSO) has pegged real GDP growth at 7.0%, and real growth of gross value added (GVA) at 6.8%. Both these estimates are lower than what occurred a year earlier.

Moreover, growth has slowed down on a quarterly basis. After posting an impressive 7.8% growth in April-June 2018, GVA growth reduced to 6.8% for July-September 2018, and then even further to 6.3% for October-December 2018. And the CSO's muted advance estimate of 6.8% GVA growth for the full year suggests that the fourth quarter may also post modest growth.

Despite such a milieu, your Company has performed admirably. Allow me to outline the key results.

- Total turnover increased by 18.5% to ₹ 31,899 crore. This is your Company's highest ever top-line.
- Total operating income (net sales plus other operating income) grew by 20.1% to ₹ 30,540 crore — also Bajaj Auto's highest.
- Operating EBITDA increased by 4.7% to ₹ 5,387 crore.
- Profit before tax (PBT) after exceptional items grew by 15.9% to ₹ 6,703 crore, which was also the best for Bajaj Auto.
- Profit after tax (PAT) increased by 14.9% to ₹ 4,675 crore — this, too, being the highest ever.
- Surplus cash and cash equivalents as on 31 March 2019 was up by 5.3% to ₹ 16,368 crore.

There are several positive aspects of your Company's performance. Let me share three.

First, and this pleases me no end, with a combination of well styled, appealing products and astute pricing, Bajaj Auto has begun to grow its domestic market share in motorcycles. In the course of a single year, FY2019, your Company succeeded in increasing its domestic sale of motorcycles by almost 29% — and, in the process, grew its market share by 3 percentage points to 18.7%. In fact, for March 2019, the market share exceeded 20.0%. I hope that we are seeing the beginning of a trend that will continue to increase your Company's share of motorcycles in the domestic market and, in doing so, take Bajaj Auto to a place that behoves its presence.

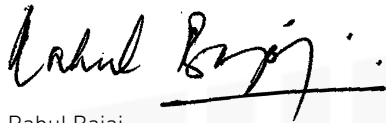
Second, I am delighted that in FY2019 your Company exported over 2 million motorcycles, three-wheelers plus its new quadricycle, the QUTE, to no less than 79 countries. This is a landmark achievement, and represents a growth of 25% over the previous year — one that truly lends itself to the theme of this year's annual report, 'The World's Favourite Indian'.

Third, I continue to remain impressed with your Company's performance in the three-wheelers space. In FY2019, Bajaj Auto's overall three-wheeler sales grew by more than 22% to reach an all-time high. Much of this growth was driven by an impressive 43% growth in exports. Your Company accounted for almost 57% of total three-wheeler sales in India, and two-thirds of total sales to export markets.

At my age, I am a bit superstitious about praise. Even so, on your behalf, let me congratulate your Managing Director and his team. While telling them, "This is great. Now take it to yet another level."

Finally, my thanks to our customers, dealers, vendors and employees who, as always, have done their utmost for Bajaj Auto. And to you for your steadfast support.

With best regards,



Rahul Bajaj
Chairman

17 May 2019

MANAGEMENT DISCUSSION AND ANALYSIS

The World's Favourite Indian

“Do what you think best, but be the best in what you do.”

These words of our founder, Kamalnayan Bajaj, have always guided Bajaj Auto.

In the 1970s and 1980s, being best meant *Hamara Bajaj* — a clarion cry associated with the Chetak, the scooter which symbolised the country's aspirations of the times, and provided the first mass personal mobility to Indians.

Being best meant launching the iconic Pulsar in 2001. With that, Bajaj Auto transformed from being a domestic scooter manufacturer to a global motorcycle powerhouse. Pulsar was powered by the spirit of entrepreneurship in an age of economic freedom. It embodied bold differentiation to dramatically create new markets instead of unimaginatively serving existing ones.

Being best meant having a major global presence. And we do...

Building on our credo to provide trusted and reliable mobility solutions, we significantly invested in technology and innovation to

design motorcycles that are loved not just in India but in 79 countries around the world.

Bajaj Auto has grown to become India's No.1 motorcycle exporter — with two out of three bikes carrying a Bajaj badge.

We have sold 15 million motorcycles in 79 countries. 40% of our revenues now come from international markets. Our global sales have earned over US\$ 13 billion of foreign exchange in the last decade. And in FY2019, we achieved two prominent milestones — total sales of 5 million units, of which 2 million were international sales.

With sales across 79 nations, Bajaj Auto has set a gold standard for 'Make in India' to 'Sell to the World'.

By doing so, we are, today,
The World's Favourite Indian.

We aren't resting. We aspire for the day when we become a true Global Motorcycle Specialist — a day when in any market around the world, when people think of motorcycles, they will think of Bajaj.

Though India, along with China, are the two fastest growing continental sized emerging markets of the world, it is a fact that growth has been slowing down for both nations.

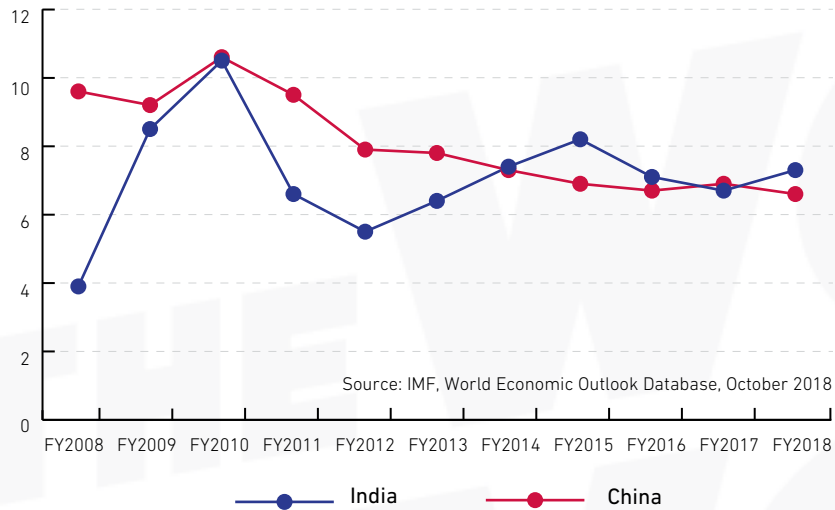
The second advance estimate of national income released by the Central Statistical Organisation (CSO) of the Government of India on 28 February 2019 estimated India's real GDP growth for 2018-19 (or FY2019) at 7.0% — a 20 basis points decline compared to the previous year. Real gross value added (GVA) growth for FY2019 is also lower: 6.8% versus 6.9% in FY2018. Moreover, the quarterly estimates also indicate a growth slowdown: 7.8% GVA growth in Q1 FY2019, followed by 6.8% in Q2 and then 6.3% in Q3.

At the time of writing this Management Discussion and Analysis, we do not know what the growth rate will be for the fourth quarter, i.e. January-March 2019. But, in all probability, it will not be high enough to convincingly lift the economy.

In the context of developed OECD economies, it seems strange that we get concerned with an annual growth rate of 6.8%. Richer countries would pine for such a performance. Yet, we have good reasons to worry when growth falls below 7.5% per year. For it constrains our capacity to create the additional employment that India needs — the more so in a rapidly digitised age where the need for additional employment is becoming lesser than before.

India is not alone in going through a phase of slower growth. Chart A plots GDP growth rates of India and China from 2008 to 2018. Both nations are slowing down, China more than India.

Chart A: Real GDP Growth, China and India (% per year)



In such a context, two questions need to be examined. First, how did India's two-and three-wheeler industry fare as a whole? And second, how did Bajaj Auto Ltd. ('Bajaj Auto' or 'BAL') perform vis-à-vis its peers?

Regarding the first question, India's two-and three-wheeler industry in the aggregate has done quite well.

Sale of motorcycles in India in FY2019 grew by 7.8% to touch 13.6 million units. Though the growth rate was less than in the previous year, it was nevertheless an impressive performance given the slowing down of overall economic growth. In addition, motorcycle exports increased by 15.4% in FY2019 to almost 2.9 million units.

The problem was with ungeared scooters. Hitherto a favourite of a growing class of consumers, domestic sale of ungeared scooters hit a wall — being virtually flat at 6.7 million units in FY2019. That was a far cry from the 19.9% growth in domestic sales that this segment had experienced in FY2018.

As in motorcycles, three-wheelers also witnessed a healthy increase in domestic sales. The number of three-wheelers sold in India in FY2019 grew by 10.3% to over 701,000 units. More significantly, three-wheeler exports increased by 49.0% to over 567,500 units.

Now to the second question: how did Bajaj Auto fare in this growth story? In two words, 'exceptionally well'. The numbers tell the story.

Charts B and C illustrate Bajaj Auto's financial performance. Chart D shows the overall industry's sale of two-wheelers.

Chart B: EBITDA and EBITDA %

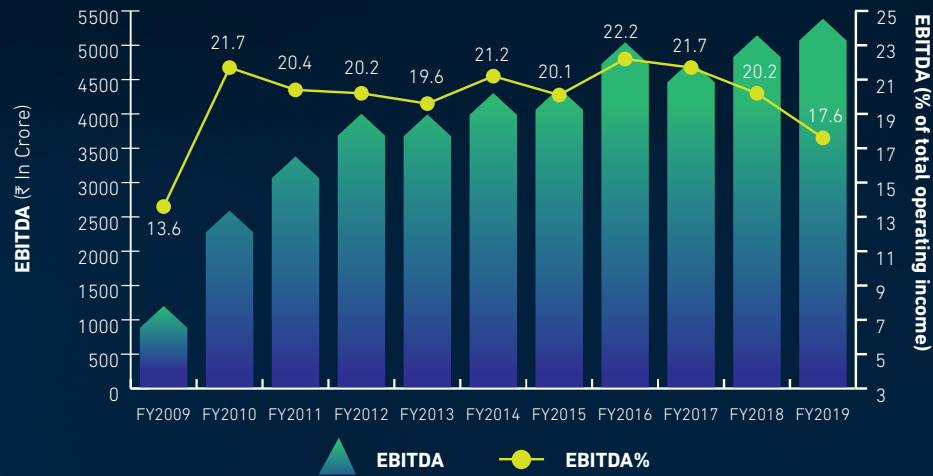


Chart C: Net Sales and Operating Income, Net Operating Profit and PAT

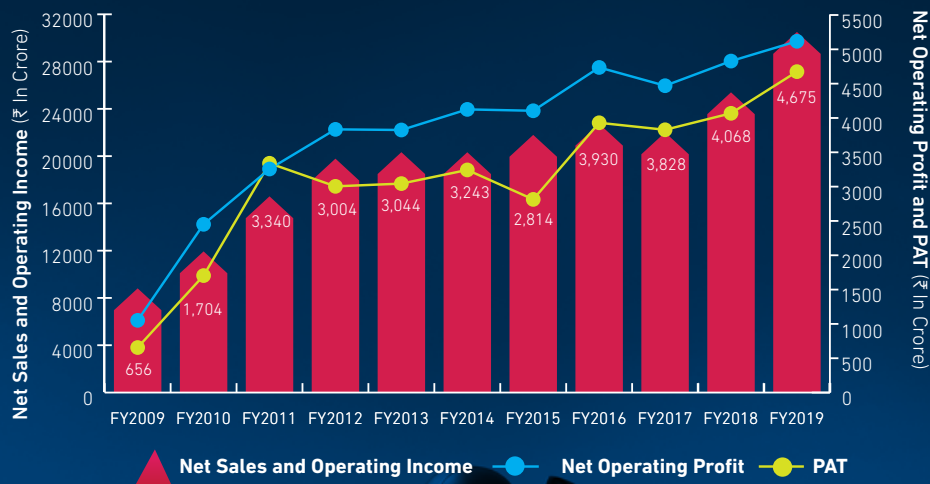
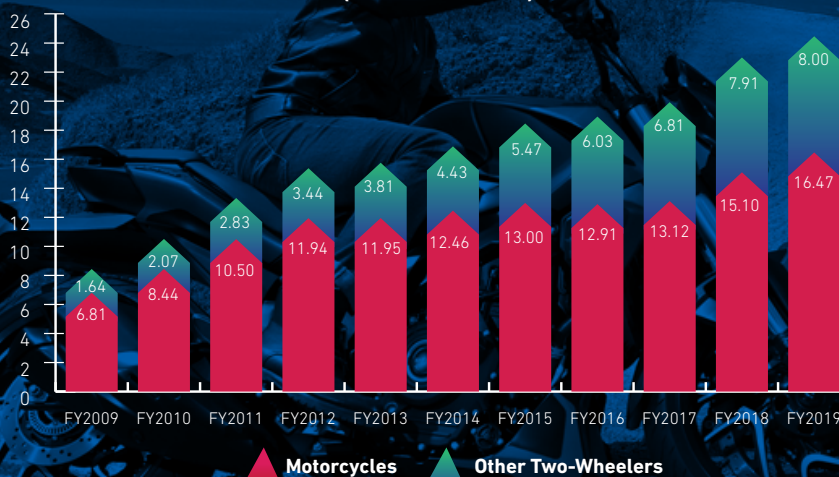


Chart D: Industry Sale of Two-Wheelers, Domestic + Exports (In Million Units)





BAJAJ AUTO'S FINANCIAL PERFORMANCE FOR FY2019

Total turnover grew by 18.5% to ₹ 31,899 crore — the Company's highest ever.

Total operating income (net sales plus other operating income) grew by 20.1% to ₹ 30,540 crore — also Bajaj Auto's highest.

Net sales increased by 19.7% to ₹ 29,567 crore. This, too, is the highest.

Operating earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 4.7% to ₹ 5,387 crore — yet again, a historical high.

The operating EBITDA margin was 17.6% of net sales and other operating income



Operating profit increased by 6.0% to ₹5,117 crore. The operating profit margin was 16.8% of net sales and other operating income

Profit before tax (PBT) before exceptional items grew by 9.4% to ₹6,361 crore, which was also the highest ever.

Profit before tax (PBT) after exceptional items grew by 15.9% to ₹6,703 crore. This, too, was the Company's highest ever PBT.

Profit after tax (PAT) increased by 14.9% to ₹4,675 crore — also the highest ever PAT

Surplus cash and cash equivalents as on 31 March 2019 was up by 5.3% to ₹16,368 crore

Motorcycles

We start with the industry's overall domestic sale plus exports of two-wheelers, namely motorcycles and other two-wheelers. The data is presented in Chart D.

Coming on the back of 15.1% growth in FY2018, the industry's domestic sale and exports of motorcycles further increased by 9.1% in FY2019 to 16.47 million units. This could not be said of the sale of other two-wheelers, mostly comprising ungeared scooters — where domestic sale plus exports grew by a mere 1.1% to 8.0 million units. After several years of impressive double-digit growth, domestic sale of other two-wheelers was flat. That it managed to eke a positive growth was entirely on account of exports.

How did Bajaj Auto perform in this milieu?

In a sentence, it performed excellently and significantly increased its market share — both in India and abroad.

Table 1 gives the data.

Table 1: Sale of Motorcycles, Domestic and Exports (in numbers)

Year ended 31 March	Motorcycles Domestic Sales					Motorcycles Exports				
	Total sales (nos.)	Total sales growth	BAL's sales (nos.)	BAL's growth	BAL's market share	Total exports (nos.)	Total export growth	BAL's exports (nos.)	BAL's growth	BAL's market share
2015	10,743,549	2.5%	1,770,778	(15.6%)	16.5%	2,251,791	13.6%	1,521,306	15.0%	67.6%
2016	10,700,466	(0.4%)	1,898,957	7.2%	17.7%	2,208,932	(1.9%)	1,459,295	(4.1%)	66.1%
2017	11,094,543	3.7%	2,001,391	5.4%	18.0%	2,025,529	(8.3%)	1,218,541	(16.5%)	60.2%
2018	12,613,241	13.7%	1,974,577	(1.3%)	15.7%	2,483,297	22.6%	1,394,757	14.5%	56.2%
2019	13,599,678	7.8%	2,541,320	28.7%	18.7%	2,865,851	15.4%	1,695,553	21.6%	59.2%

Let us start with domestic sales of motorcycles. Here are the facts for FY2019:

- Total domestic sales of all motorcycles grew by 7.8% to almost 13.6 million units
- Bajaj Auto's sales increased by 28.7% to over 2.5 million units
- Consequently, Bajaj Auto's share in the domestic motorcycles market increased by 3 percentage points to 18.7%

Regarding export performance for FY2019:

- Total exports of motorcycles increased by 15.4% to over 2.86 million units
- Bajaj Auto's sales went up by 21.6% to almost 1.7 million units
- As a result, the Company's share in total exports of motorcycles grew by 3 percentage points to 59.2%

We need to go a bit deeper into these numbers, especially in order to explain what is happening to the different motorcycle segments within the domestic market.

It is useful to begin with the 'entry-level' segment. Bajaj Auto is represented here by the CT100 and the Platina.

- For FY2018, the average sale of all models by every player in this segment was 268,904 units per month. The segment had grown by 24% over the previous year, and had accounted for 26% of all motorcycles sold during FY2018. Bajaj Auto was the major player in this segment. In FY2018, it sold an average of 79,297 units per month, and accounted for 29.5% of this segment.
- In FY2019, while average sale of all models in this segment increased by 26%, Bajaj Auto's sale increased by 51.6% to an average of 120,249 units per month. As a result, Bajaj Auto's share of this segment increased to 35.4% — a solid 6 percentage point increase in the segmental market share.

At the entry-level segment, Bajaj Auto not only played a key role in growing the segment, but also captured greater market share in doing so.

That brings us to the 'sports' segment. Here, we have our Pulsars, ranging from 150 cc to 220 cc and the Avenger.

In FY2019, sales in the 'sports' segment grew by 18% over the previous year and accounted for 16% of the industry's total domestic sales. Bajaj Auto's average volume of sales was 80,294 units per month, or a dominating segment market share of 44.1% — up by 5.1 percentage points over a single year.

With our Pulsars and Avengers, Bajaj Auto is clearly the dominating leader in the sports segment. And our segment share increased further in FY2019.

In the even higher 'super-sports' segment; we offer the entire range of KTMs, the Pulsar RS200 and the Dominar 400. This segment grew by 5% in FY2019 and accounted for a share of 7% in the domestic market. We sold an average of 6,252 units per month during the year, or 7.4% of the segment.

- The 'entry-level' segment will continue to grow in India as an increasing number of first-time motorcycle buyers come into the market. So long as we produce differentiated products that match reliability and fuel efficiency with modern styles and riding comfort, we will maintain our leadership position in this segment.
- The other end of the spectrum — the 'sports' and 'super-sports' segment — will also grow. Young people with enough purchasing power will want to own bikes that have power, give the thrill of speed, manoeuvrability and the ability to chase the wind. With our upper end Pulsars, KTMs, the newly upgraded Dominars and the soon to be launched Husqvarnas, we should continue having a solid presence in this space.

Tomorrow's challenge is how to systematically introduce appealing, sporty yet fuel efficient models that fills the large 'commuter' segment with more exciting and attractive alternatives. When that happens, a very large number of Indian customers will move away from the hardy perennials to the thrilling new models. This is no place for Bajaj Auto's Management to state what it might do to reorient this segment. Except to say, "Watch out for this space".

KTM: Our Continuing Success

FY2019 was a milestone year for KTM.

Who would have thought even five years ago that premium sports bikes costing over ₹ 1.5 lakh a piece would not just enjoy a growing market in India, but also succeed in selling over 200,000 units worldwide? It has.

Moreover, in FY2019, KTM also sold over 50,000 bikes in India.

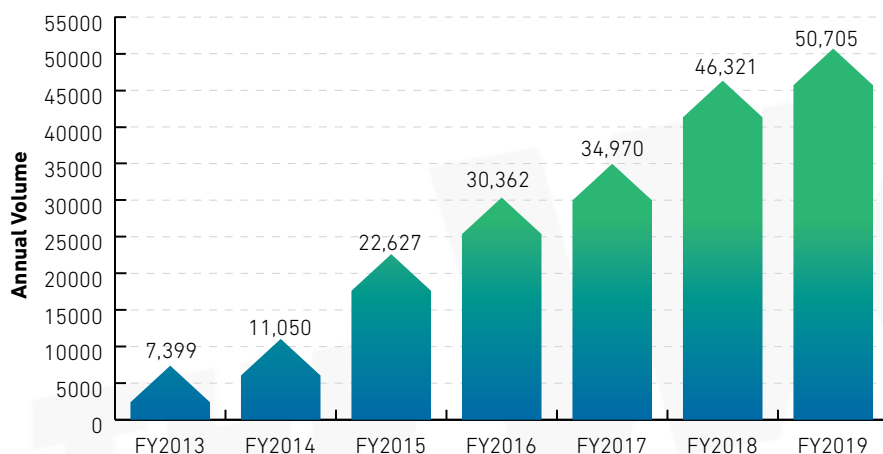
This has made India the largest market for KTM worldwide — overtaking the USA.

Despite sales crossing the 50,000 mark, it needs stating that FY2019 was also a challenging year for KTM. There were aggressive competitor launches, which needed to be countered. That happened with bringing into the market the KTM Duke125 in Q3 FY2019. The Duke125, being an entry level KTM, played a strategic role of bringing in new customers into the franchise, and helped the brand to recover its market position and volumes in the second half of FY2019.

The availability of KTM throughout urban India has continued to strengthen. It now has a presence in 460 showrooms across the country — the largest network for any premium sports motorcycle brand.

Chart E plots the growth of KTM sales in India.

Chart E: KTM Sales in India (number of bikes sold)



Commercial Vehicles: Three-Wheelers

We are the world's largest manufacturer and seller of three-wheelers. Our performance in this segment is given in Table 2.

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

Particulars	Total sales			Domestic sales			Exports		
	FY2019	FY2018	FY2017	FY2019	FY2018	FY2017	FY2019	FY2018	FY2017
Passenger carriers									
Industry sales	1,133,908	894,234	671,034	572,392	517,423	402,034	561,516	376,811	269,000
Bajaj Auto sales	745,254	612,590	431,022	368,208	346,846	240,064	377,046	265,744	190,958
Bajaj Auto market share	65.7%	68.5%	64.2%	64.3%	67.0%	59.7%	67.1%	70.5%	71.0%
Goods carriers									
Industry sales	134,792	122,466	112,518	128,619	118,275	109,624	6,173	4,191	2,894
Bajaj Auto sales	32,349	23,262	13,440	30,618	22,791	13,162	1,731	471	278
Bajaj Auto market share	24.0%	19.0%	11.9%	23.8%	19.3%	12.0%	28.0%	11.2%	9.6%
Total three-wheelers									
Industry sales	1,268,700	1,016,700	783,552	701,011	635,698	511,658	567,689	381,002	271,894
Bajaj Auto sales	777,603	635,852	444,462	398,826	369,637	253,226	378,777	266,215	191,236
Bajaj Auto market share	61.3%	62.5%	56.7%	56.9%	58.1%	49.5%	66.7%	69.9%	70.3%

- In FY2019, our overall three-wheeler sales grew by more than 22% over the previous year to reach an all-time high of 777,603 units.
- Our export of three-wheelers increased by over 42% to hit a record number of 378,777 units.
- Our domestic three-wheeler sales grew by almost 8% to a record of 398,826 units.
- We are the market leaders by far. In FY2019, we accounted for 56.9% of total three-wheelers in the domestic market; and two-thirds of total sales to export markets.
- In passenger vehicles, we enjoy dominant market leadership — more than 64% of sales to domestic and over 67% of sales to export markets.



KTM



- Particularly heartening has been our robust performance in the goods carrier business — an area that we entered three years earlier. In a short span of time, we have increased domestic sales to 30,618 units, and now account for almost 24% of this segment’s market share.
- We continue to dominate the petrol and alternate fuel market — a segment in which we sold 282,406 vehicles in FY2019 with a domestic market share of 86%.
- In the small diesel category, our market share now stands at 80%. In the larger diesel segment, our market share has grown from 24% to 26%. In the overall diesel category, therefore, our market share for FY2019 as a whole stood at 37%. We exited FY2019 with a market share of 39% — making us the market leader in Q4 among all diesel three-wheelers.
- Our quadricycle, QUTE, was successfully launched in four states: Kerala, Gujarat, Odisha and Rajasthan. We will continue to launch it in other states as well. In FY2019, we sold 627 units of Qute in the domestic market.

International Business

This is all about being the **World’s Favourite Indian**.

While FY2018 was the recovery year for Bajaj Auto, FY2019 saw us gaining significant momentum and further strengthening our position as the leading Indian exporter of motorcycles and three-wheelers.

In FY2019

- We celebrated exporting over 2 million vehicles — a worthy landmark and our highest ever
- We were present in 79 countries. Of these, we are either ranked No.1 or No.2 in 21 countries.

Table 3 gives the export data.

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

Particulars	FY2019	FY2018	Growth
Exports in Units			
Motorcycles	1,695,553	1,394,757	21.6%
Commercial Vehicles	383,177	267,820	43.1%
Total (in numbers)	2,078,730	1,662,577	25.0%
Exports in ₹ (crore)	11,845	9,703	22.1%
Exports in USD (million)	1,642	1,365	20.3%

During FY2019:

- Motorcycle exports grew by 21.6% to almost 1.7 million units
- Commercial vehicles exports by over 43% to almost 383,200 units
- Together, the World’s Favourite Indian exported over 2 million units — a growth of 25% in the course of a single year
- In US dollars, revenue from exports grew by over 20% to US\$ 1.6 billion

Our motorcycle exports in FY2019 grew on the back of:

- Very strong growth in Africa, as large economies like Nigeria and the Democratic Republic of Congo continued to show buoyant demand. We also entered new markets, for example Benin, and continued to solidify our leadership position in Africa
- A strong presence in the ASEAN region, aided by growth in the Philippines and in new markets like Malaysia

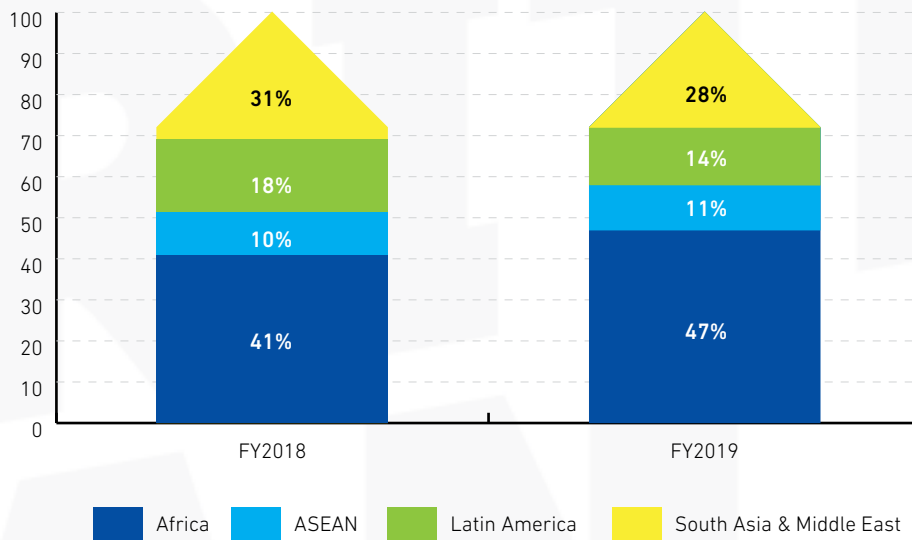
- Growth in South Asia and Middle East, where we capitalised on recovery in Egypt and impressive economic growth in Bangladesh
- Stable volumes in Latin America, despite economic turmoil in Argentina and some political and trade uncertainties in Mexico

Our growth in three-wheeler exports was largely driven by:

- Continued recovery in large, traditional markets such as Egypt and Nigeria
- And, more importantly, strong growth in new markets especially Cambodia, Iraq, Myanmar and Nepal. In fact, such markets, where we entered only in the last four years, grew by 73% compared to the overall growth of three-wheelers and quadricycles exports of 43%

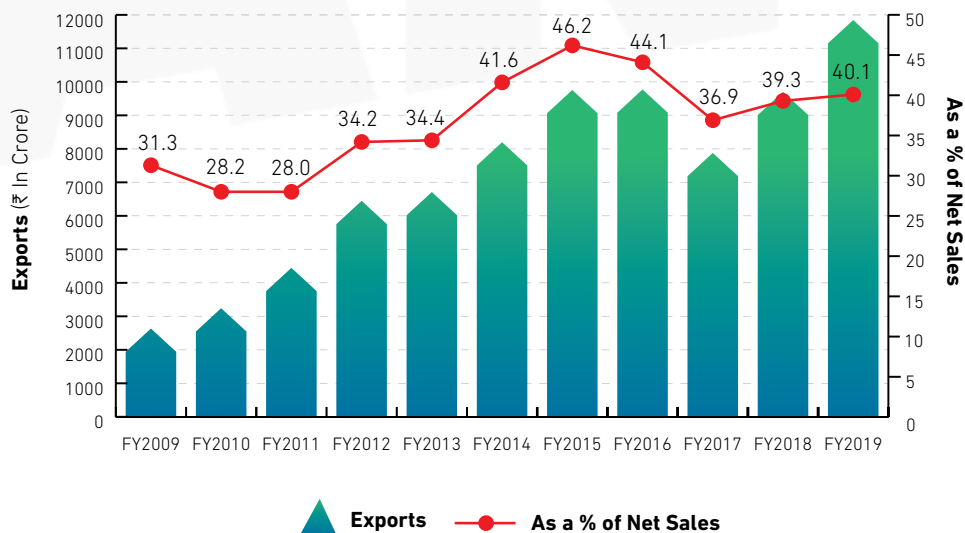
Chart F shows the distribution of Bajaj Auto’s exports across broad regions. Chart G plots our export performance over the years, both in value and as a share of the Company’s total net sales.

Chart F: Share of Bajaj Auto’s Exports (in numbers) by Major Regions



As Chart G shows, we have increased our share of exports to net sales from a recent low of 36.9% in FY2017 to 40.1% in FY2019. We are optimistic about FY2020 — a year in which we intend to further strengthen our competitive position as well as invest in new markets and categories.

Chart G: Bajaj Auto’s Export Performance



R&D

Bajaj Auto's R&D is its powerhouse for making significant engineering, styling and riding improvements, and in helping the Company launch one product after another — be it motorcycles, three-wheelers or quadricycles. Here are some of the key initiatives taken by R&D during FY2019.

PULSAR 160 NS WITH TWIN DISK

This best-selling Pulsar with its perimeter frame was upgraded with wider front and rear tyres and a disc brake at the rear for sharper braking — thus making it even more appealing for sports motorcycle riders.

PULSAR 150

The successful Pulsar 150 cc was complemented by creating a variant which brings out a classic, new look to the product. Its simplicity, clean lines and attractive new Neon graphics have been well appreciated by customers and dealers alike





PULSAR 180 F

To enhance its appeal, the versatile Pulsar 180 cc was made more exciting by sporting the signature half fairing as well as the projector head lamp of the Pulsar 220. Added to these were new Neon graphics.

KTM DUKE 125 WITH ABS

The KTM Duke 125 cc was launched primarily to appeal to young customers who while wanting to own a KTM bike might have shied away on account of the purchase cost.

With the Duke 125, they now have a sporty, zippy and highly manoeuvrable bike at a more affordable price point.





DOMINAR

Our top-of-the-line Dominar was given a major upgrade. With a new dual overhead camshaft four-valve engine and best-in-class power and torque throughout its RPM range, the new Dominar has distinctly superior performance. An all-new double barrel exhaust delivers a dominant idling thump with a linear bass-like note across the entire RPM range. Introduction of upside down forks and improved rear suspension have further enhanced the already superior ride and handling of the bike. A new radial calliper front disc brake system along with dual channel ABS add to its safety. The noise, vibration and harshness (NVH) character of the bike has been improved significantly through detailed design refinements.

Other added features like a new forged side stand, aluminium stay for the mirrors, tail lamp with light guide and a new tank dome decal have enhanced the premium design theme. A dot-matrix display added to the primary speedometer provides the rider with useful information and warning messages relating to speed, fuel consumption and the like. The secondary speedometer has been updated for gear position indication, adding to the premium feel of the bike.



Avenger 160 Street
with Anti-Lock Brake System

ANTI-LOCK AND ANTI-SKID BRAKE SYSTEMS



Discover 125
with Anti-Skid
Brake System

A major cause of motorcycle accidents is skidding during sharp braking. To enhance safety during braking on our motorcycles, we have introduced ABS technology on all models above 125 cc and CBS/Anti-Skid technology on rest.

In the case of ABS (Anti-lock Braking System), when a skid condition is detected during braking, the system regulates hydraulic pressure for braking and prevents the wheels from locking and skidding. This regulated brake force enables a bike with ABS to achieve the highest possible deceleration rate without losing control of the vehicle. All our Pulsars, Dominars and Avengers have been equipped with the ABS system.

With the Bajaj Anti-Skid system, the brake force applied by a rider on the rear brake pedal/lever is distributed to both the rear and front brakes in a controlled and pre-defined proportion using a linkage mechanism. Because of weight transfer during braking, the rear wheel reaction reduces thus diminishing the traction available at rear wheel; and, simultaneously, the front wheel reaction increases and, with it, raises the traction available at the front wheel. Our Anti-Skid system takes advantage of this natural phenomenon — and by diverting part of rear brake input force to front, it not only prevents an early locking of the rear wheel but also increases overall braking efficiency. Our Platina, Discover, V and CT 100 are now equipped with the Anti-Skid brake system.



PLATINA 100 ES AND KS

While adding the safety feature of Anti-Skid braking, on-road stability of both the Platina 100 ES and KS has been strengthened through improved chassis and swing arm. Combined with superior comfort features of the current Platina 100, these improvements add to the safety, ride and handling confidence of the rider.

PLATINA 110 ES

In addition to Anti-Skid brakes and improved chassis and swing arm, the Platina 110 further enhances ride comfort by providing Nitrox canister and SOS in the rear suspension. Road grip and stability have been improved by providing tubeless tyres.



PLATINA 125 MAX EURO III

The Platina 125 Max Euro III has a five-speed transmission with a 1Down-4Up shift pattern based on the market requirement for Colombia. The shift feel is optimised for smoothness and ease of use. The Platina already features longer travel front suspension and rear suspension than any other commuter motorcycle, resulting in better absorption of bumps, delivering maximum comfort to the rider and enabling a smooth ride. It also sports a 'spring-soft' seat, rubber footpads and directional tyres that enhance ride comfort and stability.



CT 100 ES

The CT 100 ES with Anti-Skid brakes is complemented with a 130 mm front drum brake which provides for superior braking. The exhaust silencer has been redesigned for improved ground clearance.

CT 125 AFRICA

The CT125 Africa retains all the styling elements of CT100 ES while simultaneously providing utility and durability features required in rural African markets. Utility features provided are platform type rear load carrier, long footrests for the pillion, flat seat with ample cushioning and a steel front fender. A round head lamp adds to desirability in those markets. The silencer is also revised to have improved ground clearance



BOXER 100 ES AND KS

Boxer 100 ES uses a new 102 cc single-cylinder four-stroke engine tuned to produce 7.6 bhp of power and 8.24 Nm of peak torque, which provides customers with superior mileage along with the convenience of an electric start. All existing features like a longer and thicker seat, platform type carrier, a third foot rest and round head lamp have been carried forward from the existing Boxer S model. Moreover, given African road conditions, both the Boxer 100 ES and KS have been upgraded with their silencers having improved ground clearance.

QUTE DOMESTIC PETROL

The first ever quadricycle on Indian roads, the Bajaj QUTE, was launched in India in Q4 of FY2019. It has already been exported to over 30 countries. Designed for intra-city travel applications, QUTE's compact foot print, best-in-class turning circle and excellent manoeuvrability makes it an ideal solution for last mile transportation. It's completely enclosed body offers good protection from the elements.

QUTE's 216 cc power train delivers a strong 9.7 kw of power which enables it to easily negotiate gradients and other road traffic conditions with full load. With a fuel efficiency of around 35 km/litre, it is sufficiently economical to own and operate. Its state-of-the-art liquid cooled, closed loop fuel injection coupled with DTSi technology is designed to meet both the current BS IV as well as the more stringent BS VI emission norms.



QUTE DOMESTIC CNG

QUTE CNG, launched in FY2019, is a variant for regions where this green fuel is available. It offers excellent fuel efficiency of 43 km/litre.



MAXIMA CARGO PETROL



The Maxima-C Petrol vehicle has been launched for export markets. A large and strong load tray on a longer wheel base ensures stability in start-stop conditions, even on gradients. It features a larger capacity fuel tank for more range and greater uptime. Its 236 cc engine coupled with a maintenance-free constant velocity (CV) shaft and wheel ends ensures better driveability as well as transmission efficiency.

MAXIMA XWIDE CNG AND LPG

Maxima Xwide CNG has been launched to explore new markets not yet represented by our Maxima platform. The Maxima Xwide CNG offers twin CNG cylinders with 60 litre capacity and a spacious passenger body. Comfortable head-and-shoulder-room ensures relaxed sitting as well as sufficient luggage room. These features ensure longer range and more uptime for the vehicle. As in the Maxima Cargo Petrol, this variant also has a 236 cc engine coupled with maintenance-free CV shaft and wheel ends. Newly styled Scudo extensions give the vehicle looks that are commensurate with its wider body dimensions. We also successfully launched the LPG variant.



Operations, Productivity and Quality

TPM

Bajaj Auto's 'back end' consists of its manufacturing, engineering, development and materials functions. It is our endeavour to make TPM as the Prime Mover towards excellence in our work culture. 'The TPM way' has been successfully extended to include Bajaj Auto's vendors and distributor plants with an aim to create a work culture of achieving across-the-Board excellence.

Bajaj Auto's TPM at manufacturing plants

Bajaj Auto now has a 'first-in-the-industry' status of having all its manufacturing plants certified for 'Special Award for TPM Achievement' by Japan Institute for Plant Maintenance (JIPM). In FY2019, our commercial vehicles and the Pantnagar plants underwent a detailed two-stage assessment for the 'Special Award' by JIPM auditors. The auditors were appreciative of our TPM methodology and the results achieved at both these plants. Thus, these plants, too, were conferred the 'Special Award for TPM Achievement'.

Incidentally, during FY2020, our Chakan plant will be challenging the 'Advance Special TPM Award', which is a step away from being recognised as 'World Class' by JIPM.

Having achieved the level of 'Special Award for TPM' by JIPM for all four plants, our TPM has now moved to the next level with a unique three-pronged approach, which involves:

- a) 'TPM Deepening', to sustain and further improve on current activities.
- b) 'TPM Widening', to expand scope of TPM pillar activities across the supply chain including Tier I and II suppliers, dealers and distributors.
- c) 'TPM Evolving', to be ready to face the business challenges of the future.

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

Under 'TPM Widening', Manufacturing TPM has now been extended to our seven distributors plants in the export market. A detailed 17-step methodology has been developed for executing this extension.

Our vendor TPM activities

Bajaj Auto's vendor TPM activity is unique to the Indian industry. At present:

- 163 Tier I vendor groups from our supply chain are practicing TPM.
- Of these, 119 have been conferred with the 'BAL TPM Award' and 60 have secured 'BAL TPM Excellence Award'.
- Going further, 21 of the 60 'BAL TPM Excellence' awardees have successfully challenged next level of award, i.e. the 'JIPM award for Excellence in TPM'.
- In addition, BAL's TPM practicing Tier I vendors have extended TPM practices down the supply chain to their vendors. Thus, the TPM way is now being practiced by 267 Tier II vendors. Of these, 120 have been certified as TPM awardees by their respective Tier I vendors.

Under the Safety, Health and Environment pillar of BAL's TPM and in alignment with 'Green Purchase Policy', 135 Tier I vendors out of 163 practicing TPM have been certified for ISO 14001 and OHSAS 18001 as on 31 March 2019.

Our TPM in After-Sales Service

In FY2018, we took a first-in-the-industry initiative of improving our service network by deploying TPM at dealerships. This was implemented as a pilot project across 52 dealers. A structured 17-step methodology was defined under three broad stages — preparation, practicing and recognition. TPM at dealerships is primarily aimed at improving dealer workshop profitability and enhancing customer satisfaction through improvements in service quality. In FY2019, this initiative was expanded to 240 dealerships throughout India.

In addition, another breakthrough initiative was also undertaken during FY2019. This was initiating the 'Kaizen movement' at dealerships. A Kaizen sharing platform called 'www.bajajkaizen.com' was created and made available to all domestic dealers to share their Kaizens and best practices. In a span of eight months, this platform has helped in implementing over 3,000 Kaizens across different dealerships.

Our TPM activity at overseas distributor plants

Manufacturing TPM activities were initiated in our seven distributors plants by nominating and sending TPM experts from Bajaj Auto. Four distributor plants — in Colombia, Argentina, Egypt and Kenya — have achieved good results, with their manpower productivity, production efficiency and right first-time quality improving between 8% and 17%.

Women Employment

Half a decade earlier, we had very few women in our plants and in the engineering workforce. We decided that it was time for a change. In the last couple of years, we have had 'Women Only' assembly lines at the Chakan and Pantnagar plants. Our women employee strength has more than tripled — from 148 in FY2014 to 471 in FY2019. Of them, 358 women are working in manufacturing plants and in engineering. We have begun, but more needs to be done.

Capacity and Productivity Improvements

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

Table 4: Plant-wise Capacities (in units per annum) and Product Range

Plant	As on 31 March 2019		Product range
Waluj	Motorcycles	2,400,000	Boxer, CT, Platina, Discover, Pulsar, V
	Commercial Vehicle	930,000	Passenger Carrier, Good Carrier, Quadricycle
Waluj Subtotal		3,330,000	
Chakan	Motorcycles	1,200,000	Pulsar, Avenger, KTM, Dominar
Pantnagar	Motorcycles	1,800,000	CT, Platina, Discover, V, Pulsar
Grand Total		6,330,000	

March 2019 saw highest ever monthly production of Pulsars at 121,720. For five months of FY2019, our Pulsar production exceeded 100,000 per month, with the annual average coming to an all time high of 91,146 units per month.

As on 31 March 2019, BAL's employee strength stood at 10,258.

Financials

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

Table 5: Summarised Standalone Profit and Loss Statement

Particulars	₹ In Crore)	
	FY2019	FY2018
Operations		
Sales	29,567	25,098
Less: Excise duty	–	398
Net sales	29,567	24,700
Other operating income	973	724
Total operating income	30,540	25,424
Cost of materials consumed, net of expenditures capitalised	21,794	17,386
	71.4%	68.4%
Stores and tools	141	118
	0.5%	0.5%
Employee cost	1,253	1,067
	4.1%	4.2%
Factory, administrative and other expenses	683	655
	2.2%	2.6%
Sales and after sales expenses	1,282	1,053
	4.2%	4.1%
Total expenditure	25,153	20,279
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5,387	5,145
EBITDA %	17.6%	20.2%
Interest	4	1
Depreciation and amortisation	266	315
Operating profit	5,117	4,829
	16.8%	19.0%
CSR spends and donations	112	100
Operating profit less CSR spends and donations	5,005	4,729
Non-operating income	1,359	1,088
Less: Non-operating expense	3	2
Non-operating income, net	1,356	1,086
Profit before tax and exceptional item	6,361	5,815
Exceptional item (Income)/Expense	(342)	32
Profit before tax	6,703	5,783
Tax expense	2,028	1,715
Profit after tax	4,675	4,068
Surplus cash and cash equivalents as on 31 March	16,368	15,542

Bajaj Auto's return on operating capital employed stood at 198%. Surplus cash and cash equivalents as at 31 March 2019 stood at ₹ 16,368 crore compared to ₹ 15,542 crore as at 31 March 2018 — an increase of 5.3%. Our surplus funds are invested in (i) fixed income securities rated A1+ and equivalent for short-term investments, (ii) AA+ and above rated securities for long-term investments, and (iii) fixed deposits with banks.

As is now required for listed companies by the Securities and Exchange Board of India (SEBI), Table 6 gives the key ratios.

Table 6: Key Financial Ratios, Standalone

Particulars	FY2019	FY2018	Remarks
Debtors Turnover Ratio	11.55	16.56	To ensure better stock availability amongst Dealers and other channel partners, Company has extended credit resulting in an increase in amount of trade receivables.
Inventory Turnover Ratio	22.70	23.45	
Current Ratio	1.45	2.25	Investments maturing within next 1 year form part of Current Assets. Value of such investments as on 31 March 2019 was ₹ 1,576 crore as against ₹ 5,765 crore on 31 March 2018.
Operating Profit Margin	16.8%	19.0%	
Net Profit Margin	14.7%	15.3%	
Return on Net Worth	21.5%	21.3%	Return is higher due to growth in profits

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 2018 has been another record year for KTM, with highest sales in units and highest turnover in the history of the company. It sold 211,931 motorcycles, representing a growth of 10.8%. It achieved a turnover of €1.45 billion, or a growth of 9.2% over the previous year. Profit after tax was at €89.8 million (₹ 729 crore), a growth of 13.7%. The proportionate profit to Bajaj Auto Ltd. was €43.05 million (₹ 350 crore), which shows up in the consolidated results.

In its Annual General Meeting for the calendar year 2018, held on 24 April 2019, KTM AG declared a dividend of €2.50 per share, versus €2.25 per share for 2017. Thus, BAIH BV has received €13.01 million (₹ 104 crore) as its share of dividend.

During the year, Bajaj Auto manufactured 99,862 units of KTM Duke at its Chakan plant. Of these, 50,705 units were sold through the Pro-Biking network, and 50,408 were exported.

Consolidation of accounts and segment reporting

Table 7: Segment Revenue and Segment Results

(₹ In Crore)

Particulars	FY2019	FY2018
Segment Revenue		
Automotive	30,540	25,823
Investment and others	1,265	953
Total	31,805	26,776
Segment Results		
Profit/(Loss) from each segment before tax		
Automotive	5,697	4,984
Investment and others	1,263	951
Total	6,960	5,935
Less: Interest	4	2
Profit before tax	6,956	5,933
Profit after tax	4,928	4,219

Outlook

FY2019 has been a good year for Bajaj Auto — for the domestic market and exports, both for motorcycles and commercial vehicles. Although a Management Discussion and Analysis is no place for making forward-looking statements, we expect to continue doing well in FY2020.

For the industry as a whole, we believe that the joker in the pack will be the tough Bharat Stage VI, or BS VI, emission norms that will come into play from 1 April 2020. According to the Supreme Court of India, from that date onwards, no motor vehicle following the currently existing BS IV norms will be allowed to be sold across the country.

As far as Bajaj Auto is concerned, each of our motorcycles, three-wheelers and quadricycles will be fully BS VI compliant not just on 1 April 2020 but some months earlier. However, it is difficult to anticipate the state of BS VI readiness of our competitors. If some, or most, of them have a large stock of unsold BS IV vehicles in the second half of FY2020, they will perforce have to dump these in the market before the advent of 1 April 2020. That could trigger an unwarranted price war, to the detriment of all. We cannot claim that such a scenario will definitely play out; equally we cannot ignore a distinct risk overhang on that account.

Besides this, we expect the domestic market to get more competitive across the various segments. The days when a manufacturer could claim quasi-monopolistic presence in one or more segment is rapidly coming to an end. Given the operational nimbleness that we have demonstrated over the last couple of years, and armed with a surplus of over ₹ 16,000 crore, we at Bajaj Auto have the strength to deal with such competition. A large part of our strength lies in our success in exports, where the markets are not only diverse but also less prone to acute competitive pressures as the domestic market. Our strength also lies in the primacy that we have in the three-wheelers and commercial vehicles segment. Therefore, so long as we have new and exciting models on offer, we can meet the competition and succeed.

The near-term outlook, therefore, should be healthy for Bajaj Auto. So long as there are not too many major market disruptions on account of BS VI. Time will tell which way things move.



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Cautionary Statement

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

CORPORATE GOVERNANCE

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (hereinafter referred to as 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Bajaj Auto Ltd. ('the Company' or 'BAL') for the year 2018-19.

This Report, therefore, states compliance as per requirements of the Companies Act, 2013 and SEBI Listing Regulations, as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws, including SEBI Listing Regulations.

Kotak Committee on Corporate Governance

With the aim of improving standards of Corporate Governance of listed companies in India, SEBI had formed a Committee on corporate governance on 2 June 2017 under the Chairmanship of Shri Uday Kotak. Based on the report of the Kotak Committee on Corporate Governance, the Securities and Exchange Board of India on 9 May 2018 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, some of which became applicable from 1 October 2018 and many from 1 April 2019 respectively. Your Company is in compliance with these provisions.

Philosophy

The commitment of the Bajaj Group to the highest standards of good corporate governance practices predates SEBI and the provisions of the SEBI Listing Regulations. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Bajaj Group. Bajaj Auto Ltd. maintains the same tradition and commitment.

Board of Directors

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

Composition

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

As on 31 March 2019, the Board of the Company consisted of sixteen directors, of whom four were executive (including one Managing Director), eight were non-executive independent (including one woman independent director) and four were non-executive and non-independent. The Board has no institutional nominee director. The Company has an Executive Chairman.

More particulars about the directors are mentioned in the Board's Report.

Number of meetings of the Board

During the year 2018-19, the Board met eight times, viz. 18 May 2018, 20 July 2018, 18 September 2018, 19 September 2018, 24 October 2018, 30 January 2019, 13 March 2019 and 14 March 2019. The gap between any two meetings has been less than one hundred and twenty days.

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for 2018-19

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	7/8	No
Madhur Bajaj	Vice Chairman, non-executive	Brother of Shekhar Bajaj and Niraj Bajaj	8/8	Yes
Rajiv Bajaj	Managing Director and CEO, executive	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	8/8	Yes
Sanjiv Bajaj	Non-executive	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	8/8	Yes
D S Mehta	Non-executive, independent	–	4/8	Yes
Shekhar Bajaj	Non-executive	Brother of Madhur Bajaj and Niraj Bajaj	6/8	Yes
D J Balaji Rao	Non-executive, independent	–	8/8	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	4/5	Yes
P Murari	Non-executive, independent	–	4/8	Yes
Niraj Bajaj	Non-executive	Brother of Madhur Bajaj and Shekhar Bajaj	8/8	Yes
Dr. Gita Piramal	Non-executive, independent	–	8/8	Yes
Pradeep Shrivastava	Executive Director	–	8/8	Yes
Dr. Naushad Forbes	Non-executive, independent	–	7/8	Yes
Dr. Omkar Goswami	Non-executive, independent	–	7/8	Yes
Anami N. Roy	Non-executive, independent	–	8/8	Yes
Rakesh Sharma**	Executive Director	-	3/3	NA

* Manish Kejriwal resigned as non-executive, non-independent director of the Company with effect from 31 December 2018 after office hours.

** Rakesh Sharma was appointed as an additional director and as a whole-time director with the designation of Executive Director w.e.f. 1 January 2019.

Opinion of the Board

The Board hereby confirms that, in its opinion, the independent directors on the Board fulfil the conditions specified in the SEBI Listing Regulations and Companies Act, 2013 and are independent of the management.

Non-executive directors' compensation

The shareholders of the Company vide special resolution passed at the annual general meeting of the Company held on 27 July 2016 have, by way of an enabling provision, approved the payment of commission upto a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of section 197 and 198 of the Companies Act, 2013, to the non-executive directors, in the manner as may be decided by the Board of Directors from time to time during the five year term upto 31 March 2021.

In terms of the said approvals, non-executive directors of the Company are being paid, in addition to the sitting fee of ₹ 100,000 per meeting for every meeting of the Board and its Committees, commission at the rate of ₹ 150,000 per meeting of the Board and its Committees attended by them as member, subject to the overall ceiling of one percent of the net profits. With effect from 1 April 2019, the Commission payable has been enhanced to ₹ 250,000 per meeting by the Board at its meeting held on 13 March 2019.

In consideration of the extra services rendered by Nanoo Pamnani, at the request of the Management during the year 2018-19, Nanoo Pamnani will be paid ₹ 30 lakh (as against ₹ 20 lakh for the year 2017-18) as additional commission for the year 2018-19, pursuant to the aforesaid approvals.

The Company has adopted the Bajaj Auto Employee Stock Option Scheme 2019 (BAL-ESOS 2019) for the benefit of the permanent employees and/or Directors of the Company and/or its holding (if any, in future) and subsidiary Company(ies), but excluding independent directors and any employee who is a promoter or belongs to the promoter group.

Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations. As stated elsewhere, the independent directors of the Company at their meeting held on 14 March 2019 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

Orderly succession to Board and Senior Management

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

Directorships and memberships of Board Committees

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

Table 2: Number of directorships/committee positions of directors as on 31 March 2019

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

Notes:

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

As per declarations received, none of the directors serves as an independent director in more than seven equity listed companies. Further, the Managing Director in the Company does not serve as an independent director in more than three equity listed companies and in fact not even in a single entity.

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.



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Directorships in equity listed Companies

Table 3: Name of equity listed entities where directors of the Company held directorships as on 31 March 2019

Name of director	Name of listed entities	Category
Rahul Bajaj	a) Bajaj Auto Ltd.	Chairman, executive
	b) Bajaj Finserv Ltd.	Chairman, non-executive (upto 16 May 2019)
	c) Bajaj Finance Ltd.	Chairman, non-executive
	d) Bajaj Holdings & Investment Ltd.	Chairman, non-executive (upto 17 May 2019)
Madhur Bajaj	a) Bajaj Auto Ltd.	Vice-Chairman, non-executive
	b) Bajaj Finserv Ltd.	Non-executive
	c) Bajaj Finance Ltd.	Non-executive
	d) Bajaj Holdings & Investment Ltd.	Non-executive
	e) Bajaj Electricals Ltd.	Non-executive
	f) Maharashtra Scooters Ltd.	Chairman, non-executive and nominee
Rajiv Bajaj	a) Bajaj Auto Ltd.	Managing Director and CEO, executive
	b) Bajaj Finserv Ltd.	Non-executive
	c) Bajaj Finance Ltd.	Non-executive
	d) Bajaj Holdings & Investment Ltd.	Non-executive
Sanjiv Bajaj	a) Bajaj Auto Ltd.	Non-executive
	b) Bajaj Finance Ltd.	Vice-Chairman, non-executive
	c) Bajaj Finserv Ltd.	Managing Director and CEO, executive
	d) Bajaj Holdings & Investment Ltd.	Managing Director and CEO, executive
	e) Maharashtra Scooters Ltd.	Non-executive, nominee
D S Mehta	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finance Ltd.	Non-executive, independent
	c) Mukand Ltd.	Non-executive, independent
Shekhar Bajaj	a) Bajaj Auto Ltd.	Non-executive
	b) Bajaj Electricals Ltd.	Chairman and Managing Director, executive
	c) Hercules Hoists Ltd.	Chairman, non-executive
D J Balaji Rao	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Bajaj Finance Ltd.	Non-executive, independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, independent
	e) Ashok Leyland Ltd.	Non-executive, independent
	f) CMI FPE Ltd.	Non-executive, independent

Directorships in equity listed Companies

Table 3: Name of equity listed entities where directors of the Company held directorships as on 31 March 2019 (Contd.)

Name of director	Name of listed entities	Category
Nanoo Pamnani	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Vice-Chairman, non-executive, independent
	c) Bajaj Finance Ltd.	Vice-Chairman, non-executive, independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, independent
P Murari	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Holdings & Investment Ltd.	Non-executive, independent
	c) Fortis Malar Hospitals Ltd.	Non-executive, independent
	d) Aban Offshore Ltd.	Non-executive, independent
	e) Xpro India Ltd.	Non-executive, independent
Niraj Bajaj	a) Bajaj Auto Ltd.	Non-executive
	b) Mukand Ltd.	Chairman and Managing Director, executive
	c) Mukand Engineers Ltd.	Non-executive
Dr. Gita Piramal	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Bajaj Finance Ltd.	Non-executive, independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, independent
Pradeep Shrivastava	a) Bajaj Auto Ltd.	Executive
Dr. Naushad Forbes	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Bajaj Holdings & Investment Ltd.	Non-executive, independent
	d) Zodiac Clothing Company Ltd.	Non-executive, independent
Dr. Omkar Goswami	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finance Ltd.	Non-executive, independent
	c) Dr. Reddy's Laboratories Ltd.	Non-executive, independent
	d) Ambuja Cements Ltd.	Non-executive, independent
	e) Godrej Consumer Products Ltd.	Non-executive, independent
	f) Hindustan Construction Company Ltd.	Non-executive, independent
	g) CG Power and Industrial Solutions Ltd.	Non-executive
Anami N. Roy	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Glaxosmithkline Pharmaceuticals Ltd.	Non-executive, independent
Rakesh Sharma	a) Bajaj Auto Ltd.	Executive

Certificate from Practising Company Secretary

The Company has received a certificate from Shyamprasad D Limaye, practising Company Secretary to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

Review of legal compliance reports

The Board periodically reviews 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, 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.

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 the Company's website www.bajajauto.com/investors/codes-policies

All Directors and Senior Management personnel have affirmed compliance with the Code for 2018-19. A declaration to this effect signed by the Managing Director and CEO is given in this Annual Report.

Maximum tenure of independent directors

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

Formal letter of appointment to independent directors

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

Performance evaluation

In terms of Regulation 19(4) read with section A (2) of Part D of Schedule II to the SEBI Listing Regulations, the Company has framed a policy stipulating the criteria for evaluation of directors and the Board. In light of SEBI's Guidance Note dated 5 January 2017 on Board Evaluation, the Nomination and Remuneration Committee and Board of Directors at their meeting held on 15 March 2017 revised the Policy containing criteria for performance evaluation.

In line with the amendments to section 178(2) of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 13 March 2018 approved the evaluation of the performance of Board, its committees, the chairperson and individual directors to be carried out by the Board only and not to be duplicated by the NRC, with the NRC only reviewing its implementation and compliance.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees, Chairperson and individual directors.

The performance evaluation process followed by the Company for the year 2018-19 was as under:

- The performance evaluation criteria for board, committees of the board, chairperson and directors were approved by the board at its meeting held on 15 March 2017.

- Based on the said criteria, rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of the performance of the board, its committees, chairperson and directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the ratings given by each of the director was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the board, its committees, chairperson and directors during the year under review.
- The report of performance evaluation so arrived at was then noted and discussed by the Board at its meeting held on 13 March 2019, while the Nomination and Remuneration Committee at its meeting held on 13 March 2019 reviewed the implementation and compliance of the Board evaluation process followed by the Company.
- Under law, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director, based on the report of performance evaluation.
- The term of appointment of Nanoo Pamnani and D J Balaji Rao as independent directors ended on 31 March 2019. Based on the report of the performance evaluation and as recommended by the Nomination and Remuneration Committee, their re-appointments for a second term of five years were considered and approved by the Board, subject to approval of shareholders at the general meeting.

Information on the evaluation of Board, non-independent directors and chairperson of the Company as carried out by the independent directors at their meeting held in March 2019 has been furnished in a separate para elsewhere in this Report.

Remuneration Policy

The Board of Directors, at its meeting held on 13 March 2019, approved increasing the commission payable to the directors with effect from 1 April 2019 and the Board has also approved Employee Stock Options scheme for the employees of the Company, its subsidiary(ies) and holding company (if any in future). Accordingly, the Board also amended the Remuneration Policy.

The policy, inter-alia, provides (a) the criteria for determining qualifications, positive attributes and independence of directors (b) a policy on remuneration for directors, key managerial personnel and other employees and (c) Employee Stock Option. The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The detailed Remuneration Policy is placed on the Company's website www.bajajauto.com/investors/codes-policies

Board Diversity Policy

In compliance with the provisions of the SEBI Listing Regulations, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity. The objective of the Policy is to ensure that the Board comprises an adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition as at present broadly meets with the above objective.

Familiarisation programmes

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

The details of familiarisation programmes are placed on the Company's website www.bajajauto.com/investors/codes-policies

Whistle Blower Policy/Vigil mechanism

Pursuant to section 177(9) of Companies Act, 2013, Regulation 22 of the SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Board at its meeting held on 13 March 2019 amended the existing Whistle Blower Policy.

The Whistle Blower Policy/Vigil mechanism provides a mechanism for the director/employee to report without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc. violations and now instances of leak of Unpublished Price Sensitive Information, 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/investors/codes-policies

Dividend Distribution Policy

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

As a green initiative, the Dividend Distribution Policy is placed on the Company's website www.bajajauto.com/investors/codes-policies

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

Subsidiary companies

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

The revised Policy on 'material subsidiaries' in terms of Regulation 16(1)(c) of the SEBI Listing Regulations, as approved by the Board at its meeting held on 13 March 2019 is placed on the Company's website www.bajajauto.com/investors/codes-policies

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

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

Related party transactions

All related party transactions (RPTs) which were entered into by the Company during the year under review, were on arms' length basis and in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material RPTs as per regulation 23 of the SEBI Listing Regulations.

During the year 2018-19, as required under section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, all RPTs were placed before the Audit Committee for approval.

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

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

The revised Policy on materiality of RPTs stipulating the threshold limits and also on dealing with RPTs which was approved by the Board at its meeting held on 13 March 2019, pursuant to SEBI Listing Regulations has been placed on the Company's website www.bajajauto.com/investors/codes-policies

Disclosures

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

Core Skill/Expertise/Competencies

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

Chart/Matrix of such core skills/expertise/competencies is given in the Table 4 below:

Table 4: List of Core Skills/Expertise/Competencies identified by the Board of Directors

Sr. No.	Core Skills/Expertise/Competencies
1	Management and Strategy
2	Global Business Leadership
3	Operations and Engineering
4	Commercial, Purchase and Supply Chain
5	Manufacturing, Automobile Engineering and Project Management
6	Information Technology, Systems and Computers
7	Human Resources and Industrial Relations
8	Sales, Marketing and International Business
9	Research and Development
10	Infrastructure and Real Estate
11	Finance and Taxation
12	Banking, Investment and Treasury and Forex Management
13	Insurance, Mutual Fund and Financial Services
14	Audit and Risk Management
15	Law
16	Corporate Governance and Ethics
17	Economics and Statistics
18	Regulatory, Government and Security matters
19	Academics, Education, Authorship
20	CSR, Sustainability and NGO matters

Audit Committee

Pursuant to the Companies Act, 2013 and the SEBI Listing Regulations, the Company has constituted an Audit Committee. The Board reviews 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.

In compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, all the members are independent, non-executive directors and are financially literate and have accounting or related financial management expertise.

During 2018-19, in line with the provisions of the SEBI Listing Regulations, as amended, the terms of reference of the Committee were revised by the Board at its meeting held on 13 March 2019. The revised terms of reference are in accordance with the Companies Act, 2013 and the SEBI Listing Regulations. The detailed terms of reference of audit committee have been placed on the Company's website www.bajajauto.com/investors/codes-policies

Meetings and attendance

During 2018-19, the Audit Committee met four times viz. on 18 May 2018, 20 July 2018, 24 October 2018 and 30 January 2019. 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.

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

Table 5: Composition of Audit Committee and attendance record of members for 2018-19

<u>Name of director</u>	<u>Category</u>	<u>No. of meetings attended</u>
Nanoo Pamnani	Chairman, Non-executive, independent	4/4
D J Balaji Rao	Non-executive, independent	4/4
Dr. Gita Piramal	Non-executive, independent	4/4
Dr. Naushad Forbes	Non-executive, independent	4/4

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

Nanoo Pamnani, current Chairman of the Audit Committee, was present at the annual general meeting of the Company held on 20 July 2018, to answer shareholders' queries.

Nomination and Remuneration Committee

Pursuant to the Companies Act, 2013 and the SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee.

During 2018-19, in line with the provisions of the SEBI Listing Regulations, as amended, the terms of reference of the Committee were revised by the Board at its meeting held on 13 March 2019. The Committee also acts as a Compensation Committee for implementation of the Bajaj Auto Employee Stock Option Scheme 2019 (BAL-ESOS 2019).

The detailed terms of reference of Nomination and Remuneration committee have been placed on the Company's website www.bajajauto.com/investors/codes-policies

During the year under review, the Committee met four times, i.e. on 20 July 2018, 24 October 2018, 30 January 2019 and 13 March 2019.

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Table 6: Composition of Nomination and Remuneration Committee and attendance record of members for 2018-19

Name of director	Category	No. of meetings attended
D J Balaji Rao	Chairman, non-executive, independent	4/4
Rahul Bajaj	Chairman, executive	3/4
Dr. Naushad Forbes	Non-executive, independent	4/4
Dr. Gita Piramal	Non-executive, independent	4/4

The Company Secretary acted as the Secretary to the Nomination and Remuneration Committee.

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

- i) Noting and review of remuneration payable to senior management personnel one level below the Board.
- ii) Approval of revision in remuneration payable to Executive Director effective from 1 April 2018.
- iii) Approval of revision in the remuneration payable to Managing Director & CEO effective from 1 April 2018.
- iv) Noting of resignation of Manish Kejriwal as non-executive director with effect from 31 December 2018 after office hours.
- v) Appointment of Rakesh Sharma as an additional director and as a whole-time director with the designation of Executive Director with effect from 1 January 2019.
- vi) Approval of fresh Employee Stock Option Scheme and connected matters.
- vii) Noting of non-continuation of P Murari and D S Mehta as independent directors for a second term of five years.
- viii) Appointment of Pradip Shah and Smt. Lila Poonawalla as independent directors with effect from 1 April 2019.
- ix) Re-appointment of Nanoo Pamnani and D J Balaji Rao as independent directors for a second term of five consecutive years.
- x) Appointment of Soumen Ray as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company in place of outgoing CFO Kevin D'sa.
- xi) Review of the implementation and compliance of effective evaluation of performance of Board, its committees, chairperson and individual directors for the year 2018-19.
- xii) Revision in the commission payable to Non-executive Directors with effect from 1 April 2019.
- xiii) Recommendation of payment of additional commission to Nanoo Pamnani.

Bajaj Auto Employee Stock Option Scheme 2019 ("BAL-ESOS 2019")

The BAL-ESOS 2019 has been formulated by the Nomination and Remuneration Committee of the Board with an aim to provide competitive remuneration opportunities to employees of the Company, including through annual incentive plans and long-term incentive plans, was approved by the Board at its meeting held on 30 January 2019, and by the Members of the Company vide Special Resolution through Postal Ballot on 13 March 2019, in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended, ("SEBI SBEB Regulations").

The details on the above Employee Stock Option Scheme(s) as required to be disclosed under the SEBI (SBEB) Regulations, are available on the Company's website i.e. www.bajajauto.com

D J Balaji Rao, Chairman of the Nomination and Remuneration Committee, was present at the annual general meeting of the Company held on 20 July 2018, to answer shareholders' queries.

Risk Management Committee

Pursuant to the SEBI Listing Regulations, the Company has constituted a Risk Management Committee consisting of composition as specified therein. The terms of reference of the Committee which, inter alia, include, to manage the integrated risk, to lay down procedures to inform the Board about risk assessment and minimisation procedures in the Company, to frame, implement and monitor the risk management plan for the Company and perform such other functions as the Board may deem necessary including cyber security etc.

The Company has a Board approved Risk Management framework. The Committee and the Board periodically review the Company's risk assessment and minimisation procedures to ensure that the Management identifies and controls risk through a properly defined framework.

During the year under review, the Company did not trade in nor had any exposure in commodities market.

Table 7: Composition of Risk Management Committee and attendance record of members for 2018-19

Name of director/member	Category	Attendance at the meeting held on 13 March 2019
Nanoo Pamnani	Chairman, non-executive, independent	Yes
D J Balaji Rao	Non-executive, independent	Yes
Kevin D'sa	Chief Financial Officer	Yes

Stakeholders' Relationship Committee

Pursuant to the Companies Act, 2013 and the SEBI Listing Regulations, the Company has constituted a Stakeholders' Relationship Committee. 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 the SEBI Listing Regulations, as amended, the terms of reference of the Committee were revised by the Board at its meeting held on 13 March 2019.

The detailed terms of reference of Stakeholders' Relationship Committee have been placed on the Company's website www.bajajauto.com/investors/codes-policies

During the year under review, the Committee met on 30 January 2019 to, inter alia, review the status of investors' services rendered.

Table 8: Composition of Stakeholders' Relationship Committee and attendance record of members for 2018-19

Name of director	Category	Attendance at the meeting held on 30 January 2019
D J Balaji Rao	Chairman, non-executive, independent	Yes
Dr. Gita Piramal	Non-executive, independent	Yes
Dr. Omkar Goswami	Non-executive, independent	Yes

The Company Secretary of the Company acts as the Compliance Officer.

The Secretarial Auditor was also present.

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

D J Balaji Rao, Chairman of the Stakeholders' Relationship Committee, was present at the annual general meeting of the Company held on 20 July 2018, to answer shareholders' queries.

Table 9: Investors' complaints attended and resolved during 2018-19

Investors' complaints	Attended/resolved during 2018-19
Pending at the beginning of the year	Nil
Received during the year	17
Disposed of during the year	15
Remaining unresolved at the end of the year	2*

*As on 31 March 2019, there were 2 pending issues to be addressed or resolved. These 2 complaints have since been resolved.

Pursuant to regulation 39(4) of the SEBI Listing Regulations 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.

Duplicate Share Certificate Issuance Committee

The Board at its meeting held on 4 February 2016, to meet the requirement of section 46 of the Companies Act, 2013, read with rule 6 of the Companies (Share Capital and Debentures) Rules, 2014 and regulation 39 of the SEBI Listing Regulations constituted a Committee of the Board to approve the issuance of duplicate share certificate in lieu of original share certificate lost or misplaced.

During the year under review, the Committee met once on 4 February 2019.

Table 10: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of members for 2018-19

Name of director	Category	Attendance at the meeting held on 4 February 2019
Rahul Bajaj	Chairman, executive	Yes
Rajiv Bajaj	Managing Director and CEO, executive	Yes
Sanjiv Bajaj	Non-executive	Yes

Independent Directors' meeting

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the SEBI Listing Regulations, the independent directors held their separate meeting on 14 March 2019, without the attendance of non-independent directors and members of the Management, to inter alia discuss the following:

- i) Noting of the report of Performance Evaluation for 2018-19 from Chairman of the Board;
- ii) Review the performance of non-independent directors and the Board as a whole;
- iii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

- iv) 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;
- v) Noting and review of informal meeting with Senior Management Personnel

All independent directors, except P Murari, D S Mehta and Dr. Naushad Forbes, were present at the meeting.

The independent directors present elected Dr. Gita Piramal as Chairperson for the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

Remuneration of directors

Pecuniary relationship/transaction with non-executive directors

During the year under review, there was no pecuniary relationship/transaction with any non-executive directors of the Company.

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

Criteria of making payments to non-executive directors

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

As stated earlier, the Remuneration Policy, inter alia, disclosing the criteria of making payments to directors, key managerial personnel and employees is placed on the Company's website www.bajajauto.com/investors/codes-policies

Non-executive directors

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

Executive directors

During the year under review, the Company paid remuneration to Rajiv Bajaj, Managing Director and CEO, Rahul Bajaj, Executive Chairman, Pradeep Shrivastava, Executive Director and Rakesh Sharma, Executive Director of the Company as provided in detail in an annexure to the Directors' Report in section VI(A) of Form MGT-9, i.e. extract of the Annual Return.

The 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 adopted the Bajaj Auto Employee Stock Option Scheme 2019 (BAL-ESOS 2019) for the benefit of the permanent employees and/or Directors of the Company and/or its holding (if any, in future) and subsidiary Company(ies), but excluding independent directors and any employee, who is a promoter or belongs to the promoter group.

During the year under review, none of the directors was paid any performance-linked incentive, apart from Pradeep Shrivastava, Executive Director.

In 2018-19, the Company did not advance any loans to any of the non-executive directors and/or Managing Director. Details of remuneration paid/payable to directors for the year 2018-19 are provided in an annexure to the Directors' Report in section VI(B) of Form MGT-9, i.e. extract of the Annual Return.

Shareholding of directors

Information on shares held by directors in the Company as on 31 March 2019 is provided in an annexure to the Directors' Report in section IV(v) of Form MGT-9, i.e. extract of the Annual Return.

Management

Management discussion and analysis

This is given as a separate chapter in the Annual Report.

Disclosure of material transactions

Pursuant to regulation 26(5) of the SEBI Listing Regulations, the Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was Nil, except in the case of one member of the Senior Management, in whose case the disclosure was discussed, reviewed and found in order by the Board.

Compliances regarding insider trading

Pursuant to SEBI (Prohibition of Insider Trading Regulations), 2015, the Company had a Board-approved Code of Conduct to regulate, monitor and report trading by insiders ('code of conduct') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('code of fair disclosure').

During the year under review, SEBI has amended SEBI (Prohibition of Insider Trading) Regulations, 2015. In view of the amendment to the said Regulations, the Board of Directors, at its meeting held on 13 March 2019, approved the following, with effect from 1 April 2019:

- a. Revised Code of Conduct to Regulate, Monitor and Report trading by Designated Persons
- b. Revised Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information
- c. Revised Whistle blower policy
- d. Institutional mechanism for prevention of Insider Trading
- e. Amendment to the terms of reference of the Audit Committee
- f. List of designated persons for the Code of Conduct mentioned above

The code of conduct and code of fair disclosure framed by the Company have helped in ensuring compliance with the requirements.

Means of communication

Quarterly, half-yearly and annual financial results and other public notices issued for the shareholders are published in numerous leading dailies, such as Financial Express, Business Standard, Kesari, Mint and Hindu Business Line. 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, including details of the corporate contact persons and share transfer agent of the Company, shareholding pattern etc.

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

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

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

During the previous three years, the Annual General Meetings (AGM) of the Company were held at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 on the following dates and time and special resolutions were passed there-at as under:

<u>Details of AGM</u>	<u>Date and time of AGM</u>	<u>Details of special resolution(s) passed at the annual general meetings, if any</u>
9th AGM	27 July 2016 at 12.15 p.m.	a. Approval of appointment of Pradeep Shrivastava (DIN 07464437) as a Whole-time Director, with the designation of Executive Director b. Approval for payment of commission to non-executive directors for a period of five years commencing from 1 April 2016
10th AGM	20 July 2017 at 12.15 p.m.	Nil
11th AGM	20 July 2018 at 12.15 p.m.	Nil

Special resolutions passed through Postal Ballot during 2018-19

The Company conducted following businesses through Postal Ballot during year 2018-19:

- Approval for the Bajaj Auto Employee Stock Option Scheme 2019.
- Approval for issue and allotment of equity shares to employees of holding (if any, in future) and subsidiary company(ies) under the Bajaj Auto Employee Stock Option Scheme 2019.
- Approval of acquisition of equity shares from secondary market through Trust route for implementation of Bajaj Auto Employee Stock Option Scheme 2019 to the employees of the Company and that of the employees of holding (if any, in future) and subsidiary companies.

Shyamprasad D Limaye, Practising Company Secretary was appointed to act as the Scrutiniser for conducting voting process in a fair and transparent manner.

The Result of the Postal Ballot was announced on 13 March 2019 and details of voting result on the resolutions are as follows:

<u>Sr. No</u>	<u>Description</u>	<u>Votes (No. of shares and %)</u>	
		<u>In favour</u>	<u>Against</u>
1.	Approval for the Bajaj Auto Employee Stock Option Scheme 2019.	209,411,058 (98.04%)	4,185,412 (1.96%)
2.	Approval for issue and allotment of equity shares to employees of holding (if any, in future) and subsidiary company(ies) under the Bajaj Auto Employee Stock Option Scheme 2019.	210,277,104 (98.44%)	3,342,280 (1.56%)
3.	Approval of acquisition of equity shares from secondary market through Trust route for implementation of Bajaj Auto Employee Stock Option Scheme 2019 to the employees of the Company and that of the employees of holding (if any, in future) and subsidiary companies.	210,277,697 (98.44%)	3,341,642 (1.56%)

Procedure for postal ballot

The Company had sent the postal ballot notice dated 30 January 2019 and postal ballot form along with postage pre-paid business reply envelope to members/beneficial owners through email at their registered email IDs and through physical copy to the members who have not registered their email IDs. The Company had also published notice in the newspapers for the information of the members. Voting rights were reckoned on the equity shares held by the members as on the cut-off date. The voting period for postal ballot and E-voting was from 10 February 2019 to 11 March 2019.

The postal ballot results were intimated to the stock exchanges pursuant to regulation 44(3) of the SEBI Listing Regulations, as well as displayed on the Company's website www.bajajauto.com/investors/e-voting-information. The Company has also complied with the procedure for Postal Ballot in terms of the provisions of section 110 of the Companies Act, 2013, read with rule 22 of the Companies (Management and Administration) Rules, 2014.

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing of a special resolution through postal ballot.

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.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Directors' Report of the Company.

Compliance Certificate

The MD and CEO and the 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.

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 2018-19. The Company has been regularly forwarding the quarterly compliance report to the Stock exchanges as required under regulation 27(2) of the SEBI Listing Regulations.

Statutory Auditors

S R B C and Co. LLP are the statutory auditors of the Company. Total fees paid by the Company and its subsidiaries, on a consolidated basis to the auditors including all entities in their network firm/entity of which they are a part is given below:

(₹ In Crore)

Sr. No	Particulars	Statutory Audit Fee	Other Services
1	Bajaj Auto Ltd.	1.64	1.15
2	PT. Bajaj Auto Indonesia	-	-
3	Bajaj Auto International Holdings BV	-	-



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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. This certificate is annexed to the Directors' Report and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.

Compliance of mandatory and discretionary requirements

Mandatory

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

Discretionary

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

1) The Board

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

2) Shareholder rights

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

3) Modified opinion(s) in audit report

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

4) Separate posts of Chairperson and Managing Director/CEO

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

5) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

12th Annual General Meeting

Date	26 July 2019
Time	12.15 p.m.
Venue	Registered office at Mumbai-Pune Road, Akurdi, Pune 411 035.

Financial calendar

Approval of audited annual results for year ending 31 March	April/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

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 with effect from 10 July 2008. Our Registrar and Share Transfer Agent i.e. Karvy Computershare Pvt. Ltd., effective from 17 November 2018 are now Karvy Fintech Pvt. Ltd. (hereinafter referred to as "Karvy"). All the share registry services are now handled in the name of the new entity i.e. Karvy Fintech Pvt. Ltd.

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.

Dates of book closure

The register of members and share transfer books of the Company will remain closed from Saturday, 13 July 2019 to Friday, 26 July 2019, both days inclusive.

Dividend and date of dividend payment

Board of Directors has proposed a dividend of ₹ 60 per equity share (600%) of the face value of ₹ 10 for the financial year 2018-19, subject to approval by the members at the annual general meeting as against ₹ 60 per equity share (600%) for the previous year.

Dividend on equity shares, if declared, at the annual general meeting, will be credited/dispatched between Tuesday, 30 July 2019 and Wednesday, 31 July 2019 as under:

- to all those shareholders holding shares in physical form, as per the details provided by Karvy to the Company, as on or before the closing hours on Friday, 12 July 2019; and

- b) 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, 12 July 2019.

Payment of dividend

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), and SEBI Circular dated 20 April 2018, companies shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, dividend, if declared, will be paid through electronic mode, where the bank account details of the members are available. Where dividend payment is made through electronic mode, intimation regarding such remittance would be sent separately to the members. In case where the dividend cannot be paid through electronic mode, the same will be paid by warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on the warrants.

Pursuant to aforesaid circular, the Company had written to shareholders holding shares in physical form requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode. Those shareholders who are yet to respond to the Company's request in this regard are once again requested to take action in the matter at the earliest.

For enabling payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, on or before Friday, 12 July 2019, updated particulars of their bank account, to Karvy along with a photocopy of a 'cancelled' cheque 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 ensure that such changes are recorded by them correctly on or before Friday, 12 July 2019. The request to update particulars of bank account should be signed as per the specimen signature registered with Karvy/depository participants, as the case may be.

Unclaimed dividends

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

The Ministry of Corporate Affairs (MCA) notified the commencement date as 7 September 2016 for section 124 and a few sub-sections of section 125 of the Companies Act, 2013 and also notified the new Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016'), outlining the detailed procedure for implementation regarding the Fund and the Authority under the Companies Act, 2013. Accordingly, the unpaid/unclaimed dividend for the financial year 2009-10 and 2010-11 were transferred to the Fund in September 2017 and November 2018 respectively.

As previously provided under IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, and now under the IEPF Rules, 2016, the Company filed the necessary particulars of all the unclaimed and unpaid amounts through e-form IEPF 2 with MCA on 17 October 2018 for the financial year ended 31 March 2018. The details of unpaid and unclaimed dividends for the financial years 2010-11 to 2017-18 have been uploaded on the Company's website www.bajajauto.com and also on the website specified by ministry of corporate affairs www.iepf.gov.in/IEPF/service

Unpaid/unclaimed dividend for the financial year 2011-12 shall become due for transfer to the said Fund in August 2019. Members are requested to verify their records and send their claim, if any, for the financial year 2011-12, before the amount becomes due for transfer to the Fund. Communication is being sent to the members, who have not yet claimed dividend for the financial year 2011-12, requesting them to claim the same as well as unpaid dividend, if any, for the subsequent years.

Transfer of shares to IEPF

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

Accordingly, in due compliance of the provisions of rule 6(3) of IEPF Rules, 2016, the Company sent individual letters through Ordinary/Speed Post to such shareholders, in respect of whom dividend for a consecutive period of seven years had remained unpaid. Further, public notice was released in newspapers on 10 December 2016, 25 April 2017 and 21 June 2018.

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

In view of the same, during the year under review, the Company transferred 23,791 equity shares of the face value of ₹ 10 each in respect of 55 shareholders to the Demat Account of the IEPF Authority held with NSDL and filed necessary e-form IEPF-4 with MCA on 29 November 2018. Details of such shareholders, whose shares are transferred to IEPF and their unpaid dividends for the subsequent years are available to the concerned shareholders on the website of the Company at www.bajajauto.com

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

Shareholders are requested to get in touch with the compliance officer for further details on the subject at investors@bajajauto.co.in

Share transfer system

Share transfers received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. The total number of shares transferred in the physical category during 2018-19 were 126,567 shares versus 54,992 shares during 2017-18. The details thereof were placed before the Board on a quarterly basis.

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and bank account details of its concerned shareholder(s) and communications have been sent by the Company to eligible shareholders in this regard. Members are requested to update these details with Karvy/Company at the earliest.

Dematerialisation/rematerialisation of shares

During 2018-19, 812,913 shares were dematerialised, compared to 284,866 shares during 2017-18.

No shares were rematerialised during the year 2018-19.

As per SEBI norms, with effect from 1 April 2019, only transmission or transposition requests can be processed in physical form; All transfers shall be processed in dematerialised form only.

Shares held in physical and electronic mode as on 31 March 2019 are as given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2019		Position as on 31 March 2018		Net change during 2018-19	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	17,563,252	6.07	18,391,011	6.36	(827,759)	(0.29)
Demat						
NSDL	265,641,510	91.80	264,952,908	91.56	688,602	0.24
CDSL	6,162,258	2.13	6,023,101	2.08	139,157	0.05
Sub-total	271,803,768	93.93	270,976,009	93.64	827,759	0.29
Total	289,367,020	100.00	289,367,020	100.00	-	-

Stock code

1. BSE Ltd.	532977
2. National Stock Exchange of India Ltd.	BAJAJ-AUTO
3. ISIN for depositories (NSDL and CDSL)	INE917101010
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. (BSE)	1st Floor, New Trading Ring Rotunda Building, P J Tower, Dalal Street, Fort, Mumbai 400 001.
2. National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, 5th Floor Plot No.C-1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai 400 051.

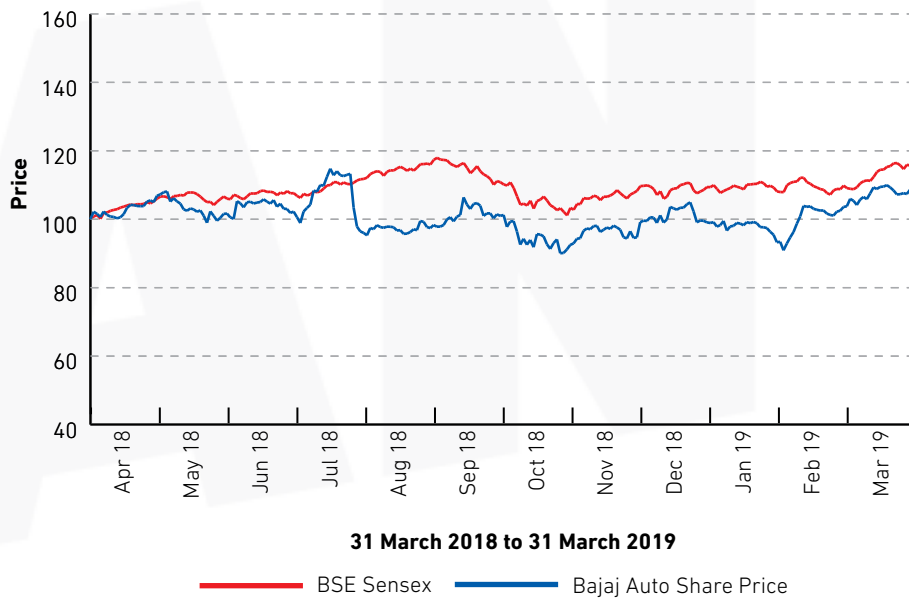
Pursuant to the SEBI Listing Regulations, the Company has entered into uniform Listing Agreement with BSE and NSE. For the year 2018-19, the listing fees payable to these stock exchanges have been paid in full.

Market price data

Table 2: Monthly highs and lows of Company's shares during 2018-19
(₹ vis-à-vis BSE Sensex)

Month	BSE		NSE		Closing BSE Sensex
	High	Low	High	Low	
Apr 18	2,976.35	2,747.00	2,977.50	2,746.25	35,160.36
May 18	3,183.80	2,701.10	3,043.40	2,703.50	35,322.38
Jun 18	2,948.60	2,705.00	2,939.40	2,705.40	35,423.48
Jul 18	3,213.95	2,604.00	3,194.95	2,605.00	37,606.58
Aug 18	2,771.55	2,610.00	2,770.00	2,606.00	38,645.07
Sep 18	2,950.00	2,638.00	2,949.00	2,636.00	36,227.14
Oct 18	2,765.00	2,425.00	2,769.90	2,420.00	34,442.05
Nov 18	2,769.45	2,569.55	2,769.70	2,568.05	36,194.30
Dec 18	2,900.00	2,669.40	2,905.00	2,670.00	36,068.33
Jan 19	2,745.00	2,461.00	2,747.25	2,461.10	36,256.69
Feb 19	2,937.75	2,545.05	2,941.00	2,543.00	35,867.44
Mar 19	3,045.25	2,820.00	3,047.80	2,814.80	38,672.91

Bajaj Auto Ltd. stock performance vs BSE Sensex, during 2018-19,
indexed to 100 on 31 March 2018



Distribution of shareholding

Table 3 gives details about the pattern of shareholding across various categories as on 31 March 2019, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholdings across categories as on 31 March 2019

Categories	31 March 2019		31 March 2018	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	148,105,032	51.18	142,657,982	49.30
Friends and associates of promoters	29,822,882	10.31	30,180,364	10.43
FPIs/FILs	45,254,414	15.64	49,769,919	17.20
Public Financial Institutions	14,649,522	5.06	17,960,296	6.21
Mutual Funds	6,282,566	2.17	6,282,828	2.17
Nationalised and other banks	263,269	0.09	266,577	0.09
NRIs and OCBs	1,410,604	0.49	1,093,692	0.38
Others	43,578,731	15.06	41,155,362	14.22
Total	289,367,020	100.00	289,367,020	100.00

Table 4: Distribution of shareholding according to size class as on 31 March 2019

Category	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	103,202	94.21	4,484,485	1.55
501 to 1000	2,221	2.03	1,634,799	0.56
1001 to 2000	1,369	1.25	1,979,639	0.68
2001 to 3000	614	0.56	1,529,585	0.53
3001 to 4000	382	0.35	1,348,173	0.47
4001 to 5000	258	0.23	1,170,499	0.41
5001 to 10000	578	0.53	4,180,195	1.44
10001 and above	917	0.84	273,039,645	94.36
Total	109,541	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 were relating to non-receipt of dividend by warrants as well as through electronic clearing service, non-receipt of annual report, non-receipt of dividend, fraudulent transfer of shares, non-receipt of transferred shares and change of address and/or bank particulars. As on 31 March 2019, there were 2 pending issues to be addressed or resolved. These 2 complaints have since been resolved.

During the year, letters were received from SEBI/ROC/Stock Exchanges/Investors concerning 17 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 a few action remained to be taken at the Company's end.



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Demat suspense account with HDFC Bank for unclaimed shares

In accordance with the provisions contained in clause 5A of the erstwhile Listing Agreement (now corresponding to regulation 39(4) of the SEBI Listing Regulations) 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.

The summary of this account for the year 2018-19 is as follows:

Sr. No.	Particulars	No. of shareholders	No. of shares
i.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1 April 2018	40	5,426
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2018-19	-	-
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2018-19	-	-
iv.	No. of shares transferred to IEPF Authority during the year 2018-19	7	2,100
v.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31 March 2019	33	3,326

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.

Credit Rating

The Company has neither issued any debt instruments nor undertaken any fixed deposit programme or any scheme or proposal involving mobilisation of funds, whether in India or abroad.

However, the Company has obtained on 28 December 2018 'FAAA' rating from CRISIL on the Fixed Deposits of the Company. This rating indicates that the degree of safety of timely payment of interest and principal is very strong.

Webcast of proceedings of Annual General Meeting

As per SEBI notification dated 9 May 2018, top 100 listed entities shall, w.e.f. 1 April 2019, provide one-way live webcast of the proceedings of the Annual General Meetings. Accordingly, the Company is taking necessary steps to meet this requirement in the ensuing Annual General Meetings scheduled on 26 July 2019.

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, every listed company is required to provide its members, the facility to exercise their right to vote at general meetings by electronic means.

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

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

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

Cut-off date, as per the said Rules, shall be 19 July 2019 and the remote e-voting shall be open for a period of three days, from 23 July 2019 (9.00 a.m.) till 25 July 2019 (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 Twelfth Annual General Meeting and is also placed on the Company's website.

Outstanding convertible instruments/ADRs/GDRs/warrants

The Company does not have any outstanding convertible instruments/ADRs/GDRs/warrants as on date of this Report.

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, Mahalunge Village, Chakan 410 501 Dist. Pune (Maharashtra)
4. Plot No. 2, Sector-10, IIE Pantnagar, Udham Singh Nagar 263 531 (Uttarakhand)

Address for correspondence

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

Share transfer agent

Karvy Fintech Pvt. Ltd. (previously known as 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 2222/1562
Fax No: (040) 2300 1153
Toll free No: 1800 345 4001
Email: mohsin.mohd@karvy.com
Website: www.karvyfintech.com

Company

Bajaj Auto Ltd.

Mumbai-Pune Road,
Akurdi, Pune 411 035.

Company Secretary and Compliance Officer

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

DIRECTORS' REPORT

The Directors present their Twelfth Annual report and Audited Financial Statements for the year ended 31 March 2019.

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	FY2019	FY2018
Motorcycles	4,236,873	3,369,334
Commercial vehicles	782,630	637,457
Total	5,019,503	4,006,791
Of which Exports	2,078,730	1,662,577

Particulars	FY2019	FY2018
		(₹ In Crore)
Total revenue	31,899.27	26,910.51
Total expenses	25,538.11	21,095.94
Profit before exceptional items and tax	6,361.16	5,814.57
Exceptional items	(342.00)	32.00
Profit before tax	6,703.16	5,782.57
Tax expense	2,027.98	1,714.47
Profit for the year	4,675.18	4,068.10
Earnings per share (₹)	161.6	140.6

Closing balances in reserve/other equity

Particulars	FY2019	FY2018
		(₹ In Crore)
General reserve	4,921.60	4,453.60
Retained earnings	16,451.58	14,321.65
Cash flow hedging reserve	60.31	79.72
Costs of hedging reserve	(17.47)	(40.48)
FVTOCI reserve	74.51	–
Total	21,490.53	18,814.49

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

Dividend

The directors recommend for consideration of the shareholders at the ensuing annual general meeting, payment of a dividend of ₹ 60 per equity share, (600%) for the year ended 31 March 2019. The amount of dividend and the tax thereon aggregate to ₹ 2,093.08 crore.

For the year ended 31 March 2018, the dividend paid was ₹ 60 per share of ₹ 10 each (600%) and the total dividend and the tax thereon to the extent applicable aggregated to ₹ 2,093.08 crore.

Share capital

The paid-up equity share capital as on 31 March 2019 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 or 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 6.33 million units per annum.

As regards the Company's much awaited Quadricycle – QUTE, launch of the product and sale has commenced in few states where the Company has received requisite approvals for sale. The response has been positive.

4,400 (nos.) of Qute were sold in various international markets during the year 2018-19, as against 1,605 (nos.) in the year 2017-18.

During the year under review, 627 (nos.) of Qute were sold in domestic markets.

Research and Development and technology absorption

A) Products

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

B) Process

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

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

C) Technology

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

D) Outgo

The expenditure on research and development during 2018-19 and in the previous year was:

(₹ In Crore)

Particulars	FY2019	FY2018
i. Capital (including technical know-how)	64.00	38.58
ii. Recurring	392.35	334.11
Total	456.35	372.69
iii. Total research and development expenditure as a percentage of sales	1.54%	1.48%

Conservation of energy

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

Significant reduction in energy consumption has been achieved by various means as shown hereunder:

A) Electrical energy

- Use of IGBT based rectifier in place of conventional SCR based rectifier for ED process
- Provision of Energy Efficient Pumps for ETP/STP, Water Supply and Fire Systems
- Use of Energy Efficient LED Lighting for Street Lights, Shops and Offices
- Optimising compressed air pressure by use of portable Small Compressors on holidays
- Use of energy efficient air conditioner in place of conventional air conditioner
- Optimisation of processes and operational control
- Installation of common grid for compressed air to balance compressors loading
- Use of Mid Frequency DC Welding Machine in place of AC Welding Machine for Seam Welding Process
- Use of Active filters for harmonic suppression to reduce energy loss

B) Water

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

C) LPG/propane

- Thermal imaging/audit for ovens in paint shop and countermeasure
- Weight reduction of hangers in paint shop to reduce heat losses
- Burner efficiency improvement through efficient burners
- Teflon coated gratings in painting booth to eliminate cleaning activity through fluidised bed
- Upgradation of furnace insulation to reduce heat losses
- Provision of hydromax solution for hot water generator to reduce fuel consumption
- Continued usage of low temperature chemicals for pre-treatment process

D) Utilisation of renewable energy-key initiatives

- Use of solar energy through Roof Top Solar Power System.
 - Akurdi Total Capacity – 2 MWp
 - Chakan Total Capacity – 2 MWp
 - Total Solar energy generated – 53.25 lakh KWH
- Installation of daylight pipes in plants.

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	
	FY2019	FY2018
Electricity consumption	5.53	3.60
Water consumption	3.27	5.53
LPG/PNG consumption	1.05	2.37

Investment/savings

Description	(₹ In Crore)	
	FY2019	FY2018
Investment for energy conservation activities	1.51	2.90
Recurring savings achieved through above activities	3.73	2.47

Awards and Accolades

BAL Commercial vehicles manufacturing plant at Waluj and the Motorcycle manufacturing plant at Pantnagar received the Special award for TPM achievement from JIPM, Japan. This award is for a plant that has achieved a very high level in its practice of TPM methodology.

With this achievement, Bajaj Auto becomes the only OEM in the auto industry, where all its manufacturing plants have achieved the Special award for TPM practice.

International Business

Bajaj Auto's 22% growth in motorcycles and 43% growth in commercial vehicles means that it remains by far, India's No.1 exporter of two and three wheelers. It exports to over 79 countries in Latin America, Africa, South Asia, Middle East, Asia Pacific and Europe. During the year under review, exports accounted for 40.1% of the Company's net sales as against 39.3% in FY18. 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 ₹ 11,434.23 crore, as compared to ₹ 9,281.46 crore during the previous year.

Total foreign exchange outflow during the year under review was ₹ 973.07 crore, as against ₹ 673.41 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.

The wage settlements signed for a period of 9 years for Chakan and Akurdi Plants are expiring on 31 March 2019 and 30 June 2019 respectively. The process for signing new settlements for both the plants has already been initiated and all efforts are being made to complete the process amicably in a congenial atmosphere.

With the active participation and involvement of all employees, we have been able to inculcate TPM culture for excellence and continuous improvement across all plants. Plants have received many awards during the year from Confederation of Indian Industry (CII), Quality Circle Forum of India (QCFI) and other organisations.

Two workmen, one each from Facility Engineering – MCD and Spare Operations at Waluj plant have been declared winner of Prime Minister's 'Shram Veer' Award for the year 2017.

Various Employee Engagement activities like monthly Kaizen competitions, trekking events, sports competitions, yoga sessions, signing competitions, appreciation of meritorious students and felicitation of newly married couple are being organised to inculcate sense of belongingness amongst the employees across the plants.

Subsidiaries and joint ventures

PT. Bajaj Auto Indonesia (PT BAI)

Routine business operations of PT. Bajaj Auto Indonesia, a 99.25% subsidiary of Bajaj Auto, remain discontinued.

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

The business model decided has been to export directly from India to local Indonesian distributor to be monitored and managed by PT. Bajaj Auto Indonesia. Further, the CKD configurations have been planned and PT. Bajaj Auto Indonesia will work with the distributors and take the responsibility of getting the KTM products in the market ensuring the right quality standards.

Bajaj Auto International Holdings BV, Netherlands (BAIH BV)

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

Over the years, through this subsidiary, Bajaj Auto has invested a total of € 198.1 million (₹ 1,219 crore), and holds approximately 48% stake in KTM AG of Austria (KTM). Calendar year 2018 has again been a record year for KTM, with highest sales in units and again highest turnover in the history of the Company. Detailed information on the developments at the subsidiary and KTM AG is provided in the Management Discussion and Analysis Report.

During the year under review, dividend received from BAIH BV amounted to ₹ 94 crore.

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

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

Adoption of Confederation of Indian Industry (CII) Charters

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

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

Extract of Annual Return

The extract of annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013, in the prescribed form MGT-9 is annexed to this Report and also on the company's website www.bajajauto.com/investors/annual-reports

Number of meetings of the Board

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

Directors' responsibility statement

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

- in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

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

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

Declaration by independent directors

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013, as amended and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), as amended.

The Board took on record the declaration and confirmation submitted by the Independent Directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the Listing Regulations.

Directors' Remuneration Policy and criteria for matters under section 178

The Board, at its meeting held on 13 March 2019, has revised the commission from ₹ 150,000 to ₹ 250,000 payable per meeting to all non-executive directors (including independent directors) for meetings of Board and Committees thereof attended by them from 1 April 2019 onwards as member.

The salient features and changes to the Policy on directors' appointment and remuneration form a part of the 'Corporate Governance Report'. The said policy is placed on the Company's website www.bajajauto.com/investors/codes-policies

Particulars of loans, guarantees or investments

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

Related party transactions

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

During the year 2018-19, pursuant to section 177 of the Companies Act, 2013 and Regulation 23 of Listing Regulations, all RPTs were placed before the Audit Committee for its approval.

Pursuant to Regulation 23 of Listing Regulations, the Board, at its meeting held on 13 March 2019, has revised the policy on materiality of RPTs and on dealing with RPTs inter alia by including clear threshold limits.

The revised Policy on materiality of RPTs as approved by the Board is uploaded on the Company's website www.bajajauto.com/investors/codes-policies

Material changes and commitments

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

Risk Management Policy

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

Corporate Social Responsibility (CSR)

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

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

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

Presentation of financial statements

The financial statements of the Company for the year ended 31 March 2019 have been disclosed as per Division II of Schedule III to the Companies Act, 2013.

Indian Accounting Standards, 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of 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 Listing Regulations, as prescribed by SEBI.

Statutory disclosures

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

The audited financial statements for each of the subsidiary companies will be kept for inspection by any member of the Company at its registered office during business hours. The same are placed on the Company's website www.bajajauto.com

Details as required under the provisions of section 197(12) of the Companies Act, 2013, read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this report.

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

A Cash Flow Statement for the year 2018-19 is attached to the Balance Sheet.

Pursuant to the legislation 'The Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has a Policy on Prevention of Sexual Harassment at Workplace.

During the year under review, one complaint was received from one of the employees, which was investigated and redressed by the Internal Complaints Committee formed under the aforesaid Act and closed.

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

Directors and Key Managerial Personnel-changes

A. Changes in Directors:

I. Cessation of Directors:

- (a) Manish Kejriwal (DIN 00040055), a non-executive director of the Company, on account of his pre-occupation with his business and various interests, resigned as director of the Company from the close of office hours on 31 December 2018. The Board recorded its sincere appreciation for his valuable contribution during his long association with the Company.
- (b) D. S. Mehta (DIN 00038366) and P Murari (DIN 00020437) have signified their intention not to continue as an Independent Director of the Company for another term, due to their other priorities, pre-occupations and health reasons. They have ceased to be directors of the Company from the close of business hours on 31 March 2019. The Board recorded its sincere appreciation for their valuable contribution during their long association with the Company.

II. Appointment/Re-appointment of Directors:

- (a) The Board at its meeting held on 24 October 2018, pursuant to the recommendation of Nomination and Remuneration Committee and subject to necessary approval of shareholders, appointed Rakesh Sharma (DIN 08262670) as additional director and Whole-time Director, with the designation as Executive Director of the Company for a period of five years with effect from 1 January 2019.
- (b) The Board at its meeting held on 13 March 2019, pursuant to the recommendation of Nomination and Remuneration Committee, appointed Smt. Lila Poonawalla (DIN 00074392) and Pradip Shah (DIN 00066242) as Additional Directors and Independent Directors for a period of 5 years with effect from 1 April 2019. Under Regulation 17(1A) of Listing Regulations, consent of the Members by way of Special Resolution is sought by the Company in compliance with Regulation 17(1A) of Listing Regulations, for continuance of Smt. Lila Poonawalla beyond 16 September 2019 on account of her attaining the age of 75 years on that date.
- (c) At the aforesaid meeting, the Board taking into account the Report of performance evaluation and the recommendation of Nomination and Remuneration Committee, re-appointed following independent directors for a second consecutive term:

Sr. No.	Name of Independent Director	Tenure of Second term
1.	Nanoo Pamnani (DIN 00053673)*	Five years w.e.f. 1 April 2019
2.	D J Balaji Rao (DIN 00025254)**	Five years w.e.f. 1 April 2019

*Under Regulation 17(1A) of Listing Regulations, consent of the Members by way of Special Resolution is sought by the Company in compliance with Regulation 17(1A) of Listing Regulations, for continuance of Nanoo Pamnani beyond 26 February 2020 on account of his attaining the age of 75 years on that date.

**Under Regulation 17(1A) of Listing Regulations, consent of the Members by way of Special Resolution is sought by the Company in compliance with Regulation 17(1A) of Listing Regulations, for continuance of D J Balaji Rao beyond 1 April 2019 on account of his having already attained the age of 75 years as on 1 April 2019.

Necessary details regarding their appointment and re-appointment as required under the Companies Act, 2013 and Listing Regulations, are given in the notice of annual general meeting. The aforesaid appointments are subject to approval of shareholders at the ensuing annual general meeting.

III. Retirement by Rotation:

The independent directors hold office for a fixed term not exceeding five years from the date of their appointment and are not liable to retire by rotation.

The Companies Act, 2013 mandates that at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Accordingly, Sanjiv Bajaj (DIN 00014615) and Pradeep Shrivastava (DIN 07464437), Directors, being the longest in the office amongst the directors liable to retire by rotation, retire from the Board by rotation this year and, being eligible, have offered their candidature for re-appointment.

Brief details of Sanjiv Bajaj and Pradeep Shrivastava, Directors, who are seeking re-appointment are given in the notice of annual general meeting.

B. Change in Key Managerial Personnel:

The Board at its meeting held on 13 March 2019, pursuant to the recommendation of Nomination and Remuneration Committee appointed Soumen Ray as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 18 May 2019 in place of Kevin D'sa, 65 years, who after a long distinguished tenure would be ceasing as Chief Financial Officer of the Company w.e.f. closing hours of 17 May 2019.

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

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

Significant and material orders passed by the regulators or courts

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

Details of internal financial controls with reference to the financial statements

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

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

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

Corporate governance

Pursuant to Listing Regulations, 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 2018-19. A declaration to this effect signed by the Managing Director and 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 Listing Regulations.

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

Employee stock option scheme

During the year under review, the Company has approved Bajaj Auto Employee Stock Option Scheme 2019 (BAL-ESOS 2019) of the Company. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ('the SBEB Regulations').

Pursuant to the approval by the shareholders and in-principle approval given by the Stock Exchanges, the Company can grant upto 5,000,000 options to the eligible employees of the Company under the BAL-ESOS 2019.

Disclosures pertaining to the ESOP Scheme pursuant to the SBEB Regulations are placed on the Company's website www.bajajauto.com/investors/annual-reports

Business Responsibility Report

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

Since Bajaj Auto Ltd. is one of the top 500 listed entities, the Company, as in the previous years, has presented its BR Report for the year 2018-19, 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/investors/annual-reports

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

Secretarial Standards of ICSI

Pursuant to the approval given on 10 April 2015 by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1 July 2015. The said standards were further amended w.e.f. 1 October 2017. The Company is in compliance with the same.

Statutory Auditor

Pursuant to the provisions of section 139 of the Companies Act, 2013, the members at the annual general meeting of the Company held on 20 July 2017 appointed S R B C and CO LLP (Firm Registration No. 324982E/E300003) as statutory auditors of the Company from the conclusion of Tenth annual general meeting till the conclusion of Fifteenth annual general meeting, covering one term of five consecutive years.

The statutory audit report for the year 2018-19 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

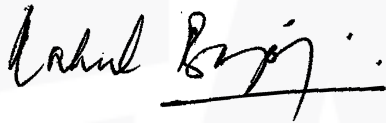
Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has re-appointed Shyamprasad D Limaye, Practising Company Secretary (Membership No.1587, CP No. 572) to undertake the secretarial audit of the Company. Secretarial audit report for the year 2018-19 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.

In addition to the above and pursuant to SEBI Circular dated 8 February 2019, a Report on secretarial compliance by Shyamprasad D Limaye for the year ended 31 March 2019 is being submitted to stock exchanges. There are no observations, reservations or qualifications in the said Report.

On behalf of the Board of Directors,



Rahul Bajaj
Chairman

Pune: 17 May 2019

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 vision and philosophy of late Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility (CSR) activities of the group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that 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 by 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 and the reason behind the smiles that light up a million faces.

It is this goodwill that has made us **"The World's Favourite Indian"**

Guiding principles

The Bajaj Group believes that social investments should:

- **Benefit generations:** The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for self-reliance and growth:** To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- **Promote health:** The Company believes good health is a pre-requisite for both education and productivity.
- **Encourage for self-help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Be focused:** The Company believes that activities should be focused around locations where it has a presence and hence can effectively guide, monitor and implement specific projects.
- **Target those who need it most:** Care for the sections of the society, which are socially at the lowest rung irrespective of their religion or caste or language or colour.
- **Sustain natural resources:** The Company encourages balanced development and ensures least adverse impact on environment – Growth with Mother Nature's blessings.

CSR Policy

A detailed CSR Policy was framed by the Company on 14 May 2014, with approvals of the CSR Committee and Board of Directors. The Policy, inter alia, covers the following:

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

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

The CSR Policy is placed on the Company's website www.bajajauto.com/pdf/csr-policy-bal.pdf

2. Composition of the CSR Committee

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

Rahul Bajaj, Chairman
 Rajiv Bajaj
 Nanoo Pamnani
 Pradeep Shrivastava

During the year under review, the Committee met four times on 20 September 2018, 9 October 2018, 19 December 2018, and 22 February 2019.

3. Average net profit of the Company for last three financial years prior to 2018-19:

₹ 5,559.80 crore

4. Prescribed CSR Expenditure (2% of amount as in item No. 3): ₹ 111.20 crore.

5. Details of CSR spent during the financial year:

Particulars	(₹ In Crore)
a. Total amount to be spent:	111.20
b. Amount spent:	112.32
c. Amount unspent, if any (a-b):	Nil
d. Manner in which the amount spent/committed during the financial year: As provided in enclosed Table 1.	

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

In addition to what is stated above, Bajaj Group implements many CSR initiatives of substantial value through its Group Charitable Trusts operating at various locations in the country.

Major initiatives that continued and/or that were taken up anew by the Bajaj Group through such entities during the year under review are given in another detailed report, which is hosted on the Company's website www.bajajauto.com and a physical copy of this report will be made available to any shareholder on request.

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

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

Rahul Bajaj
 Chairman of CSR Committee

Rajiv Bajaj
 Managing Director and CEO

Pune: 17 May 2019

01



02



03



04



05



- 01. Working with Kailash Satyarthi Children's Foundation
- 02. Jalpujan in Bajaj Conservation Project, Aurangabad
- 03. Paani Foundation (Water Cup 2018) Women in action
- 04. Aerial view of Bajaj Cattle Camp at Mann, Satara
- 05. Children at Computer Shiksha Training at Sikar

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2019

(₹ In Crore)

Sr. No.	Name/details of the implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of the project/ programme (Local area or state/district)	Amount/ outlay approved	Amount spent direct/ overheads during the year	Cumulative Expenditure upto 31 March 2019
1	Kailash Satyarthi Children's Foundation	Action for a child friendly world. To provide assistance for creating a child-friendly world through training, building capacities and networking with NGOs in Maharashtra. It also proposes to generate new knowledge base.	Reducing inequality (iii)	Pan India	15.00	10.00	10.00
2	Grant Medical Foundation, Pune (Ruby Hall)	Supporting purchase of Digital PET machine for Department of Nuclear Medicine at Ruby Hall Clinic To setup a state-of-the-art Nuclear Medicine Department in hospital campus that will house a digital PET scanner for early diagnosis of cancer and a digital SPECT scan machine. The digital PET scan machine would be the first of its kind in the country. Also to construct the Nuclear Medicine Centre admeasuring about 6500 sq.ft. with its own resources.	Healthcare (i)	Pune	7.00	7.00	7.00
3	Jankidevi Bajaj Gram Vikas Sanstha (JBGVS)	Integrated Rural and Urban Development Project To implement integrated rural and urban development projects in select villages and urban areas in its 5 core districts for particular projects like sanitation, E-learning etc. Apart from this, urban development activities are being carried out through Samaj Seva Kendras.	Rural Development (x)	5 Districts of Maharashtra	6.50	6.50	6.50

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2019 (Contd.)

(₹ In Crore)

Sr. No.	Name/details of the implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of the project/ programme (Local area or state/district)	Amount/ outlay approved	Amount spent direct/ overheads during the year	Cumulative Expenditure upto 31 March 2019
4	JBGVS	Maharashtra State Drought 2018 Supporting organisations working on in drought relief work The following two activities are proposed for supporting livestock: 1. Fodder Bank 2. Cattle Camps.	Rural Development (x)	Maharashtra	6.00	6.00	6.00
5	Foundation For Ecological Security, Anand	To restore water resources in water-scarce and ecologically degraded dryland regions.	Environment Sustainability (iv)	Nine districts of Rajasthan, Maharashtra, Karnataka and Andhra Pradesh	27.00	5.40	9.45
6	Indian Institute of Science Education And Research (IISER), Pune	For construction of Hall of residence for girl students	Setting up Homes and Hostels for Women (iii)	Pune	50.00	5.00	45.00
7	JBGVS	Integrated rural and urban development project.	Rural Development (x)	Pune, Aurangabad, Wardha, Sikar and Udhamsingh nagar	38.10	5.00	5.00
8	Paani Foundation, Mumbai	To provide assistance to explore other environmental issues, in addition to the core Water Cup, the key to sustainability is restoring the balance of nature. Paani foundation has proposed two additional items that are given below: a) Samruddha Gaon Spardha b) Schools Programme.	Environmental Sustainability (iv)	Maharashtra	5.00	5.00	5.00
9	RTM Nagpur University	Nagpur University building and Administrative building.	Education (ii)	Nagpur	10.00	4.50	10.00

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2019 (Contd.)

(₹ In Crore)

Sr. No.	Name/details of the implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of the project/ programme (Local area or state/district)	Amount/ outlay approved	Amount spent direct/ overheads during the year	Cumulative Expenditure upto 31 March 2019
10	Abhinav Bindra Foundation Trust	Support for creating Olympic Champions and advance medical rehabilitation-cum-high performance center for sports development. To provide assistance for setting up "Center for Advanced medical rehabilitation cum high performance center for sport development". The center will undertake Athlete Development, Regular and Professional Training, as well as have facilities for Advanced and Speedy Rehabilitation.	Training to promote sports (vii)	Pune	4.50	4.35	4.35
11	Bharatiya Jain Sanghatana	Cattle Relief Camp. For providing fodder and drinking water to 6000 animals.	Environment Sustainability (iv)	Aurangabad, Maharashtra	6.00	4.00	4.00
12	JBGVS-Udhamsingh Nagar	School Support Programme To support school improvement by initiating various programmes i.e. i. Infrastructure Development. ii. Language Teaching and Library project. iii. Any other activity as may be agreed by school management committee.	Education (ii)	Udhamsingh Nagar, Uttarakhand	16.00	3.00	3.00

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2019 (Contd.)

(₹ In Crore)

Sr. No.	Name/details of the implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of the project/ programme (Local area or state/district)	Amount/ outlay approved	Amount spent direct/ overheads during the year	Cumulative Expenditure upto 31 March 2019
13	Prashanti Cancer Care Mission	Upgradation of Infrastructure- Replacement of Digital Mammography machine with new machine with advanced specifications.	Health (i)	Pune	3.00	2.80	2.80
14	Dilasa Sanstha	To provide assistance to improve the livelihood of farmers in a cluster of 20 villages.	Environment Sustainability (iv)	20 villages in Zari and Ralegaon blocks of Yavatmal district	5.40	2.37	2.40
15	Sri Chaitanya Seva Trust	To provide assistance for construction of new building with oncology, super specialty units etc.	Health (i)	Thane	6.00	2.00	5.00
16	Others Through Implementing agencies, such as JBGVS, BAIF Institute for Sustainable Livelihood Development, Bharatiya Yuva Shakti Trust, Teach-to-lead (teach for India), Sri Aurobindo Society etc.	For different projects, such as Water Conservation Project, promotion of livelihood, fostering entrepreneurship, sanitation, Education for slum and deprived children, tree plantation, welfare of armed forces veterans etc.	Environmental sustainability (iv), Livelihood enhancement (ii), Employment enhancing vocation skills and livelihood enhancements projects (ii), Education (ii), Health (i), welfare of armed forces veterans (vi), Rural Development Projects (x) etc.	For different locations in Maharashtra, Rajasthan, Uttarakhand and PAN-India	144.33	36.12	66.34
Total (A)						109.05	
Overhead Expenses (restricted to 5% of total CSR expenditure) (B)						3.27	
GRAND TOTAL (A)+(B)						112.32	

Extract of Annual Return (Form MGT-9)

As on the financial year ended on 31 March 2019

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

I. Registration and other details:

Corporate Identification Number (CIN)	L65993PN2007PLC130076
Registration Date	30 April 2007
Name of the Company	Bajaj Auto Ltd.
Category/sub-category of the Company	Public Company/Limited by shares
Address of the Registered office and contact details	Mumbai Pune Road, Akurdi, Pune – 411 035 E-mail id: investors@bajajauto.co.in Tel. No: (020) 2747 2851
Whether listed company	Yes (BSE and NSE)
Name, Address and contact details of the Registrar and Transfer Agent, if any.	Karvy Fintech Pvt. Ltd. Karvy Selenium Tower B, Plot 31, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032. Contact Persons: M. S. Madhusudhan Mohd. Mohsinuddin Tel No. : (040) 6716 2222/1562 Fax No. : (040) 2300 1153 Toll Free No: 1800 345 4001 E-mail: mohsin.mohd@karvy.com Website: www.karvyfintech.com

II. Principal business activities of the Company

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

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

III. Particulars of holding, subsidiary and associate companies

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



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

i) Category-wise shareholding:

Category of shareholders	No. of shares held at the beginning of the year as on 1 April 2018				No. of shares held at the end of the year as on 31 March 2019				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	12,486,990	-	12,486,990	4.32	12,558,990	-	12,558,990	4.34	0.02
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	130,170,992	-	130,170,992	44.98	135,546,042	-	135,546,042	46.84	1.86
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	142,657,982	-	142,657,982	49.30	148,105,032	-	148,105,032	51.18	1.88
(2) Foreign									
a) NRIs-Individual	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	142,657,982	-	142,657,982	49.30	148,105,032	-	148,105,032	51.18	1.88
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	6,281,978	850	6,282,828	2.17	6,281,716	850	6,282,566	2.17	(0.00)
b) Banks/FI	265,734	19,890	285,624	0.10	320,090	19,890	339,980	0.12	0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	18,059,728	600	18,060,328	6.24	14,686,261	600	14,686,861	5.08	(1.17)
g) FII/FPIs	49,767,619	2,300	49,769,919	17.20	45,252,114	2,300	45,254,414	15.64	(1.56)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Alternate Investment Fund	-	-	-	-	37,698	-	37,698	0.01	0.01
j) Qualified Institutional Buyer	-	-	-	-	4	-	4	-	-
k) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	74,375,059	23,640	74,398,699	25.71	66,577,883	23,640	66,601,523	23.02	(2.69)
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	20,423,945	835,780	21,259,725	7.35	20,836,158	835,780	21,671,938	7.49	0.14
ii) Overseas	-	-	-	-	-	-	-	-	-

i) Category-wise shareholding: (Contd.)

Category of shareholders	No. of shares held at the beginning of the year as on 1 April 2018				No. of shares held at the end of the year as on 31 March 2019				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12,371,558	1,113,027	13,484,585	4.66	13,455,429	801,545	14,256,974	4.93	0.27
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	15,735,167	16,394,809	32,129,976	11.10	15,122,790	15,881,832	31,004,622	10.71	(0.39)
c) Others (specify)									
NBFC Registered with RBI	6,551	-	6,551	0.00	1,551	-	1,551	0.00	
i) Non Resident Indians	1,069,937	23,530	1,093,467	0.38	1,390,149	20,230	1,410,379	0.49	0.11
ii) Overseas Corporate Bodies	-	225	225	0.00	-	225	225	0.00	-
iii) Foreign Nationals	140	-	140	0.00	175	-	175	0.00	0.00
iv) Clearing Members	198,975	-	198,975	0.07	1,671,351	-	1,671,351	0.58	0.51
v) Trusts	4,057,453	-	4,057,453	1.40	4,540,217	-	4,540,217	1.57	0.17
vi) Foreign Bodies-DR	24,600	-	24,600	0.01	24,600	-	24,600	0.01	-
vii) IEPF	54,642	-	54,642	0.02	78,433	-	78,433	0.03	0.01
Sub-total (B)(2)	53,942,968	18,367,371	72,310,339	24.99	57,120,853	17,539,612	74,660,465	25.80	0.81
Total Public Shareholding (B)=(1)+(B)(2)	128,318,027	18,391,011	146,709,038	50.70	123,698,736	17,563,252	141,261,988	48.82	(1.88)
Grand Total (A+B)	270,976,009	18,391,011	289,367,020	100.00	271,803,768	17,563,252	289,367,020	100.00	-

ii) Shareholding of promoters and promoter group:

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2018			Shareholding at the end of the year as on 31 March 2019			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Late Anant Bajaj*	41,464	0.01	-	41,464	0.01	-	-
2	Deepa Bajaj	21,150	0.01	-	21,150	0.01	-	-
3	Geetika Bajaj	600	0.00	-	600	0.00	-	-
4	Kiran Bajaj	118,050	0.04	-	118,050	0.04	-	-
5	Kriti Bajaj	398,820	0.14	-	398,820	0.14	-	-
6	Kumud Bajaj	595,118	0.21	-	595,118	0.21	-	-
7	Madhur Bajaj	1,674,532	0.58	-	1,674,532	0.58	-	-
8	Minal Bajaj	953,950	0.33	-	1,025,950	0.35	-	0.02

ii) Shareholding of promoters and promoter Group: (Contd.)

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2018			Shareholding at the end of the year as on 31 March 2019			% 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	
9	Neelima Bajaj Swamy	661,438	0.23	-	661,438	0.23	-	-
10	Nimisha Jaipuria	389,770	0.13	-	389,770	0.13	-	-
11	Niraj Bajaj	663,022	0.23	-	663,022	0.23	-	-
12	Niravnayan Bajaj	901,056	0.31	-	901,056	0.31	-	-
13	Pooja Bajaj	149,500	0.05	-	149,500	0.05	-	-
14	Rahulkumar Bajaj	2,780,570	0.96	-	2,780,570	0.96	-	-
15	Rajivnayan Bajaj	761,000	0.26	-	767,500	0.27	-	0.01
16	Rishabnayan Bajaj	17,000	0.01	-	10,500	0.00	-	(0.01)
17	Sanjali Bajaj	25,450	0.01	-	59,308	0.02	-	0.01
18	Sanjivnayan Bajaj	632,198	0.22	-	514,724	0.18	-	(0.04)
19	Shefali Bajaj	20,000	0.01	-	61,308	0.02	-	0.01
20	Shekhar Bajaj	7,220	0.00	-	7,220	0.00	-	-
21	Siddhantnayan Bajaj	15,000	0.01	-	57,308	0.02	-	0.01
22	Suman Jain	1,047,008	0.36	-	1,047,008	0.36	-	-
23	Sunaina Kejriwal	613,074	0.21	-	613,074	0.21	-	-
24	Bachhraj And Company Pvt. Ltd.	3,711,756	1.28	-	3,639,756	1.26	-	(0.02)
25	Bachhraj Factories Pvt. Ltd.	1,961,174	0.68	-	1,961,174	0.68	-	-
26	Bajaj Allianz Life Insurance Company Ltd.	125,000	0.04	-	125,000	0.04	-	-
27	Bajaj Finance Ltd.	150	0.00	-	150	0.00	-	-
28	Bajaj Holdings & Investment Ltd.**	91,280,000	31.54	-	96,727,050	33.43	-	1.89
29	Bajaj Sevashram Pvt. Ltd.	4,462,720	1.54	-	4,462,720	1.54	-	-
30	Baroda Industries Pvt. Ltd.	1,670,802	0.58	-	1,670,802	0.58	-	-
31	Hercules Hoists Ltd.	182,590	0.06	-	182,590	0.06	-	-
32	The Hindustan Housing Company Ltd.	20,800	0.01	-	20,800	0.01	-	-
33	Jamnalal Sons Pvt. Ltd.	25,844,400	8.93	-	25,844,400	8.93	-	-
34	Kamalnayan Investment and Trading Pvt. Ltd.	132,200	0.05	-	132,200	0.05	-	-
35	Madhur Securities Pvt. Ltd.	79,400	0.03	-	79,400	0.03	-	-
36	Niraj Holdings Pvt. Ltd.	19,600	0.01	-	19,600	0.01	-	-
37	Rahul Securities Pvt. Ltd.	270,600	0.09	-	270,600	0.09	-	-
38	Rupa Equities Pvt. Ltd.	286,800	0.10	-	286,800	0.10	-	-
39	Sanraj Nayan Investments Pvt. Ltd.	60,000	0.02	-	60,000	0.02	-	-
40	Shekhar Holdings Pvt. Ltd.	63,000	0.02	-	63,000	0.02	-	-
	Total	142,657,982	49.30	-	148,105,032	51.18	-	1.88

Note: Includes shares held in other capacities, as applicable

* Anant Bajaj, part of the promoter group expired on 10 August 2018. 41,464 shares (0.01%) held by him are in the process of transmission.

** Includes 615,142 shares (0.21%) purchased by BHIL on 28 March 2019 which got credited to its demat account on 2 April 2019

iii) Change in Promoters' and promoter group shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 1 April 2018)		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 2018	142,657,982	49.30		
	Date-wise Increase/(decrease)				
1	Bajaj Holdings and Investment Ltd.				
	15/02/2019-Market Purchase	980,684	0.34	143,638,666	49.64
	22/02/2019-Market Purchase	479,614	0.17	144,118,280	49.80
	01/03/2019-Market Purchase	2,022	0.00	144,120,302	49.81
	08/03/2019-Market Purchase	993,188	0.34	145,113,490	50.15
	15/03/2019-Market Purchase	624,437	0.22	145,737,927	50.36
	22/03/2019-Market Purchase	813,105	0.28	146,551,032	50.65
	28/03/2019-Market Purchase	615,142	0.21	147,166,174	50.86
	29/03/2019-Market Purchase	938,858	0.32	148,105,032	51.18
2	Rajivnayan Bajaj				
	24/08/2018-Purchase	6,500	0.00	148,111,532	51.18
3	Sanjivnayan Bajaj				
	08/02/2019-Gift Given	(117,474)	(0.04)	147,994,058	51.14
4	Sanjali Bajaj				
	08/02/2019-Gift Received	33,858	0.01	148,027,916	51.16
5	Shefali Bajaj				
	08/02/2019-Gift Received	41,308	0.01	148,069,224	51.17
6	Rishabnayan Bajaj				
	17/08/2018-Sale	(6,500)	(0.00)	148,062,724	51.17
7	Siddhantnayan Bajaj				
	08/02/2019-Gift Received	42,308	0.01	148,105,032	51.18
8	Minal Bajaj				
	12/04/2018-Market Purchase	72,000	0.02	148,177,032	51.21
9	Bachhraj and Company Pvt. Ltd.				
	12/04/2018-Market Sale	(72,000)	(0.02)	148,105,032	51.18
	At the end of the year 31 March 2019			148,105,032	51.18

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 2018	17,200,152	5.94		
	Date-wise Increase/(decrease)				
	06-04-2018-Sale	(230,338)	(0.08)	16,969,814	5.86
	13-04-2018-Sale	(442,835)	(0.15)	16,526,979	5.71
	20-04-2018-Sale	(326,827)	(0.11)	16,200,152	5.60
	11-05-2018-Sale	(193,354)	(0.07)	16,006,798	5.53
	18-05-2018-Sale	(127,915)	(0.04)	15,878,883	5.49
	25-05-2018-Sale	(73,637)	(0.03)	15,805,246	5.46
	01-06-2018-Sale	(84,581)	(0.03)	15,720,665	5.43
	08-06-2018-Sale	(704,306)	(0.24)	15,016,359	5.19
	15-06-2018-Sale	(695,911)	(0.24)	14,320,448	4.95
	22-06-2018-Sale	(1,023,497)	(0.35)	13,296,951	4.60
	29-06-2018-Sale	(302,612)	(0.10)	12,994,339	4.49
	06-07-2018-Sale	(270,246)	(0.09)	12,724,093	4.40
	13-07-2018-Sale	(787,702)	(0.27)	11,936,391	4.13
	20-07-2018-Sale	(664,598)	(0.23)	11,271,793	3.90
	27-07-2018-Sale	(83,670)	(0.03)	11,188,123	3.87
	03-08-2018-Purchase	1,000	0.00	11,189,123	3.87
	10-08-2018-Purchase	1,340	0.00	11,190,463	3.87
	17-08-2018-Purchase	200	0.00	11,190,663	3.87
	31-08-2018-Purchase	800	0.00	11,191,463	3.87
	18-01-2019-Purchase	158,057	0.05	11,349,520	3.92
	25-01-2019-Purchase	159,905	0.06	11,509,425	3.98
	01-02-2019-Purchase	287,693	0.10	11,797,118	4.08
	08-02-2019-Purchase	131,558	0.05	11,928,676	4.12
	15-02-2019-Purchase	166,823	0.06	12,095,499	4.18
	22-02-2019-Purchase	184,480	0.06	12,279,979	4.24
	01-03-2019-Purchase	242,689	0.08	12,522,668	4.33
	08-03-2019-Purchase	260,524	0.09	12,783,192	4.42
	15-03-2019-Purchase	250,045	0.09	13,033,237	4.50
	22-03-2019-Purchase	140,277	0.05	13,173,514	4.55
	29-03-2019-Purchase	255,815	0.09	13,429,329	4.64
	At the end of the year 31 March 2019			13,429,329	4.64

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
2	Jaya Hind Industries Ltd.				
	At the beginning of the year 1 April 2018	9,498,070	3.28		
	Date-wise Increase/(decrease)				
	24-10-2018 Amalgamation	200,290	0.07	9,698,360	3.35
	At the end of the year 31 March 2019			9,698,360	3.35
3	Maharashtra Scooters Ltd.				
	At the beginning and at the end of the year-No change during the year ended 31 March 2019	6,774,072	2.34	6,774,072	2.34
4	Government Pension Fund Global				
	At the beginning of the year 1 April 2018	4,280,545	1.48		
	Date-wise Increase/(decrease)				
	08-06-2018-Sale	(78,743)	(0.03)	4,201,802	1.45
	15-06-2018-Sale	(42,880)	(0.01)	4,158,922	1.44
	22-06-2018-Purchase	468,833	0.16	4,627,755	1.60
	29-06-2018-Sale	(261)	(0.00)	4,627,494	1.60
	06-07-2018-Sale	(82,700)	(0.03)	4,544,794	1.57
	13-07-2018-Purchase	35,481	0.01	4,580,275	1.58
	27-07-2018-Sale	(29,037)	(0.01)	4,551,238	1.57
	31-08-2018-Sale	(100,000)	(0.03)	4,451,238	1.54
	07-09-2018-Sale	(41,690)	(0.01)	4,409,548	1.52
	12-10-2018-Sale	(19,000)	(0.01)	4,390,548	1.52
	19-10-2018-Sale	(86,914)	(0.03)	4,303,634	1.49
	26-10-2018-Sale	(50,000)	(0.02)	4,253,634	1.47
	02-11-2018-Sale	(91,906)	(0.03)	4,161,728	1.44
	09-11-2018-Sale	(36,524)	(0.01)	4,125,204	1.43
	16-11-2018-Sale	(117,743)	(0.04)	4,007,461	1.38
	01-03-2019-Purchase	126,342	0.04	4,133,803	1.43
	At the end of the year 31 March 2019			4,133,803	1.43

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
5	Niraj Bajaj (as trustee of Yamuna Trust)				
	At the beginning and at the end of the year-No change during the year ended 31 March 2019	3,659,916	1.26	3,659,916	1.26
6	SBI-ETF SENSEX				
	At the beginning of the year 1 April 2018	1,566,571	0.54		
	Date-wise Increase/(decrease)				
	06-04-2018-Purchase	14,112	0.00	1,580,683	0.55
	06-04-2018-Sale	(82,698)	(0.03)	1,497,985	0.52
	13-04-2018-Purchase	3,735	0.00	1,501,720	0.52
	20-04-2018-Purchase	11,931	0.00	1,513,651	0.52
	27-04-2018-Purchase	14,690	0.01	1,528,341	0.53
	04-05-2018-Purchase	10,760	0.00	1,539,101	0.53
	11-05-2018-Purchase	14,678	0.01	1,553,779	0.54
	18-05-2018-Purchase	14,621	0.01	1,568,400	0.54
	25-05-2018-Purchase	9,769	0.00	1,578,169	0.55
	01-06-2018-Purchase	10,612	0.00	1,588,781	0.55
	08-06-2018-Purchase	15,832	0.01	1,604,613	0.55
	15-06-2018-Purchase	9,056	0.00	1,613,669	0.56
	22-06-2018-Purchase	6,573	0.00	1,620,242	0.56
	22-06-2018-Sale	(1,398)	(0.00)	1,618,844	0.56
	29-06-2018-Purchase	9,267	0.00	1,628,111	0.56
	29-06-2018-Sale	(1,175)	(0.00)	1,626,936	0.56
	06-07-2018-Purchase	10,102	0.00	1,637,038	0.57
	13-07-2018-Purchase	11,400	0.00	1,648,438	0.57
	13-07-2018-Sale	(163)	(0.00)	1,648,275	0.57
	20-07-2018-Purchase	9,308	0.00	1,657,583	0.57
	27-07-2018-Purchase	9,313	0.00	1,666,896	0.58
	27-07-2018-Sale	(18)	(0.00)	1,666,878	0.58
	03-08-2018-Purchase	4,864	0.00	1,671,742	0.58
	03-08-2018-Sale	(226)	(0.00)	1,671,516	0.58
	10-08-2018-Purchase	12,788	0.00	1,684,304	0.58
	17-08-2018-Purchase	4,515	0.00	1,688,819	0.58
	24-08-2018-Purchase	12,125	0.00	1,700,944	0.59
	31-08-2018-Purchase	22,569	0.01	1,723,513	0.60
	31-08-2018-Sale	(124)	(0.00)	1,723,389	0.60



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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
	07-09-2018-Purchase	18,107	0.01	1,741,496	0.60
	07-09-2018-Sale	(13)	(0.00)	1,741,483	0.60
	14-09-2018-Purchase	338,137	0.12	2,079,620	0.72
	14-09-2018-Sale	(383)	(0.00)	2,079,237	0.72
	21-09-2018-Purchase	91,695	0.03	2,170,932	0.75
	28-09-2018-Purchase	11	0.00	2,170,943	0.75
	28-09-2018-Sale	(3,437)	(0.00)	2,167,506	0.75
	05-10-2018-Purchase	319,777	0.11	2,487,283	0.86
	12-10-2018-Purchase	105,780	0.04	2,593,063	0.90
	19-10-2018-Purchase	7,181	0.00	2,600,244	0.90
	26-10-2018-Purchase	52,211	0.02	2,652,455	0.92
	02-11-2018-Purchase	14,071	0.00	2,666,526	0.92
	02-11-2018-Sale	(1)	(0.00)	2,666,525	0.92
	09-11-2018-Purchase	8,850	0.00	2,675,375	0.92
	16-11-2018-Purchase	14,602	0.01	2,689,977	0.93
	16-11-2018-Sale	(119)	(0.00)	2,689,858	0.93
	23-11-2018-Purchase	8,424	0.00	2,698,282	0.93
	30-11-2018-Purchase	6,590	0.00	2,704,872	0.93
	07-12-2018-Purchase	808	0.00	2,705,680	0.94
	07-12-2018-Sale	(1,985)	(0.00)	2,703,695	0.93
	14-12-2018-Purchase	5,131	0.00	2,708,826	0.94
	14-12-2018-Sale	(10,652)	(0.00)	2,698,174	0.93
	21-12-2018-Purchase	9,783	0.00	2,707,957	0.94
	21-12-2018-Sale	(1,412)	(0.00)	2,706,545	0.94
	28-12-2018-Purchase	5,626	0.00	2,712,171	0.94
	28-12-2018-Sale	(4,989)	(0.00)	2,707,182	0.94
	31-12-2018-Purchase	6,614	0.00	2,713,796	0.94
	04-01-2019-Purchase	20,583	0.01	2,734,379	0.94
	04-01-2019-Sale	(63)	(0.00)	2,734,316	0.94
	11-01-2019-Purchase	24,919	0.01	2,759,235	0.95
	11-01-2019-Sale	(197)	(0.00)	2,759,038	0.95
	18-01-2019-Purchase	18,104	0.01	2,777,142	0.96
	18-01-2019-Sale	(65)	(0.00)	2,777,077	0.96
	25-01-2019-Purchase	19,785	0.01	2,796,862	0.97
	25-01-2019-Sale	(18)	(0.00)	2,796,844	0.97
	01-02-2019-Purchase	21,014	0.01	2,817,858	0.97
	08-02-2019-Purchase	18,332	0.01	2,836,190	0.98
	15-02-2019-Purchase	11,494	0.00	2,847,684	0.98
	15-02-2019-Sale	(35)	(0.00)	2,847,649	0.98

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
	22-02-2019-Purchase	8,746	0.00	2,856,395	0.99
	22-02-2019-Sale	(164)	(0.00)	2,856,231	0.99
	01-03-2019-Purchase	7,575	0.00	2,863,806	0.99
	01-03-2019-Sale	(32,543)	(0.01)	2,831,263	0.98
	08-03-2019-Purchase	6,506	0.00	2,837,769	0.98
	08-03-2019-Sale	(32,383)	(0.01)	2,805,386	0.97
	15-03-2019-Purchase	8,876	0.00	2,814,262	0.97
	15-03-2019-Sale	(369,196)	(0.13)	2,445,066	0.84
	22-03-2019-Purchase	21,230	0.01	2,466,296	0.85
	22-03-2019-Sale	(31)	(0.00)	2,466,265	0.85
	29-03-2019-Purchase	6,074	0.00	2,472,339	0.85
	29-03-2019-Sale	(288,085)	(0.10)	2,184,254	0.75
	At the end of the year 31 March 2019			2,184,254	0.75
7	Niraj Bajaj (as trustee of Narmada Trust)				
	At the beginning and at the end of the year-No change during the year ended 31 March 2019	2,184,150	0.75	2,184,150	0.75
8	Lazard Emerging Markets Equity Portfolio				
	At the beginning of the year 1 April 2018	2,552,965	0.88		
	Date-wise Increase/(decrease)				
	20-04-2018-Sale	(53,723)	(0.02)	2,499,242	0.86
	01-06-2018-Sale	(36,556)	(0.01)	2,462,686	0.85
	22-06-2018-Sale	(88,789)	(0.03)	2,373,897	0.82
	31-08-2018-Sale	(98,241)	(0.03)	2,275,656	0.79
	05-10-2018-Sale	(71,069)	(0.02)	2,204,587	0.76
	21-12-2018-Sale	(79,714)	(0.03)	2,124,873	0.73
	29-03-2019-Sale	(15,115)	(0.01)	2,109,758	0.73
	At the end of the year 31 March 2019			2,109,758	0.73
9	Amansa Holdings Pvt. Ltd.				
	At the beginning of the year 1 April 2018	-	-		
	Date-wise Increase/(decrease)				
	24-08-2018-Purchase	312,606	0.11	312,606	0.11

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
	31-08-2018-Purchase	171,487	0.06	484,093	0.17
	07-09-2018-Purchase	202,755	0.07	686,848	0.24
	14-09-2018-Purchase	34,263	0.01	721,111	0.25
	28-09-2018-Purchase	377,067	0.13	1,098,178	0.38
	05-10-2018-Purchase	27,219	0.01	1,125,397	0.39
	12-10-2018-Purchase	436,313	0.15	1,561,710	0.54
	26-10-2018-Purchase	95,500	0.03	1,657,210	0.57
	02-11-2018-Purchase	101,430	0.04	1,758,640	0.61
	01-02-2019-Purchase	181,979	0.06	1,940,619	0.67
	08-02-2019-Purchase	7,093	0.00	1,947,712	0.67
	At the end of the year 31 March 2019			1,947,712	0.67
10	Tata Mutual Fund- Tata Equity P/E Fund				
	At the beginning of the year 1 April 2018	559,587	0.19		
	Date-wise Increase/(decrease)				
	06-04-2018-Purchase	27,100	0.01	586,687	0.20
	06-04-2018-Sale	(5)	(0.00)	586,682	0.20
	13-04-2018-Purchase	45,000	0.02	631,682	0.22
	20-04-2018-Purchase	2,000	0.00	633,682	0.22
	27-04-2018-Purchase	90,000	0.03	723,682	0.25
	04-05-2018-Purchase	20,000	0.01	743,682	0.26
	04-05-2018-Sale	(4)	(0.00)	743,678	0.26
	11-05-2018-Purchase	31,500	0.01	775,178	0.27
	18-05-2018-Purchase	30,000	0.01	805,178	0.28
	25-05-2018-Purchase	76,311	0.03	881,489	0.30
	01-06-2018-Purchase	20,000	0.01	901,489	0.31
	08-06-2018-Sale	(45,500)	(0.02)	855,989	0.30
	15-06-2018-Purchase	73,000	0.03	928,989	0.32
	22-06-2018-Purchase	4	0.00	928,993	0.32
	29-06-2018-Purchase	55,504	0.02	984,497	0.34
	06-07-2018-Sale	(5)	(0.00)	984,492	0.34
	13-07-2018-Purchase	305,500	0.11	1,289,992	0.45
	13-07-2018-Sale	(90,000)	(0.03)	1,199,992	0.41
	20-07-2018-Purchase	85,005	0.03	1,284,997	0.44
	27-07-2018-Purchase	173,000	0.06	1,457,997	0.50

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
	27-07-2018-Sale	(2,300)	(0.00)	1,455,697	0.50
	03-08-2018-Purchase	109,011	0.04	1,564,708	0.54
	03-08-2018-Sale	(3)	(0.00)	1,564,705	0.54
	10-08-2018-Sale	(2,654)	(0.00)	1,562,051	0.54
	31-08-2018-Purchase	117,000	0.04	1,679,051	0.58
	07-09-2018-Purchase	42,003	0.01	1,721,054	0.59
	14-09-2018-Purchase	90,000	0.03	1,811,054	0.63
	14-09-2018-Sale	(9)	(0.00)	1,811,045	0.63
	21-09-2018-Purchase	4	0.00	1,811,049	0.63
	28-09-2018-Purchase	8	0.00	1,811,057	0.63
	05-10-2018-Purchase	50,006	0.02	1,861,063	0.64
	12-10-2018-Purchase	15,000	0.01	1,876,063	0.65
	19-10-2018-Purchase	11	0.00	1,876,074	0.65
	26-10-2018-Purchase	95	0.00	1,876,169	0.65
	02-11-2018-Purchase	15,043	0.01	1,891,212	0.65
	30-11-2018-Purchase	50,000	0.02	1,941,212	0.67
	07-12-2018-Purchase	150,012	0.05	2,091,224	0.72
	14-12-2018-Purchase	33,195	0.01	2,124,419	0.73
	21-12-2018-Purchase	35,000	0.01	2,159,419	0.75
	28-12-2018-Purchase	6	0.00	2,159,425	0.75
	04-01-2019-Sale	(18)	(0.00)	2,159,407	0.75
	11-01-2019-Sale	(3)	(0.00)	2,159,404	0.75
	25-01-2019-Purchase	7,000	0.00	2,166,404	0.75
	01-02-2019-Purchase	10	0.00	2,166,414	0.75
	15-02-2019-Sale	(22)	(0.00)	2,166,392	0.75
	01-03-2019-Purchase	1,648	0.00	2,168,040	0.75
	08-03-2019-Purchase	4	0.00	2,168,044	0.75
	15-03-2019-Sale	(250,773)	(0.09)	1,917,271	0.66
	22-03-2019-Sale	(23)	(0.00)	1,917,248	0.66
	29-03-2019-Purchase	765	0.00	1,918,013	0.66
	29-03-2019-Sale	(80,000)	(0.03)	1,838,013	0.64
	At the end of the year 31 March 2019			1,838,013	0.64

v) Shareholding of directors and key managerial personnel:

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Rahul Bajaj				
	At the beginning of the year and at the end of the year-No change during the year ended 31-3-2019	2,780,570	0.96	2,780,570	0.96
2	Madhur Bajaj				
	At the beginning of the year and at the end of the year-No change during the year ended 31-3-2019	1,674,532	0.58	1,674,532	0.58
3	Rajiv Bajaj				
	At the beginning of the year 1-04-2018	761,000	0.26		
	24-08-2018 Purchase	6,500	0.00		
	At the end of the year 31-3-2019	767,500	0.27	767,500	0.27
4	Sanjiv Bajaj				
	At the beginning of the year 1-04-2018	632,198	0.22		
	08-02-2019 Sale	(117,474)	(0.04)		
	At the end of the year 31-3-2019	514,724	0.18	514,724	0.18
5	D S Mehta				
	At the beginning of the year and at the end of the year-No change during the year ended 31-3-2019	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 31-3-2019	7,220	0.00	7,220	0.00
7	Niraj Bajaj				
	At the beginning of the year and at the end of the year-No change during the year ended 31-3-2019	663,022	0.23	663,022	0.23
8	Pradeep Shrivastava				
	At the beginning of the year and at the end of the year-No change during the year ended 31-3-2019	75	0.00	75	0.00
9	Dr. Naushad Forbes				
	At the beginning of the year 1-04-2018	-	-		
	06-09-2018 Purchase	3,500	0.00		
	At the end of the year 31-3-2019	3,500	0.00	3,500	0.00



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

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
10	Kevin D'sa (CFO)				
	At the beginning of the year 1-04-2018	3,620	0.00		
	23-05-2018 Market Purchase	500	0.00		
	26-07-2018 Market Purchase	500	0.00		
	At the end of the year 31-3-2019	4,620	0.00	4,620	0.00

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

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

V. Indebtedness

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

Sr. No.	Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness	(In ₹)
A	Indebtedness at the beginning of the financial year					
i	Principal Amount	-	1,207,659,001	-	1,207,659,001	
ii	Interest due but not paid	-	-	-	-	
iii	Interest accrued but not due	-	-	-	-	
	Total (i+ii+iii)	-	1,207,659,001	-	1,207,659,001	
B	Change in Indebtedness during the financial year					
*	Addition	-	37,564,483	-	37,564,483	
*	Reduction	-	-	-	-	
	Net Change	-	37,564,483	-	37,564,483	
C	Indebtedness at the end of the financial year 31 March 2018					
i	Principal Amount	-	1,245,223,484	-	1,245,223,484	
ii	Interest due but not paid	-	-	-	-	
iii	Interest accrued but not due	-	-	-	-	
	Total (i+ii+iii)	-	1,245,223,484	-	1,245,223,484	

VI. Remuneration of the directors and key managerial personnel

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

						(In ₹)
Sr. No.	Particulars of remuneration	Rajiv Bajaj (MD)	Rahul Bajaj (Chairman)	Pradeep Shrivastava (ED)	Rakesh Sharma (ED)	Total amount
1	Gross Salary					
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	71,678,875	23,437,500	60,224,281	49,685,841	205,026,497
	b. Value of perquisites under section 17(2) of Income-tax Act, 1961	37,123,435	18,399,604	2,569,389	2,064,093	60,156,521
	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	200,169,000	67,500,000	-	-	267,669,000
5	Others, please specify					
	Contribution to PF etc.	14,130,730	4,885,597	3,745,779	3,039,701	25,801,807
	Total (A)	323,102,040	114,222,701	66,539,449	54,789,635	558,653,825
	Ceiling as per the Act					6,760,700,000

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, except Pradeep Shrivastava, Executive Director. The Company has not issued any stock option to any of the directors. The term of Managing Director/whole-time Directors does not exceed five years.

Appointment of Managing Director/whole-time Director is governed by a service contract for a period of five years and notice period is of ninety days and is in compliance with the applicable provision 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	400,000	600,000	-	1,000,000
2.	D J Balaji Rao	1,800,000	2,700,000	-	4,500,000
3.	Nanoo Pamnani	1,300,000	4,950,000	-	6,250,000
4.	P Murari	400,000	600,000	-	1,000,000
5.	Dr. Gita Piramal	1,700,000	2,550,000	-	4,250,000
6.	Dr. Naushad Forbes	1,500,000	2,250,000	-	3,750,000
7.	Dr. Omkar Goswami	800,000	1,200,000	-	2,000,000
8.	Anami N. Roy	800,000	1,200,000	-	2,000,000
	TOTAL (B)(1)	8,700,000	16,050,000	-	24,750,000

B. Remuneration to other directors (Contd.)

(In ₹)

Sr. No.	Name	Fee for attending Board/ Committee meetings	Commission	Others, please Specify	Total
2	Other Non-executive Directors				
1.	Sanjiv Bajaj	800,000	1,200,000	-	2,000,000
2.	Shekhar Bajaj	600,000	900,000	-	1,500,000
3.	Manish Kejriwal	400,000	600,000	-	1,000,000
4.	Niraj Bajaj	800,000	1,200,000	-	2,000,000
5.	Madhur Bajaj	800,000	1,200,000	-	2,000,000
	TOTAL (B)(2)	3,400,000	5,100,000	-	8,500,000
	TOTAL (B)(1) + (B)(2)	12,100,000	21,150,000	-	33,250,000
	Overall Ceiling as per the Act				7,436,800,000

Note: Overall ceiling as per Act is not applicable to Sitting fees paid to non-executive directors.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(In ₹)

Sr. No.	Particulars of remuneration	Dr. J Sridhar (CS)	Kevin D'sa (CFO)
1	Gross Salary		
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,283,498	34,164,954
	b. Value of perquisites under section 17(2) of Income-tax Act, 1961	596,835	1,425,639
	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.	1,077,516	1,934,557
	Total	16,957,849	37,525,150

VII. Penalties/punishment/compounding of offences:

During the year 2018-19, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

Annexure to Directors' Report

Remuneration Details under Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the year ended 31 March 2019

Sr. No.	Name of Director/KMP	Ratio of Remuneration of director to Median Remuneration of employees	% increase in the financial year
(A)	Whole-time directors/Managerial Personnel		
	Rahul Bajaj-Chairman	174.92	(1.37)
	Rajiv Bajaj-Managing Director and CEO	494.80	14.08
	Pradeep Shrivastava-Executive Director	101.90	57.96
	Rakesh Sharma-Executive Director ¹	83.90	NA
	Whole-time Directors in aggregate		26.63
(B)	Non-executive directors²		
	Madhur Bajaj	1.84	0.00
	Sanjiv Bajaj	1.84	0.00
	D S Mehta	0.92	(33.33)
	Shekhar Bajaj	1.38	(14.29)
	D J Balaji Rao	4.13	20.00
	Nanoo Pamnani ³	7.58	35.62
	Manish Kejriwal ⁴	0.92	(42.86)
	P Murari	0.92	33.33
	Niraj Bajaj	1.84	0.00
	Dr. Gita Piramal	3.91	13.33
	Dr. Naushad Forbes	3.45	66.67
	Dr. Omkar Goswami	1.84	0.00
	Anami N. Roy	1.84	33.33
(C)	Key Managerial Personnel		
	Rajiv Bajaj, Managing Director and CEO		14.08
	Kevin D'sa, CFO		41.91
	Dr. J Sridhar, Company Secretary		20.56
(D)	Remuneration of Median Employee (other than whole-time directors)		1.24
(E)	Permanent employees as on 31 March 2019⁵: 8,064		

1. Rakesh Sharma was appointed w.e.f. 1 January 2019. Figures regarding % increase in his case are therefore not comparable/not applicable.
2. (a) Remuneration payable to non-executive directors is based on the number of meetings of the board and its committees attended by them as members during the year.
(b) Remuneration to directors for the above purposes does not include sitting fees paid to them for attending board/committee meetings.
3. As approved by the Board, Nanoo Pamnani is being paid an additional commission of ₹ 30 lakh, for certain additional services rendered by him during the year, at the request of the management.
4. Manish Kejriwal, non-executive director on the Board, ceased to be director w.e.f. 31 December 2018 after office hours. Figures regarding % increase in his case are therefore not comparable/not applicable.
5. The term 'Permanent Employees' does not include trainees, probationers and contract employees.

Notes on Disclosures under Rule 5

1. In FY 2018-19, the remuneration of median employee other than whole-time directors increased by 1.24% over the previous year.
2. Increase in the remuneration of the WTDs/Managerial Personnel, which in the aggregate was 26.63% during the year under review, was given, keeping in view the trends of remuneration in industry.
3. The remuneration paid as above was as per the Remuneration Policy of the Company.

Secretarial Audit Report (Form MR-3)

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

For the financial year ended 31 March 2019.

To,
The Members,
Bajaj Auto Ltd.
(CIN: L65993PN2007PLC130076)
Mumbai-Pune Road,
Akurdi, Pune 411 035.

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2019, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019, 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, as amended;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (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;



**THE WORLD'S
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- (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 The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (vi) Motor Vehicles Act, 1988 to the extent of product certification before production and from time to time primarily in respect of vehicles manufactured by the Company.

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

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

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

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

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

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

Pune: 17 May 2019

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

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

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

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

Mumbai-Pune Road,
Akurdi, Pune-411035.

1. The Corporate Governance Report prepared by Bajaj Auto Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company to be annexed with the Directors' Report, in terms of Para E of Schedule V to the aforesaid Listing Regulations, for further being sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on 31 March 2019 and verified that at least one woman director was on the Board during the year;
 - iv. Obtained and read the minutes of the following committee meetings held between 1 April 2018 to 31 March 2019:
 - (a) Board of Directors meetings;
 - (b) Audit Committee meetings;
 - (c) Annual General meeting;

- (d) Nomination and Remuneration Committee meetings;
 - (e) Stakeholders Relationship Committee meeting;
 - (f) Independent directors meeting;
 - (g) Duplicate Share Certificate Issuance Committee meeting; and
 - (h) Risk Management Committee meeting;
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
 - vi. Performed necessary inquiries with the management and also obtained necessary specific representations from Management.

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

Opinion

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31 March 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

- 9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- 10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

per Arvind Sethi
Partner
Membership Number: 89802
UDIN: 19089802AAAAAG1769

Pune: 17 May 2019

Declaration by Chief Executive Officer (MD)

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

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

Rajiv Bajaj
Managing Director and CEO

Pune: 17 May 2019

Certificate by practising company secretary

[Pursuant to Schedule V read with Regulation 34(3) of the SEBI Listing Regulations (as amended)]

In the matter of Bajaj Auto Ltd. (CIN: L65993PN2007PLC130076) having its registered Office at Mumbai-Pune Road, Akurdi, Pune-411035.

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company, I certify that the following persons are Directors of the Company (during 1 April 2018 to 31 March 2019) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Designation
1	Rahul Kumar Kamalnayan Bajaj	00014529	Executive Chairman
2	Madhukumar Ramkrishnaji Bajaj	00014593	Non-Executive Vice Chairman
3	Rajivnayan Rahul Kumar Bajaj	00018262	Managing Director
4	Sanjivnayan Rahul Kumar Bajaj	00014615	Non-Executive Director
5	Dhirajlal Shantilal Mehta	00038366	Independent Director
6	Shekhar Bajaj	00089358	Non-Executive Director
7	Balaji Rao Jagannathrao Doveton	00025254	Independent Director
8	Nanoo Gobindram Pamnani	00053673	Independent Director
9	Murari Pejavar	00020437	Independent Director
10	Niraj Kumar Ramkrishnaji Bajaj	00028261	Non-Executive Director
11	Dr. Gita Piramal	01080602	Independent Director
12	Pradeep Shrivastava	07464437	Executive Director
13	Dr. Naushad Darius Forbes	00630825	Independent Director
14	Dr. Omkar Goswami	00004258	Independent Director
15	Anami N Roy	01361110	Independent Director
16	Rakesh Sharma	08262670	Executive Director

Pune: 17 May 2019

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

WORLD'S
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**STANDALONE
FINANCIAL
STATEMENTS**

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

To the Members of **Bajaj Auto Limited**

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Bajaj Auto Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

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 Companies Act, 2013, as amended ('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 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' responsibilities for the audit of the standalone financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the standalone financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters

How our audit addressed the key audit matter

Accounting for investments (as described in note 5 of the standalone financial statements)

The Company has investments aggregating ₹ 17,936.64 crore in equity shares, bonds, liquid mutual funds, short term funds, fixed maturity plans ('FMPs') and commercial papers as at 31 March 2019. These investments are measured either at amortised cost, Fair Value through Profit and Loss ('FVTPL') or Fair Value through Other Comprehensive Income ('FVTOCI') based on fulfilment of required criteria which involve management judgment. Of the above total investments, the Company's investments in FMPs as at 31 March 2019 amounted to ₹ 12,338.10 crore (63% of total investments). These investments were measured at FVTPL till 31 March 2018.

Our audit procedures included the following:

- Read the minutes of the meetings of the Investment Committee.
- Performed test of controls on a sample basis on the operating effectiveness of internal controls on investments.
- Tested on a sample basis, the investments underlying the FMPs to ascertain whether those investments would satisfy the conditions of Ind AS.
- Compared on a sample basis the indicative yields used by the Company for accounting for interest income on amortised cost basis, with the actual yields earned by the Company on those FMPs at the time of redemption.

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

Key audit matters	How our audit addressed the key audit matter
Accounting for investments (as described in note 5 of the standalone financial statements)	
<p>The Company applies amortised cost, where it has ability to demonstrate that the underlying instruments in the portfolio fulfill the solely payments of principal and interest ('SPPI') test and the churn in the portfolio is negligible. As these conditions have been fulfilled effective from 1 April 2018, the Company, has classified FMPs, as subsequently measured at amortised cost.</p>	<ul style="list-style-type: none"> • Tested on a sample basis the portfolio churn in case of FMPs to ascertain whether majority of the instruments in the FMP are held till maturity. • Obtained management representations on the judgments exercised, including indicative yields and maturity periods considered for amortised cost workings. • Tested the disclosures made by the Company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Letter, Management Discussion and Analysis, Corporate Governance and Directors' Report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the standalone financial statements

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

In preparing the standalone financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31 March 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

- (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report;
- (g) In our opinion, the managerial remuneration for the year ended 31 March 2019 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32(c) to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Annexure 1 to Independent Auditors' Report

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

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification designed to cover all items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given by the Management, the title deeds of immovable properties included in property, plant and equipment; and investment property are held in the name of the Company except for buildings acquired in the prior years having a gross block of ₹ 15.02 crore and a net block of ₹ 12.16 crore whose final registration is pending as disclosed in Note 2 to the standalone financial statements of the Company.
2. The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31 March 2019 and no material discrepancies were noticed in respect of such confirmations.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made have been complied with by the Company.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.
6. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act for the products of the Company.
7. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax and cess on account of any dispute, are as follows:

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	333.61	Various years from 1992-93 to 2016-17	Supreme Court
	Excise Duty	1.42	Various years from 1985-86 to 2007-08	High Court
	Excise Duty	1.34	Various years from 1983-84 to 2006-07	Custom Excise and Service Tax Appellate Tribunal
	Excise Duty	1.48	Various years from 1990-91 to 2015-16	Commissioner Appeals
Central Sales Tax Act, 1956 and Sales Tax Act of various States	Sales Tax	0.99	Various years from 1996-97 to 2001-02	High Court
	Sales Tax	39.51	Various Years from 2001-02 to 2010-11	Appellate Tribunal
	Sales Tax	0.25	Financial year 2009-10	Appellate Authority
	Sales Tax	98.76	Various Years from 1999-00 to 2013-14	Appellate Authority
The Income Tax Act, 1961	Income Tax	58.50	Financial year 2007-08 and 2008-09	Income Tax Appellate Tribunal
	Income Tax	528.27	Various years from 2009-10 to 2014-15	Commissioner of Income-Tax (Appeals)

Annexure 1 to Independent Auditors' Report (Contd.)

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service Tax	3.78	Various years from 1997-98 to 1999-00	High Court
	Service Tax	21.45	Various years from 2005-06 to 2011-12	Custom Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs Duty	3.85	Financial year 1984-85 and 1985-86	High Court
	Customs Duty	0.07	Financial year 2017-18	Commissioner Appeals
	Customs Duty	5.50	Various years from 1977-78 to 2006-07	Assistant Commissioner of Customs
Octroi	Octroi	4.23	Various years from 1981-82 to 1988-89	High Court

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

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

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Annexure 2 to Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of Bajaj Auto Limited ('the Company') as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

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

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

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

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

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure 2 to Independent Auditors' Report (Contd.)

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31 March 2019, 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 S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2019	2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,688.69	1,821.22
Capital work-in-progress	2	11.54	11.15
Investment property	3	55.50	57.11
Intangible assets	4	19.75	–
Intangible assets under development	4	36.48	45.32
Investments in subsidiaries	5A	1,222.72	1,222.72
Financial assets			
Investments	5B	16,360.16	10,600.17
Trade receivables	10	–	–
Loans	6	31.63	30.64
Other financial assets	7	0.02	0.02
Income tax assets (net)		584.41	438.66
Other non-current assets	8	306.83	356.85
		20,317.73	14,583.86
Current assets			
Inventories	9	961.51	742.58
Financial assets			
Investments	5B	1,576.48	5,765.41
Trade receivables	10	2,559.69	1,491.87
Cash and cash equivalents	11	905.38	760.94
Other bank balances	12	17.43	17.06
Loans	6	6.34	6.26
Other financial assets	7	112.94	79.36
Other current assets	8	922.89	372.15
		7,062.66	9,235.63
Total		27,380.39	23,819.49

Balance Sheet (Contd.)

Particulars	Note No.	As at 31 March	
		2019	2018
(₹ In Crore)			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	289.37	289.37
Other equity	14	21,490.53	18,814.49
		21,779.90	19,103.86
Non-current liabilities			
Financial liabilities			
Sales tax deferral	15	124.52	120.77
Provisions	16	14.56	112.19
Deferred tax liabilities (net)	17	542.66	323.42
Government grant		43.95	46.61
Other non-current liabilities	18	1.12	1.35
		726.81	604.34
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		2.65	1.06
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,784.08	3,243.26
Other financial liabilities	19	370.97	329.26
Other current liabilities	20	556.97	393.72
Provisions	16	140.62	125.60
Government grant		2.65	2.65
Current tax liabilities (net)		15.74	15.74
		4,873.68	4,111.29
Total		27,380.39	23,819.49

Summary of significant accounting policies followed by the Company

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

On behalf of the Board of Directors

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

Rahul Bajaj
Chairman

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Statement of Profit and Loss

Particulars	Note No.	For the year ended 31 March	
		₹ In Crore)	
		2019	2018
Revenue from contracts with customers [See note 42]		29,567.25	25,098.64
Other operating revenue		682.71	518.62
Revenue from operations	21	30,249.96	25,617.26
Other income	22	1,649.31	1,293.25
Total income		31,899.27	26,910.51
Expenses			
Cost of raw materials and components consumed		20,301.35	15,999.16
Purchase of traded goods		1,579.38	1,401.25
Changes in inventories of finished goods, work-in-progress and traded goods	23	(56.42)	9.68
Excise duty [See note 42]		–	398.34
Employee benefits expense	24	1,255.40	1,069.09
Finance costs	25	4.48	1.31
Depreciation and amortisation expense	26	265.69	314.80
Other expenses	27	2,218.33	1,926.38
Expenses, included in above items, capitalised		(30.10)	(24.07)
Total expenses		25,538.11	21,095.94
Profit before exceptional items and tax		6,361.16	5,814.57
Exceptional items	28	(342.00)	32.00
Profit before tax		6,703.16	5,782.57
Tax expense			
Current tax		1,818.59	1,646.36
Deferred tax		209.39	68.11
Total tax expense	29	2,027.98	1,714.47
Profit for the year		4,675.18	4,068.10

Statement of Profit and Loss (Contd.)

Particulars	Note No.	For the year ended 31 March	
		2019	2018
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) of defined benefit plans		(5.47)	(21.61)
Tax impact on above		1.91	7.62
Changes in fair value of FVTOCI equity instruments		84.33	–
Tax impact on above		(9.82)	–
Items that will be reclassified to profit or loss			
Valuation gains/(losses) on derivative hedging instruments		5.54	(147.05)
Tax impact on above		(1.94)	50.69
Other comprehensive income for the year (net of tax)		74.55	(110.35)
Total comprehensive income for the year		4,749.73	3,957.75
Basic and diluted Earnings per share (In ₹)	30	161.6	140.6
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Company	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Kevin D'sa
Chief Financial Officer

Dr. 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 Changes in Equity

A. Equity share capital

Particulars	Note No.	For the year ended 31 March	
		2019	2018
At the beginning of the year		289.37	289.37
Changes in equity share capital during the year		-	-
At the end of the year	13	289.37	289.37

B. Other equity

Particulars	Note No.	Reserves and surplus		Other reserves			Total other equity
		General reserve	Retained earnings	Cash flow hedging reserve	Costs of hedging reserve	FVTOCI reserve	
Balance as at 31 March 2017	14	4,046.60	12,562.56	200.27	(64.67)	-	16,744.76
Profit for the year		-	4,068.10	-	-	-	4,068.10
Other comprehensive income (net of tax)		-	(13.99)	(120.55)	24.19	-	(110.35)
Total comprehensive income for the year ended 31 March 2018		-	4,054.11	(120.55)	24.19	-	3,957.75
Transactions with owners in their capacity as owners							
Transfer from Retained earnings to General reserve		407.00	(407.00)	-	-	-	-
Final dividend, declared and paid during the year		-	(1,591.52)	-	-	-	(1,591.52)
Tax on final dividend		-	(296.50)	-	-	-	(296.50)
Balance as at 31 March 2018	14	4,453.60	14,321.65	79.72	(40.48)	-	18,814.49
Profit for the year		-	4,675.18	-	-	-	4,675.18
Other comprehensive income (net of tax)		-	(3.56)	(19.41)	23.01	74.51	74.55
Total comprehensive income for the year ended 31 March 2019		-	4,671.62	(19.41)	23.01	74.51	4,749.73
Transactions with owners in their capacity as owners							
Transfer from Retained earnings to General reserve		468.00	(468.00)	-	-	-	-
Final dividend, declared and paid during the year		-	(1,736.20)	-	-	-	(1,736.20)
Tax on final dividend		-	(337.49)	-	-	-	(337.49)
Balance as at 31 March 2019	14	4,921.60	16,451.58	60.31	(17.47)	74.51	21,490.53
Summary of significant accounting policies followed by the Company	1						

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Kevin D'sa
Chief Financial Officer

Dr. 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 Cash Flows

(₹ In Crore)

For the year ended 31 March

Particulars	2019	2018
I. Operating activities		
Profit before tax	6,703.16	5,782.57
Adjustments to reconcile profit before tax to net cash flows:		
Add:		
i) Depreciation and amortisation	265.69	314.80
ii) Loss on property, plant and equipment sold, demolished, discarded and scrapped	8.41	10.15
iii) Provision for doubtful debts and advances	1.19	3.14
iv) Exchange rate differences on cash and cash equivalents	26.96	(23.61)
v) Exchange loss/(gain) on trade receivables	2.94	(1.52)
vi) Exchange loss/(gain) on import payables	(0.02)	(0.24)
vii) Interest adjustment on Government grant	0.96	0.87
viii) Interest expense	3.52	0.44
	309.65	304.03
Less:		
i) Investment income included in above:		
Interest income on fixed income securities	24.33	32.41
Interest income on fixed maturity plans	829.65	-
Profit on sale of other investments, net	1.92	5.40
Gain on valuation and gain on realisation of mutual funds measured at fair value through profit or loss	361.19	889.92
Dividend income on investments in subsidiaries	94.36	135.07
Amortisation of premium/discount on acquisition of fixed income securities	48.21	25.46
	1,359.66	1,088.26
ii) Provision for doubtful debts and advances written back (net)	1.22	0.11
iii) Liabilities no longer required written-back	89.51	64.39
iv) Government grants	2.65	2.65
v) Exceptional item – NCCD reversal	342.00	-
vi) Surplus on sale of property, plant and equipment	55.05	7.58
	(1,850.09)	(1,162.99)
	5,162.72	4,923.61
Change in assets and liabilities		
i) (Increase)/decrease in inventories	(218.93)	(14.20)
ii) (Increase)/decrease in trade receivables	(1,070.47)	(539.11)
iii) (Increase)/decrease in loans and other assets	(167.67)	608.90
iv) Increase/(decrease) in liabilities and provisions	754.06	989.50
	(703.01)	1,045.09
Annuity payments (net) to VRS optees	(5.84)	(22.83)
Net cash from operating activities before income-tax	4,453.87	5,945.87
Income-tax refund/(paid) for earlier years (net)	(10.00)	(2.54)
Income-tax paid	(1,954.34)	(1,682.54)
Net cash flow from/(used in) operating activities	2,489.53	4,260.79
Carried forward	2,489.53	4,260.79

Statement of Cash Flows (Contd.)

(₹ In Crore)

For the year ended 31 March

Particulars	For the year ended 31 March	
	2019	2018
Brought forward	2,489.53	4,260.79
II. Investing activities		
i) Sale of investments	9,140.38	4,988.52
ii) Purchase of investments	(9,600.95)	(7,483.30)
iii) Sale/(purchase) of liquid mutual funds, etc., net	214.81	558.73
iv) Purchase of investment property	–	(0.20)
v) (Increase)/decrease in other bank balances	(0.37)	(3.20)
vi) Purchase of property, plant and equipment (including advances)	(163.53)	(182.63)
vii) Sale proceeds of property, plant and equipment	76.16	13.13
viii) Capital expenditure on development of technical know-how	(20.78)	(13.79)
	(354.28)	(2,122.74)
ix) Investment income		
Interest income on fixed income securities	24.33	32.41
Dividend income on investments in subsidiaries	94.36	135.07
	118.69	167.48
(Increase)/decrease in interest receivable	(8.49)	37.24
	110.20	204.72
Net cash flow from/(used in) investing activities	(244.08)	(1,918.02)
Carried forward	2,245.45	2,342.77

Statement of Cash Flows (Contd.)

Particulars	For the year ended 31 March	
	2019	2018
Brought forward	2,245.45	2,342.77
III. Financing activities		
i) Interest expense	(3.52)	(0.44)
ii) Deferral of sales tax deferral liability	2.79	-
iii) Dividend paid	(1,735.83)	(1,588.32)
iv) Corporate dividend tax paid	(337.49)	(296.50)
Net cash flow from/(used in) financing activities	(2,074.05)	(1,885.26)
Net change in cash and cash equivalents	171.40	457.51
Cash and cash equivalents at the beginning of the year	760.94	279.82
Add/(Less): Effects of exchange rate differences on cash and cash equivalents	(26.96)	23.61
Cash and cash equivalents at the end of the year	905.38	760.94
	-	-

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Kevin D'sa
Chief Financial Officer

Dr. 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 standalone financial statements for the year ended 31 March 2019

Background

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

The standalone financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on 17 May 2019.

1 Summary of significant accounting policies followed by the Company

Basis of preparation

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

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

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

All assets and liabilities, other than deferred tax assets and liabilities, have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Deferred tax assets and liabilities are classified as non-current assets and liabilities. 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 current and non-current classification of assets and liabilities.

Significant accounting policies

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

1 Use of estimates, judgments and assumptions

Estimates and assumptions used in the preparation of these financial statements and disclosures made therein are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. The following are items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates is included in the relevant notes together with information about basis of calculation for each affected line item in the financial statements:

- a) Estimation of fair value of derivative instruments
- b) Estimation of variable considerations in revenue
- c) Provision for warranties
- d) Provision for employee benefits
- e) Provision for tax expenses
- f) Residual value and useful life of property, plant and equipment
- g) Provision for diminution in value of investments
- h) Valuation of investments

2 Revenue from contracts with customers

Revenue is recognised when control of goods (vehicles or parts) and services have been transferred to the customer; at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. The timing of when the Company transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below (in respect of freight), because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods (vehicles or parts)

The Company has determined that our customers from the sale of goods are generally dealers and distributors. Transfer of control, and therefore revenue recognition, generally corresponds to the date when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer in the following manner:

- Domestic sales are recognised at the time of dispatch from the point of sale;
- Export sales are recognised on the date when shipped on board as per terms of sale and are initially recorded at the relevant exchange rates prevailing on the date of the transaction

Generally, Company does not offer any specific credit period to its customer. All invoices are due immediately after billing.

The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, cash discounts etc.), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method.

Consideration payable to the customer

Consideration payable to a customer includes cash amounts that the Company pays, or expects to pay, to the customer. The consideration payable to a customer is accounted for as a reduction of the revenue.

Warranty obligations

The Company provides warranties for general repairs of defects as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37-Provisions, Contingent Liabilities and Contingent Assets.

Principal versus agent consideration in respect of freight

The Company, on behalf of its customers (dealers and distributors), dispatches goods to agreed locations for an agreed fee. The Company has determined that the performance obligation of the Company is to arrange for those goods and services (Company is an agent) to the dealers and hence the amount charged to the customer offset by freight charges paid to the freight service providers is shown as revenue and disclosed as other operating income or other operating expenses, depending upon the results of the offsetting.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 6 Financial instruments – initial measurement and subsequent measurement.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3 Property, plant and equipment and depreciation/amortisation

A. Property, plant and equipment

- i) Capital work in progress, property, plant and equipment except land are carried at historical cost of acquisition, construction or manufacturing, as the case may be, less accumulated depreciation and amortisation. Freehold land is carried at cost of acquisition.
- ii) Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.
- iii) Costs incurred to manufacture/construct property, plant and equipment are reduced from the total expense under the head 'Expenses, included in above items, capitalised' in the Statement of Profit and Loss.
- iv) Land and buildings acquired/constructed, not intended to be used in the operations of the Company and held for earning long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, are categorised as investment property.
- v) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.
- vi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

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

(a) Leasehold land

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

(b) Other tangible assets

- i. a. Depreciation is provided on a pro rata basis on straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.
- b. Where a significant component (in terms of cost) of an asset has an estimated economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.
- c. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

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

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

- iii. Depreciation on additions is being provided on pro rata basis from the month of such additions.
- iv. Depreciation on assets sold, discarded or demolished during the year is being provided upto the month in which such assets are sold, discarded or demolished.

4 Intangible assets

A. Technical know-how acquired

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

B. Technical know-how developed by the Company

- i) Expenditure incurred by the Company on development of know-how researched, is recognised as an intangible asset, if and only if the future economic benefits attributable to the use of such know-how are probable to flow to the Company and the costs/expenditure can be measured reliably.
- ii) Costs incurred to develop an intangible asset are reduced from total expenses and disclosed under the head 'Expenses, included in above items, capitalised' in the Statement of Profit and Loss.
- iii) The cost of technical know-how developed is amortised equally over its estimated useful life i.e. generally three years from the date of commencement of commercial production.

C. Research and development costs

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

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

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

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

5 Investment property

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

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

6 Investments and financial assets

A. Investment in subsidiaries

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

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

B. Other investments and financial assets

i. Classification

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

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

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

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

ii. Measurement

Initial Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

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

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer accounting policy no.2 'Revenue from contracts with customers'.

For a financial asset to be classified and subsequently measured at amortised cost or FVTOCI (excluding equity instruments which are measured at FVTOCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

Subsequently measured at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost e.g. debentures, bonds, fixed maturity plans, trade receivables etc.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest income from trade receivables is included in other operating income in the Statement of Profit and Loss; whilst interest income from the remaining financial assets is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired.

In case of fixed maturity plans (FMP), they are measured at amortised cost, if the Company intends to hold the FMPs to maturity. Further, the Company applies amortised cost for those FMPs where the Company is able to demonstrate that the underlying instruments in the portfolio would fulfill the SPPI test and the churn in the underlying portfolio is negligible. These conditions are assessed at each balance sheet date. If these conditions are not fulfilled, then FMPs are valued at FVTPL.

Subsequently measured at FVTOCI:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading, if any, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Subsequently measured at FVTPL:

Financial assets that do not meet the criteria for amortised cost and FVTOCI are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

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

iii. Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g., debt securities, deposits, trade receivables and bank balances; and lease receivables under Ind AS 17. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables; and all lease receivables resulting transactions within the scope of Ind AS 17.

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

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

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

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

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

iv. Derecognition of financial assets

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

v. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The Company applies amortised cost, where it has ability to demonstrate that the underlying instruments in the portfolio fulfill the solely payments of principal and interest ('SPPI') test and the churn in the portfolio is negligible. As these conditions have been fulfilled effective from 1 April 2018, the Company, has classified FMPs, as subsequently measured at amortised cost.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

7 Derivative and hedging activities

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

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

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

Cash flow hedges that qualify for hedge accounting –

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

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

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

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

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

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

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

8 Impairment of non-financial assets

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

9 Foreign currency transactions

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

- ii) On initial recognition, all foreign currency transactions are recorded at the foreign exchange rate on the date of the transaction.
- iii) Monetary assets and liabilities in foreign currency outstanding at the close of the financial year are revalored at the appropriate exchange rates prevailing at the close of the year.
- iv) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.
- v) Fixed assets purchased at liaison offices in foreign exchange are recorded at their historical cost computed with reference to the average rate of foreign exchange remitted to the liaison office.
- vi) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

10 Inventories

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

- i) Finished stocks of vehicles and auto spare parts and stocks of work-in-progress are valued at cost of manufacturing or net realisable value whichever is lower. Cost is calculated on a weighted average basis.
- ii) Stores, packing materials and tools are valued at cost arrived at on a weighted average basis or net realisable value, whichever is lower.
- iii) Raw materials and components are valued at cost arrived at on a weighted average basis or net realisable value, whichever is lower.
- iv) Inventory of machinery spares and maintenance materials not being material are expensed in the year of purchase.
- v) Goods in transit are stated at actual cost incurred upto the date of Balance Sheet.

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

11 Employee benefits

a) Privilege leave entitlements

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

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

b) Gratuity

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

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

c) Superannuation

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

- d) **Provident fund contributions** are made to Company's Provident Fund Trust. The contributions are accounted for as defined benefit plans and the contributions are recognised as employee benefit expense when they are due. Deficits, if any, of the fund as compared to liability based on an independent actuarial valuation is to be additionally contributed by the Company and hence recognised as a liability.
- e) **Defined contribution to Employees Pension Scheme 1995** is made to Government Provident Fund Authority and recognised as expense as and when due.

12 Taxation

- a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961; and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- c) Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

13 Provisions and contingent liabilities

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

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

14 Operating leases including investment properties

As a lessee

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

As a lessor

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

15 Government grant

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

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

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

16 Dividends

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

17 Cash and cash equivalents

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

18 Earnings per share

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

For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

19 Segment reporting

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

20 Fair value measurement

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

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

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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

21 Other income

a) Dividends

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

b) Other income

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

22 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies to the Company, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires the Company to exercise judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying Ind AS 115 as at the date of initial application of 1 April 2018 amounts to ₹ Nil. Therefore, the comparative information was not restated and continues to be reported under Ind AS 18.

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31 March 2019 as a result of the adoption of Ind AS 115. The adoption of Ind AS 115 did not have a material impact on OCI or Balance Sheet or the Company's operating, investing and financing cash flows.

Statement of Profit and Loss for the year ended 31 March 2019

₹ In Crore

Particulars	Note No.	31 March 2019		
		Ind AS 115	Previous Ind AS	Increase/(decrease)
Net revenues	21	29,567.25	29,630.72	(63.47)
Other expenses	27	2,218.33	2,281.80	(63.47)

The items causing Ind AS 115 adjustments are explained below:

The Company had launched sales incentive schemes in which customers were offered free insurance on vehicles purchased. The cost of insurance was borne by the Company. This cost of insurance was reduced from revenue from operations as part of variable consideration.

Other amended standards applicable to the Company

Amendments to Ind AS 12 recognition of deferred tax assets for unrealised losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

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

These amendments do not have any impact on the Company as the Company has no deductible temporary difference or assets that are in the scope of these amendments.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

These amendments do not have any impact on the Company's standalone financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

These amendments do not have any impact on the Company's standalone financial statements since the Company's current practice is in line with the amendment.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

2 Property, plant and equipment
Current year

(₹ In Crore)

Particulars	Gross block (a)				Depreciation			Net block	
	As at 1 April 2018	Additions	Deductions/ adjustments	As at 31 March 2019	As at 1 April 2018	Deductions	For the year (d)	As at 31 March 2019	As at 31 March 2019
Land freehold	20.09	-	0.12	19.97	-	-	-	-	19.97
Land leasehold	53.04	-	0.65	52.39	-	-	-	-	52.39
Buildings (b) (c)	929.46	3.12	0.48	932.10	287.11	0.08	25.91	312.94	619.16
Waterpumps, reservoirs and mains	17.31	0.05	-	17.36	11.96	-	0.80	12.76	4.60
Plant and machinery	1,381.46	36.71	54.02	1,364.15	966.75	49.49	61.48	978.74	385.41
Computers and IT Equipment	77.59	2.34	2.43	77.50	63.42	2.43	7.28	68.27	9.23
Dies and jigs	739.01	57.39	18.02	778.38	511.60	14.22	57.39	554.77	223.61
Electric installations	73.83	0.46	-	74.29	66.99	-	1.54	68.53	5.76
Factory equipment	376.79	26.31	2.10	401.00	175.63	1.71	25.72	199.64	201.36
Furniture	49.60	1.82	10.59	40.83	30.30	10.59	3.09	22.80	18.03
Office equipment	50.58	5.53	10.85	45.26	41.96	10.85	4.32	35.43	9.83
Electric fittings	31.53	0.28	-	31.81	21.51	-	1.92	23.43	8.38
Vehicles and aircraft	648.85	17.19	304.73	361.31	450.69	284.45	64.11	230.35	130.96
Total	4,449.14	151.20	403.99	4,196.35	2,627.92	373.82	253.56	2,507.66	1,688.69
Capital work-in-progress	11.15	9.48	9.09	11.54	-	-	-	-	11.54

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

Previous year

(₹ In Crore)

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

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

3 Investment property

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Gross carrying amount		
Opening balance	69.66	69.46
Additions	–	0.20
Closing balance	69.66	69.66
Accumulated depreciation		
Opening balance	12.55	10.93
Depreciation charge	1.61	1.62
Closing balance	14.16	12.55
Net carrying amount	55.50	57.11

i) Amounts recognised in profit or loss for investment properties

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Rental income	15.24	13.34
Direct operating expenses from property that generated rental income	(0.55)	(2.09)
Direct operating expenses from property that did not generate rental income	–	–
Profit from investment properties before depreciation	14.69	11.25
Depreciation	(1.61)	(1.62)
Profit from investment property	13.08	9.63

ii) Contractual obligations

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

iii) Leasing arrangements

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

iv) Fair value

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Investment property	201.20	199.31

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Company are cancellable and non-cancellable leases, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a level 2 valuation.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

4 Intangible assets

Current year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2019	Amortisation			As at 31 March 2019	Net block As at 31 March 2019
	As at 1 April 2018	Additions	Deductions/ adjustments		As at 1 April 2018	Deductions	For the year		
Intangible assets									
Technical know-how developed	-	29.62	-	29.62	-	-	9.87	9.87	19.75
Total intangible assets	-	29.62	-	29.62	-	-	9.87	9.87	19.75
Intangible assets under development	45.32	20.78	29.62	36.48	-	-	-	-	36.48

Previous year

(₹ In Crore)

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

5 Investments

(₹ In Crore)

Particulars	Non-current investments		Current investments	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
(A) Investments in subsidiaries				
Investments carried at cost				
In subsidiaries:				
Unquoted:				
1,980,000 (1,980,000) Shares of Euro 100 each in Bajaj Auto International Holding BV Amsterdam, Netherlands	1,218.72	1,218.72	-	-
411,875 (411,875) Shares of US\$ 3 each in PT. Bajaj Auto Indonesia	6.17	6.17	-	-
Less: Provision for diminution in the value of investment (see note 43)	2.17	2.17	-	-
	4.00	4.00	-	-
Total (A)	1,222.72	1,222.72	-	-
(B) Other Investments				
Investments carried at fair value through OCI				
In Equities:				
Quoted:				
2,910,050 (-) Shares of ₹ 10 each in Bajaj Holdings & Investments Ltd.	994.23	-	-	-
Fair value	994.23	-	-	-
Investments carried at amortised cost				
In Bonds and debentures:				
Quoted:				
200 (200) 8.85% Corporation Bank of ₹ 1,000,000 each	-	20.08	20.02	-
3,000 (3,000) 6.70% Indian Railway Finance Corporation Ltd. - Tax Free of ₹ 100,000 each	-	30.00	30.00	-
- (30,000) 7% Industrial Development Bank of India Ltd. of ₹ 5,000 each (net of provision for diminution amounting to ₹ Nil - previous year ₹ 1.95 crore)	-	-	-	14.86
58,520 (58,520) Zero Coupon Rural Electrification Corporation Ltd. of ₹ 30,000 each	152.85	141.11	-	-
- (59,500) Zero Coupon National Bank for Agriculture and Rural Development of ₹ 20,000 each	-	-	-	112.64
1,000 (-) 7.585% LIC Housing Finance Ltd. of ₹ 1,000,000 each	-	-	99.55	-
25 (-) 8.38% HDFC Bonds of ₹ 10,000,000 each	-	-	24.94	-
Amortised cost	152.85	191.19	174.51	127.50
Carried over	1,147.08	191.19	174.51	127.50

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

5 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current investments		Current investments	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Brought over	1,147.08	191.19	174.51	127.50
In Commercial Paper:				
Unquoted:				
– (2,000) Commercial Paper of ₹ 500,000 each of Housing Development Finance Corporation Ltd. - 311D - 27-07-2018	–	–	–	97.58
Amortised cost	–	–	–	97.58
In Fixed Maturity Plans				
Unquoted:				
20,000,000 (13,468,504) Units of Axis Fixed Term Plan Direct Growth	21.23	–	–	18.84
2,062,000,000 (1,756,838,585) Units of Aditya Birla Sun Life Fixed Term Plan Direct Growth	2,196.77	1,077.61	24.15	922.58
615,000,000 (295,000,000) Units of DSP Blackrock Fixed Maturity Plan Direct Growth	666.52	303.84	–	–
2,060,000 (244,042,741) Units of DHFL Pramerica Fixed Maturity Direct Plan Growth (Formerly known as DWS)	204.83	148.46	24.20	318.37
911,000,000 (384,000,000) Units of HDFC Fixed Maturity Plan Direct Growth	904.38	262.18	64.16	165.46
1,976,000,000 (1,552,000,000) Units of ICICI - Prudential Fixed Maturity Plan Direct Growth	1,958.49	1,216.76	219.53	511.52
213,000,000 (225,184,414) Units of IDFC Fixed Term Plan Direct Growth	233.27	163.94	–	89.87
1,653,000,000 (1,160,790,148) Units of Kotak Fixed Maturity Plan Direct Growth	1,634.27	770.03	152.11	549.14
170,000,000 (44,224,052) Units of L & T Fixed Maturity Plan Direct Growth	178.17	15.27	–	40.48
1,622,000,000 (1,506,393,253) Units of Reliance Fixed Horizon Fund Direct Growth	1,408.70	987.80	414.95	739.87
315,000,000 (400,000,000) Units of Religare Invesco Fixed Maturity Plan Direct Growth	339.43	173.52	–	289.90
922,000,000 (749,788,719) Units of SBI Debt Fund Direct Growth	847.99	296.45	151.20	586.30
125,000,000 (300,000,000) Units of Sundaram Fixed Term Plan Direct Growth	75.03	89.30	68.74	268.59
100,000,000 (109,908,036) Units of Tata Fixed Maturity Plan Direct Growth	106.32	25.13	–	119.40
408,000,000 (624,000,000) Units of UTI Fixed Maturity Plan Direct Growth	428.00	225.54	15.67	502.42
Amortised cost as at 31 March 2019/ Fair value through P&L as at 31 March 2018	11,203.40	5,755.83	1,134.71	5,122.74
Carried over	12,350.48	5,947.02	1,309.22	5,347.82

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

5 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current investments		Current investments	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Brought over	12,350.48	5,947.02	1,309.22	5,347.82
Investments carried at fair value through profit or loss				
In Short-term Mutual Funds				
Quoted:				
– (62,596,530) Units of DHFL Pramerica Premier Bond Fund Direct Plan - Growth (Formerly known as DWS)	–	180.41	–	–
106,322,463 (140,384,729) Units of DSP BlackRock Banking and PSU Debt Fund - Direct Plan - Growth	170.84	209.08	–	–
567,937,057 (610,795,547) Units of IDFC Corporate Bond Fund - Direct Plan - Growth	730.39	731.14	–	–
88,329,348 (102,374,410) Units of IDFC Super Saver Income Fund - Short-term - Direct Plan - Growth	349.30	374.24	–	–
– (673,146) Units of Invesco India Short-term Fund - Direct Plan - Growth	–	160.32	–	–
126,783,076 (142,011,147) Units of Kotak Bond Short-term Plan - Direct Plan - Growth	462.42	478.27	–	–
126,178,652 (126,178,652) Units of L&T Short-term Opportunities Fund - Direct Plan - Growth	231.70	214.57	–	–
235,482,214 (235,482,214) Units of Reliance Banking and PSU Debt Fund - Direct Plan - Growth	320.23	296.94	–	–
92,496,457 (92,496,457) Units of Reliance Floating Rate Fund - Short-term - Direct Plan - Growth	278.57	259.98	–	–
146,141,389 (146,141,389) Units of ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	386.12	361.85	–	–
449,031,864 (528,195,474) Units of HDFC Medium Term Opportunities Fund - Direct Plan - Growth	940.08	1,025.11	–	–
– (61,327,262) Units of Tata Short-term Bond Fund - Direct Plan - Growth	–	205.65	–	–
47,617,832 (56,895,578) Units of Sundaram Banking and PSU Debt Fund - Direct Plan - Growth	140.03	155.59	–	–
Fair value	4,009.68	4,653.15	–	–
Carried over	16,360.16	10,600.17	1,309.22	5,347.82

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

5 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current investments		Current investments	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Brought over	16,360.16	10,600.17	1,309.22	5,347.82
In Liquid Mutual Funds				
Quoted:				
– (911,729) L&T Liquid Fund - Direct Plan - Growth	–	–	–	217.25
– (735,343) SBI Premier Liquid Fund - Direct Plan - Growth	–	–	–	200.34
726,614 (726,614) HDFC Liquid Fund - Direct Plan - Growth	–	–	267.26	–
Fair value	–	–	267.26	417.59
Total (B)	16,360.16	10,600.17	1,576.48	5,765.41
Total (A+B)	17,582.88	11,822.89	1,576.48	5,765.41
Aggregate provision for diminution in value of investments	2.17	2.17	–	1.95

Particulars	(₹ In Crore)			
	Book value		Market value	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Quoted	5,598.53	5,389.43	5,600.71	5,393.32
Unquoted	13,560.83	12,198.87	NA	NA
Total	19,159.36	17,588.30		

Notes to Investments

- Investments made by the Company other than those with a maturity of less than one year, are intended to be held for long-term. On an assessment of the expected credit loss due to significant changes in risk profile, no material provisions are required to be made.
- In absence of an active market and non availability of quotes on a recognised stock exchange, investment in fixed maturity plans and fixed term plans though listed on recognised stock exchanges are disclosed as unquoted. Other mutual funds, though unlisted, are quoted on recognised stock exchanges at their previous day NAVs which is the quote for the day.
- Refer note 1 (b) for accounting policy on investments and note 32 for credit risk management related to investments.
- Refer note 43 for write-down of investment in PT Bajaj Auto Indonesia.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

6 Loans

(Unsecured, good, unless stated otherwise)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Security deposits	24.61	23.34	–	–
Employee loans	7.02	7.30	6.34	6.26
	31.63	30.64	6.34	6.26

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

7 Other financial assets

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Non-current bank balances [See note 12]	0.02	0.02	–	–
Interest receivable on investments	–	–	9.64	1.15
Interest receivable on loans, deposits etc.	–	–	0.68	0.60
Valuation gains on derivative hedging instruments [See note 31]	–	–	65.85	60.32
Other advances	–	–	36.77	17.29
	0.02	0.02	112.94	79.36

8 Other assets

(Unsecured, good, unless stated otherwise)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Capital advances	101.90	89.96	–	–
Security deposits	6.70	4.89	–	–
Advances recoverable in cash or in kind				
Advances to related parties [See note 38]	–	–	4.68	4.21
Other advances	23.49	24.34	82.20	34.10
Doubtful advances	8.14	8.14	–	–
	31.63	32.48	86.88	38.31
Provision for doubtful advances	8.14	8.14	–	–
	23.49	24.34	86.88	38.31
VAT refund receivable	174.74	237.66	29.51	45.14
GST credit/refund receivable	–	–	259.04	167.80
NCCD deposit receivable from Government [See note 28]	–	–	342.00	–
Export incentives receivable				
Unsecured considered good	–	–	205.46	120.90
Doubtful	0.21	5.95	–	–
	0.21	5.95	205.46	120.90
Provision for doubtful export incentives	0.21	5.95	–	–
	–	–	205.46	120.90
	306.83	356.85	922.89	372.15

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

9 Inventories

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Raw materials and components (includes in transit ₹ 53.62 crore (previous year ₹ 27.98 crore))	424.26	259.01
Work-in-progress	46.96	26.89
Finished goods	470.41	434.06
Stores, spares and packing material	16.37	18.43
Loose tools	3.51	4.19
	961.51	742.58

Amount recognised in profit and loss

Write-downs of inventories to net realisable value/reversal of provision for write-down, resulted in net loss/(gain) of ₹ (5.12) crore (Previous year – ₹ 0.62 crore). These were recognised as an expense/(income) during the year in the Statement of Profit and Loss.

10 Trade receivables

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Unsecured, considered good	–	–	2,559.69	1,491.87
Credit impaired	6.74	6.99	–	–
	6.74	6.99	2,559.69	1,491.87
Impairment allowance for credit impaired	6.74	6.99	–	–
	–	–	2,559.69	1,491.87

11 Cash and cash equivalents

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Balances with banks	560.61	514.39
Cash on hand	0.10	0.11
Cash equivalents		
Certificate of Deposits and Commercial Papers with maturity of less than three months from date of acquisition	344.67	246.44
	905.38	760.94

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

12 Other bank balances

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Unclaimed dividend accounts	-	-	17.43	17.06
Deposits with residual maturity for more than 12 months	0.02	0.02	-	-
	0.02	0.02	17.43	17.06
Amount disclosed under 'other financial assets' [See note 7]	(0.02)	(0.02)	-	-
	-	-	17.43	17.06

13 Equity share capital

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Authorised 300,000,000 equity shares of ₹ 10 each	300.00	300.00
Issued, subscribed and fully paid-up shares 289,367,020 equity shares of ₹ 10 each	289.37	289.37
	289.37	289.37

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Nos.	₹ In Crore	Nos.	₹ In Crore
	Equity shares			
At the beginning of the year	289,367,020	289.37	289,367,020	289.37
Issued during the year	-	-	-	-
Outstanding at the end of the year	289,367,020	289.37	289,367,020	289.37

b. Terms/rights attached to equity shares

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

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Nos.	% Holding	Nos.	% Holding
	Equity shares of ₹ 10 each fully paid			
Bajaj Holdings & Investment Ltd.	96,727,050	33.43%	91,280,000	31.54%
Jamnalal Sons Pvt. Ltd.	25,844,400	8.93%	25,844,400	8.93%
Life Insurance Corporation of India	13,429,329	4.64%	17,200,152	5.94%

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

14 Other equity

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Reserves and surplus:		
General reserve		
Balance as at the beginning of the year	4,453.60	4,046.60
Add: Transferred from surplus in Statement of Profit and Loss	468.00	407.00
Balance as at the end of the year	4,921.60	4,453.60
Retained earnings		
Balance as at the beginning of the year	14,321.65	12,562.56
Profit for the year	4,675.18	4,068.10
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/(losses) of defined benefit plans	(3.56)	(13.99)
Less: Appropriations		
Transfer to General reserve	468.00	407.00
Final dividend, declared and paid during the year	1,736.20	1,591.52
Tax on final dividend	337.49	296.50
Total appropriations	2,541.69	2,295.02
Balance as at the end of the year	16,451.58	14,321.65
Other reserves:		
Cash flow hedging reserve [See note 32]	60.31	79.72
Costs of hedging reserve [See note 32]	(17.47)	(40.48)
FVTOCI reserve		
Balance as at the beginning of the year	-	-
Net (losses)/gains on FVTOCI equity securities	74.51	-
Balance as at the end of the year	74.51	-
	21,490.53	18,814.49

15 Sales tax deferral

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Unsecured		
Sales tax deferral liability/loan, an incentive under Package Scheme of Incentives 1983 and 1993 - interest free, partially prepaid	124.52	120.77
	124.52	120.77

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

16 Provisions

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Provision for employee benefits [See note 37]				
Provision for gratuity	12.01	108.99	-	-
Provision for compensated absences	-	-	118.25	106.42
Provision for welfare scheme	2.55	3.20	0.52	0.51
	14.56	112.19	118.77	106.93
Other provisions				
Provision for warranties	-	-	21.85	18.67
	14.56	112.19	140.62	125.60

Provision for warranties

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

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
At the beginning of the year	18.67	20.99
Arising during the year	19.98	14.88
Utilised during the year	16.80	17.20
At the end of the year	21.85	18.67

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

17 Deferred tax liabilities (net)

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Deferred tax liabilities		
On account of timing difference in		
Property, plant and equipment	231.38	254.24
National Calamity Contingent Duty (NCCD) [See note 28]	104.07	-
Employee benefits:		
Defined benefit plans provisions - P&L	13.38	-
Defined benefit plans provisions - OCI	0.45	0.21
Financial instruments:		
Mutual funds including fixed maturity plans	236.62	223.24
Fair valuation of derivative hedging contracts	32.40	39.36
Financial assets at FVTOCI	9.82	-
Amortisation of discount on acquisition of fixed income securities	8.70	9.24
	287.54	271.84
Gross deferred tax liabilities	636.82	526.29
Deferred tax assets		
On account of timing difference in		
Employee benefits:		
Voluntary retirement & welfare scheme costs	1.48	3.44
Bonus provisions	2.39	2.39
Provision for privilege leave etc.	41.32	37.19
Defined benefit plans provisions - P&L	-	22.90
Defined benefit plans provisions - OCI	17.58	15.19
	62.77	81.11
Financial instruments:		
Fair valuation of derivative hedging contracts	9.39	18.28
Long-term loss on reduction of share capital	-	81.15
Provision for diminution in value of investments	-	0.23
	9.39	99.66
Other items:		
Provision for bad/doubtful debts and advances	5.20	5.29
Taxes, duties, others etc.	16.80	16.81
	22.00	22.10
Gross deferred tax assets	94.16	202.87
	542.66	323.42

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

17 Deferred tax liabilities (net) (Contd.)

Movement in deferred tax liabilities

(₹ In Crore)

Particulars	Property, plant and equipment	Financial instruments	Employee benefits	Other items	Total
At 1 April 2017	300.07	147.67	(72.37)	(61.75)	313.62
Charged/(credited)					
– to profit and loss	(45.83)	75.20	(0.91)	39.65	68.11
– to other comprehensive income	–	(50.69)	(7.62)	–	(58.31)
At 31 March 2018	254.24	172.18	(80.90)	(22.10)	323.42
Charged/(credited)					
– to profit and loss	(22.86)	93.97	34.11	104.17	209.39
– to other comprehensive income	–	12.00	(2.15)	–	9.85
At 31 March 2019	231.38	278.15	(48.94)	82.07	542.66

18 Other non-current liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2019	2018
Annuity payable to VRS optees	1.12	1.35
	1.12	1.35

19 Other financial liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2019	2018
Security deposits	25.04	21.61
Unclaimed dividend	17.43	17.06
Directors' remuneration and commission payable	28.88	26.28
Employee benefits payable	164.81	136.41
Other payables	134.81	127.90
	370.97	329.26

Refer note 31 for financial liabilities measured at amortised cost.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

20 Other current liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Annuity payable to VRS optees	0.38	5.99
Advance received from customers	490.83	327.58
Taxes and duties payable	37.88	36.08
Other payables	27.88	24.07
	<u>556.97</u>	<u>393.72</u>

21 Revenue from operations

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Revenue from operations		
Revenue from contracts with customers		
Sale of products [See note 42]	29,567.25	25,098.64
Other operating revenue		
Scrap sales	21.56	21.31
Export incentives	457.07	343.43
Royalty	128.67	98.68
Technical know how fees	-	1.20
Interest income on financial services to dealers	75.41	54.00
	<u>682.71</u>	<u>518.62</u>
	<u>30,249.96</u>	<u>25,617.26</u>
Revenue from contracts with customers (Goods transferred at a point in time)		
India	17,722.17	15,395.54
Outside India	11,845.08	9,703.10
Total revenue from contracts with customers	<u>29,567.25</u>	<u>25,098.64</u>
Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price		
Revenue as per contracted price	29,785.13	25,247.62
Adjustments:		
Cash discounts and target incentives	(154.41)	(148.98)
Sales promotion expenses	(63.47)	-
Revenue from contracts with customers	<u>29,567.25</u>	<u>25,098.64</u>

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

22 Other income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Investment income		
Interest income on fixed income securities	24.33	32.41
Amortisation of (premium)/discount on acquisition of fixed income securities	48.21	25.46
Interest income on fixed maturity plans	829.65	–
Interest income from financial assets at amortised cost	902.19	57.87
Provision for diminution in value of investment in subsidiary written-back [See note 43]	–	199.41
Less: Write-down of investment in subsidiary	–	(199.41)
	–	–
Dividend income on investments in subsidiaries	94.36	135.07
Gain on valuation and gain on realisation of mutual funds and fixed maturity plans measured at FVTPL	361.19	889.92
Profit on sale of other investments, net	1.92	5.40
	1,359.66	1,088.26
Others		
Rent [See note 39]	31.39	29.27
Insurance claims	0.86	0.56
Miscellaneous receipts	94.42	80.51
Government grants	2.65	2.65
Surplus on sale of property, plant and equipment	55.05	7.58
Bad debts recovered	0.03	0.36
Sundry credit balances appropriated	0.83	0.84
Provision for doubtful debts and advances written back	1.22	0.12
Less: Write backs on account of amounts written off during the year	0.47	0.01
	0.75	0.11
Liabilities no longer required written-back	89.51	64.39
Gains on exchange fluctuations	14.16	18.72
	289.65	204.99
	1,649.31	1,293.25

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

23 Changes in inventories

Particulars	(₹ In Crore)		
	For the year ended 31 March		
	2019	2018	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	46.96	26.89	(20.07)
Finished goods	470.41	434.06	(36.35)
	<u>517.37</u>	<u>460.95</u>	<u>(56.42)</u>
Inventories at the beginning of the year			
Work-in-progress	26.89	39.83	12.94
Finished goods	434.06	430.80	(3.26)
	<u>460.95</u>	<u>470.63</u>	<u>9.68</u>
	<u>(56.42)</u>	<u>9.68</u>	

24 Employee benefits expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Salaries, wages and bonus to employees [See note 38]	1,092.84	927.39
Contribution to provident and other funds [See note 37 and 38]	90.42	80.55
Staff welfare expenses	72.14	61.15
	<u>1,255.40</u>	<u>1,069.09</u>

25 Finance costs

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Interest expense	3.52	0.44
Interest adjustment on Government grant	0.96	0.87
	<u>4.48</u>	<u>1.31</u>

26 Depreciation and amortisation expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Depreciation on property, plant and equipment	253.56	267.88
Depreciation on investment property	1.61	1.62
Amortisation of technical know-how	9.87	44.65
Amortisation of leasehold land	0.65	0.65
	<u>265.69</u>	<u>314.80</u>

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

27 Other expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Stores and tools consumed	141.28	117.71
Power, fuel and water	115.01	100.26
Rent [See note 39]	14.99	13.71
Repairs to buildings	45.45	44.25
Repairs to machinery	92.45	110.26
Other repairs	6.86	8.75
Insurance	3.04	3.20
Rates and taxes	6.36	4.02
Payment to auditor	1.73	1.67
Directors' fees and travelling expenses	1.31	1.20
Commission to non-executive directors	2.12	1.91
Travelling expenses	66.63	55.97
Miscellaneous expenses	328.81	306.36
Sales tax/VAT expenses	-	9.00
Packing material consumed	347.93	269.18
Freight and forwarding expenses	202.75	118.12
Advertisement	484.94	437.39
Vehicle service charges and other expenses	152.39	102.65
Sales promotion expenses	82.25	106.87
Expenditure towards Corporate Social Responsibility (CSR) activities	112.32	100.51
Bad debts and other irrecoverable debit balances written off	0.58	0.11
Less: Provisions made in earlier years in respect of amounts written off during the year	0.47	0.01
	0.11	0.10
Loss on property, plant and equipment sold, demolished, discarded and scrapped	8.41	10.15
Provision for doubtful debts and advances (includes expected credit loss on trade receivables)	1.19	3.14
	2,218.33	1,926.38

Payment to auditor

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
As auditor		
Audit fee	1.04	1.10
Tax audit fee	0.08	0.08
Limited review	0.53	0.25
Other services (certification fees)	0.04	0.17
Reimbursement of expenses	0.04	0.07
	1.73	1.67

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

Expenditure towards Corporate Social Responsibility (CSR) activities

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
a) Gross amount required to be spent by the Company during the year	111.20	99.83
b) Amount spent in cash during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	112.32	100.51
	<u>112.32</u>	<u>100.51</u>

28 Exceptional items

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
NCCD reversal	(342.00)	-
Dealer compensation	-	32.00
	<u>(342.00)</u>	<u>32.00</u>

The Company, during the year ended 31 March 2015, had expensed off the payments made towards deposit of 'National Calamity Contingent Duty' (NCCD) and applicable education cess and secondary and higher education cess thereon, together with interest and penalty amounting to ₹ 342.00 crore for the period from 1 April 2007 to 30 September 2014, pursuant to an order from the Honourable High Court of Uttarakhand on 9 October 2014 that the levy of NCCD is out of the purview of exemptions granted to the Company under the scheme of incentives for industries in certain identified growth areas in Uttarakhand.

In the current year, pursuant to a special leave petition filed by the Company, the Honourable Supreme Court vide its judgment dated 27 March 2019 has held that the Company is not liable to pay NCCD, education cess and secondary and higher education cess; and set aside the orders of Division Bench of Nainital High Court and quashed the show cause notices. The Company has accordingly reversed the charge of ₹ 342.00 crore as an exceptional item in the current year; and has disclosed the corresponding amount in the Balance Sheet as 'Deposits receivable from the Government'. The Company has however not received refund of the said amount from the Excise authorities upto the date of approval of the financial statements by the Board of Directors of the Company.

Exceptional items for the year ended 31 March 2018 represent a one time payment to dealers to compensate them for any losses incurred on introduction of GST as a result of pre-GST inventory held on 30 June 2017.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

29 Tax expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
(a) Tax expense		
Current tax		
Current tax on profits for the year	1,818.59	1,646.36
Deferred tax		
Decrease/(increase) in deferred tax assets	108.71	38.73
(Decrease)/increase in deferred tax liabilities	100.68	29.38
Total deferred tax expense/(benefit)	209.39	68.11
Tax expense	2,027.98	1,714.47
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax	6,703.16	5,782.57
Tax at the Indian tax rate of 34.944% (Previous year - 34.608%)	2,342.35	2,001.23
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
– Corporate social responsibility expenditure	19.44	17.79
– Disallowance of estimated expenditure to earn tax exempt income	0.10	0.10
– Rate difference in amortisation of fixed income securities	4.64	4.31
– Rate difference on account of fair value of mutual funds	40.39	86.78
– Others	0.62	5.07
Tax effect of amounts which are deductible (non taxable) in calculating taxable income:		
– Weighted deduction for Research and Development expenditure	(74.24)	(65.72)
– Tax-free interest	(0.70)	(0.70)
– Difference in tax rate on account of dividend received from subsidiary	(16.49)	(23.37)
– National Calamity Contingent Duty (NCCD)	(15.44)	–
– Deduction for profit from specified undertaking	(45.30)	(46.74)
– Profit on investments not taxable	(168.21)	(134.10)
– Income from fair valuation of mutual funds	(57.70)	(129.55)
– Disallowance of expenditure incurred on rented property (net)	(1.48)	(0.63)
Tax expense	2,027.98	1,714.47

30 Earnings Per Share (EPS)

Particulars	For the year ended 31 March	
	2019	2018
	a. Profit for the year (₹ In Crore)	4,675.18
Weighted average number of shares outstanding during the year (Nos)	289,367,020	289,367,020
b. Earnings per share (Basic and Diluted) ₹	161.6	140.6
Face value per share ₹	10.0	10.0

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

31 Fair value measurement**i) Financial instruments by category**

(₹ In Crore)

Particulars	31 March 2019			31 March 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Investments						
– Equity	–	994.23	–	–	–	–
– Bonds and debentures	–	–	327.36	–	–	318.69
– Fixed maturity plans	–	–	12,338.11	10,878.57	–	–
– Short-term mutual funds	4,009.68	–	–	4,653.15	–	–
– Liquid mutual funds	267.26	–	–	417.59	–	–
– Commercial papers	–	–	–	–	–	97.58
Trade receivables	–	–	2,559.69	–	–	1,491.87
Loans	–	–	37.97	–	–	36.90
Other financial assets	–	–	47.11	–	–	19.06
Cash and cash equivalents	–	–	905.38	–	–	760.94
Other bank balances	–	–	17.43	–	–	17.06
Derivative financial assets	–	65.85	–	–	60.32	–
Total financial assets	4,276.94	1,060.08	16,233.05	15,949.31	60.32	2,742.10
Financial liabilities						
Sales tax deferral	–	–	124.52	–	–	120.77
Trade payables	–	–	3,786.73	–	–	3,244.32
Other financial liabilities	–	–	370.97	–	–	329.26
Total financial liabilities	–	–	4,282.22	–	–	3,694.35

ii) Fair value hierarchy

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

Financial assets measured at fair value - recurring fair value measurements at 31 March 2019

(₹ In Crore)

Particulars	Note No.	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
– Short-term mutual funds	5	4,009.68	–	–	4,009.68
– Liquid mutual funds	5	267.26	–	–	267.26
Financial investments at FVTOCI					
Derivatives designated as hedges					
– Forward contracts	7	–	–	–	–
– Option contracts	7	–	65.85	–	65.85
Equity Investment	5	994.23	–	–	994.23
Total financial assets		5,271.17	65.85	–	5,337.02

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

31 Fair value measurement (Contd.)**ii) Fair value hierarchy** (Contd.)**Assets disclosed at fair value - at 31 March 2019**

Particulars	Note No.	(₹ In Crore)			Total
		Level 1	Level 2	Level 3	
Investment property	3	–	201.20	–	201.20

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

Particulars	Note No.	(₹ In Crore)			Total
		Level 1	Level 2	Level 3	
Financial investments at FVTPL					
– Fixed maturity plans	5	–	10,878.57	–	10,878.57
– Short-term mutual funds	5	4,653.15	–	–	4,653.15
– Liquid mutual funds	5	417.59	–	–	417.59
Financial investments at FVTOCI					
– Forward contracts	7	–	9.90	–	9.90
– Option contracts	7	–	50.42	–	50.42
Total financial assets		5,070.74	10,938.89	–	16,009.63

Assets disclosed at fair value - at 31 March 2018

Particulars	Note No.	(₹ In Crore)			Total
		Level 1	Level 2	Level 3	
Investment property	3	–	199.31	–	199.31

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

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

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

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Open ended mutual funds at NAV's/rates declared and/or quoted
- Derivative Instruments at values determined by counter parties/Banks using market observable data

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

Particulars	31 March 2019		31 March 2018	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets				
Investments				
Bonds and debentures	327.36	329.53	318.69	322.58
Fixed maturity plans	12,338.11	12,428.55	–	–
Total financial assets	12,665.47	12,758.08	318.69	322.58

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

32 Financial risk management

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

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

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

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

A) Credit risk

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

Credit risk management

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

In regard to Trade receivables, which are typically unsecured, credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to whom credit is extended in the normal course of business. The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables. Accordingly, impairment loss allowance is recognised based on lifetime expected credit losses at each reporting date, right from its initial recognition. Expected credit losses of financial assets receivable in the next 12 months are estimated on the basis of historical data provided the Company has reasonable and supportable data using a provision matrix to measure expected credit losses. The provision rates are based on days past due; and the calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. On such an assessment the expected losses are nil or negligible, as evidenced in the table below, and hence no further provision than that already made is considered necessary.

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

32 Financial risk management (Contd.)

Set out below is the information about the credit risk exposure of the Company's trade receivables using provision matrix:

(₹ In Crore)

Particulars	Current (not yet due)	0-180 days (due)	More than 180 days and doubtful (due)	Total
ECL Rate	0%	0%	100%	
31 March 2019				
Estimated total gross carrying amount	-	2,559.69	6.74	2,566.43
ECL-Simplified approach	-	-	6.74	6.74
Net carrying amount	-	2,559.69	-	2,559.69
31 March 2018				
Estimated total gross carrying amount	-	1,491.87	6.99	1,498.86
ECL-Simplified approach	-	-	6.99	6.99
Net carrying amount	-	1,491.87	-	1,491.87

Reconciliation of impairment allowance – Trade receivable

(₹ In Crore)

Particulars	
Impairment allowance as on 1 April 2017	4.95
Changes in loss allowance	2.04
Impairment allowance as on 31 March 2018	6.99
Changes in loss allowance	(0.25)
Impairment allowance as on 31 March 2019	6.74

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

B) Liquidity risk

The Company's principal source of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period. The Company has no outstanding term borrowings except sales tax deferral liability amounting to ₹124.52 crore which are interest free and are repayable after 14 years from the Balance Sheet date. Additionally, the Company has invested its surplus funds in fixed income securities or instruments of similar profile thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Company carries a negligible liquidity risk.

(₹ In Crore)

Particulars	As at 31 March	
	2019	2018
The Company had		
Net working capital funds	2,188.98	5,124.34
which includes;		
i) Cash and cash equivalents	905.38	760.94
ii) Current investments	1,576.48	5,765.41

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

32 Financial risk management (Contd.)

The table below summarises the contractual maturities of financial liabilities as at 31 March 2019 and 31 March 2018:

Maturities of financial liabilities

(₹ In Crore)

Particulars	Less than and equal to 1 year	More than 1 year	Total
As on 31 March 2019			
Non-derivatives			
Sales tax deferral (discounted)	-	124.52	124.52
Trade payables	3,786.73	-	3,786.73
Other financial liabilities	370.97	-	370.97
Total non-derivative liabilities	4,157.70	124.52	4,282.22
As on 31 March 2018			
Non-derivatives			
Sales tax deferral (discounted)	-	120.77	120.77
Trade payables	3,244.32	-	3,244.32
Other financial liabilities	329.26	-	329.26
Total non-derivative liabilities	3,573.58	120.77	3,694.35

C) Market risk

(i) Foreign currency risk

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

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

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

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

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

32 Financial risk management (Contd.)

The fair values (Marked-to-market) of foreign currency derivative contracts outstanding as on 31 March 2019 and 31 March 2018 are as follows:

(₹ In Crore)

	As at 31 March 2019		As at 31 March 2018	
	Notional In USD Mn (Sell)	MTM Gain/ (Loss)	Notional In USD Mn (Sell)	MTM Gain/ (Loss)
For export transactions:				
Foreign currency derivative designated as hedging instruments – par forward contracts	-	-	546.00	9.90
Foreign currency derivative designated as hedging instruments – options contracts	1,222.00	65.85	1,066.00	50.42
Total	1,222.00	65.85	1,612.00	60.32

For import transactions: NIL

Open exposure

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

(USD Million)

As at 31 March

	2019	2018
Receivables	63.41	60.48
Payables	20.47	15.00
Others (EEFC balances)	61.43	47.48

Sensitivity analysis

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on other components of equity arises from the changes in fair value of the foreign forward exchange contracts and foreign exchange option contracts designated as cash flow hedges.

(₹ In Crore)

	31 March 2019	31 March 2018
Impact on other components of equity		
INR/USD – Increase by 10%	(349.24)	(630.36)
INR/USD – Decrease by 10%	766.66	453.97

Maturity of outstanding contracts

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

(₹ In Crore)

	As at 31 March 2019		As at 31 March 2018	
	Notional In USD Mn (Sell)	MTM Gain/ (Loss)	Notional In USD Mn (Sell)	MTM Gain/ (Loss)
On export transactions:				
Not later than three months	305.50	22.60	312.00	33.70
Later than three months and not later than six months	305.50	20.44	312.00	23.20
Later than six month and not later than one year	611.00	22.81	702.00	7.73
Later than one year and not later than two years	-	-	286.00	(4.31)
Total	1,222.00	65.85	1,612.00	60.32

On import transactions: NIL

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

32 Financial risk management (Contd.)**Impact of hedging activities**

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

Cash flow hedge Foreign exchange risk 31 March 2019

(₹ In Crore)

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts	–	–	–	(196.29)	196.29
Foreign currency options	8,450.74	92.72	1:1	(47.41)	47.41
Total	8,450.74	92.72		(243.70)	243.70

Cash flow hedge foreign exchange risk 31 March 2018

(₹ In Crore)

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

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

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

Cash flow hedge 31 March 2019

(₹ In Crore)

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk – Forward contracts	(196.29)	–	(186.39)	Revenue
Foreign exchange risk – Options contracts	(47.41)	–	(27.48)	Revenue
	(243.70)	–	(213.87)	

Cash flow hedge foreign exchange risk 31 March 2018

(₹ In Crore)

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

32 Financial risk management (Contd.)

The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, so a qualitative assessment of effectiveness is performed. During the years ended 31 March 2019 and 31 March 2018, the Company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

Therefore, no ineffectiveness is recognised in the Statement of Profit and Loss for the year ended 31 March 2019 and 31 March 2018.

Movements in cash flow hedging reserve and costs of hedging reserve

(₹ In Crore)

Derivative Instrument	Foreign Currency Risk		Total
	Foreign exchange forward contracts	Foreign exchange options	
(i) Cash flow hedging reserve			
Balance – As at 31 March 2017	–	200.27	200.27
Add: Change in fair value of foreign exchange forward contract	13.11	–	13.11
Add: Change in intrinsic value of foreign currency options	–	158.85	158.85
Less: Amount reclassified to profit or loss	(3.21)	(352.47)	(355.68)
Deferred tax relating to the above (net)	(3.46)	66.63	63.17
Balance – As at 31 March 2018	6.44	73.28	79.72
Add: Change in fair value of foreign exchange forward contract	(196.29)	–	(196.29)
Add: Change in intrinsic value of foreign currency options	–	(47.41)	(47.41)
Less: Amount reclassified to profit or loss	186.39	27.48	213.87
Deferred tax relating to the above (net)	3.46	6.96	10.42
Balance – As at 31 March 2019	–	60.31	60.31
(ii) Costs of hedging reserve			
Balance – As at 31 March 2017	–	(64.67)	(64.67)
Less: Change in time value of foreign currency options	–	23.97	23.97
Less: Amount reclassified to profit or loss	–	12.70	12.70
Deferred tax relating to the above (net)	–	(12.48)	(12.48)
Balance – As at 31 March 2018	–	(40.48)	(40.48)
Add: Change in time value of foreign currency options	–	29.09	29.09
Less: Amount reclassified to profit or loss	–	6.27	6.27
Deferred tax relating to the above (net)	–	(12.35)	(12.35)
Balance – As at 31 March 2019	–	(17.47)	(17.47)
(ii) Other risks			

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, bonds, fixed maturity plans etc. The Company is exposed to price risk on such investments; which arises on account of movement in interest rates, liquidity and credit quality of underlying securities.

The Company has invested its surplus funds primarily in debt based mutual funds and fixed maturity plans. The value of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis. The Company has not performed a sensitivity analysis on these mutual funds based on estimated fluctuations in their NAV as in Management's opinion, such analysis would not display a correct picture.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

33 Capital management

a) Objectives, policies and processes of capital management

The Company is cash surplus and has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in income generating debt instruments (including through mutual funds) and money market instruments depending on economic conditions in line with the guidelines set out by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings and does not borrow funds unless circumstances require.

Particulars	(₹ In Crore)	
	31 March	
	2019	2018
Equity	21,779.90	19,103.86
Less: Tangible and other assets	2,008.04	2,156.63
Working capital	612.50	(641.07)
Investments in subsidiaries	1,222.72	1,222.72
Investments in debt and similar investments	17,936.64	16,365.58

No changes were made in the objectives, policies and processes of capital management during the year.

b) Dividends distributed and proposed

Particulars	(₹ In Crore)	
	31 March	
	2019	2018
Dividends recognised in the financial statements		
Final dividend for the year ended 31 March 2018 of ₹ 60 (31 March 2017 - ₹ 55) per equity share, declared and paid	1,736.20	1,591.52
Dividends not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend of ₹ 60 per equity share (31 March 2018 - ₹ 60). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,736.20	1,736.20

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

34 Contingent liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
a Claims against the Company not acknowledged as debts	453.30	451.53
b Excise and Customs demand - matters under dispute and claims for refund of Excise Duty, if any, against Excise Duty Refund received in the earlier year	375.61	384.74
c Income-tax matters	829.41	756.69
d Value Added Tax (VAT)/Sales Tax matters under dispute	126.74	126.74
e Claims made by temporary workmen Pending before various judicial/appellate authorities in respect of similar matters adjudicated by the Supreme Court. The matter is contingent on the facts and evidence presented before the courts/ adjudicating authorities and not necessarily likely to be influenced by the Supreme Court's order	Liability unascertained	Liability unascertained
f There are numerous interpretative issues relating to the Supreme Court judgment on provident fund dated 28 February 2019. Based on Company's evaluation of the provision on a prospective basis, the impact is not material.		

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

35 Capital commitments

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Capital commitments, net of capital advances	68.82	51.82

36 Segment information

Segment information based on consolidated financial statements is given in note 35 to consolidated financial statements, which are attached to these financial statements.

The Company's Core Management Committee (CMC), examines the group's performance both from a product and geographical perspective and has identified two reportable operative business segments. The group's significant source of risk and rewards are derived from Automotive business and Investments, the performance of which is reviewed by the committee on a periodic basis and hence considered as individual operative segments.

The business segments comprise the following:

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

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

37 Employee benefits

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19 the details of which are as hereunder.

Funded schemes

Gratuity

The Company provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Company is greater of the provisions of the Payment of Gratuity Act, 1972 and the Company's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Company makes contributions to approved gratuity fund.

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation	554.29	510.19
Fair value of plan assets	(542.28)	(401.20)
Net funded obligation	12.01	108.99
Expense recognised in the Statement of Profit and Loss		
Current service cost	27.06	25.38
Interest on net defined benefit liability/(asset)	4.96	3.06
Total expense charged to Statement of Profit and Loss	32.02	28.44
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Statement of Profit and Loss	44.14	21.94
Remeasurements during the period due to:		
Changes in financial assumptions	2.02	(15.73)
Changes in demographic assumptions	0.17	-
Experience adjustments	2.03	31.13
Actual return on plan assets less interest on plan assets	1.95	6.80
Closing amount recognised in OCI outside Statement of Profit and Loss	50.31	44.14

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Reconciliation of net liability/(asset)		
Opening net defined benefit liability/(asset)	108.99	74.18
Expense charged to Statement of Profit and Loss	32.02	28.44
Amount recognised outside Statement of Profit and Loss	6.17	22.20
Employer contributions	(135.17)	(15.83)
Closing net defined benefit liability/(asset)	12.01	108.99

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

37 Employee benefits (Contd.)**Funded schemes** (Contd.)**Gratuity** (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Movement in benefit obligation		
Opening of defined benefit obligation	510.19	452.75
Current service cost	27.06	25.38
Interest on defined benefit obligation	37.12	31.37
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	2.02	(15.73)
Actuarial loss/(gain) arising from change in demographic assumptions	0.17	–
Actuarial loss/(gain) arising on account of experience changes	2.03	31.13
Benefits paid	(24.30)	(14.71)
Closing of defined benefit obligation	554.29	510.19

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Movement in plan assets		
Opening fair value of plan assets	401.20	378.57
Employer contributions	135.17	15.83
Interest on plan assets	32.16	28.31
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(1.95)	(6.80)
Benefits paid	(24.30)	(14.71)
Closing fair value of plan assets	542.28	401.20

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Disaggregation of assets		
Category of assets		
Insurer managed funds	542.28	401.20
Others	–	–
Grand Total	542.28	401.20

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

37 Employee benefits (Contd.)**Funded schemes** (Contd.)**Gratuity** (Contd.)**Sensitivity Analysis**

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	As at 31 March 2019		As at 31 March 2018	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Senior staff				
Impact of increase in 50 bps on DBO	(3.34%)	3.45%	(3.37%)	3.48%
Impact of decrease in 50 bps on DBO	3.55%	(3.29%)	3.57%	(3.32%)
Junior staff				
Impact of increase in 50 bps on DBO	(3.69%)	3.90%	(3.82%)	4.02%
Impact of decrease in 50 bps on DBO	4.00%	(3.63%)	4.13%	(3.76%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Funding arrangement and policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to insurance companies. The insurance companies in turn manage these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to the plan next year is ₹ 50 crore.

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan:

Particulars	(₹ In Crore)				
	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
31 March 2019					
Senior staff	48.35	14.08	61.92	363.92	488.27
Junior staff	35.95	33.11	127.71	508.95	705.72
31 March 2018					
Senior staff	39.37	17.61	48.09	326.68	431.75
Junior staff	23.32	23.96	120.30	512.47	680.05

Weighted average duration of defined benefit obligation (in years)	As at 31 March	
	2019	2018
Senior staff	6.88	6.94
Junior staff	7.68	7.93

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

37 Employee benefits (Contd.)**Funded schemes** (Contd.)**Gratuity** (Contd.)

Particulars	As at 31 March	
	2019	2018
Principal actuarial assumptions (Expressed as weighted averages)		
Discount rate (p.a.)	7.70%	7.75%
Salary escalation rate (p.a.) - senior staff	10.00%	10.00%
Salary escalation rate (p.a.) - junior staff	10.00%	10.00%

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

Provident Fund

Particulars	As at 31 March	
	2019	2018
(₹ In Crore)		
Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation	1,184.13	1,047.83
Fair value of plan assets	(1,184.13)	(1,047.83)
Net funded obligation	-	-
Expense recognised in the Statement of Profit and Loss		
Current service cost	34.08	28.48
Administration expenses	-	-
Interest on net defined benefit liability/(asset)	-	-
(Gains)/losses on settlement	-	-
Total expenses charged to Statement of Profit and Loss	34.08	28.48
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Statement of Profit and Loss	-	-
Remeasurements during the period due to		
Changes in financial assumptions	-	-
Changes in demographic assumptions	-	-
Experience adjustments	6.65	8.22
Actual return on plan assets less interest on plan assets	(6.65)	(8.22)
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised in OCI outside Statement of Profit and Loss	-	-
Reconciliation of net liability/(asset)		
Opening net defined benefit liability/(asset)	-	-
Expense charged to Statement of Profit and Loss	34.08	28.48
Amount recognised outside Statement of Profit and Loss	-	-
Employer contributions	(34.08)	(28.48)
Closing net defined benefit liability/(asset)	-	-

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

37 Employee benefits (Contd.)

Funded schemes (Contd.)

Provident Fund (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Movement in benefit obligation		
Opening of defined benefit obligation	1,047.83	931.68
Current service cost	34.08	28.48
Interest on defined benefit obligation	81.69	68.73
Remeasurements due to:		
Actuarial loss/(gain) arising on account of experience changes	6.65	8.22
Employee contributions	68.38	59.50
Benefits paid	(55.59)	(50.12)
Liabilities assumed/(settled)	1.09	1.34
Closing defined benefit obligation	1,184.13	1,047.83
Movement in plan assets		
Opening fair value of plan assets	1,047.83	931.68
Interest on plan assets	81.69	68.73
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	6.65	8.22
Employer contributions during the period	34.08	28.48
Employee contributions during the period	68.38	59.50
Benefits paid	(55.59)	(50.12)
Assets acquired/(settled)	1.09	1.34
Closing fair value of plan assets	1,184.13	1,047.83

Particulars	As at 31 March	
	2019	
Disaggregation of assets		
Quoted		
Property		—
Government debt instruments		615.17
Other debt instruments		391.51
Entity's own equity instruments		—
Insurer managed funds		—
Others		177.45
Total		1,184.13

Particulars	As at 31 March	
	2019	2018
Key actuarial assumptions		
Discount rate (p.a.)	7.70%	7.75%
Future derived return on assets (p.a.)	8.68%	8.64%
Discount rate for the remaining term to maturity of the investment (p.a.)	7.35%	7.65%
Average historic yield on the investment (p.a.)	8.33%	8.54%
Guaranteed rate of return (p.a.)	8.65%	8.55%

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

37 Employee benefits (Contd.)**Unfunded Schemes**

Particulars	(₹ In Crore)			
	As at 31 March 2019		As at 31 March 2018	
	Compensated Absences	Welfare Scheme	Compensated Absences	Welfare Scheme
Present value of unfunded obligations	118.25	3.07	106.42	3.71
Expense recognised in the Statement of Profit and Loss	24.39	0.38	16.57	0.42
Amount recorded as Other Comprehensive Income		(0.70)		(0.59)
Discount rate (p.a.)	7.70%	7.70%	7.75%	7.75%
Salary escalation rate (p.a.) – senior staff	10.00%	N.A.	10.00%	N.A.
Salary escalation rate (p.a.) – junior staff	10.00%	N.A.	10.00%	N.A.

Compensated absences

The compensated absences cover the Company's liability for casual and earned leave.

Entire amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Compensated absences expected to be settled after 12 months	102.64	93.47

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Amount recognised in the Statement of Profit and Loss		
Defined contribution plans:		
Superannuation paid to trust	9.46	9.07
Pension fund paid to Government authorities	12.41	12.38
Others	1.62	1.46
Defined benefit plans:		
Gratuity	32.02	28.44
Provident fund paid to trust	34.08	28.48
Others	0.83	0.72
Total	90.42	80.55

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

38 Disclosure of transactions with related parties as required by the Indian Accounting Standard 24

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2018-19		2017-18	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Subsidiaries:					
PT.Bajaj Auto Indonesia (99.25% shares held by Bajaj Auto Ltd.)	Contribution to equity (411,875 shares of USD 3 each)	-	6.17	-	6.17
	Provision for diminution in value of investment	-	(2.17)	-	(2.17)
	Write-down of investment	-	-	199.41	-
	Provision for diminution written-back	-	-	199.41	-
Bajaj Auto International Holdings BV Amsterdam Netherlands (Fully owned subsidiary)	Contribution to equity (1,980,000 shares of Euro 100 each)	-	1,218.72	-	1,218.72
	Dividend received	94.36	-	135.07	-
B Associates, joint ventures and investing parties:					
Bajaj Holdings & Investment Ltd. (Investing party - holds 33.43% shares of Bajaj Auto Ltd.)	Purchase of shares by BHIL [96,727,050 shares (Previous year 91,280,000) of ₹ 10 each]	-	(96.73)	-	(91.28)
	Purchase of shares by BAL [2,910,050 shares of ₹ 10 each]	-	909.91	-	-
	Dividend paid	547.68	-	502.04	-
	Business support service received	1.98	-	1.55	-
	Business support service rendered	12.52	-	15.26	-
C Key management personnel and their relatives:					
Rahul Bajaj (Chairman)	Short-term employee benefits (including Commission)	10.63	(6.75)	10.79	(6.75)
	Post-employment benefits	0.80	-	0.80	-
	Rent paid for premises	0.20	-	0.17	-
	Deposit paid against premises taken on lease	0.90	3.60	-	2.70
Rajiv Bajaj (Managing Director)	Short-term employee benefits (including Commission)	29.95	(20.02)	26.27	(17.41)
	Post-employment benefits	2.36	-	2.05	-
	Rent paid for premises	1.99	-	1.98	-
	Deposit paid against premises taken on lease	0.90	1.92	-	2.82
Pradeep Shrivastava (Executive Director)	Short-term employee benefits	6.05	-	3.78	-
	Post-employment benefits	0.61	-	0.43	-
Rakesh Sharma (Executive Director)	Short-term employee benefits	4.99	-	3.61	-
	Post-employment benefits	0.49	-	0.44	-
Madhur Bajaj (Vice Chairman)	Rent paid for premises	0.27	-	0.05	-
	Deposit paid against premises taken on lease	3.52	4.40	-	0.88
	Sitting fees	0.08	-	0.08	-
	Commission	0.12	(0.12)	0.12	(0.12)
Sanjiv Bajaj	Sitting fees	0.08	-	0.08	-
	Commission	0.12	(0.12)	0.12	(0.12)
Shekhar Bajaj	Sitting fees	0.06	-	0.07	-
	Commission	0.09	(0.09)	0.11	(0.11)
	Rent paid for premises	-	-	0.16	-
	Deposit paid against premises taken on lease	2.64	-	-	2.64
Niraj Bajaj	Sitting Fees	0.08	-	0.08	-
	Commission	0.12	(0.12)	0.12	(0.12)
	Rent paid for premises	-	-	0.05	-
	Deposit paid against premises taken on lease	0.88	-	-	0.88

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

38 Disclosure of transactions with related parties as required by the Indian Accounting Standard 24 (Contd.)

		(₹ In Crore)			
Name of related party and nature of relationship	Nature of transaction	2018-19		2017-18	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
D Other entities/persons:					
Bajaj Finserv Ltd.	Purchase of windpower	13.82	-	7.68	-
	Business support service rendered	0.41	-	0.30	-
Bajaj Finance Ltd.	Purchase of shares by BFL (150 shares of ₹ 10 each) - ₹ 1,500	-	-	-	-
	Subvention charges paid	9.88	0.86	23.78	(1.91)
	Service rendered	25.68	-	26.55	0.78
	Service received	0.20	-	0.51	-
	Security deposit received	-	(0.21)	-	(0.21)
	Dividend paid (₹ 9,000, previous year - ₹ 8,250)	-	-	-	-
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	15.89	4.68	10.98	4.21
	Claims received	0.01	-	-	-
Bajaj Allianz Life Insurance Co. Ltd.	Insurance premiums paid	1.16	-	1.01	(0.01)
	Purchase of shares by BALIC (125,000 shares of ₹ 10 each)	-	(0.13)	-	(0.13)
	Dividend paid	0.75	-	0.69	-
Bajaj Housing Finance Ltd.	Services rendered	0.01	-	-	-
	Security deposit received	0.02	(0.02)	-	-
Bajaj Electricals Ltd.	Purchases	0.05	(0.25)	0.55	(0.22)
Hind Musafir Agency Ltd.	Services received	20.71	(1.06)	18.66	(1.46)
Hindustan Housing Co. Ltd.	Maintenance charges paid	0.26	(0.07)	0.20	-
KTM AG	Sale of vehicles and material	414.62	(46.42)	405.86	(4.38)
	Services rendered and other debits	0.16	-	-	-
	Purchase of accessories and other credits	2.65	-	1.51	-
KTM Sportmotorcycle GmbH	Sale of vehicles and material	382.62	(149.06)	425.64	(11.03)
	Royalty paid and payable	13.99	(3.27)	9.48	(2.05)
	Services rendered and other debits	0.08	-	0.23	-
	Purchase of accessories and other credits	5.03	-	0.12	-
KTM Southeast Europe A.E.	Sale of vehicles and material (₹ 13,506, previous year - ₹ 13,506)	0.44	-	0.43	-
KTM Southeast Europe S.A.	Sale of vehicles and material (₹ 19,151, previous year - ₹ 12,955)	-	-	0.41	-
KTM Sportmotorcycle India Pvt. Ltd.	Royalty paid and payable	8.05	(0.56)	9.21	(1.74)
	Services rendered and other debits	2.25	-	2.35	-
Maharashtra Scooters Ltd.	Purchase of shares by MSL (6,774,072 shares of ₹ 10 each)	-	(6.77)	-	(6.77)
	Dividend paid	40.64	-	37.26	-
	Purchases	0.31	-	0.16	-
	Sales (including capital asset)	-	-	0.33	-
	Services rendered	0.12	(0.04)	0.10	0.04
Mukand Ltd.	Purchases	-	-	0.03	-
CERG Advisory Pvt. Ltd.	Services received	0.10	-	0.09	-
Bajaj Auto Charitable Trust	CSR payment	0.25	-	-	-
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	61.50	-	0.50	-
Bajaj Auto Senior Staff Group Gratuity Fund	Gratuity contribution	74.50	-	16.05	-
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	9.46	(0.20)	9.07	1.00
Bajaj Auto Limited Provident Fund	Provident fund contribution (Employer's share)	34.08	(10.05)	28.48	(9.35)

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

38 Disclosure of transactions with related parties as required by the Indian Accounting Standard 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2018-19		2017-18	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
D J Balaji Rao	Sitting fees	0.18	-	0.15	-
	Commission	0.27	(0.27)	0.23	(0.23)
D S Mehta	Sitting fees	0.04	-	0.06	-
	Commission	0.06	(0.06)	0.09	(0.09)
Naresh Chandra	Sitting fees	-	-	0.03	-
	Commission	-	-	0.05	(0.05)
Nanoo Pamnani	Sitting fees	0.13	-	0.11	-
	Commission	0.50	(0.50)	0.37	(0.37)
Manish Kejriwal	Sitting fees	0.04	-	0.07	-
	Commission	0.06	(0.06)	0.11	(0.11)
P Murari	Sitting fees	0.04	-	0.03	-
	Commission	0.06	(0.06)	0.05	(0.05)
Dr. Gita Piramal	Sitting fees	0.17	-	0.15	-
	Commission	0.26	(0.26)	0.23	(0.23)
Naushad D Forbes	Sitting fees	0.15	-	0.09	-
	Commission	0.23	(0.23)	0.14	(0.14)
Omkar Goswami	Sitting fees	0.08	-	0.08	-
	Commission	0.12	(0.12)	0.12	(0.12)
Anami Roy	Sitting fees	0.08	-	0.06	-
	Commission	0.12	(0.12)	0.09	(0.09)

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

Related parties as defined under clause 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms' length basis. All outstanding balances are unsecured and are repayable in cash.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

39 Lease

As a lessor:

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

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

Particulars	As at 31 March	
	2019	2018
(₹ In Crore)		
Receivable		
Within one year	24.27	23.93
After one year but not more than five years	40.52	62.98
More than five years	1.12	–
	65.91	86.91

As a lessee:

The Company has operating leases for premises. These lease arrangements range for a period between one to ninety 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	As at 31 March	
	2019	2018
(₹ In Crore)		
Payable		
Within one year	11.23	11.28
After one year but not more than five years	16.85	19.21
More than five years	14.25	15.07
	42.33	45.56

40 Expenditure incurred on Research and Development

Particulars	For the year ended 31 March	
	2019	2018
(₹ In Crore)		
a Revenue expenditure - charged to Statement of Profit and Loss	392.35	334.11
b Revenue expenditure - capitalised	20.78	13.78
c Capital expenditure - excluding building	43.22	24.80
d Capital expenditure - building	–	–
	456.35	372.69

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

- 41** 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.
- 42** Post the applicability of GST with effect from 1 July 2017, Revenue from operations (i.e. Sales) are required to be disclosed net of GST. Sales before this date are disclosed as gross of excise duty. Accordingly, Revenue from operations for the current year is not comparable with the previous year.
- 43** During previous year, the Company has written-off its investment in PT Bajaj Auto Indonesia, to the extent of ₹ 199.41 crore (USD 39.95 million), consequential to a share capital reduction effected in PT Bajaj Auto Indonesia to the same extent. The transaction has been approved by the Reserve Bank of India vide its letter dtd. 22 March 2018. Accordingly, the Company has reversed an amount of ₹ 199.41 crore from provision for diminution in the value of investments to the Statement of Profit and Loss for the previous year ended 31 March 2018.

44 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, upto the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 introducing/amending the following standards:

Ind AS 116 Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards, if applicable, when they become effective. As the Company does not have any material leases, the adoption of this standard is not likely to have a material impact in its Standalone Financial Statements. Based on an assessment done by the Company, its right to use assets & financial liabilities are expected to increase by approx. ₹ 30 crore with nominal impact in reserves.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

44 Standards issued but not yet effective (Contd.)

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Based on the Company's preliminary evaluation, these amendments have no impact on the financial statements of the Company.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the financial statements of the Company.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 addresses the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability/(asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability/(asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability/(asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

Annual improvement to Ind AS (2018);

These improvements include:

Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

44 Standards issued but not yet effective (Contd.)

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its consolidated financial statements.

Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its consolidated financial statements.

45 Miscellaneous

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

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Kevin D'sa
Chief Financial Officer

Dr. J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

WORLD'S
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FINANCIAL

**CONSOLIDATED
FINANCIAL
STATEMENTS**

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

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

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Bajaj Auto Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate comprising of the consolidated Balance Sheet as at 31 March 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditors' responsibilities for the audit of the consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the Management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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

Key audit matters

How our audit addressed the key audit matter

Accounting for investments (as described in note 5 of the consolidated financial statements)

The Holding Company has investments aggregating ₹ 17,936.64 crore in equity shares, bonds, liquid mutual funds, short term funds, fixed maturity plans ('FMPs') and commercial papers as at 31 March 2019. These investments are measured either at amortised cost, Fair Value through Profit and Loss ('FVTPL') or Fair Value through Other Comprehensive Income ('FVTOCI') based on fulfilment of required criteria which involve management judgment. Of the above total investments, the Holding Company's investments in FMPs as at 31 March 2019 amounted to ₹ 12,338.10 crore (63% of total investments). These investments were measured at FVTPL till 31 March 2018.

The Holding Company applies amortised cost, where it has ability to demonstrate that the underlying instruments in the portfolio fulfill the solely payments of principal and interest ('SPPI') test and the churn in the portfolio is negligible. As these conditions have been fulfilled effective from 1 April 2018, the Holding Company, has classified FMPs, as subsequently measured at amortised cost.

Our audit procedures included the following:

- Read the minutes of the meetings of the Investment Committee.
- Performed test of controls on a sample basis on the operating effectiveness of internal controls on investments.
- Tested on a sample basis, the investments underlying the FMPs to ascertain whether those investments would satisfy the conditions of Ind AS.
- Compared on a sample basis the indicative yields used by the Holding Company for accounting for interest income on amortised cost basis, with the actual yields earned by the Holding Company on those FMPs at the time of redemption.
- Tested on a sample basis the portfolio churn in case of FMPs to ascertain whether majority of the instruments in the FMP are held till maturity.
- Obtained management representations on the judgments exercised, including indicative yields and maturity periods considered for amortised cost workings.
- Tested the disclosures made by the Holding Company.

Other information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Letter, Management Discussion and Analysis, Corporate Governance and Directors' Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31 March 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Other matter

We did not audit the financial statements and other financial information, in respect of a subsidiary, whose Ind AS financial statements include total assets of ₹ 0.93 crore as at 31 March 2019, and total revenues of ₹ Nil and net cash outflows of ₹ 2.06 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditors' reports have been furnished to us by the Management. The consolidated financial statements also include the Group's share of net profit of ₹ 349.75 crore for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary and associate and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate, is based solely on the reports of such other auditors.

The subsidiary and associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's Management has converted the financial statements of such subsidiary and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

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

Report on other legal and regulatory requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164 (2) of the Act. The Holding Company did not have any subsidiary or an associate company in India and did not exercise joint control over any entity incorporated in India;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies and associate company, since none of the subsidiary companies and associate company are incorporated in India, no separate report is being issued with reference to these consolidated financial statements of the Holding Company. Also refer Annexure 2 to the independent auditors' report dated 17 May 2019, issued on the standalone financial statements of the Holding Company regarding internal controls over financial reporting;

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

- (g) In our opinion, the managerial remuneration for the year ended 31 March 2019 has been paid/provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. The Holding Company did not have any subsidiary or an associate company in India and did not exercise joint control over any entity incorporated in India;
- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary and associate, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 32 to the consolidated financial statements;
 - 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 – Refer Note 32 to the consolidated financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019. The Holding Company did not have any subsidiary or an associate company in India and did not exercise joint control over any entity incorporated in India.

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Consolidated Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2019	2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,688.69	1,821.22
Capital work-in-progress	2	11.54	11.15
Investment property	3	55.50	57.11
Intangible assets	4	19.75	–
Intangible assets under development	4	36.48	45.32
Investments in associate of subsidiary	5A	2,666.21	2,528.99
Financial assets			
Investments	5B	16,360.16	10,600.17
Trade receivables	10	–	–
Loans	6	31.66	30.68
Other financial assets	7	0.02	0.02
Income tax assets (net)		584.41	438.66
Other non-current assets	8	306.83	356.85
		21,761.25	15,890.17
Current assets			
Inventories	9	961.51	742.58
Financial assets			
Investments	5B	1,576.48	5,765.41
Trade receivables	10	2,559.69	1,491.87
Cash and cash equivalents	11	915.64	775.60
Other bank balances	12	17.43	17.06
Loans	6	6.34	6.26
Other financial assets	7	112.94	79.36
Other current assets	8	923.13	372.69
		7,073.16	9,250.83
Total		28,834.41	25,141.00

Consolidated Balance Sheet (Contd.)

(₹ In Crore)			
Particulars	Note No.	As at 31 March	
		2019	2018
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	289.37	289.37
Other equity	14	22,944.44	20,135.87
Equity attributable to owners of the Company		23,233.81	20,425.24
Non-controlling interest		0.01	0.02
Total equity		23,233.82	20,425.26
Non-current liabilities			
Financial liabilities			
Sales tax deferral	15	124.52	120.77
Provisions	16	14.56	112.19
Deferred tax liabilities (net)	17	542.66	323.42
Government grant		43.95	46.61
Other non-current liabilities	18	1.12	1.35
		726.81	604.34
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		2.65	1.06
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,784.18	3,243.36
Other financial liabilities	19	370.97	329.26
Other current liabilities	20	556.97	393.73
Provisions	16	140.62	125.60
Government grant		2.65	2.65
Current tax liabilities (net)		15.74	15.74
		4,873.78	4,111.40
Total		28,834.41	25,141.00
Summary of significant accounting policies followed by the Company	1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

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

Rahul Bajaj
Chairman

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Consolidated Statement of Profit and Loss

Particulars	Note No.	(₹ In Crore)	
		For the year ended 31 March	
		2019	2018
Revenue from contracts with customers [See note 37]		29,567.25	25,098.64
Other operating revenue		682.71	518.63
Revenue from operations	21	30,249.96	25,617.27
Other income	22	1,555.01	1,158.26
Total income		31,804.97	26,775.53
Expenses			
Cost of raw materials and components consumed		20,301.35	15,999.16
Purchase of traded goods		1,579.38	1,401.25
Changes in inventories of finished goods, work-in-progress and traded goods	23	(56.42)	9.68
Excise duty [See note 37]		–	398.34
Employee benefits expense	24	1,256.89	1,069.48
Finance costs	25	4.48	1.31
Depreciation and amortisation expense	26	265.69	314.80
Other expenses	27	2,219.87	1,927.78
Expenses, included in above items, capitalised		(30.10)	(24.07)
Total expenses		25,541.14	21,097.73
Share of profits of associate		349.75	287.61
Profit before exceptional items and tax		6,613.58	5,965.41
Exceptional items	28	(342.00)	32.00
Profit before tax		6,955.58	5,933.41
Tax expense			
Current tax		1,818.59	1,646.36
Deferred tax		209.39	68.11
Total tax expense	29	2,027.98	1,714.47
Profit after tax		4,927.60	4,218.94
Profit attributable to non-controlling interest		(0.01)	(0.01)
Profit for the year		4,927.61	4,218.95

Consolidated Statement of Profit and Loss (Contd.)

Particulars	Note No.	For the year ended 31 March	
		2019	2018
(₹ In Crore)			
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) of defined benefit plans		(5.47)	(21.61)
Tax impact on above		1.91	7.62
Actuarial gains/(losses) of defined benefit plans - share of associate of subsidiary		(3.11)	0.65
Changes in fair value of FVTOCI equity instruments		84.33	-
Tax impact on above		(9.82)	-
Items that will be reclassified to profit or loss			
Valuation gains/(losses) on derivative hedging instruments		5.54	(147.05)
Tax impact on above		(1.94)	50.69
Other adjustments - share of associate of subsidiary		(5.00)	11.30
Change in foreign currency translation reserve of subsidiary		(111.79)	336.14
Other comprehensive income (net of tax)		(45.35)	237.74
Total comprehensive income for the year		4,882.26	4,456.69
Profit attributable to:			
Owners of the Company		4,927.61	4,218.95
Non-controlling interest		(0.01)	(0.01)
		4,927.60	4,218.94
Total comprehensive income attributable to:			
Owners of the Company		4,882.26	4,456.69
Non-controlling interest		(0.01)	(0.01)
		4,882.25	4,456.68
Basic and diluted Earnings per share (In ₹)	30	170.3	145.8
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Company	1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

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

Rahul Bajaj
Chairman

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

Dr. J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Consolidated Statement of Changes in Equity

A. Equity share capital

Particulars	Note No.	For the year ended 31 March	
		2019	2018
At the beginning of the year		289.37	289.37
Changes in equity share capital		-	-
At the end of the year	13	289.37	289.37

B. Other equity

Particulars	Note No.	Attributable to owners								
		Reserves and surplus			Other reserves					
		General reserve	Retained earnings	Cash flow hedging reserve	Costs of hedging reserve	Foreign exchange difference of subsidiary on paid-up capital	Foreign currency translation reserve	FVTOCI reserve	Total other equity	Non-controlling interest
Balance as at 1 April 2017	14	4,793.84	12,562.56	200.27	(64.67)	8.51	66.69	-	17,567.20	0.03
Profit for the year		-	4,218.95	-	-	-	-	-	4,218.95	(0.01)
Other comprehensive income (net of tax)		11.95	(13.99)	(120.55)	24.19	(8.26)	344.40	-	237.74	-
Total comprehensive income for the year ended 31 March 2018		11.95	4,204.96	(120.55)	24.19	(8.26)	344.40	-	4,456.69	(0.01)
Transactions with owners in their capacity as owners										
Transfer from Retained earnings to General reserve		557.85	(557.85)	-	-	-	-	-	-	-
Final dividend, declared and paid during the year		-	(1,591.52)	-	-	-	-	-	(1,591.52)	-
Tax on final dividend		-	(296.50)	-	-	-	-	-	(296.50)	-
Balance as at 31 March 2018	14	5,363.64	14,321.65	79.72	(40.48)	0.25	411.09	-	20,135.87	0.02
Profit for the year		-	4,927.61	-	-	-	-	-	4,927.61	(0.01)
Other comprehensive income (net of tax)		(8.11)	(3.56)	(19.41)	23.01	0.01	(111.80)	74.51	(45.35)	-
Total comprehensive income for the year ended 31 March 2019		(8.11)	4,924.05	(19.41)	23.01	0.01	(111.80)	74.51	4,882.26	(0.01)
Transactions with owners in their capacity as owners										
Transfer from Retained earnings to General reserve		720.43	(720.43)	-	-	-	-	-	-	-
Final dividend, declared and paid during the year		-	(1,736.20)	-	-	-	-	-	(1,736.20)	-
Tax on final dividend		-	(337.49)	-	-	-	-	-	(337.49)	-
Balance as at 31 March 2019	14	6,075.96	16,451.58	60.31	(17.47)	0.26	299.29	74.51	22,944.44	0.01
Summary of significant accounting policies followed by the Company	1									

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Kevin D'sa
Chief Financial Officer

Dr. 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 Cash Flows

(₹ In Crore)

For the year ended 31 March

Particulars	2019	2018
I. Operating activities		
Profit before tax	6,955.58	5,933.41
Adjustments to reconcile profit before tax to net cash flows:		
Add:		
i) Depreciation and amortisation	265.69	314.80
ii) Loss on property, plant and equipment sold, demolished, discarded and scrapped	8.41	10.15
iii) Provision for doubtful debts and advances	1.19	3.14
iv) Exchange rate differences on cash and cash equivalents	26.96	(23.61)
v) Exchange loss/(gain) on trade receivables	2.94	(1.52)
vi) Exchange loss/(gain) on import payables	(0.02)	(0.24)
vii) Interest adjustment on Government grant	0.96	0.87
viii) Interest expense	3.52	0.44
	309.65	304.03
Less:		
i) Investment income included in above:		
Interest income on fixed income securities	24.33	32.41
Interest income on fixed maturity plans	829.65	-
Profit on sale of other investments, net	1.92	5.40
Gain on valuation and gain on realisation of mutual funds measured at fair value through profit or loss	361.19	889.92
Amortisation of premium/discount on acquisition of fixed income securities	48.21	25.46
	1,265.30	953.19
ii) Share of profits of associate	349.75	287.61
iii) Provision for doubtful debts and advances written back (net)	1.22	0.11
iv) Liabilities no longer required written-back	89.51	64.39
v) Government grants	2.65	2.65
vi) Exceptional item - NCCD reversal	342.00	-
vii) Surplus on sale of property, plant and equipment	55.05	7.58
	(2,105.48)	(1,315.53)
	5,159.75	4,921.91
Change in assets and liabilities		
i) (Increase)/decrease in inventories	(218.93)	(14.20)
ii) (Increase)/decrease in trade receivables	(1,070.47)	(539.11)
iii) (Increase)/decrease in loans and other assets	(167.36)	677.80
iv) Increase/(decrease) in liabilities and provisions	754.05	989.35
	(702.71)	1,113.84
Annuity payments (net) to VRS optees	(5.84)	(22.83)
Net cash from operating activities before income tax	4,451.20	6,012.92
Income-tax refund/(paid) for earlier years (net)	(10.00)	(2.54)
Income tax paid	(1,954.34)	(1,682.54)
Net cash flow from/(used in) operating activities	2,486.86	4,327.84
Carried forward	2,486.86	4,327.84

Consolidated Statement of Cash Flows (Contd.)

(₹ In Crore)

For the year ended 31 March

Particulars	For the year ended 31 March	
	2019	2018
Brought forward	2,486.86	4,327.84
II. Investing activities		
i) Sale of investments	9,140.38	4,988.52
ii) Purchase of investments	(9,600.95)	(7,483.30)
iii) Sale/(purchase) of liquid mutual funds, etc., net	214.81	558.73
iv) Purchase of investment property	-	(0.20)
v) (Increase)/decrease in other bank balances	(0.37)	(3.20)
vi) Purchase of property, plant and equipment (including advances)	(163.53)	(182.63)
vii) Sale proceeds of property, plant and equipment	76.16	13.13
viii) Capital expenditure on development of technical know-how	(20.78)	(13.79)
	(354.28)	(2,122.74)
ix) Investment income		
Interest income on fixed income securities	24.33	32.41
(Increase)/decrease in interest receivable	(8.49)	37.24
	15.84	69.65
Net cash flow from/(used in) investing activities	(338.44)	(2,053.09)
Carried forward	2,148.42	2,274.75

Consolidated Statement of Cash Flows (Contd.)

Particulars	For the year ended 31 March	
	2019	2018
Brought forward	2,148.42	2,274.75
III. Financing activities		
i) Interest expense	(3.52)	(0.44)
ii) Deferral of sales tax deferral liability	2.79	-
iii) Dividend paid	(1,735.83)	(1,588.32)
iv) Corporate dividend tax paid	(337.49)	(296.50)
Net cash flow from/(used in) financing activities	(2,074.05)	(1,885.26)
IV. Change in foreign currency translation arising on consolidation	92.63	75.00
Net change in cash and cash equivalents	167.00	464.49
Cash and cash equivalents at the beginning of the year	775.60	287.50
Add/(Less): Effects of exchange rate changes on cash and cash equivalents	(26.96)	23.61
Cash and cash equivalents at the end of the year	915.64	775.60
	-	-

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Kevin D'sa
Chief Financial Officer

Dr. 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 consolidated financial statements for the year ended 31 March 2019

Background

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

The consolidated financial statements comprise financial statements of Bajaj Auto Limited (the 'Company') and its subsidiaries (collectively, the 'Group') for the year ended 31 March 2019. The consolidated financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on 17 May 2019.

The consolidated financial statements include results of the subsidiaries of Bajaj Auto Ltd., consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and Ind AS 28 'Investment in Associates and Joint Ventures'.

Name of the Company	Country of Incorporation	% Shareholding of Bajaj Auto Ltd.	% Shareholding of Non-controlling interest	Consolidated as
PT. Bajaj Auto Indonesia	Indonesia	99.25%	0.75%	Subsidiary
Bajaj Auto International Holdings BV	Netherlands	100.00%	-	Subsidiary

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

1 Summary of significant accounting policies followed by the Company

Basis of preparation

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

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

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

All assets and liabilities, other than deferred tax assets and liabilities, have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Deferred tax assets and liabilities are classified as non-current assets and liabilities. 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 current and non-current classification of assets and liabilities.

Significant accounting policies

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

1 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group. For non-wholly owned subsidiaries, a share of the profit/loss for the financial year and net assets is attributed to the non-controlling interests as shown in the Consolidated Statement of Profit and Loss and Consolidated Balance Sheet. For acquisitions of additional interests in subsidiaries, where there is no change in control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests the difference between

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

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

the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. The financial statements of subsidiaries acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless costs cannot be recovered.

2 Investment in associates

Investments in associates are accounted for using the equity method. An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies. The considerations made in determining whether significant influence is being exercised are similar to those necessary to determine control over the subsidiaries. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Statement of Profit and Loss.

The financial statements of the associate are prepared with a three months' time lag for consolidation into the Group financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. The Group has not identified any material adjustments during the year; in regard to the alignment of accounting policies.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3 Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

4 Taxation

- a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.
- b) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- c) Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

- d) Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5) Other significant accounting policies

Other significant accounting policies followed by the Group are exactly similar to the significant accounting policies of the parent, Bajaj Auto Limited; and hence have not been reproduced here. Refer note 1 of standalone financial statements of Bajaj Auto Ltd. for the year ended 31 March 2019 for details in regard to other significant accounting policies.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

2 Property, plant and equipment

Current year

Particulars	Gross block				Depreciation			Net block	
	As at 1 April 2018	Additions	Deductions/ adjustments	As at 31 March 2019	As at 1 April 2018	Deductions	For the year	As at 31 March 2019	As at 31 March 2019
	(₹ In Crore)								
Land freehold	20.09	-	0.12	19.97	-	-	-	-	19.97
Land leasehold	53.04	-	0.65	52.39	-	-	-	-	52.39
Buildings	929.46	3.12	0.48	932.10	287.11	0.08	25.91	312.94	619.16
Waterpumps, reservoirs and mains	17.31	0.05	-	17.36	11.96	-	0.80	12.76	4.60
Plant and machinery	1,381.46	36.71	54.02	1,364.15	966.75	49.49	61.48	978.74	385.41
Computers and IT Equipment	77.59	2.34	2.43	77.50	63.42	2.43	7.28	68.27	9.23
Dies and jigs	739.01	57.39	18.02	778.38	511.60	14.22	57.39	554.77	223.61
Electric installations	73.83	0.46	-	74.29	66.99	-	1.54	68.53	5.76
Factory equipment	376.79	26.31	2.10	401.00	175.63	1.71	25.72	199.64	201.36
Furniture	49.60	1.82	10.59	40.83	30.30	10.59	3.09	22.80	18.03
Office equipment	50.58	5.53	10.85	45.26	41.96	10.85	4.32	35.43	9.83
Electric fittings	31.53	0.28	-	31.81	21.51	-	1.92	23.43	8.38
Vehicles and aircraft	648.85	17.19	304.73	361.31	450.69	284.45	64.11	230.35	130.96
Total	4,449.14	151.20	403.99	4,196.35	2,627.92	373.82	253.56	2,507.66	1,688.69
Capital work-in-progress	11.15	9.48	9.09	11.54	-	-	-	-	11.54

Previous year

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

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

3 Investment property

(₹ In Crore)

Particulars	As at 31 March	
	2019	2018
Gross carrying amount		
Opening balance	69.66	69.46
Additions	–	0.20
Closing balance	69.66	69.66
Accumulated depreciation		
Opening balance	12.55	10.93
Depreciation charge	1.61	1.62
Closing balance	14.16	12.55
Net carrying amount	55.50	57.11

See note 3 of standalone financial statements for the following disclosures in regard to investment property:

- i) Amounts recognised in profit and loss for investment properties
- ii) Contractual obligations
- iii) Leasing arrangements
- iv) Fair value

4 Intangible assets

Current year

(₹ In Crore)

Particulars	Gross block				Amortisation			Net block	
	As at 1 April 2018	Additions	Deductions/ adjustments	As at 31 March 2019	As at 1 April 2018	Deductions	For the year	As at 31 March 2019	As at 31 March 2019
Intangible assets									
Technical know-how developed	–	29.62	–	29.62	–	–	9.87	9.87	19.75
Total Intangible assets	–	29.62	–	29.62	–	–	9.87	9.87	19.75
Intangible assets under development	45.32	20.78	29.62	36.48	–	–	–	–	36.48

Previous year

(₹ In Crore)

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

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

5 Investments

(₹ In Crore)

Particulars	Non-current investments		Current investments	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
(A) Investments in associate of subsidiary				
5,204,864 shares of Euro 100 each in KTM AG	2,052.61	1,890.62	–	–
Goodwill on above investment	613.60	638.37	–	–
	2,666.21	2,528.99	–	–
(B) Other investments				
Investments carried at FVTOCI				
2,910,050 shares of ₹ 10 each in Bajaj Holdings & Investments Ltd.	994.23	–	–	–
Investments carried at amortised cost				
In Bonds and debentures	152.85	191.19	174.51	127.50
In Commercial paper	–	–	–	97.58
In Fixed maturity plans (Amortised cost as at 31 March 2019/Fair value through P&L as at 31 March 2018)	11,203.40	5,755.83	1,134.71	5,122.74
Investments carried at fair value through profit or loss				
In Mutual fund units	4,009.68	4,653.15	267.26	417.59
	16,360.16	10,600.17	1,576.48	5,765.41
	19,026.37	13,129.16	1,576.48	5,765.41
Aggregate provision for diminution in value of investments	–	–	–	1.95

Notes to Investments:

1. See note 5B of standalone financial statements for details of 'Other investments'.
2. See footnotes to note 5 of standalone financial statements.

6 Loans

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Security deposits	24.64	23.38	–	–
Employee loans	7.02	7.30	6.34	6.26
	31.66	30.68	6.34	6.26

Security deposits include a sum of ₹ 9.92 crore (Previous year ₹ 9.92 crore) against use of premises on a Leave License basis, placed with directors and their relatives, jointly and severally. [See note 33]

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

7 Other financial assets

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Non-current bank balances [See note 12]	0.02	0.02	-	-
Interest receivable on investments	-	-	9.64	1.15
Interest receivable on loans, deposits etc.	-	-	0.68	0.60
Valuation gains on derivative hedging instruments [See note 32]	-	-	65.85	60.32
Other advances	-	-	36.77	17.29
	0.02	0.02	112.94	79.36

8 Other assets

(Unsecured, good, unless stated otherwise)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Capital advances	101.90	89.96	-	-
Security deposits	6.70	4.89	-	-
Advances recoverable in cash or kind				
Advances to related parties [See note 33]	-	-	-	4.21
Other advances	23.49	24.34	87.12	34.64
Doubtful advances	8.14	8.14	-	-
	31.63	32.48	87.12	38.85
Provision for doubtful advances	8.14	8.14	-	-
	23.49	24.34	87.12	38.85
VAT refund receivable	174.74	237.66	29.51	45.14
GST credit/refund receivable	-	-	259.04	167.80
NCCD deposit receivable from Government [See note 28]	-	-	342.00	-
Export incentives receivable				
Unsecured considered good	-	-	205.46	120.90
Doubtful	0.21	5.95	-	-
	0.21	5.95	205.46	120.90
Provision for doubtful export incentives	0.21	5.95	-	-
	-	-	205.46	120.90
	306.83	356.85	923.13	372.69

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

9 Inventories

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Raw materials and components (includes in transit ₹ 53.62 crore (Previous year ₹ 27.98 crore))	424.26	259.01
Work-in-progress	46.96	26.89
Finished goods	470.41	434.06
Stores, spares and packing material	16.37	18.43
Loose tools	3.51	4.19
	961.51	742.58

Amount recognised in profit and loss

Write-downs of inventories to net realisable value/reversal of provision for write-down, resulted in net loss/(gain) of ₹ (5.12) crore (Previous year – ₹ 0.62 crore). These were recognised as an expense/(income) during the year in the Consolidated Statement of Profit and Loss.

10 Trade receivables

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Unsecured, considered good	–	–	2,559.69	1,491.87
Credit impaired	6.74	6.99	–	–
	6.74	6.99	2,559.69	1,491.87
Impairment allowance for credit impaired	6.74	6.99	–	–
	–	–	2,559.69	1,491.87

11 Cash and cash equivalents

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Balances with banks	570.87	529.05
Cash on hand	0.10	0.11
Cash equivalents		
Certificate of Deposits and Commercial Papers with maturity of less than three months from date of acquisition	344.67	246.44
	915.64	775.60

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

12 Other bank balances

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Unclaimed dividend accounts	-	-	17.43	17.06
Deposits with residual maturity for more than 12 months	0.02	0.02	-	-
	0.02	0.02	17.43	17.06
Amount disclosed under 'other financial assets' [See note 7]	(0.02)	(0.02)	-	-
	-	-	17.43	17.06

13 Equity share capital

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Authorised 300,000,000 equity shares of ₹ 10 each	300.00	300.00
Issued, subscribed and fully paid-up shares 289,367,020 equity shares of ₹ 10 each	289.37	289.37
	289.37	289.37

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	289,367,020	289.37	289,367,020	289.37
Issued during the year	-	-	-	-
Outstanding at the end of the year	289,367,020	289.37	289,367,020	289.37

b. Terms/rights attached to equity shares

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

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Bajaj Holdings & Investment Ltd.	96,727,050	33.43%	91,280,000	31.54%
Jamnalal Sons Pvt. Ltd.	25,844,400	8.93%	25,844,400	8.93%
Life Insurance Corporation of India	13,429,329	4.64%	17,200,152	5.94%

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

14 Other equity

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Reserves and surplus:		
General reserve		
Balance as at the beginning of the year	5,363.64	4,793.84
Add: Adjustments on account of change in share of net assets of associate/subsidiary	(8.11)	11.95
Add: Transferred from surplus in Statement of Profit and Loss	720.43	557.85
Balance as at the end of the year	6,075.96	5,363.64
Retained earnings		
Balance as at the beginning of the year	14,321.65	12,562.56
Profit for the year	4,927.61	4,218.95
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/(losses) of gratuity (net of tax)	(3.56)	(13.99)
Less: Appropriations		
Transfer to General reserve	720.43	557.85
Final dividend paid	1,736.20	1,591.52
Tax on final dividend paid	337.49	296.50
Total appropriations	2,794.12	2,445.87
Balance as at the end of the year	16,451.58	14,321.65
Other reserves:		
Cash flow hedging reserve [See note 32 of standalone financial statements]	60.31	79.72
Costs of hedging reserve [See note 32 of standalone financial statements]	(17.47)	(40.48)
Foreign exchange difference of subsidiary on paid-up capital	0.26	0.25
Foreign currency translation reserve	299.29	411.09
FVTOCI reserve		
Balance as at the beginning of the year	-	-
Net (losses)/gains on FVTOCI equity securities	74.51	-
Balance as at the end of the year	74.51	-
	22,944.44	20,135.87

15 Sales tax deferral

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Unsecured		
Sales tax deferral liability/loan, an incentive under Package Scheme of Incentives 1983 and 1993 - interest free, partially prepaid	124.52	120.77
	124.52	120.77

The exemption of interest on the sales tax liability deferred for payment is considered as a Government grant and measured at an internal rate of return available for pre-payment of the liability as per the sales tax rules. [See note 32]

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

16 Provisions

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Provision for employee benefits [See note 37 of standalone financial statements]				
Provision for gratuity	12.01	108.99	–	–
Provision for compensated absences	–	–	118.25	106.42
Provision for welfare scheme	2.55	3.20	0.52	0.51
	14.56	112.19	118.77	106.93
Other provisions				
Provision for warranties [See footnote to note 16 of standalone financial statements]	–	–	21.85	18.67
	14.56	112.19	140.62	125.60

17 Deferred tax liabilities (net)

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Deferred tax liabilities	636.82	526.29
Deferred tax assets	94.16	202.87
	542.66	323.42

See note 17 of standalone financial statements for detailed break-up of deferred tax liabilities/assets and movement in deferred taxes.

18 Other non-current liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Annuity payable to VRS optees	1.12	1.35
	1.12	1.35

19 Other financial liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Security deposits	25.04	21.61
Unclaimed dividend	17.43	17.06
Directors' remuneration and commission payable	28.88	26.28
Employee benefits payable	164.81	136.41
Other payables	134.81	127.90
	370.97	329.26

Refer note 31 of standalone financial statements for financial liabilities measured at amortised cost.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

20 Other current liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2019	2018
Annuity payable to VRS optees	0.38	5.99
Advance received from customers	490.83	327.58
Taxes and duties payable	37.88	36.09
Other payables	27.88	24.07
	556.97	393.73

21 Revenue from operations

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Revenue from operations		
Revenue from contracts with customers		
Sale of products [See note 37]	29,567.25	25,098.64
Other operating revenue		
Scrap sales	21.56	21.31
Export incentives	457.07	343.43
Royalty	128.67	98.68
Technical know how fees	-	1.20
Interest income on financial services to dealers	75.41	54.01
	682.71	518.63
	30,249.96	25,617.27
Revenue from contracts with customers (Goods transferred at a point in time)		
India	17,722.17	15,395.54
Outside India	11,845.08	9,703.10
Total revenue from contracts with customers	29,567.25	25,098.64
Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price		
Revenue as per contracted price	29,785.13	25,247.62
Adjustments:		
Cash discounts and target incentives	(154.41)	(148.98)
Sales promotion expenses	(63.47)	-
Revenue from contracts with customers	29,567.25	25,098.64

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

22 Other income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Investment income		
Interest income on fixed income securities	24.33	32.41
Amortisation of (premium)/discount on acquisition of fixed income securities	48.21	25.46
Interest income on fixed maturity plans	829.65	-
Interest income from financial assets at amortised cost	902.19	57.87
Gain on valuation and gain on realisation of mutual funds and fixed maturity plans measured at FVTPL	361.19	889.92
Profit on sale of other investments, net	1.92	5.40
	1,265.30	953.19
Others		
Rent [See note 39 of standalone financial statements]	31.39	29.27
Insurance claims	0.86	0.56
Miscellaneous receipts	94.48	80.59
Government grants	2.65	2.65
Surplus on sale of property, plant and equipment	55.05	7.58
Bad debts recovered	0.03	0.36
Sundry credit balances appropriated	0.83	0.84
Provision for doubtful debts and advances written back	1.22	0.12
Less: Write backs on account of amounts written off during the year	0.47	0.01
	0.75	0.11
Liabilities no longer required written-back	89.51	64.39
Gains on exchange fluctuations	14.16	18.72
	289.71	205.07
	1,555.01	1,158.26

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

23 Changes in inventories

Particulars	(₹ In Crore)		
	For the year ended 31 March		
	2019	2018	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	46.96	26.89	(20.07)
Finished goods	470.41	434.06	(36.35)
	517.37	460.95	(56.42)
Inventories at the beginning of the year			
Work-in-progress	26.89	39.83	12.94
Finished goods	434.06	430.80	(3.26)
	460.95	470.63	9.68
	(56.42)	9.68	

24 Employee benefits expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Salaries, wages and bonus to employees	1,094.33	927.48
Contribution to provident and other funds	90.42	80.55
Staff welfare expenses	72.14	61.45
	1,256.89	1,069.48

See note 37 and 38 of standalone financial statements.

25 Finance costs

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Interest expense	3.52	0.44
Interest adjustment on Government grant	0.96	0.87
	4.48	1.31

26 Depreciation and amortisation expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Depreciation on property, plant and equipment	253.56	267.88
Depreciation on investment property	1.61	1.62
Amortisation of technical know-how	9.87	44.65
Amortisation of leasehold land	0.65	0.65
	265.69	314.80

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

27 Other expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
Stores and tools consumed	141.28	117.71
Power, fuel and water	115.01	100.26
Rent [See note 39 of standalone financial statements]	15.26	13.80
Repairs to buildings	45.47	44.26
Repairs to machinery	92.45	110.26
Other repairs	6.86	8.75
Insurance	3.04	3.20
Rates and taxes	6.36	4.02
Payment to auditor	1.73	1.67
Directors' fees and travelling expenses	1.31	1.20
Commission to non-executive directors	2.12	1.91
Travelling expenses	66.81	56.10
Miscellaneous expenses	329.88	307.53
Sales tax/VAT expenses	-	9.00
Packing material consumed	347.93	269.18
Freight and forwarding expenses	202.75	118.12
Advertisement	484.94	437.39
Vehicle service charges and other expenses	152.39	102.65
Sales promotion expenses	82.25	106.87
Expenditure towards Corporate Social Responsibility (CSR) activities	112.32	100.51
Bad debts and other irrecoverable debit balances written off	0.58	0.11
Less: Provisions made in earlier years in respect of amounts written off during the year	0.47	0.01
	0.11	0.10
Loss on property, plant and equipment sold, demolished, discarded and scrapped	8.41	10.15
Provision for doubtful debts and advances (includes expected credit loss on trade receivables)	1.19	3.14
	2,219.87	1,927.78

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

28 Exceptional items

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
NCCD reversal	(342.00)	–
Dealer compensation	–	32.00
	(342.00)	32.00

The Company, during the year ended 31 March 2015, had expensed off the payments made towards deposit of 'National Calamity Contingent Duty' (NCCD) and applicable education cess and secondary and higher education cess thereon, together with interest and penalty amounting to ₹ 342.00 crore for the period from 1 April 2007 to 30 September 2014, pursuant to an order from the Honourable High Court of Uttarakhand on 9 October 2014 that the levy of NCCD is out of the purview of exemptions granted to the Company under the scheme of incentives for industries in certain identified growth areas in Uttarakhand.

In the current year, pursuant to a special leave petition filed by the Company, the Honourable Supreme Court vide its judgment dated 27 March 2019 has held that the Company is not liable to pay NCCD, education cess and secondary and higher education cess; and set aside the orders of Division Bench of Nainital High Court and quashed the show cause notices. The Company has accordingly reversed the charge of ₹ 342.00 crore as an exceptional item in the current year; and has disclosed the corresponding amount in the Balance Sheet as 'Deposits receivable from the Government'. The Company has however not received refund of the said amount from the Excise authorities up to the date of approval of the financial statements by the Board of Directors of the Company.

Exceptional items for the year ended 31 March 2018 represent a one time payment to dealers to compensate them for any losses incurred on introduction of GST as a result of pre-GST inventory held on 30 June 2017.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

29 Tax expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2019	2018
(a) Tax expense		
Current tax		
Current tax on profits for the year	1,818.59	1,646.36
Deferred tax		
Decrease/(increase) in deferred tax assets	108.71	38.73
(Decrease)/increase in deferred tax liabilities	100.68	29.38
Total deferred tax expense/(benefit)	209.39	68.11
Tax expense	2,027.98	1,714.47
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax	6,955.58	5,933.41
Tax at the Indian tax rate of 34.944% (Previous year - 34.608%)	2,430.56	2,053.43
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
– Corporate social responsibility expenditure	19.44	17.79
– Disallowance of estimated expenditure to earn tax exempt income	0.10	0.10
– Rate difference in amortisation of fixed income securities	4.64	4.31
– Rate difference on account of fair value of mutual funds	40.39	86.78
– Others	0.62	5.07
Tax effect of amounts which are deductible (non taxable) in calculating taxable income:		
– Weighted deduction for Research and Development expenditure	(74.24)	(65.72)
– Profits of subsidiaries not taxable in India	(88.21)	(52.20)
– Tax-free interest	(0.70)	(0.70)
– Difference in tax rate on account of dividend received from subsidiary	(16.49)	(23.37)
– National Calamity Contingent Duty (NCCD)	(15.44)	–
– Deduction for profit from specified undertaking	(45.30)	(46.74)
– Profit on investments not taxable	(168.21)	(134.10)
– Income from fair valuation of mutual funds	(57.70)	(129.55)
– Disallowance of expenditure incurred on rented property (net)	(1.48)	(0.63)
Tax expense	2,027.98	1,714.47

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

30 Earnings Per Share (EPS)

Particulars	For the year ended 31 March	
	2019	2018
a. Profit for the year (₹ In Crore)	4,927.61	4,218.95
Weighted average number of shares outstanding during the year (Nos)	289,367,020	289,367,020
b. Earnings per share (Basic and Diluted) ₹	170.3	145.8
Face value per share ₹	10.0	10.0

31 Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

32 Other disclosures

Other notes and disclosures to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Bajaj Auto Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

Particulars	Note Reference of standalone financial statements
Fair value measurement	Note 31
Financial risk management	Note 32
Capital management	Note 33 (a)
Dividends distributed and proposed	Note 33 (b)
Contingent liabilities	Note 34
Capital commitments	Note 35
Employee benefits	Note 37
Lease	Note 39
Research and Development	Note 40
Dues to micro , small and medium enterprises	Note 41
Standards issued but not yet affective	Note 44

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures.

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

Interest received from KTM AG: ₹ Nil (Previous year - ₹ 0.01 crore)

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

34 Investment in an associate

The Group has a 47.99% interest in KTM AG, Austria which is engaged in the development, production and distribution of motorised vehicles under the 'KTM' and 'Husqvarna' brands; and holds equity interests in other entities engaging in development, production and distribution of such equipment. Major sale markets include the USA, Germany, France, Australia, the UK, Italy, Spain, Canada, Austria, Argentina and other European countries.

KTM AG is a private entity that is not listed on any public exchange. The Group's interest is in KTM AG.

The following table illustrates the summarised financial information of the Group's investment in KTM AG (in Euro, which is its functional currency):

Particulars	Euro in Million	
	31 December 2018	31 December 2017
Current assets	569.82	501.94
Non-current assets	732.03	589.99
Current liabilities	356.85	336.03
Non-current liabilities	394.30	267.94
Equity	550.70	487.96
Revenue	1,454.75	1,331.71
Cost of sales	(1,037.67)	(957.12)
Gross profit	417.08	374.59
Selling and racing expenses	(173.78)	(157.98)
Research and development expenses	(22.43)	(28.96)
Infrastructure and administration expenses	(56.92)	(47.83)
Other operating expenses	(30.68)	(31.31)
Other operating income	0.64	2.57
Share of profit of associates	(4.71)	1.97
Result from operating activities	129.20	113.05
Interest income	3.08	1.88
Interest expenses	(13.83)	(6.49)
Other financial result	(1.81)	(1.44)
Profit before tax	116.64	107.00
Tax expense	(26.87)	(28.04)
Profit for the year (continuing operations)	89.77	78.96
Total comprehensive income for the year (continuing operations)	87.31	82.03

The associate had no contingent liabilities or capital commitments.

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

35 Segment information

Segment information is based on the consolidated financial statements.

Segment wise revenue, results and capital employed for the year ended 31 March 2019

The Company's Core Management Committee (CMC), examines the Group's performance both from a product and geographical perspective and has identified two reportable operative business segments. The group's significant source of risk and rewards are derived from Automotive business and Investments, the performance of which is reviewed by the committee on a periodic basis and hence considered as individual operative segments.

(₹ In Crore)

(a) Business segment

Particulars	Automotive	Investments	Consolidated
Revenue			
External sales and other income*	30,539.67	1,265.30	31,804.97
Inter segment sales and other income	-	-	-
Total revenue	30,539.67	1,265.30	31,804.97
* includes Revenue from contracts with customers: ₹ 29,567.25 crore			
Segment result	5,697.47	1,262.59	6,960.06
Finance costs	4.48	-	4.48
Tax expense	-	-	2,027.98
Non-controlling interest	-	-	(0.01)
Profit for the year	5,692.99	1,262.59	4,927.61
Segment assets	7,237.32	18,346.47	25,583.79
Investments in associate of subsidiary	2,666.21	-	2,666.21
Unallocated corporate assets	-	-	584.41
Total assets	9,903.53	18,346.47	28,834.41
Segment liabilities	4,871.07	-	4,871.07
Unallocated corporate liabilities	-	-	15.74
Total liabilities	4,871.07	-	4,886.81
Capital employed	5,032.46	18,346.47	23,947.60
Reconciliation of segment liabilities			
Total segment liabilities as above			4,886.81
Add: Considered as part of capital employed			
Sales tax deferral			124.52
Deferred tax liabilities			542.66
Government grant (current and non-current)			46.60
Total liabilities as per Balance Sheet			5,600.59
Capital expenditure	151.20	-	151.20
Depreciation and write downs	265.69	-	265.69
Non cash expenses other than depreciation	1.19	-	1.19

(b) Geographic segment

Particulars	India	Rest of the world	Consolidated
Segment revenue: External sales and other income	19,959.53	11,845.44	31,804.97
Segment assets	25,681.92	3,152.49	28,834.41
Capital expenditure	147.29	3.91	151.20

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

35 Segment information (Contd.)**Segment wise revenue, results and capital employed for the year ended 31 March 2018**

(₹ In Crore)

(a) Business segment

Particulars	Automotive	Investments	Consolidated
Revenue			
External sales and other income*	25,822.34	953.19	26,775.53
Inter segment sales and other income	–	–	–
Total revenue	25,822.34	953.19	26,775.53
* includes Revenue from contracts with customers: ₹ 25,098.64 crore			
Segment result	4,983.66	951.06	5,934.72
Finance costs	1.31	–	1.31
Tax expense	–	–	1,714.47
Non-controlling interest	–	–	(0.01)
Profit for the year	4,982.35	951.06	4,218.95
Segment assets	5,503.05	16,670.30	22,173.35
Investments in associate of subsidiary	2,528.99	–	2,528.99
Unallocated corporate assets	–	–	438.66
Total assets	8,032.04	16,670.30	25,141.00
Segment liabilities	4,206.55	–	4,206.55
Unallocated corporate liabilities	–	–	15.74
Total liabilities	4,206.55	–	4,222.29
Capital employed	3,825.49	16,670.30	20,918.71
Reconciliation of segment liabilities			
Total segment liabilities as above			4,222.29
Add: Considered as part of capital employed			
Sales tax deferral			120.77
Deferred tax liabilities			323.42
Government grant (current and non-current)			49.26
Total liabilities as per Balance Sheet			4,715.74
Capital expenditure	206.83	–	206.83
Depreciation and write downs	314.80	–	314.80
Non cash expenses other than depreciation	3.14	–	3.14

(b) Geographic segment

Particulars	India	Rest of the world	Consolidated
Segment revenue: External sales and other income	17,071.79	9,703.74	26,775.53
Segment assets	22,202.14	2,938.86	25,141.00
Capital expenditure	206.83	–	206.83

Notes to consolidated financial statements for the year ended 31 March 2019 (Contd.)

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

(₹ In Crore)

Particulars	Net Assets (i.e. Total assets minus total liabilities)		Share in Profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a% of consolidated net assets	Amount	As a% of consolidated profit or loss	Amount	As a% of consolidated other comprehensive income	Amount	As a% of consolidated total comprehensive income	Amount
1. Parent								
Bajaj Auto Ltd.	93.74%	21,779.90	94.88%	4,675.18	(164.39%)	74.55	97.29%	4,749.73
2. Subsidiaries (Foreign)								
PT. Bajaj Auto Indonesia	-	0.89	(0.05%)	(2.36)	0.24%	(0.11)	(0.05%)	(2.47)
Bajaj Auto International Holdings BV	11.52%	2,675.75	7.09%	349.14	127.56%	(57.85)	5.97%	291.29
Add/(Less): Non-controlling interest in all subsidiaries	-	(0.01)	-	0.01	-	-	-	0.01
Add/(Less): Inter-company eliminations	(5.26%)	(1,222.72)	(1.92%)	(94.36)	136.59%	(61.94)	(3.21%)	(156.30)
Total	100.00%	23,233.81	100.00%	4,927.61	100.00%	(45.35)	100.00%	4,882.26

37 Miscellaneous

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

As per our report of even date

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

per Arvind Sethi
Partner
Membership Number: 89802
Pune: 17 May 2019

Kevin D'sa
Chief Financial Officer

Dr. 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 2019

Form AOC-1

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

(₹ In Crore)

Particulars	PT. Bajaj Auto Indonesia	Bajaj Auto International Holdings BV. (Consolidated)
a The date since when subsidiary was acquired	20 February 2008 (being the effective date of demerger of erstwhile BAL)	20 February 2008 (being the effective date of demerger of erstwhile BAL)
b Reporting period for the subsidiary	1 April 2018 to 31 March 2019	1 April 2018 to 31 March 2019
c Reporting currency as on the last date of the relevant financial year in the case of foreign subsidiaries	IDR (Indonesian Rupiah)	Euro
d Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	1 USD = IDR 14244 1 USD = ₹ 69.1550	1 Euro = ₹ 77.6725
e Share capital	5.65	1,537.92
f Reserves and surplus	(4.76)	1,137.83
g Total assets	0.93	2,675.81
h Total liabilities	0.93	2,675.81
i Investments	-	2,052.61
j Turnover	0.06	-
k Profit before tax	(2.36)	349.14
l Provision for tax	-	-
m Profit after tax	(2.36)	349.14
n Proposed dividend	-	-
o % of shareholding	99.25%	100.00%

On behalf of the Board of Directors

Kevin D'sa
Chief Financial Officer

Dr. J Sridhar
Company Secretary

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Pune: 17 May 2019



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FAVOURITE
INDIAN**



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

**BAJAJ****BAJAJ AUTO LTD.**

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AGM NOTICE

Notice is hereby given that the twelfth annual general meeting of the shareholders of Bajaj Auto Ltd. will be held on **Friday, 26 July 2019 at 12.15 p.m.** at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended 31 March 2019, together with the Directors' and Auditors' Reports thereon.
2. To declare a dividend.
3. To appoint a director in place of Sanjivnayan Rahul Kumar 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.
4. To appoint a director in place of Pradeep Shrivastava (DIN 07464437), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. Appointment of Rakesh Sharma as a Director

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

'RESOLVED THAT Rakesh Sharma (DIN 08262670) who was appointed by the Board of Directors as an additional director under section 161(1) of the Companies Act, 2013 (hereinafter referred to as the 'Act') 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 Act has been received in the prescribed manner, be and is hereby appointed as a Director of the Company, liable to retire by rotation.'

6. Approval of appointment of Rakesh Sharma as a Whole-time Director, with the designation as Executive Director

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

'RESOLVED THAT as recommended by Nomination and Remuneration Committee, pursuant to the provisions of sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the 'Act'), schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) amendment Rules, 2018 (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 Rakesh Sharma (DIN 08262670) as a Whole-time Director, with the designation as Executive Director of the Company, for a five year term commencing from 1 January 2019 till 31 December 2023 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 Rakesh Sharma, 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 Rakesh Sharma.

'RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to schedule V to the Act, 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 Rakesh Sharma 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.

'RESOLVED FURTHER 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.'

7. Appointment of Smt. Lila Firoz Poonawalla as an Independent Director of the Company for a term of five consecutive years with effect from 1 April 2019

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

'RESOLVED THAT pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the rules made thereunder read with Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Smt. Lila Firoz Poonawalla (DIN 00074392) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an additional director under section 161(1) of the Act and who vacates her office at this annual general meeting and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner, be and is hereby appointed as an independent director of the Company for a consecutive period of five years, effective from 1 April 2019 up to 31 March 2024.

'RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Listing Regulations, approval be and is hereby given for continuation of Smt. Lila Firoz Poonawalla (DIN 00074392), beyond 16 September 2019, as an independent director of the Company on account of her attaining the age of 75 years on the said date.

'RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Smt. Lila Firoz Poonawalla be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.'

8. Appointment of Pradip Panalal Shah as an Independent Director of the Company for a term of five consecutive years with effect from 1 April 2019

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

'RESOLVED THAT pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the rules made thereunder read with Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Pradip Panalal Shah (DIN 00066242) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an additional director under section 161(1) of the Act 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 Act has been received in the prescribed manner, be and is hereby appointed as an independent director of the Company for a consecutive period of five years, effective from 1 April 2019 up to 31 March 2024.

'RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Pradip Panalal Shah be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.'

9. Re-appointment of Nanoo Gobindram Pamnani as an Independent Director of the Company for a second term of five consecutive years with effect from 1 April 2019

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

'RESOLVED THAT pursuant to provisions of section 149, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the Rules made thereunder read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Nanoo Gobindram Pamnani (DIN 00053673), who was appointed as an independent director of the Company for a term of five years up to 31 March 2019 and is eligible for being re-appointed as an independent director and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner and considering the report of his performance evaluation for the year 2018-19, be and is hereby re-appointed as an independent director on the Board of the Company for a second term of five consecutive years, effective from 1 April 2019 up to 31 March 2024.

'RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Listing Regulations, approval be and is hereby given for continuation of Nanoo Gobindram Pamnani, beyond 26 February 2020, as an independent director of the Company on account of his attaining the age of 75 years on the said date.

'RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Nanoo Gobindram Pamnani be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.'

10. Re-appointment of Balaji Rao Jagannathrao Doveton as an Independent Director of the Company for a second term of five consecutive years with effect from 1 April 2019

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

'RESOLVED THAT pursuant to provisions of section 149, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the Rules made thereunder read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Balaji Rao Jagannathrao Doveton (DIN 00025254), who was appointed as an independent director of the Company for a term of five years up to 31 March 2019 and is eligible for being re-appointed as an independent director and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner and considering the report of his performance evaluation for the year 2018-19, be and is hereby re-appointed as an independent director on the Board of the Company for a second term of five consecutive years, effective from 1 April 2019 up to 31 March 2024.

'RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Listing Regulations, approval be and is hereby given for continuation of Balaji Rao Jagannathrao Doveton, beyond 1 April 2019, as an independent director of the Company on account of his having already attained age of 75 years as on 1 April 2019.

'RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Balaji Rao Jagannathrao Doveton be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.'

11. Maintaining the number of maximum directors of the Company

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

'RESOLVED THAT pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and article 116 of the articles of association of the Company, the number of directors of the Company for the time being in office shall remain within the maximum limit of eighteen as at present.

'RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.'

By order of the Board of Directors
for Bajaj Auto Ltd.



Dr. J Sridhar
Company Secretary

Pune: 17 May 2019

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UP TO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT 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 Statement pursuant to section 102 of the Companies Act, 2013 (the 'Act') forms part of this Notice.
- 4 Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and as per provisions of the Act.
- 5 The Board of Directors has recommended dividend of ₹ 60 per equity share of the face value of ₹ 10 each for the year ended 31 March 2019 for the approval of shareholders at the ensuing annual general meeting ('AGM').
- 6 Pursuant to the provisions of section 91 of the Act and regulation 42 of the Listing Regulations, the register of members and share transfer books of the Company will remain closed from **Saturday, 13 July 2019 to Friday, 26 July 2019** (both days inclusive) for the purpose of payment of dividend.
- 7 Subject to the provisions of section 126 of the Act, dividend on equity shares, if declared at the AGM, will be credited/dispached between **Tuesday, 30 July 2019** and/ or **Wednesday, 31 July 2019** as under:
 - a) to all those shareholders holding shares in physical form, as per the details provided by share transfer agent of the Company i.e. Karvy Fintech Pvt. Ltd. ('Karvy') to the Company, as on or before the closing hours on **Friday, 12 July 2019**; and
 - b) 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, 12 July 2019**.
- 8 As per the Listing Regulations and pursuant to SEBI Circular dated 20 April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, dividend, if declared, will be paid through electronic mode, where the bank account details of the members required for this purpose are available. Where dividend payments are made through electronic mode, intimations regarding such remittance will be sent separately to the members. In case, where the dividend cannot be paid through electronic mode, the same will be paid by account payee/non-negotiable instruments/warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on such payment instruments.

For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, on or before Friday, 12 July 2019, updated particulars of their bank account, to Karvy along with a photocopy of a 'cancelled' cheque of the bank account and self-attested copy of Permanent Account Number (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 on or before Friday, 12 July 2019. The request for updating of particulars of bank account should be signed as per the specimen signature registered with Karvy/depository participants, as the case may be.
- 9 Members, holding shares in physical form, are requested to notify change of address, if any, to Karvy on or before Friday, 12 July 2019. Beneficial owners holding shares in electronic form are requested to notify any change of address, etc. to their respective depository participants and make sure that such changes are recorded by them correctly on or before Friday, 12 July 2019.
- 10 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.
- 11 SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Karvy.
- 12 In terms of section 101 and 136 of the Act, read together with the rules made thereunder, the listed companies may send the notice of AGM 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.

The Annual Report, Notice of AGM, Proxy Form and Attendance Slip are available at the Company's website on www.bajajauto.com

- 13 **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 on mohsin.mohd@karvy.com**
- 14 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.
- 15 SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form requesting them to demat their physical holdings.
- 16 To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail 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 statement shall be open for inspection by the members at the registered office of the Company from Monday to Friday from 10.00 a.m. to 12.30 p.m., except holidays, up to the date of AGM.
- 18 The Company has been maintaining, inter alia, the following statutory registers at its registered office at Akurdi, Pune, which are open for inspection by members in terms of the applicable provisions of the Act, from Monday to Friday from 10.00 a.m. to 12.30 p.m., except holidays:
- i) Register of contracts or arrangements in which directors are interested under section 189 of the Act. The said Register shall also be produced at the commencement of the AGM 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 Act. The said Register shall be kept open for inspection at the AGM of the Company and shall be made accessible to any person attending the AGM.
- 19 Certificate from Statutory Auditors of the Company certifying that the Bajaj Auto Employee Stock Option Scheme 2019 (BAL-ESOS 2019) of the Company is being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, will also be one of such documents available for inspection by the Members at the AGM.
- 20 Pursuant to section 72 of the Act, 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.
- 21 In terms of section 124(5) of the Act, dividend amount for the year ended 31 March 2012 remaining unclaimed for a period of 7 consecutive years shall become due for transfer in August 2019 to the Investor Education and Protection Fund (IEPF) established by the Central Government.
- Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a consecutive period of 7 years, the corresponding shares shall be transferred to the IEPF demat account.
- Members who have not claimed dividends in respect of the financial years from 2011-12 onwards are requested to approach the Company/Karvy for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.
- 22 For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.
- 23 Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend the AGM.
- 24 Members/Proxies are requested to bring the attendance slip/proxy form duly filled and signed for attending the meeting. Proxies are requested to bring their identity proof at the meeting for the purpose of identification.
- 25 Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
- 26 Route map for the directions to venue of the meeting is available on the Company's Website http://www.bajajauto.com/pdf/AGM_Route_map.pdf
- 27 In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for remote e-voting, i.e., Friday, 19 July 2019, such person may obtain the User ID and Password from Karvy by email request on mohsin.mohd@karvy.com

28 Voting through electronic means –

In terms of the provisions of section 108 of 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 Listing Regulations, 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 19 July 2019 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by Karvy or to vote at the AGM. 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 AGM through e-mail:

- i. Initial password is provided in the body of the email.
- ii. Use the following URL for e-voting: <https://evoting.karvy.com>
- iii. 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.
- iv. After entering the details appropriately, click on LOGIN.
- v. 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.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT. Select Bajaj Auto Ltd. from the drop-down menu.
- viii. The voting page will open. 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.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. 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.
- xi. 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.'
- xii. Remote e-voting facility where members can cast their vote online shall be open from: **Tuesday, 23 July 2019 (9.00 a.m.) till Thursday, 25 July 2019 (5.00 p.m.)** and at the end of remote e-voting period, the facility shall forthwith be blocked.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call Karvy Fintech Pvt. Ltd. on 1800 345 4001 (toll free).

B For members who receive the Notice of AGM 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 (xiii) under heading A above to vote through e-voting platform.

C Voting facility at AGM:

- 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 AGM, 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 Live Webcast of AGM:

Pursuant to regulation 44(6) of the Listing Regulations, as amended, the Company is providing facility of one-way live webcast of the proceedings of AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging on the e-voting website of Karvy at <https://evoting.karvy.com/> using their secure login credentials, provided for e-voting. Members are encouraged to use this facility of webcast.

E General Instructions:

- i. The Board of Directors has appointed Shyamprasad D. Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572) as the Scrutiniser to the remote e-voting process and voting at the venue of the AGM in a fair and transparent manner.
- ii. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unlock the votes through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated scrutinisers' report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- iii. The scrutiniser shall submit his report to the Chairman or in his absence Managing Director and CEO of the Company, who shall declare the result of the voting. The results declared along with the scrutiniser's report shall be placed on the Company's website www.bajajauto.com and on the website of Karvy <https://evoting.karvy.com> and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the AGM of the Company.

ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE LISTING REGULATIONS AND PROVISIONS OF THE ACT.

Item No. 3 of the Notice

Sanjivnayan Rahul Kumar Bajaj (DIN 00014615)

As regards re-appointment of Sanjivnayan Rahul Kumar Bajaj referred to in item no. 3 of the Notice, following disclosures are made for the information of the shareholders:

Information about the appointee:

Brief resume

Sanjivnayan Rahul Kumar 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 20 February 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
- Since 15 October 2013, he is the Vice Chairman of Bajaj Finance Ltd.
- He is the Chairman of Bajaj Allianz Life Insurance Company and Bajaj Allianz General Insurance Company with effect from 1 April 2013. Was a Non-Executive Director of these two companies from their inception in 2001 up to 31 March 2013
- He is the Managing Director of Bajaj Holdings & Investment Ltd. with effect from 1 April 2012 (earlier its Non-Executive Director). Role includes building the strategy and team, and guiding this investment company, which has almost ₹ 60,000 crore in cash and investments including over 30% stake in Bajaj Auto and around 40% in Bajaj Finserv
- He is the Former Executive Director of Bajaj Auto Ltd. (until 31 March 2012), having headed Finance & Control, legal & international business functions of Bajaj Auto over different periods from 1994 until 2012 and currently its Non-Executive Director
- **Memberships:**
 - International Advisory Board (IAB), Allianz SE
 - International Technology Advisory Panel (ITAP) of Monetary Authority of Singapore (MAS)
- **Awards:**
 - All India Management Association (AIMA) Managing India Awards - Entrepreneur of the Year award 2019
 - Economic Times - ET Business Leader of the Year award 2018
 - Asian Centre's Leadership, Corporate Governance, Sustainability & CSR Awards - Transformational Leader Award (Large Cap Category) in 2017
 - Ernst & Young - EY Entrepreneur of the Year award 2017
 - India Today- Top 50 Power List 2017-18
 - Bombay Management Association (BMA) - Entrepreneur of the Year Award 2015-16
 - Business World - India's Most Valuable CEOs in 2015 & 2016

Major Directorships

1. Bajaj Auto Ltd.
2. Bajaj Finance Ltd.
3. Bajaj Finserv Ltd.
4. Bajaj Auto Holdings Ltd.
5. Bajaj Allianz General Insurance Co Ltd.
6. Bajaj Allianz Life Insurance Co Ltd.
7. Bajaj Holdings & Investment Ltd.
8. Jeewan Ltd.
9. Maharashtra Scooters Ltd.
10. Bajaj Housing Finance Ltd.

Committee Chairmanships: Nil**Committee Memberships**

1. Bajaj Finserv Ltd.
2. Maharashtra Scooters Ltd.
3. Bajaj Allianz General Insurance Co Ltd.
4. Bajaj Allianz Life Insurance Co Ltd.
5. Bajaj Finance Ltd.
6. Bajaj Housing Finance Ltd.

**Chairmanship and membership of audit committee and stakeholder's relationship committee are considered.*

Shareholding in the Company: 508,724

Nature of expertise in specific functional areas: Management & Strategy, Global Business Leadership, Insurance, Mutual Fund & Financial Services, Banking, Investment & Treasury and Forex Management and such other areas.

He was first appointed on the Board with effect from 2 May 2007 and his last drawn remuneration during the year 2018-19 was ₹ 20 lakh. More details about the remuneration are available in the Annual Report. He will be eligible for payment of sitting fee and commission, as payable to other non-executive directors of the Company.

Sanjivnayan Rahul Kumar Bajaj is not disqualified from being appointed as director in terms of section 164 of the Act.

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

He is not related to any key managerial personnel of the Company.

None of the directors, or Key Managerial Personnel or their relatives, except Rahul Kumar Kamalnayan Bajaj, Rajivnayan Rahul Kumar Bajaj and Sanjivnayan Rahul Kumar Bajaj are concerned or interested financially or otherwise, except to the extent of his respective shareholding, if any, in the Company.

The Board commends item no. 3 for consideration and approval of the shareholders.

Item No. 4 of the Notice**Pradeep Shrivastava (DIN 07464437)**

As regards re-appointment of Pradeep Shrivastava, referred to in item no. 4 of the Notice, following disclosures are made for the information of the shareholders:

Information about the appointee:**Brief resume**

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.

Directorships

Bajaj Auto Ltd.

***Committee Positions: Nil**

**Chairmanship and membership of audit committee and stakeholder's relationship committee are considered.*

Shareholding in the Company: 75

Nature of expertise in specific functional areas: Management & Strategy, Operations & Engineering, Manufacturing, Automobile Engineering & Project Management and such other areas.

He joined Bajaj Auto in 1986 and was its Chief Operating Officer, until his elevation as Executive Director with effect from 1 April 2016 and his last drawn remuneration during the financial year 2018-19 was ₹ 665 lakh. More details about the remuneration are available in the Annual Report.

Pradeep Shrivastava is not disqualified from being appointed as director in terms of section 164 of the Act.

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

He is not related to any key managerial personnel of the Company.

None of the Directors, or Key Managerial Personnel or their relatives, except Pradeep Shrivastava, is concerned or interested financially or otherwise, except to the extent of his respective shareholding, if any, in the Company.

The Board commends item no. 4 for consideration and approval of the shareholders.

Statement under section 102 of the Act and regulation 36 (3) of the Listing Regulations

Item no. 5 & 6 of the Notice

Rakesh Sharma (DIN 08262670)

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has appointed Rakesh Sharma as an Additional Director effective from 1 January 2019. In terms of section 161 (1) of the Act, read with Article 119 of the Articles of the Association of the Company, Rakesh Sharma holds office as an additional director only upto the date of the ensuing AGM. A notice in writing in the prescribed manner, as required under section 160 of the Act and rules made thereunder, has been received by the Company, regarding his candidature for the office of the director and the same is available for inspection by the members from Monday to Friday, from 10.00 am to 12.30 pm except holidays at the Registered Office of the Company upto the date of the AGM.

Further, at the meeting of the Board of Directors of the Company held on 24 October 2018, Rakesh Sharma, subject to necessary approval of shareholders, was appointed as a Whole-time Director, with the designation as Executive Director of the Company for a period of five years with effect from 1 January 2019, on the terms of remuneration mentioned herein below, 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 Act or any statutory amendment or relaxation thereof:

1. Salary

- i. Remuneration (CTC) of Rs.5.48 cr. p.a. comprising Salary, Allowances, Perquisites, Retirals and Performance Reward.
- ii. Bonus under the Company's scheme relating to company-level sales volume achievement during the year 2018-19.
- iii. Annual increments / increases as may be decided by the board of directors from time to time, during the remainder of the tenure and within an overall ceiling of remuneration of ₹ 15 cr. p.a.

2. Perquisites

- i. Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.
- ii. Cover of Insurance policies & Contribution to Employee Deposit Linked Insurance Scheme as per Company rules.
- iii. Cost of insurance cover against the risk of any financial liability or loss because of any error of judgement, wrongful act or such other reason as may be approved by the board of directors from time to time.
- iv. Reimbursement of entertainment expenses incurred in the course of business of the Company.
- v. Telephone, tele-fax and other communication facilities at Company's cost as per Company rules.
- vi. 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 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 Act, 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.
 - b) Gratuity payable to the extent of half a month's salary for each completed year of service.
 - c) Encashment of leave.
7. In the event of any change taking place in the relevant laws, rules, schedules, regulations or guidelines or in the event of their being withdrawn, repealed, substituted or differently interpreted at any time hereafter, the board of directors of the Company, including committee of the board, if necessary, may revise the terms of remuneration (including minimum remuneration) and perquisites as set out hereinabove and add to, change or delete any of the said terms, if agreed to by the Chairman.

Information about the appointee:

Brief resume

Rakesh Sharma joined Bajaj Auto in October 2007 as President (International Business). He has led the International Business during which it acquired a significant global presence. He was elevated to the position of Chief Commercial Officer in July 2018 with the responsibility to lead the business verticals of Domestic Motorcycles, Intracity Commercial Vehicles, International Business and Auto Finance. He is a member of the Board of Commissioners of PT Bajaj Auto Indonesia, a subsidiary of Bajaj Auto Ltd. and the Chairman of the Exports Council of SIAM.

Prior to joining Bajaj Auto Ltd., he worked for over 20 years with the British ICI Group in multiple roles.

Rakesh Sharma, 56 years, is a commerce (Honours) graduate from the Delhi University and an M.B.A from IIM, Ahmedabad.

Directorships

Bajaj Auto Ltd.

*Committee positions: Nil

**Chairmanship and membership of audit committee and stakeholder's relationship committee are considered.*

Shareholding in the Company: Nil

Nature of expertise in specific functional areas: Management & Strategy, Global Business Leadership, Operations & Engineering, Automobile Engineering & Project Management, and such other areas.

His last drawn remuneration during the year 2018-19 was ₹ 547 lakh. More details about the remuneration are available in the Annual Report.

Rakesh Sharma is not disqualified from being appointed as director in terms of section 164 of the Act.

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

He is not related to any key managerial personnel of the Company.

None of the directors or key managerial personnel or their relatives, except Rakesh Sharma, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his respective shareholding, if any, in the Company, in the resolution set out in item no.5 & 6 of the Notice.

Notice

The Board commends the ordinary resolution set out in item no. 5 and special resolution set out in item no. 6 for approval by shareholders.

Item no. 7 of the Notice

Smt. Lila Firoz Poonawalla (DIN 00074392), on the recommendation of Nomination and Remuneration Committee was appointed by the Board of Directors of the Company as an additional director in the capacity of independent director on 13 March 2019 with effect from 1 April 2019. She holds office until the ensuing AGM under section 161(1) of the Act.

She has submitted the declaration of independence, pursuant to section 149 (7) of the Act, stating that she meets the criteria of independence as provided in section 149 (6) and regulation 16 of the Listing Regulations. Smt. Lila Firoz Poonawalla is not disqualified from being appointed as a director in terms of section 164 of the Act.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the Company by any member from Monday to Friday from 10.00 am to 12.30 pm, except holidays and the same shall also be available at the Company's website www.bajajauto.com

In respect of the appointment of Smt. Lila Firoz Poonawalla, a notice in writing in the prescribed manner, as required by section 160 of the Act, as amended and as per rules made thereunder, has been received by the Company, regarding her candidature for the office of the director.

According to section 152 of the Act, read with Schedule IV to the Act, in the opinion of the Board, the proposed appointment of Smt. Lila Firoz Poonawalla as an independent director, fulfils the conditions specified in the Act and the rules made thereunder and also under the Listing Regulations and that the proposed appointment of Smt. Lila Firoz Poonawalla is independent of the Management.

Pursuant to regulation 17(1A) of the Listing Regulations, with effect from 1 April 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless special resolution is passed to that effect. Accordingly, considering the significant benefits that can be reaped by the Company from the experience, expertise and mature wisdom of Smt. Lila Firoz Poonawalla, the Board recommends continuation of Smt. Lila Firoz Poonawalla as independent director beyond 16 September 2019 on account of her attaining the age of 75 years during the term of her appointment for five consecutive years w.e.f. 1 April 2019 up to 31 March 2024.

Information about the appointee:

Brief resume

Smt. Lila Firoz Poonawalla (born on 16 September 1944), holds B. E. Degree in Mechanical Engineering. She has also attended 3-Tier Executive Program from IIM Ahmedabad, Marketing Program from Harvard Business School, Senior Executive Program from Stanford University and Advanced Marketing & Management program at IMDR Lausanne Switzerland. She is the former Chairperson and Managing Director of Tetra Pak India Ltd. and Alfa Laval India Ltd.

She is serving on the boards of many leading companies. In her long career, she has held many key positions and handled a range of senior assignments both in India and abroad, in reputed institutions and bodies.

She received the Padmashree Award, in the year 1989. She has also received an International recognition from the King of Sweden in 2003, with the Polar Star Award and was named as the Officer of the Royal Order

Major Directorships

1. Bajaj Auto Ltd.
2. Bajaj Allianz General Insurance Company Ltd.
3. Bajaj Allianz Life Insurance Company Ltd.
4. VE Commercial Vehicles Ltd.
5. Blossom Industries Ltd.
6. Kraft Powercon India Ltd.
7. Nihilent Ltd.
8. Bajaj Housing Finance Ltd.

* Committee Chairmanships

1. Bajaj Allianz General Insurance Company Ltd.
2. Bajaj Allianz Life Insurance Company Ltd.
3. Bajaj Housing Finance Ltd.
4. Blossom Industries Ltd.

*Committee Memberships

Kraft Powercon India Ltd.

**Chairmanship and membership of audit committee and stakeholder's relationship committee are considered.*

Shareholding in the Company: Nil

Nature of expertise in specific functional areas: Management & Strategy, Global Business Leadership, Manufacturing, Operations & Engineering Human Resources & Industrial Relations, CSR, Sustainability & NGO matters and such other areas.

Smt. Lila Firoz Poonawalla was not paid any remuneration during the year 2018-19. She will be eligible for payment of sitting fee and commission, as payable to other non-executive directors of the Company.

She is not related to any of the directors or Key Managerial Personnel of the Company.

None of the directors or key managerial personnel or their relatives, except Smt. Lila Firoz Poonawalla, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his respective shareholding, if any, in the Company, in the resolution set out in item no. 7 of the Notice.

The Board commends the special resolution set out in item no. 7 for approval by shareholders.

Item no. 8 of the Notice

Pradip Panalal Shah (DIN 00066242), on recommendation of Nomination and Remuneration Committee was appointed by the Board of Directors of the Company as an additional director in the capacity of independent director on 13 March 2019 with effect from 1 April 2019. He holds office until the ensuing AGM under section 161(1) of the Act.

He has submitted the declaration of independence, pursuant to section 149 (7) of the Act stating that he meets the criteria of independence as provided in section 149 (6) and regulation 16 of the Listing Regulations. Pradip Panalal Shah is not disqualified from being appointed as a director in terms of section 164 of the Act.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the Company by any member from Monday to Friday from 10.00 am to 12.30 pm, except holidays and the same shall also be available at the Company's website www.bajajauto.com

In respect of the appointment of Pradip Panalal Shah, a notice in writing in the prescribed manner, as required by section 160 of the Act, as amended and as per rules made thereunder, has been received by the Company, regarding his candidature for the office of the director.

According to section 152 of the Act, read with Schedule IV to the Act, in the opinion of the Board, the proposed appointment of Pradip Panalal Shah as an independent director, fulfils the conditions specified in the Act and the rules made thereunder and also under the Listing Regulations, and that the proposed appointment of Pradip Panalal Shah is independent of the Management.

Information about the appointee:**Brief resume**

Pradip Panalal Shah (born on 07 January 1953), holds a MBA degree from Havard University and was ranked first in the Chartered Accountants' examinations.

He was the founder Managing Director of CRISIL (India's first and largest credit rating agency). He assisted in the formation of Housing Development Finance Corporation (HDFC) and also provided technical assistance and training to Rating Agency Malaysia Berhad and MAALOT. He has also served as a consultant to USAID, World Bank and the Asian Development Bank. He holds many key positions both in India and abroad.

He is serving as a Chairman/ Director on the boards of reputed companies.

Major Directorships

1. Bajaj Auto Ltd.
2. Kansai Nerolac Paints Ltd.
3. Pfizer Ltd.
4. KSB Ltd.
5. BASF India Ltd.
6. Tata Investment Corporation Ltd.
7. Sonata Software Ltd.
8. Kancor Ingredients Ltd.
9. Godrej & Boyce Manufacturing Company Ltd.

***Committee Chairmanships**

Kansai Nerolac Paints Ltd.

*Committee Memberships

1. BASF India Ltd.
2. KSB Ltd.
3. Kancor Ingredients Ltd.
4. Kansai Nerolac Paints Ltd.
5. Pfizer Ltd.
6. Tata Investment Corporation Ltd.
7. Sonata Software Ltd.

**Chairmanship and membership of audit committee and stakeholder's relationship committee are considered.*

Shareholding in the Company: 4,000

Nature of expertise in specific functional areas: Management & Strategy, Global Business Leadership, Finance & Taxation, Insurance, Mutual Fund & Financial Services, Audit & Risk Management, Law, Corporate Governance & Ethics and such other areas.

Pradip Panalal Shah was not paid any remuneration during the year 2018-19. He will be eligible for payment of sitting fee and commission, as payable to other non- executive directors of the Company.

He is not related to any of the Directors or Key Managerial Personnel of the Company.

None of the directors / key managerial personnel/their relatives, except Pradip Panalal Shah, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his respective shareholding, if any, in the Company, in the resolution set out in item no. 8 of the Notice.

The Board commends the ordinary resolution set out in item no. 8 for approval by the shareholders.

Item No. 9 & 10 of the Notice

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 28 March 2014, appointed Nanoo Gobindram Pamnani and Balaji Rao Jagannathrao Doveton as independent directors of the Company for the first term of consecutive period of five years from 1 April 2014 up to 31 March 2019. These appointments were also approved by the shareholders at seventh AGM of the Company held on 17 July 2014.

Since the first term of these independent directors has expired on 31 March 2019, based on the recommendation of the Nomination and Remuneration Committee, considering their skills, experience, knowledge they possess and the report of performance evaluation of independent directors for the financial year 2018-19, the Board at its meeting held on 13 March 2019 recommended for the approval of the members, the re appointment of Nanoo Gobindram Pamnani and Balaji Rao Jagannathrao Doveton for a second term of consecutive five years with effect from 1 April 2019 up to 31 March 2024 in terms of Section 149 read with Schedule IV of the Act and Listing Regulations or any amendment thereto or modification thereof.

In accordance with Section 149(10) and (11) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of the Company but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The aforesaid directors fulfil the requirements of an independent director as laid down under Section 149(6) of the Act and regulation 16 of the Listing Regulations.

In respect of the appointments of the aforesaid directors, a notice in writing in the prescribed manner as required by section 160 of the Act, as amended and rules made thereunder, has been received by the Company, regarding candidature of these directors for the office of the director

The aforesaid directors have given their consent for the said re-appointment and have also submitted the declaration of independence, as required pursuant to section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149(6) and regulation 16 of the Listing regulations and are not disqualified from being appointed as a director in terms of section 164 of the Act.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the Company by any member from Monday to Friday from 10.00 am to 12.30 pm, except holidays and the same shall also be available at the Company's website www.bajajauto.com

The Board is of the opinion that these directors possess requisite skills, experience and knowledge relevant to the Company's business and it would be of immense benefit to the Company to continue to have their association with the Company as independent directors of the Company.

According to section 152 of the Act, read with Schedule IV to the Act, in the opinion of the Board, the proposed re-appointments fulfil the conditions specified in the Act and the rules made thereunder and also under the applicable provisions of the Listing Regulations and is independent of the Management.

Pursuant to Regulation 17(1A) of the Listing Regulations, with effect from 1 April 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years, unless special resolution is passed to that effect.

Accordingly, considering the significant benefits reaped by the Company from their experience, expertise and mature advice to the business of the Company during their tenure as independent directors, the Board recommends re-appointment for a second term of consecutive five years effective from 1 April 2019 up to 31 March 2024 of Balaji Rao Jagannathrao Doveton, beyond 1 April 2019 on account of his having already attained age of 75 years as on 1 April 2019 and for continuation of Nanoo Gobindram Pamnani beyond 26 February 2020 on account of his attaining the age of 75 years on that date.

Brief resume of the independent directors is given below:

1. **Nanoo Gobindram Pamnani (DIN 00053673)**

Nanoo Gobindram Pamnani (born on 26 February 1945) is B A (Hons) from Bombay University (stood first in the University in Economic Major) & B Sc (Economics) from London School of Economics (Majored in Economics and Econometrics). He is on the boards of many leading companies. In his career spanning over 40-years, he held many key positions and handled a range of senior assignments both in India and abroad, which include the following;

- Director for Citibank N.A., Asia Pacific Group, based in Singapore.
- Non-Executive Chairman of Citibank, N.A., India
- Chief Executive Officer, Citibank, N.A., India
- Sector Executive Citibank, N.A., Emerging Markets, (Asia, Latin America, Central and Eastern Europe, and Middle East and Africa) based in London.
- Division Executive, Citibank, N.A., Asia Pacific Private Banking Group, based in Singapore.
- Chief Executive Officer, Citibank, N.A., Philippines, based in Manila.

His directorships/committee positions are as under:

Major Directorships

1. Bajaj Auto Ltd.
2. Bajaj Finserv Ltd.
3. Bajaj Finance Ltd.
4. Bajaj Holdings & Investment Ltd.
5. Bajaj Housing Finance Ltd.
6. Bajaj Allianz Life Insurance Company Ltd.
7. Bajaj Allianz General Insurance Company Ltd.

***Committee Chairmanships**

1. Bajaj Auto Ltd.
2. Bajaj Finance Ltd.
3. Bajaj Finserv Ltd.

***Committee Memberships**

1. Bajaj Finserv Ltd.
2. Bajaj Finance Ltd.
3. Bajaj Holdings & Investment Ltd.
4. Bajaj Housing Finance Ltd.
5. Bajaj Allianz Life Insurance Company Ltd.
6. Bajaj Allianz General Insurance Company Ltd.

**Chairmanship and membership of audit committee and stakeholder's relationship committee are considered.*

Shareholding in the company: Nil.

Nature of expertise in specific functional areas: Management & Strategy, Global Business Leadership, Information Technology, Systems & Computers, Finance & Taxation, Banking, Investment & Treasury and Forex Management, Insurance, Mutual Fund & Financial Services, Audit & Risk Management, Corporate Governance and Ethics and such other areas.

He was first appointed on the Board with effect from 30 January 2008 and his last drawn remuneration during the year 2018-19 was ₹ 32.50 lakh and an additional commission of ₹ 30 lakh. More details about the remuneration are available in the Annual Report. He will be eligible for payment of sitting fee and commission, as payable to other non-executive directors of the Company.

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

He is not related to any Key Managerial Personnel of the Company.

None of the Directors or Key Managerial Personnel or their relatives, except Nanoo Gobindram Pamnani, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his respective shareholding, if any, in the Company.

2. **Balaji Rao Jagannathrao Doveton (DIN 00025254)**

Balaji Rao Jagannathrao Doveton (born on 15 December 1939), holds a B.E. Degree in Mechanical Engineering and Associate Member of Indian Institution of Industrial Engineering (AMIIIE). He attended the advanced management programme at the European Institute of Business Administration (INSEAD) at Fountainbleu, France in 1990.

He pursued his career as an Industrial Engineer for about 8 years before joining erstwhile ICICI Ltd. (since merged with ICICI Bank Ltd.) in 1970. After wide ranging responsibilities in different locations, he reached the position of Deputy Managing Director. He subsequently took over as the Vice Chairman and Managing Director of SCICI Ltd., in August 1996. With the merger of SCICI Ltd. with ICICI Ltd., he moved to Infrastructure Development Finance Co. Ltd. (IDFC), as its first Managing Director, which he served till his superannuation in January 2000. He has served as the Non-Executive Chairman of 3M India Ltd. between 2008 and 2014. He is on the boards of many leading companies.

His directorships/committee positions are as under:

Major Directorships

1. Bajaj Auto Ltd.
2. Bajaj Finserv Ltd.
3. Bajaj Finance Ltd.
4. Bajaj Holdings & Investment Ltd.
5. CMI-FPE Ltd.

***Committee Chairmanships**

1. Bajaj Auto Ltd.
2. CMI-FPE Ltd.
3. Bajaj Holdings & Investment Ltd.

***Committee Memberships**

1. Bajaj Auto Ltd.
2. Bajaj Finserv Ltd.

**Chairmanship and membership of audit committee and stakeholder's relationship committee are considered.*

Shareholding in the company: Nil.

Nature of expertise in specific functional areas: Management & Strategy, Operations & Engineering, Finance & Taxation, Banking, Investment & Treasury and Forex Management, Insurance, Mutual Fund & Financial Services, Audit & Risk Management, Corporate Governance and Ethics and such other areas.

He was first appointed on the Board with effect from 30 January 2008 and his last drawn remuneration during the year 2018-19 was ₹ 45 lakh. More details about the remuneration are available in the Annual Report. He will be eligible for payment of sitting fee and commission, as payable to other non-executive directors of the Company.

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

He is not related to any Key Managerial Personnel of the Company.

None of the Directors or Key Managerial Personnel or their relatives, except Balaji Rao Jagannathrao Doveton, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his respective shareholding, if any, in the Company.

The Board commends the special resolutions set out in item No. 9 & 10 of the Notice for approval by shareholders.

Item No. 11 of the Notice

Bajaj Auto Limited (as erstwhile Bajaj Holdings & Investment Limited) had passed a special resolution at the Extra-Ordinary General Meeting of the shareholders on 3 September 2007 to increase the total number of directors from twelve to eighteen and had also obtained the approval of the Central Government on 6 November 2007 for the same. Consequent upon foregoing, the strength of the number of directors in office was increased to sixteen directors in January 2008. The number of directors in office has continued as sixteen since then.

Ministry of Corporate Affairs ('MCA') recently has come out with a notification dated 21 February 2019, vide which every Company incorporated on or before 31 December 2017 is required to file the particulars of company and its registered office in e-form INC-22A [Active Company Tagging Identities and Verification (ACTIVE)].

In order to avoid any technical issues in the filing of the form, by way of abundant caution, this special resolution is proposed to be passed for the purposes of continuing to maintain the maximum limit of directors at eighteen.

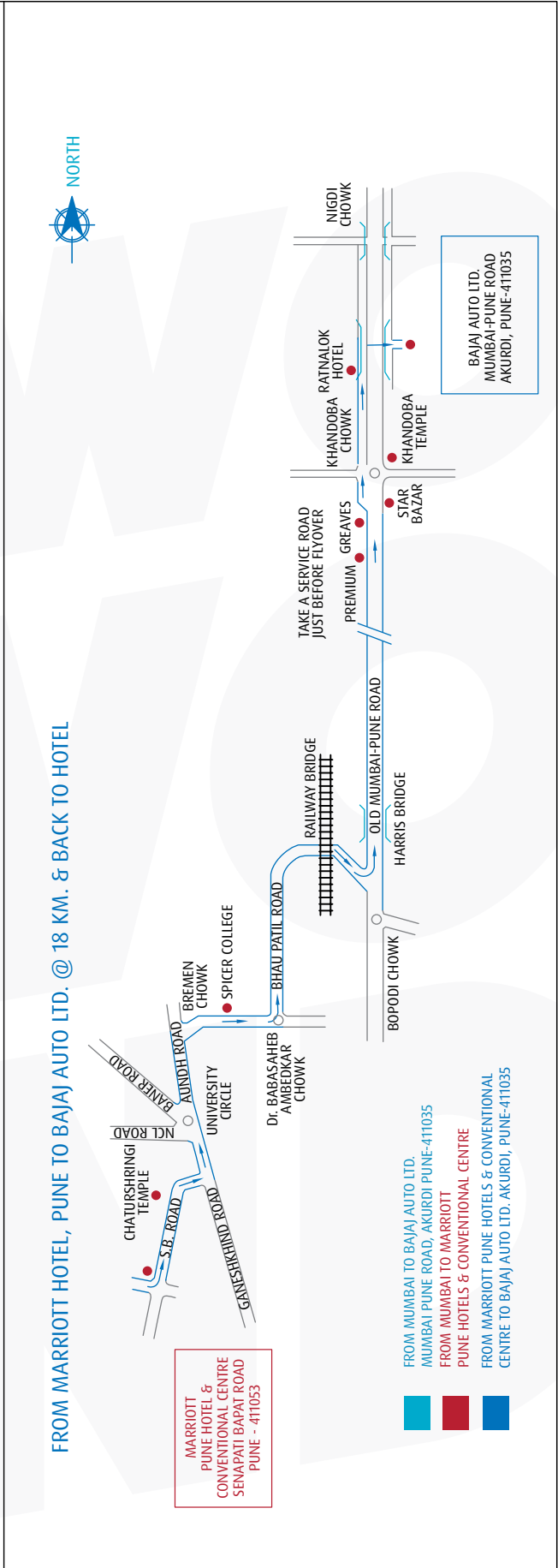
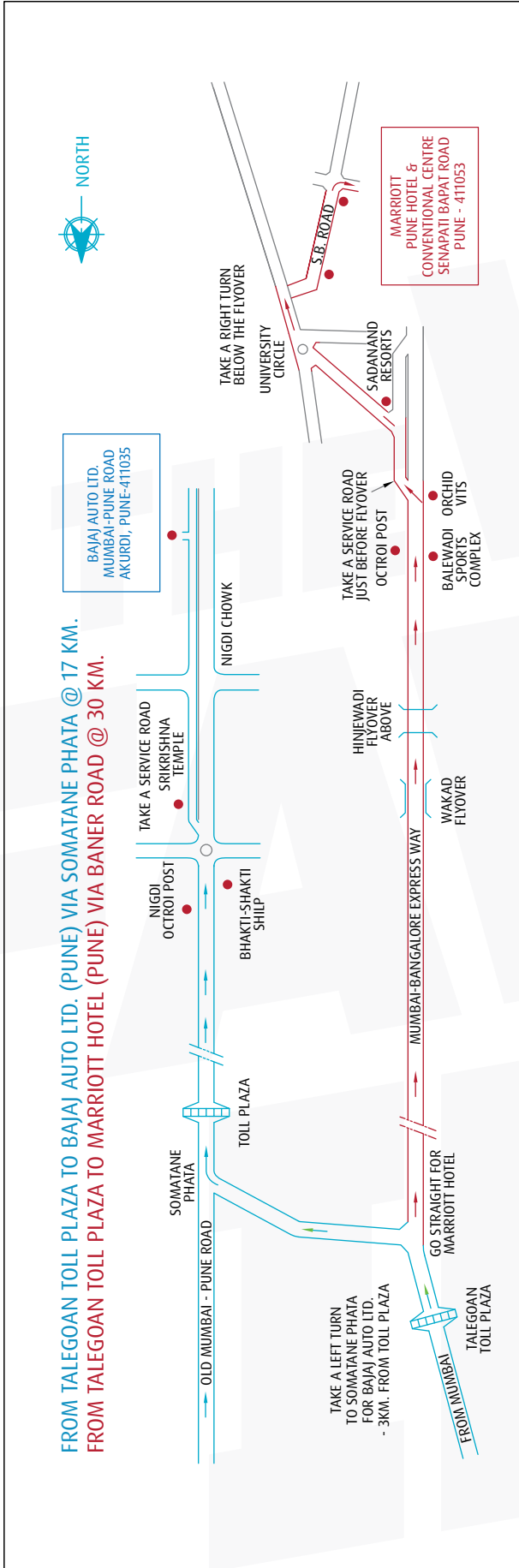
None of the Directors or Key Managerial Personnel or their relatives, is directly or indirectly concerned or interested, financially or otherwise.

The Board commends the special resolutions set out in item No. 11 of the Notice for approval by shareholders.

By order of the Board of Directors
for Bajaj Auto Ltd.



Dr. J Sridhar
Company Secretary
Pune: 17 May 2019





BAJAJ AUTO LTD.

(CIN: L65993PN2007PLC130076)

Registered office:

Mumbai-Pune Road, Akurdi, Pune 411 035

E-mail: investors@bajajauto.co.in**Website:** www.bajajauto.com**Phone:** (020)27472851, **Fax:** (020)27407380**PROXY FORM****Form No. MGT-11**

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

CIN : L65993PN2007PLC130076
 Name of the Company : BAJAJ AUTO LTD.
 Registered office : Mumbai-Pune Road, Akurdi, Pune 411 035
 Name of the member (s) : _____
 Registered address : _____
 E-mail ID : _____
 Folio No/Client ID/DP ID : _____

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

- (1) Name : _____ Address : _____
 E-mail Id : _____ Signature : _____ or failing him
- (2) Name : _____ Address : _____
 E-mail Id : _____ Signature : _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWELFTH annual general meeting of the Company, to be held on **Friday, 26 July 2019 at 12.15 p.m.** at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi, Pune 411 035 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description	For	Against	Item No.	Description	For	Against
Ordinary Business				Special Business			
1	Adoption of financial statements for the financial year ended 31 March 2019 and Directors' and Auditors' Reports thereon			5	Appointment of Rakesh Sharma as a Director		
2	Declaration of dividend of ₹ 60 per equity share, for the year ended 31 March 2019			6	Approval of appointment of Rakesh Sharma as a Whole-time Director, with the designation as Executive Director		
3	Re-appointment of Sanjivnayan Rahul Kumar Bajaj, who retires by rotation			7	Appointment of Lila Firoz Poonawalla as an independent director		
4	Re-appointment of Pradeep Shrivastava, who retires by rotation			8	Appointment of Pradip Panalal Shah as an independent director		
				9	Re-appointment of Nanoo Gobindram Pamnani as an independent director		
				10	Re-appointment of Balaji Rao Jagannathrao Doveton as an independent director		
				11	Maintaining the number of maximum directors of the Company.		

Signed this _____ day of _____ 2019

Affix
revenue
stamp
of ₹ 1

Signature of shareholder

Signature of Proxy holder(s)

Note:

- 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.**
- As provided under Regulation 44 of the SEBI Listing Regulations, 2015, shareholder may vote either for or against each resolution.**

BAJAJ AUTO LIMITED
(CIN: L65993PN2007PLC130076)

Registered office:
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



12th Annual Report 2018-19

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

Name & Address :

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

No. of Shares held :

Folio No./DP Id No./Client Id No.
Name
Add 1
Add 2
Add 3
Add 4
PIN
Joint Holder 1
Joint Holder 2
Shares

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 TWELFTH annual general meeting of the Company on **Friday, 26 July 2019 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>
- Instructions for e-voting procedure are available in the Notice of annual general meeting and are also placed on the website of the Company.