



10<sup>th</sup>  
**ANNUAL  
REPORT**  
2016-17



**BAJAJ**

**Bajaj Auto Limited**

*Since 1945*





**BAJAJ***Distinctly Ahead*

Bajaj Auto Limited  
Akurdi Pune 411 035 India

Tel +91 20 27472851  
Fax +91 20 27407380  
www.bajajauto.com

27 July 2017

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

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

**BSE Code: 532977**

**NSE Code: BAJAJ-AUTO**

Dear Sir/s:

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

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

Kindly acknowledge receipt and take the same on record.

Thanking you,

Yours faithfully,  
For **Bajaj Auto Limited**,

**J Sridhar**  
**Company Secretary**

Encl. A/a

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## Board of Directors

**Rahul Bajaj**, Chairman  
**Madhur Bajaj**, Vice Chairman  
**Rajiv Bajaj**, Managing Director  
**Pradeep Shrivastava**, Executive Director  
**Sanjiv Bajaj**  
**Kantikumar R Podar** (Up to 15.3.2017)  
**Shekhar Bajaj**  
**D J Balaji Rao**  
**D S Mehta**  
**J N Godrej** (Up to 10.4.2017)  
**Naresh Chandra**  
**Nanoo Pamnani**  
**Manish Kejriwal**  
**P Murari**  
**Niraj Bajaj**  
**Dr. Gita Piramal**  
**Dr. Naushad Forbes** (w.e.f 18.5.2017)  
**Dr. Omkar Goswami** (w.e.f 18.5.2017)

## Audit Committee

**Nanoo Pamnani**, Chairman  
**D J Balaji Rao**  
**Naresh Chandra**

## Stakeholders Relationship Committee

**D J Balaji Rao**, Chairman  
**J N Godrej** (Up to 10.4.2017)  
**Naresh Chandra**  
**Dr. Gita Piramal**

## Nomination & Remuneration Committee

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

## Corporate Social Responsibility Committee

**Rahul Bajaj**, Chairman  
**Rajiv Bajaj**  
**Nanoo Pamnani**  
**Pradeep Shrivastava**

## Risk Management Committee

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

## Duplicate Share Certificate Issuance Committee

**Rahul Bajaj**, Chairman  
**Rajiv Bajaj**  
**Sanjiv Bajaj**

## Management

**Rahul Bajaj**  
Chairman

**Rajiv Bajaj**  
Managing Director

**Pradeep Shrivastava**  
Executive Director

**Abraham Joseph**  
Chief Technology Officer

**Rakesh Sharma**  
President (International Business)

**R C Maheshwari**  
President (Commercial Vehicle Business)

**Eric Vas**  
President (Motorcycle Business)

**Kevin D'sa**  
President (Finance)-CFO

**S Ravikumar**  
President  
(Business Development and Assurance)

**Amit Nandi**  
President (Probiking)

**Ravi Kyran Ramasamy**  
President (Human Resources)

**Subash Rao**  
President (Retail Finance)

**C P Tripathi**  
Advisor (CSR)

## Company Secretary

**J Sridhar**

## Auditors

**Dalal & Shah LLP**  
Chartered Accountants

## Secretarial Auditor

**Shyamprasad D Limaye**  
Practising Company Secretary

## Bankers

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

## Registered under the Companies Act, 1956

## Registered Office

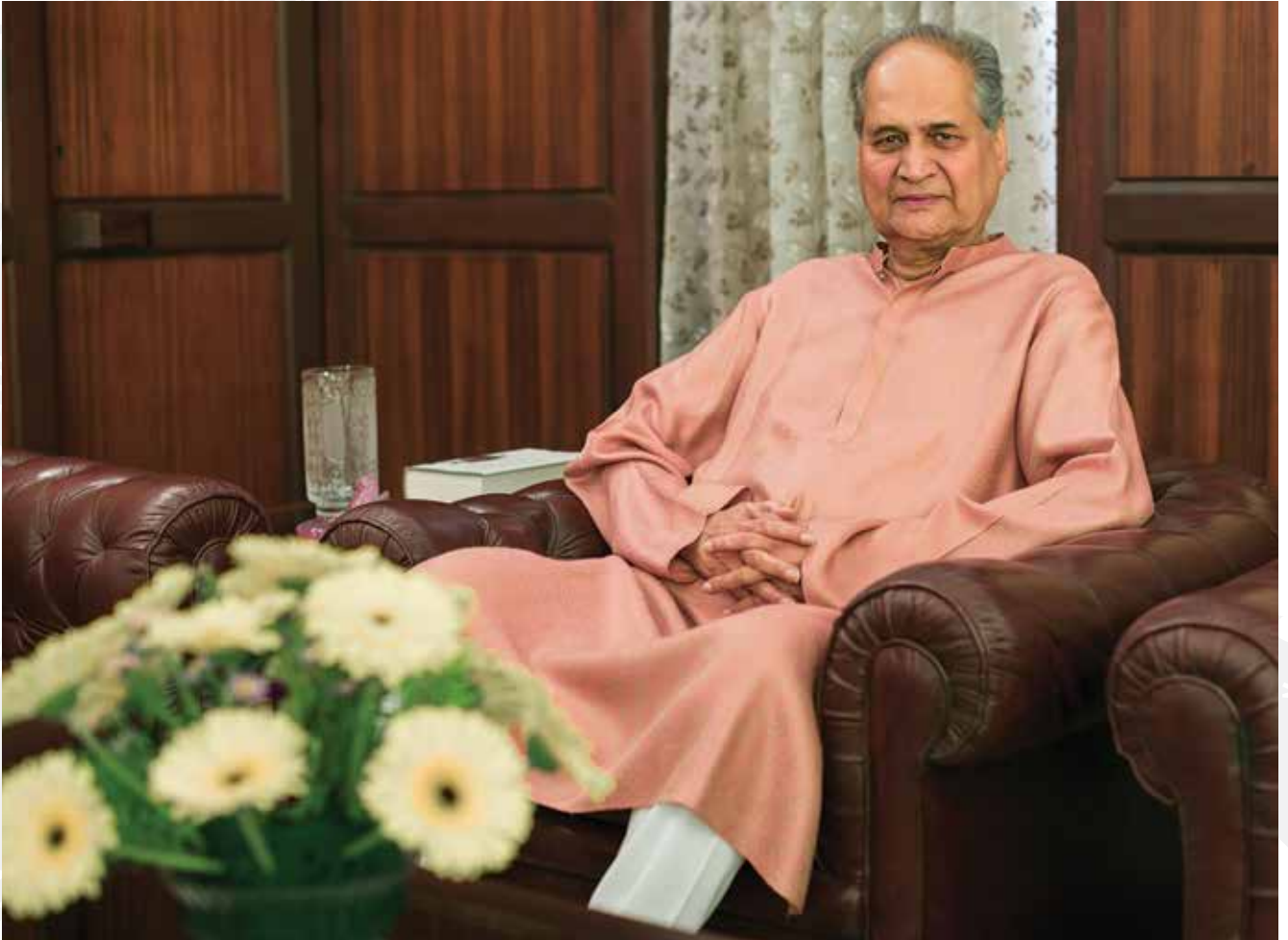
Mumbai-Pune Road,  
Akurdi, Pune 411 035.

**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.



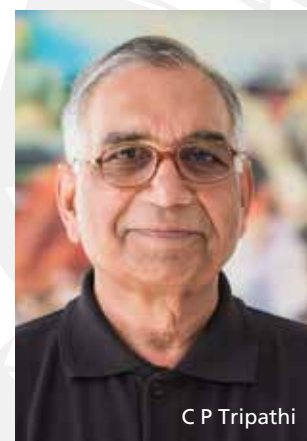


**Rahul Bajaj**  
Chairman

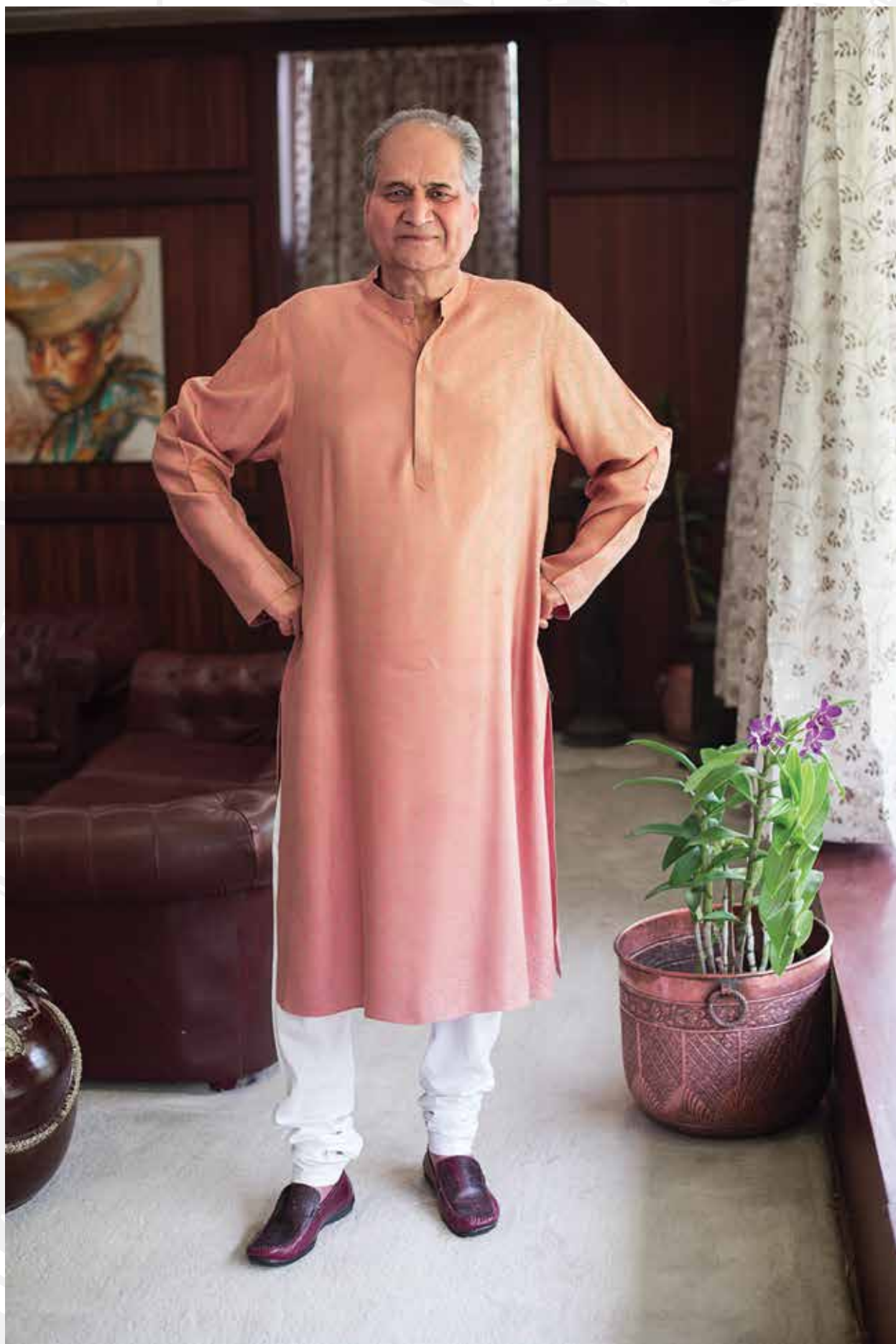
# Management Team



**Rajiv Bajaj**  
Managing Director







# Chairman's Letter

## Dear Shareholder,

I thought of starting with encouraging news about India's economic growth in 2016-17 (FY2017). But as I started looking at the latest evidence, it didn't seem as encouraging as I believed it might be. In its latest advance estimate, the Central Statistical Organisation of the Government of India has pegged India's real GDP growth for FY2017 at 7.1%. No doubt it is better than all developed countries and most emerging markets including China. However, it is not as good as the 7.9% GDP growth achieved in FY2016.

So, we have grown; but not as much as last year. And we possibly have a longer way to go to attain a steady state annual growth rate between 7.5% and 8%, which is what we need to create a launchpad for greater employment, a more significant global economic presence and accelerated poverty reduction.

In my view three factors have played a role in dampening growth this year. The first is the lack of significant investments over the last four to five years. Of late, there has been a serious effort at government investments in some key infrastructure areas. But that takes time to translate into additional income and employment. And truth be told, there is hardly any private sector investment worth the name.

The second is also related to private sector investments but linked to the state of our banks, especially many of those under government ownership. The data for the quarter ended 31 December 2016 shows that for the 27 public sector banks which account for the vast majority of the nation's loans and advances, bad loans, called gross non-performing assets (NPAs), were estimated at ₹ 647,759 crore, or 88% of the total recorded NPAs across all banks. This represents a 140% increase over what it was two years earlier, and constitutes 12% of total loans and advances. With these banks being badly stressed, there seems to be no appetite for advancing term loans without which it is virtually impossible to envisage the kind of investment spends needed for getting us securely on to a higher growth path.

The third is a shorter term aberration related to FY2017. I refer to the temporary negative effects of demonetising ₹ 500 and ₹ 1,000 notes on 8 November 2016. Although the estimates for October-December 2016 show no appreciable dip in either real GDP or GVA, there seems to be enough evidence on the ground that removing over four-fifth of the value of currency in circulation almost overnight and substituting it with a much slower injection of the new ₹ 500 and ₹ 2,000 notes created constraints across various sectors of the economy. It remains to be seen what the overall effect of this will be on growth for the first half of FY2018. If at all, I hope it will be moderate.

In such a milieu, how has your Company fared? I would say this: Bajaj Auto could have possibly done better, but given the circumstances, it has done reasonably well to be where it is. Here are the key financials:

- Net sales de-grew by 3.5% to ₹ 21,374 crore. Total operating income (net sales plus other operating income) decreased by 3.2% to ₹ 22,026 crore.
- Operating earnings before interest, taxes, depreciation and amortisation (EBITDA) reduced by 5.3% to ₹ 4,778 crore.
- The operating EBITDA margin was 21.7% of net sales and other operating income. This continues to remain the highest in the industry.
- Operating profit reduced by 5.6% to ₹ 4,470 crore.
- At 20.3%, the operating profit margin to net sales plus other operating income was also the highest in the industry.
- Profit before tax (PBT) de-grew by 3.8% to ₹ 5,336 crore.
- Profit after tax (PAT) declined by 2.6% to ₹ 3,828 crore.
- Surplus cash and cash equivalents as on 31 March 2017 was up by 36% to ₹ 12,368 crore.