

BAJAJ

68th Annual Report 2012-13
Bajaj Holdings & Investment Limited

Contents

Board of Directors	02
Directors' Report	03
Management Discussion and Analysis	10
Corporate Governance	17
General Shareholder Information	27
Report on Corporate Social Responsibility	34
Standalone Financial Statements	41
Consolidated Financial Statements	83



Sanjiv Bajaj
Managing Director

Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Madhur Bajaj

Rajiv Bajaj

D J Balaji Rao

S H Khan

Nanoo Pamnani

Manish Kejriwal

Naresh Chandra

P Murari

Auditors

Dalal & Shah
Chartered Accountants

Bankers

Citibank N A
HDFC Bank

Registered under the Indian
Companies Act, 1913

Company Secretary

Vallari Gupte
(w.e.f. 3 December 2012)

Registered Office

Mumbai-Pune Road
Akurdi, Pune 411 035

Directors' Report

Introduction

The directors present their sixty eighth annual report and the audited statements of accounts for the year ended 31 March 2013.

Operations

The operations and financial figures of the Company are elaborated in the annexed Management Discussion and Analysis Report. The highlights are as under:-

Financial results (Standalone)

	(₹ In Crore)	2013	2012
Total revenue	745.15	650.37	
Total expenses	14.70	7.56	
Profit before tax	730.45	642.81	
Tax expense	67.12	75.35	
Profit after tax	663.33	567.46	
Add: Balance brought forward from previous year	486.09	411.05	
Profit available for appropriation	1,149.42	978.51	
Transfer to Reserve fund u/s 45-IC(1) of Reserve Bank of India Act, 1934	132.67	113.49	
Transfer to General reserve	66.33	56.75	
Proposed dividend (inclusive of dividend tax)	325.02	322.18	
Balance carried to Balance Sheet	625.40	486.09	
Earnings per share (₹)	59.6	51.0	

Financial results (Consolidated)

The highlights of the Consolidated Financial Results are as under:

	(₹ In Crore)	2013	2012
Total revenue	339.46	301.03	
Profit before exceptional item and tax	322.02	288.94	
Profit before tax	322.02	274.93	
Income from associate after tax	1,602.69	1,480.70	
Profit for the year	1,856.38	1,679.17	
Earnings per share (₹)	166.8	150.9	

Dividend

The directors recommend for consideration of the shareholders at the ensuing annual general meeting, payment of dividend of ₹ 25 per share (250 per cent) for the year ended 31 March 2013. The amount of dividend and the tax thereon aggregates to ₹ 325.02 crore.

Dividend paid for the year ended 31 March 2012 was also ₹ 25 per share (250 per cent) and the amount of dividend and the tax thereon aggregated to ₹ 322.18 crore.

Registration as a Systemically Important Non-Deposit taking NBFC

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

De-notification of Special Economic Zone (SEZ)

As reported in the previous year, the Company had applied on 25 January 2012 to the SEZ section of the Department of Commerce, Ministry of Commerce and Industry of Government of India for de-notification of its SEZ Project located at Waluj, Aurangabad. The said authority vide its letter dated 27 March 2012 conveyed its approval for de-notification of the Company's SEZ subject to the Development Commissioner, SEEPZ SEZ, Mumbai, furnishing its certificate that the Company has refunded all the tax/duty benefits availed, under the SEZ Act/Rules.

As directed, necessary procedural formalities in this regard are in process.

Subsidiary/joint venture/associates

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

Name of the Company	% Shareholding of Bajaj Holdings & Investment Ltd. as on 31 March 2013	Status
Bajaj Auto Ltd.	31.49%	Associate
Bajaj Finserv Ltd.	39.16%	Associate
Bajaj Auto Holdings Ltd.	100%	Subsidiary
Maharashtra Scooters Ltd. (MSL)	24%	Joint venture

A Summary of financial results of the aforesaid subsidiary/associates/joint venture has been covered under the Management Discussion and Analysis report.

As regards Maharashtra Scooters Ltd. (MSL), a company jointly promoted by the Company (erstwhile Bajaj Auto Ltd.) and Western Maharashtra Development Corporation Ltd. (WMDC), WMDC had offered to sell its 27 per cent shareholding in MSL and the Company had confirmed its willingness to purchase these shares. The price at which the shares were to be sold, had been jointly referred to a sole Arbitrator, Justice Arvind V Savant (Retd), with an understanding in writing that the arbitral award would be binding on both.

As reported in the past, the award of the Arbitrator dated 14 January 2006 valuing the share price of MSL at ₹ 151.63 per share as the rate at which 3,085,712 equity shares of MSL held

by WMDC to be sold to the Company, was challenged by WMDC in the Bombay High Court. After hearing both the parties, the Hon'ble Bombay High Court, vide its order dated 15 February 2010, while confirming the ruling of the Arbitrator on the relevant date for valuation and on the methodology adopted by the Arbitrator on valuation, set aside the Award of the Learned Arbitrator on the ground that the Arbitral Award goes contrary to the provisions of section 111A of the Companies Act, 1956, which relates to free transferability of shares in a public limited company. The Company has challenged the decision of the Hon'ble Bombay High Court by way of filing an Appeal before the Division Bench of the High Court on various grounds and the same has been admitted. The Appeal is currently under progress.

Corporate Social Responsibility

During the year 2012-13, Bajaj group continued its Corporate Social Responsibility (CSR) initiatives in various fields. Activities in this area are set out in detail in the annexed CSR Report.

Directors

During the year under review, Sanjiv Bajaj was appointed as the Managing Director of the Company for a period of 5 years with effect from 1 April 2012 to 31 March 2017.

Nanoo Pamnani and P Murari retire from the Board by rotation this year and being eligible, offer themselves for re-appointment. The information as required to be disclosed under clause 49 of the listing agreement in case of re-appointment of directors is provided in the notice of the ensuing annual general meeting.

Directors' responsibility statement

As required by sub-section (2AA) of section 217 of the Companies Act, 1956, directors state:

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- that the directors have 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 of the Company for that period.
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the annual accounts have been prepared on a going concern basis.

Presentation of financial results

The financial results of the Company for the year ended 31 March 2013 as in the previous year have been disclosed as per the revised Schedule VI to the Companies Act, 1956, pursuant to notification dated 28 February 2011 issued by the Ministry of Corporate Affairs.

Consolidated financial statements

The directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiary, associates and joint venture and as prepared in compliance with the applicable accounting standards and the provisions of listing agreement as prescribed by SEBI.

Information in aggregate for the subsidiary company is disclosed separately in the consolidated Balance Sheet.

Statutory disclosures

Ministry of Corporate Affairs (MCA) vide circular No. 51/12/2007-CL-III dated 8 February 2011 has given general exemption with regard to attaching of the Balance Sheet, Profit and Loss Account and other documents of its subsidiary companies subject to fulfillment of conditions mentioned therein. The Company has fulfilled all the necessary conditions in this regard and hence is not attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company. The summary of key financials of the Company's subsidiary company is included in this annual report.

The annual accounts of the subsidiary company and the related detailed information will be made available to the members of the Company and its subsidiary company, seeking such information at any point of time. The annual accounts of the subsidiary company will be kept for inspection by any member of the Company at its registered office and also at the registered office of the concerned subsidiary company.

As required under the provisions of sub-section (2A) of section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of the employees are set out in an annexure to the Directors' Report. As per provisions of section 219(1)(b)(iv) of the said Act, these particulars will be made available to any shareholder on request.

The Company has no particulars to report regarding technology absorption, conservation of energy as required under section 217(1)(e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988. During the year under review, the Company did not have any foreign exchange earnings, whereas the foreign exchange outgo amounted to ₹ 38,500.

Directors' responsibility statement as required by section 217(2AA) of the Companies Act, 1956 appears in a preceding paragraph.

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

Disclosures as prescribed by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and other NBFC regulations have been made in this annual report.

A Cash Flow Statement for the year 2012-13 is attached to the Balance Sheet.

Corporate governance

Pursuant to clause 49 of the listing agreement with stock exchanges, a separate section 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 2012-13. A declaration to this effect signed by the Managing Director of the Company is contained in this annual report.

The Managing Director and Chief Financial Officer (CFO) have certified to the Board with regard to the financial statements and other matters as specified in clause 49 of the listing agreement and the said certificate is contained in this annual report.

Secretarial standards of ICSI

Secretarial standards issued by the Institute of Company Secretaries of India (ICSI) from time to time are currently recommendatory in nature. Your Company is, however, complying with the same.

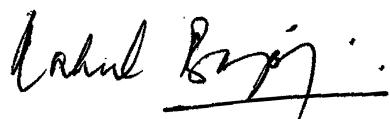
Auditors' report

The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under section 217 of the Companies Act, 1956.

Auditors

The members are requested to appoint M/s Dalal & Shah, Chartered Accountants as auditors for the period from the conclusion of the ensuing annual general meeting till the conclusion of the next annual general meeting and to fix their remuneration.

On behalf of the Board of Directors,



Rahul Bajaj
Chairman
16 May 2013

Annexure 1

Auditors' certificate regarding compliance of conditions of Corporate Governance

To the Members of
Bajaj Holdings & Investment Ltd.

We have examined the compliance of conditions of Corporate Governance by Bajaj Holdings & Investment Ltd., for the year ended 31 March 2013, as stipulated in clause 49 of the listing agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the listing agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Annexure 2

Declaration by Chief Executive Officer (CEO)

I, Sanjiv Bajaj, Managing Director of Bajaj Holdings & Investment Ltd. hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31 March 2013 compliance with the code of conduct of the Company laid down for them.

Sanjiv Bajaj
Managing Director
Pune: 16 May 2013

Annexure 3

Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

We, Sanjiv Bajaj, Managing Director and Kevin D'sa, CFO of Bajaj Holdings & Investment Ltd., certify to the Board:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31 March 2013 and that to the best of our knowledge and belief;
 - these statements do not contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and
 - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. That we have informed the auditors and the audit committee of:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sanjiv Bajaj
Managing Director
Pune: 16 May 2013

Kevin D'sa
Chief Financial Officer

Management Discussion and Analysis

Background

In 2007-08, considering the growth opportunities in the auto, insurance and finance sectors, it had been considered timely and appropriate to demerge the then Bajaj Auto Ltd., (now Bajaj Holdings & Investment Ltd.) into separate entities, so that there could be focus on the core businesses and the competencies could be strengthened further. The demerger was also aimed at enabling the investors to hold separate focused stocks. It was further intended to facilitate more transparent benchmarking of the companies with its peers in their respective industries. All these were expected to eventually unlock the value of the shares of the Company.

The substantial increase in the market capitalisation of erstwhile Bajaj Auto Ltd. from ₹ 24,542 crore as on 31 March 2007 (pre-demergers) to the present ₹ 74,502 crore as on 31 March 2013 at a combined level is a clear indication that demerger has certainly achieved its stated objective of unlocking shareholders' value.

Bajaj Holdings & Investment Ltd. ('BHIL' or 'the Company'), is registered as a Systemically Important Non Deposit taking Non Banking Financial Company. BHIL, with a sizeable pool of cash and cash equivalents, is essentially an investment company, holding as on 31 March 2013, strategic stakes of 31.49% in Bajaj Auto Ltd., 39.16% in Bajaj Finserv Ltd. and 24% in Maharashtra Scooters Ltd. (a joint venture company with Western Maharashtra Development Corporation Ltd.), the results of which are consolidated with BHIL.

The performance of the Company is largely dependent on the economy, government policies and its impact on the stock and money markets.

Economy and markets

FY2013 was an extremely volatile year for Indian equity markets led by political uncertainty, declining economic growth and rising non-performing assets in the banking system. In spite of the above factors, benchmark indices SENSEX and NIFTY closed the year with returns of 8.2% and 7.3%, respectively primarily due to high liquidity resulting from strong FII inflows.

In H1 of FY2013, news-flows, related to General Anti-Avoidance Rule (GAAR) and retrospective tax amendment affected market sentiments adversely. RBI after initially cutting rates by 50 bps raised concerns on stickiness in inflation due to a high fiscal deficit and further large borrowing by Government of India (GOI). This led to the cost of money remaining high and the private sector, especially infrastructure, suffered. Moreover, global demand remained weak, except for USA, which gained pace during FY2013 with US Dollar remaining strong throughout the year. Global crude oil prices remained high near the USD100/barrel mark, while gold imports continued to climb thereby putting further pressure on India's trade deficit.

In H2 FY2013, the GOI announced a series of reforms related to subsidies, foreign direct investments, divestments and infrastructure, which gave a boost to the markets in January 2013. The Finance Bill 2013 further offered incentives for investments in plant and machinery, while containing the FY2013 fiscal deficit to 5.2% and postponing implementation of GAAR. But by the end of FY2013, the market sentiments became weak once again due to political instability and other factors.

Considering such a volatile market, the performance of the Company during the year under review can be considered satisfactory.

Standalone results

	(₹ In Crore)		
	FY2013	FY2012	
• Total revenue	745.15	v/s	650.37 ↑ 14.57%
• Profit after tax	663.33	v/s	567.46 ↑ 16.89%

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

Table 1: Summary of Total revenue

	(₹ In Crore)	
	FY2013	FY2012
Interest	161.04	122.15
Dividend		
From associates and joint ventures	418.81	373.94
From others	56.32	37.36
Profit on sale of investments, net		
From equity investments	55.15	15.26
From fixed income investments	37.20	70.46
Others	15.16	28.76
Revenue from operations	743.68	647.93
Other income	1.47	2.44
Total revenue	745.15	650.37

Investments

The investment strategy of the Company is guided by the basic principles of adequate security, safety and prudence, with the prime aim to generate long term capital appreciation.

The portfolio of investments apart from group and strategic investments includes a healthy mix in equity and equity related securities along with investments in fixed income securities of various maturities, with a view to maximising income while maintaining the optimum balance of yield, safety and liquidity.

The Company has a robust Board-approved investment policy which lays down detailed guidelines to be followed by the Investment Committee. The Investment Committee meets monthly to review investment performance and decide on significant investments.

As per current guidelines, a maximum of 60% of the surplus funds available for investment (excluding the group/strategic investments), may be invested in equity and equity linked products, while a minimum of 40% of such funds is to be invested into fixed income securities.

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

Table 2: Position of investments held by the Company

	As at 31 March 2013			As at 31 March 2012			(₹ In Crore)	
	Cost	Market value	% to Total investments (At cost)					
				Cost	Market value	% to Total investments (At cost)		
Equity investments								
Strategic Investments	1,266	21,701	25.01	898	19,307	18.94		
Other Listed equities	1,398	2,111	27.60	1,243	1,867	26.21		
Other Unlisted Equities	357	357	7.05	242	242	5.10		
Mutual funds - equity based	35	35	0.70	37	37	0.77		
Total (A)	3,056	24,204	60.36	2,420	21,453	51.02		
Fixed income securities								
Debentures and bonds	1,277	1,298	25.23	1,127	1,120	23.76		
Mutual funds	122	122	2.40	137	137	2.89		
Certificate of Deposit	283	283	5.59	760	760	16.03		
Commercial Paper	24	24	0.48	49	49	1.03		
Fixed deposits with banks	300	300	5.94	250	250	5.27		
Total (B)	2,006	2,027	39.64	2,323	2,316	48.98		
Grand total (A+B)	5,062	26,231	100.00	4,743	23,769	100.00		

Equity investments

Strategic investments

BHIL subsequent to the demerger in 2007-08, is holding strategic investments, the position of which as on 31 March 2013 is set out in Table 3.

Table 3: Position of strategic investments held by the Company as on 31 March 2013

Equity shares held in	Cost	Market value	₹ In Crore
Bajaj Auto Ltd.	286.22	16,397.32	
Bajaj Finserv Ltd.	743.82	4,807.85	
Bajaj Auto Holdings Ltd.	0.25	0.25	
Maharashtra Scooters Ltd.	0.24	101.95	
Bajaj Electricals Ltd.	111.77	291.54	
Mukand Ltd.	24.37	10.85	
Hercules Hoists Ltd.	12.34	66.23	
Bajaj Hindustan Ltd.	87.18	24.76	
Other group investments	0.10	0.14	
Total	1,266.29	21,700.89	

Other equities

Total non-strategic equity investment (at cost), as on 31 March 2013 stands at ₹ 1,790 crore which is 47.2% of the surplus funds against the Board mandate of maximum up to 60%.

BHIL's investment horizon is long term and the Company does not churn the portfolio frequently. The Company's non-strategic equity investment portfolio is a combination of listed and unlisted investments, in which the listed investments (at cost) dominate the pie with a 78.1% share. The equity portfolio has a high weight in financial stocks (56.4% of equity portfolio) as a proxy for growth in the domestic economy. Various investments like ICICI Bank,

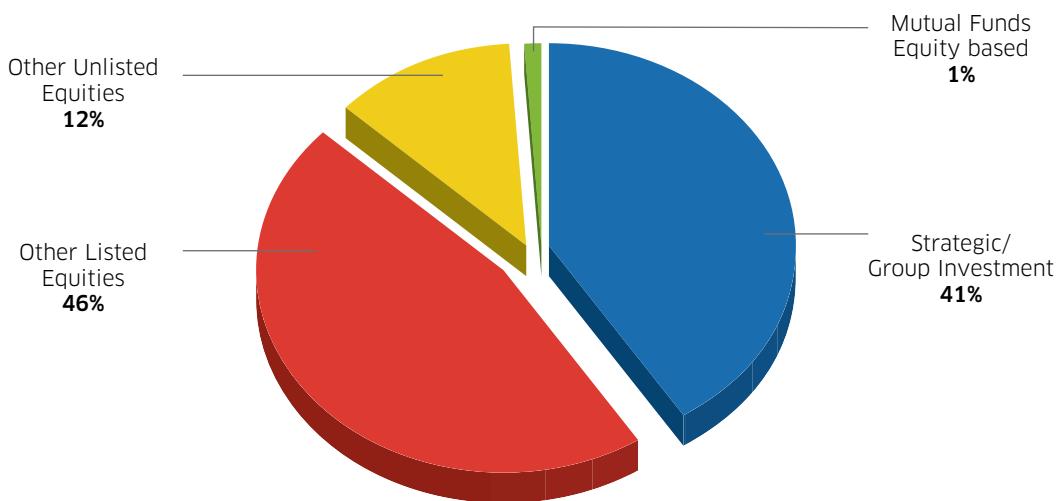
Karnataka Bank and Axis bank performed well during the year. Also, investments in credit rating agency CARE quoted a substantial premium at its listing in December 2012, adding to the appreciation. On the other hand, investments in BHEL, Sintex Industries and Tata Steel under-performed.

During the year under review, the Company's other equity portfolio generated returns of 8.68% outperforming the benchmark indices SENSEX and NIFTY.

One of the significant investments made by the Company in unlisted equities during FY2013 was that in the equity shares of National Stock Exchange, India's largest stock exchange. In addition, the Company holds investments in unlisted equities such as Bombay Stock Exchange (BSE) and National Multi Commodity Exchange (NMCE), which were done a few years ago.

The total equity investments (strategic and others) at cost are presented in Chart A given below:

Chart A: Break-up of Equity Investment (at cost)



Fixed income investments

As on 31 March 2013, the allocation of investments in fixed income securities (at cost) stood at ₹ 2,006 crore, i.e. 52.8% of the surplus funds.

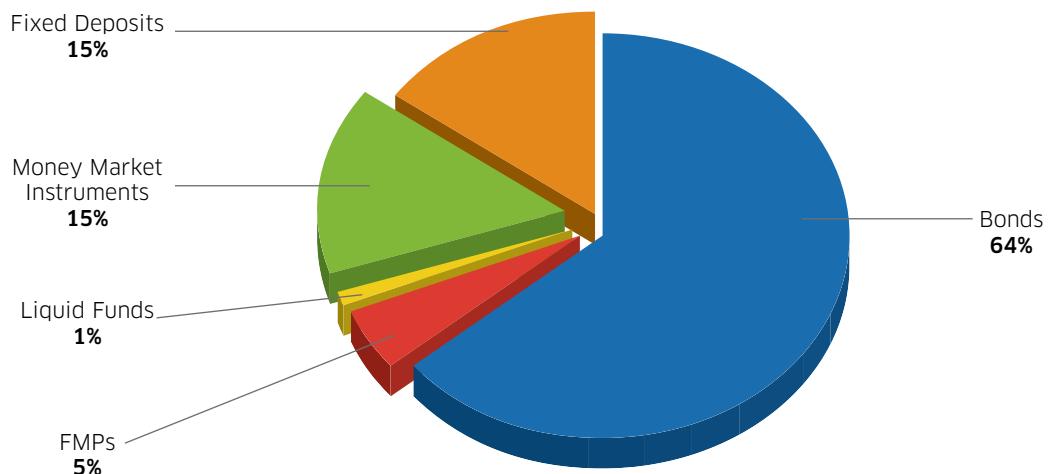
Fixed income market remained buoyant throughout FY2013 with monetary policy stance turning pro growth as the central bank cut repo rate by 100 bps to 7.5%. Liquidity easing measure continued with cut of 75 bps in cash reserve ratio to 4.0% along with open market operation. On the inflation front, the average wholesale price index declined, with bigger comfort for the central bank coming from substantial decline in core inflation. Consumer price inflation on the other hand remained high due to high food inflation along with high current account deficit, mainly due to high import of oil and gold. Bond yield dropped sharply across tenor.

Fixed income portfolio was concentrated at 63.6% in highly liquid corporate bonds with credit rating of AA+ and above. As at 31 March 2013, yield to maturity of the fixed income portfolio was 9.12%, with average maturity of 2.5 years.

BHIL fixed income portfolio for FY2013 delivered a total return of 12.04% against benchmark CRISIL bond fund index of 9.27%.

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

Chart B: Break-up of Fixed Income Portfolio (at cost)



Consolidated results

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

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

Name of the company	% shareholding and voting power of Bajaj Holdings & Investment Ltd.	Consolidated as
a. Bajaj Auto Ltd.	31.49%	Associate
b. Bajaj Finserv Ltd.	39.16%	Associate
c. Bajaj Auto Holdings Ltd.	100%	Subsidiary
d. Maharashtra Scooters Ltd.	24%	Joint venture

With the underlying group companies, especially Bajaj Auto Ltd., delivering good results, the consolidated results of Bajaj Holdings & Investment Ltd. have also been good. The consolidated financials of BHIL, including its subsidiaries, associates and joint ventures are given in Table 5.

Table 5: Summarised consolidated financials of Bajaj Holdings & Investment Ltd.

	₹ In Crore	FY2013	FY2012
Total revenue	339.46	301.03	
Income from associates after tax	1,602.69	1,480.70	
Profit before tax and after income from associates	1,924.71	1,755.63	
Profit after tax	1,856.38	1,679.17	

Status of subsidiary, associates and joint venture

Subsidiary

Bajaj Auto Holdings Ltd. (BAHL)

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

Table 6: Summary of financial results

	₹ In Crore	FY2013	FY2012
Total revenue	6.08	7.69	
Profit before tax	6.00	7.62	
Profit after tax	4.79	6.51	
Profit attributable to BHIL (100%)	4.79	6.51	

Associates

Bajaj Auto Ltd. (BAL)

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

Table 7: Summary of consolidated financial results

	₹ In Crore	FY2013	FY2012
Total revenue	20,839.12	20,201.26	
Profit before tax and after income from associate	4,361.04	4,068.14	
Profit after tax	3,132.69	3,045.40	
Profit attributable to BHIL	986.46	958.97	

Bajaj Finserv Ltd. (BFS)

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

Table 8: Summary of consolidated financial results

	₹ In Crore	FY2013	FY2012
Total revenue	5,074.89	3,904.78	
Profit before tax	2,708.11	2,226.22	
Profit after tax	1,573.64	1,337.77	
Profit attributable to BHIL	616.23	521.73	

Joint venture

Maharashtra Scooters Ltd. (MSL)

The summary of financial results of MSL is given below:

Table 9: Summary of financial results

	(₹ In Crore)	FY2013	FY2012
Total revenue		59.92	70.48
Profit before tax		48.84	(6.49)
Profit after tax		48.84	(6.49)
Profit attributable to BHIL		11.72	(1.55)

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

The commitment of Bajaj Group to the highest standards of good corporate governance practices predates SEBI and clause 49 of the listing agreements. Transparency, fairness, disclosure and accountability are the main thrust to the working of the group.

Bajaj Holdings & Investment Ltd. ('the Company' or 'BHIL') maintains the same tradition and commitment.

Given below are the Company's corporate governance policies and practices for 2012-13. As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements in accordance with the provisions of clause 49 of the listing agreement.

Board of Directors

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

Composition

As on 31 March 2013, the Board of the Company consisted of ten directors, of whom one was executive (Managing Director), four were non-executive non-independent directors and five were non-executive independent directors. The Board had no institutional nominee director.

The Company has a non-executive chairman.

According to clause 49, if the non-executive chairman is a promoter, at least one half of the Board of the Company should consist of independent directors. Table 1 below shows that the Company is in compliance with the requirements.

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for 2012-13

Name of director	Category	Meetings attended	Whether attended last AGM on 18 July 2012
Rahul Bajaj	Chairman, non-executive	6/6	Yes
Madhur Bajaj	Non- executive	6/6	Yes
Rajiv Bajaj	Non- executive	6/6	Yes
Sanjiv Bajaj	Managing Director, Executive	6/6	Yes
D J Balaji Rao	Non-executive, independent	6/6	Yes
S H Khan	Non-executive, independent	6/6	Yes
Nanoo Pamnani	Non-executive, independent	6/6	Yes
Manish Kejriwal	Non-executive	6/6	Yes
Naresh Chandra	Non-executive, independent	6/6	Yes
P Murari	Non-executive, independent	4/6	No

Non-executive directors' compensation

Non-executive directors of the Company are being paid, in addition to the sitting fee of ₹ 20,000 per meeting for every meeting of the Board and its committees, commission at the rate of ₹ 50,000 per meeting of the Board and its committees attended by them, subject to the overall ceiling of one percent of the net profits.

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

Board procedures

During 2012-13, the Board met six times: 17 May 2012, 18 July 2012, 18 September 2012, 20 October 2012, 16 January 2013 and 21 March 2013. The gap between any two meetings has been less than four months.

Information supplied to the Board

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

In terms of quality and importance, the information supplied by management to the Board of the Company is far ahead of the list mandated under clause 49 of the listing agreement.

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

- I. Progress made in putting in place a progressive risk management system, and risk management policy and strategy followed.
- II. Conformity with the prescribed corporate governance standards.
- III. Minutes of Risk Management Committee and Asset Liability Management committee meetings.

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 below.

Table 2: Number of directorships/committee positions of directors as on 31 March 2013

Name of director	Directorships held in listed companies	Directorships held in unlisted public limited companies	Committee positions	
			As Chairman	As Member
Rahul Bajaj	4	2	—	—
Madhur Bajaj	6	—	—	—
Rajiv Bajaj	4	1	—	1
Sanjiv Bajaj	6	4	1	5
D J Balaji Rao	10	—	4	6
S H Khan	5	2	4	5
Nanoo Pamnani	4	—	5	2
Manish Kejriwal	3	—	—	3
Naresh Chandra	11	1	1	9
P Murari	8	2	3	4

Notes: Private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956 are excluded for the above purposes. Only audit committee and shareholders' grievance committee are considered for the purpose of committee positions as per listing agreement.

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.

Review of legal compliance reports

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the management.

Code of conduct

The Board at its meeting on 16 July 2005 laid down a code of conduct for all directors and senior management of the Company, which has been posted on the website www.bhil.in

All directors and senior management personnel have affirmed compliance with the code for the year 2012-13. A declaration to this effect signed by the Managing Director is given in this annual report.

Audit committee

Constitution and composition

BHIL, as erstwhile Bajaj Auto Ltd., set up its audit committee in 1987. Since then, the Company has been reviewing and making appropriate changes in the composition and working of the committee from time to time to bring about greater effectiveness in order to comply with various requirements under the Companies Act, 1956, clause 49 of the listing agreement and NBFC regulations.

The audit committee consisted of the following members as on 31 March 2013:

1. Nanoo Pamnani, Chairman
2. S H Khan
3. Manish Kejriwal
4. Naresh Chandra

In compliance with clause 49, three members of the committee viz. Nanoo Pamnani, S H Khan and Naresh Chandra are independent directors and all the members of the audit committee are 'financially literate'. Moreover, the audit committee has members who have 'accounting or related financial management expertise'.

Meetings, attendance and topics discussed

During 2012-13, the audit committee met four times: 17 May 2012, 18 July 2012, 20 October 2012 and 16 January 2013. The meetings were scheduled well in advance. In addition to the members of the audit committee, these meetings were attended by the heads of finance and internal audit functions, the statutory auditors 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 3: Composition of the audit committee and attendance record of members for 2012-13

Name of director	Category	Meetings attended
Nanoo Pamnani	Chairman (Non-executive and independent)	4/4
S H Khan	Non-executive and independent	4/4
Manish Kejriwal	Non-executive	4/4
Naresh Chandra	Non-executive and independent	4/4

The terms of reference of the audit committee are extensive and go beyond what is mandated in clause 49 of the listing agreement, section 292A of the Companies Act, 1956 and under NBFC regulations.

Subsidiary companies

During the year, the audit committee reviewed the financial statements (in particular, the investments made) of its unlisted subsidiary company - Bajaj Auto Holdings Ltd. (BAHL). Minutes of the Board meetings of this subsidiary company were regularly placed before the Board of the Company. A statement of the significant transactions and arrangements entered into by this subsidiary company was also placed periodically before the Board of the Company, as applicable.

Disclosures

A summary statement of transactions with related parties was placed periodically before the audit committee during the year. Suitable disclosures have been made in the financial statements, together with the management's explanation in the event of any treatment being different from that prescribed in accounting standards.

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

There were no public issues, rights issues, bonus issue, preferential issues etc. during the year.

Remuneration and Nomination Committee

BHIL, as erstwhile Bajaj Auto Ltd., constituted a remuneration committee of the Board on 16 January 2002.

Subsequently, at the meeting of the Board of Directors held on 16 January 2009, the Board extended the terms of reference of the existing remuneration committee, so as to include the duties to assist the Board for having a formal and transparent procedure in making Board appointments. Accordingly, the existing remuneration committee was re-styled as 'Remuneration and Nomination Committee'.

Further, the Board at its meeting held on 13 January 2010 extended the terms of reference of this committee to ensure 'Fit and Proper' status of proposed/existing directors as required under the RBI Guidelines on corporate governance.

The Remuneration and Nomination Committee consisted of the following members as on 31 March 2013:

1. S H Khan, Chairman
2. D J Balaji Rao
3. Nanoo Pamnani
4. Naresh Chandra
5. Rahul Bajaj

During the year under review, the committee was not required to meet. However, a meeting of the committee was held on 16 May 2013, which noted that Nanoo Pamnani and P Murari were due for retirement by rotation at the ensuing annual general meeting. The committee recommended for the consideration of the Board the re-appointment of these directors having ascertained and ensured their 'Fit and Proper' status. All the members of the committee attended this meeting.

Remuneration of directors

Pecuniary relationship or transactions of non-executive directors

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

The register of contracts is maintained by the Company under section 301 of the Companies Act, 1956. The register is signed by all the directors present at the respective Board meetings.

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

Criteria of making payments to non-executive directors

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

The criteria of making payments to non-executive directors as approved by the Board at its meeting held on 19 January 2011 have been put on the Company's website www.bhil.in

Managing Director

During the year under review, the Company has paid remuneration to Sanjiv Bajaj, Managing Director of the Company as given in Table 4 below.

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

Non-executive directors

Non-executive directors are paid sitting fees and commission as stated earlier in this report. Details of the remuneration paid or payable to directors during the year 2012-13 is stated in Table 4.

Remuneration to directors during the year

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

In 2012-13, the Company did not advance any loans to any of the non-executive directors and/or Managing Director. Table 4 gives details of the remuneration paid or payable to the directors during the year 2012-13.

Table 4: Remuneration paid/payable to directors during 2012-13

Name of director	Relationship with other directors	(Amount In ₹)			
		Sitting fees	Salary and perquisites	Commission	Total
Rahul Bajaj	Father of Rajiv Bajaj and Sanjiv Bajaj, father-in-law of Manish Kejriwal	120,000	–	300,000	420,000
Madhur Bajaj	–	120,000	–	300,000	420,000
Rajiv Bajaj	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	120,000	–	300,000	420,000
Sanjiv Bajaj	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	–	8,409,990	18,000,000	26,409,990
D J Balaji Rao	–	120,000	–	300,000	420,000
S H Khan	–	220,000	–	550,000	770,000
Nanoo Pamnani	–	220,000	–	550,000	770,000
Manish Kejriwal	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	220,000	–	550,000	770,000
P Murari	–	100,000	–	250,000	350,000
Naresh Chandra	–	200,000	–	500,000	700,000

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

Shares held by non-executive directors

The non-executive directors as on 31 March 2013, who held shares in the Company, are as under:

Table 5: Shares held by non-executive directors

Name of director	Number of shares held as on 31 March 2013
Rahul Bajaj	4,151,232
Madhur Bajaj	1,863,616
Rajiv Bajaj	1,323,050
Manish Kejriwal	100

Management

Management discussion and analysis

A detailed report on the Management Discussion and Analysis is given separately in this annual report.

Disclosure of material transactions

Pursuant to clause 49, senior management made periodical disclosures to the Board relating to all material financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company.

Compliances regarding insider trading

Comprehensive guidelines in accordance with the SEBI regulations are in place. The code of conduct and corporate disclosure practices as framed by the Company have helped in ensuring compliance with the requirements.

Shareholders

Appointment and/or re-appointment of directors

According to the statutes, at least two-third of the Board should consist of directors liable to retire by rotation. Of such retiring directors, one third directors are required to retire every year and, if eligible, may seek re-appointment by the shareholders. 7 of the 10 directors of the Company as on 31 March 2013 were directors, liable to retire by rotation. This year, the retiring directors are Nanoo Pamnani and P Murari who being eligible, have offered their candidature for re-appointment. Their candidatures have been recommended by the Remuneration and Nomination Committee for approval by the Board, which in turn has recommended the same for approval by the shareholders.

Brief profiles of Nanoo Pamnani and P Murari, the retiring directors have been given in the notice being issued to the shareholders convening the sixty eighth annual general meeting of the Company.

As stated previously, the Board, at its meeting held on 27 March 2012, subject to approval by the shareholders, appointed Sanjiv Bajaj as Managing Director of the Company for a period of 5 years with effect from 1 April 2012 to 31 March 2017 and also fixed his remuneration based on the recommendation made by the Remuneration and Nomination Committee. The shareholders at the sixty seventh annual general meeting of the Company accorded their assent for the same.

Communication to shareholders

Quarterly, half-yearly and annual financial results are published in numerous leading dailies, along with the official press release. The Company also sends the half-yearly financial results, along with a detailed write-up, to each household of shareholders.

The Company has its own website, www.bhil.in which contains all important public domain information, including presentations made to the media, analysts and institutional investors. The website also contains information on matters such as dividend and bonus history, answers to frequently asked questions (FAQs) by the various shareholder categories and details of the corporate contact persons. All financial and other vital official news releases are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

Ministry of Corporate Affairs as a 'Green Initiative in the Corporate Governance' has issued a circular no 17/2011 on 21 April 2011, permitting companies to service delivery of documents electronically on the registered members'/shareholders' email addresses under section 53 of the Companies Act, 1956. The Company is accordingly proposing to send documents, such as

notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form at the email addresses provided by the shareholders and made available to the Company through the depositories. Shareholders desiring to receive the said documents in physical form will continue to get the same in physical form, upon request.

The Company also files the following information, statements, reports on the website as specified by SEBI:

- Full version of the annual report including the Balance Sheet, Statement of Profit and Loss, directors' report and auditors' report, cash flow statements, half-yearly financial statements and quarterly financial statements.
- Corporate governance report.
- Shareholding pattern.

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

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

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

Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the Annual General Meetings, if any
65th AGM	22 July 2010 at 4.00 p.m.	No special resolutions were passed
66th AGM	14 July 2011 at 4.00 p.m.	Approving payment of commission to non-executive directors, which will be valid upto 31 March 2016
67th AGM	18 July 2012 at 4.15 p.m.	Approving appointment of Sanjiv Bajaj as Managing Director of the Company for a term of five years commencing from 1 April 2012 till 31 March 2017 and fixing his remuneration, based on the recommendation made by the Remuneration and Nomination Committee.

During the previous year, the Company has not adopted postal ballot for passing any resolution by the shareholders.

Material disclosure of related party transactions

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

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.

Shareholders' and investors' grievance committee

The Board of Directors of the Company, as erstwhile Bajaj Auto Ltd., constituted its shareholders' and investors' grievance committee in the year 2000. This committee specifically looks into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payments of unclaimed dividend etc. In addition, the committee also looks into matters that can facilitate better investor services and relations. The committee regularly kept the Board apprised on all the major developments on investors' issues through various reports and statements furnished to the Board from time to time throughout the year.

The committee consisted of three non-executive independent directors and one non-independent non-executive director as on 31 March 2013, as mentioned below:

1. P Murari, Chairman
2. Nanoo Pamnani
3. S H Khan
4. Manish Kejriwal

During the year under review, the committee met on 21 March 2013 to review the status of investors' services rendered. All members were present at the meeting. The secretarial auditor as well as the Company Secretary (who is also the compliance officer) were also present at the meeting. The committee expressed its whole-hearted satisfaction on the overall status of compliances and actions taken on various matters.

Pursuant to circular issued by SEBI in December 2010, for dealing with physical unclaimed shares, the Company, after sending three reminders to the concerned shareholders, has already opened a demat account with HDFC Bank titled 'Bajaj Holdings & Investment Ltd. unclaimed suspense account' to which all the unclaimed shares stand transferred in terms of the said circular.

More details on this subject have been furnished in the chapter on General Shareholder Information.

CEO/CFO certification

The CEO and CFO have certified to the Board with regard to the financial statements and other matters as required by clause 49 of the listing agreement. The certificate is contained in this annual report.

Report on corporate governance

This chapter, read together with the information given in the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on corporate governance during 2012-13. The Company has been regularly forwarding the quarterly compliance report to the stock exchanges as required under clause 49 of the listing agreement.

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 clause 49 of the listing agreement. This report is annexed to the directors' report and will be sent to the stock exchanges along with the annual return to be filed by the Company.

Compliance of mandatory and non-mandatory requirements under clause 49

Mandatory

The Company has complied with all the mandatory requirements of clause 49 of the listing agreement.

Non-mandatory

The Company has also complied with most of the non-mandatory requirements as under:

1. The Board

The non-executive Chairman has an office at the Company's premises.

Of the independent directors of the Company, only D J Balaji Rao and S H Khan have tenures exceeding a period of nine years on the Board. The Board believes that their continuation on the Board is in the Company's interest.

2. Remuneration committee

The Company has a remuneration committee known as 'Remuneration and Nomination Committee'. A detailed note on this committee is provided elsewhere in the report.

3. 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.

4. Audit qualifications

There are no qualifications in the financial statements of the Company for the year 2012-13.

5. Whistle blower policy

The Company adopted its whistle blower policy on 13 January 2010. This policy is to enable its employees to report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics policy. This mechanism provides safeguards against victimisation of employees, who avail of the mechanism. This also provides for direct access to the chairman of the audit committee in exceptional cases. The policy has been appropriately communicated to the employees within the organisation.

General Shareholder Information

Annual General Meeting

Date	19 July 2013
Time	4.15 p.m.
Venue	Registered office at Mumbai-Pune Road, Akurdi, Pune 411 035

Financial calendar

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

Dividend

The Board of Directors of the Company has proposed a dividend of ₹ 25 per equity share (250 per cent) for the financial year 2012-13, subject to approval by the shareholders at the ensuing annual general meeting. Dividend paid in the previous year was also ₹ 25 per equity share (250 per cent).

Dates of book closure

The register of members and share transfer books of the Company will remain closed from Saturday, 6 July 2013 to Friday, 19 July 2013, both days inclusive.

Date of dividend payment

Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 23 July 2013 to 25 July 2013:

- a) to all those beneficial owners holding shares in electronic form, as per the 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, 5 July 2013; and
- b) to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company on or before the close of business hours on Friday, 5 July 2013.

Payment of dividend

Dividend will be paid by account payee/non-negotiable instruments or through the National Electronic Clearing Service (NECS), as notified by the SEBI through the stock exchanges. In view of the significant advantages and the convenience, the Company will continue to pay dividend through NECS in all major cities to cover maximum number of shareholders, as per applicable guidelines. Shareholders are advised to refer to the notice of the annual general

meeting for details of action required to be taken by them in this regard. For additional details or clarifications, shareholders are welcome to contact the registered office of the Company.

Securities and Exchange Board of India (SEBI) vide its circular No. CIR/MRD/DP/10/2013 dated 21 March 2013 has stipulated that all listed companies shall use approved electronic mode of payment viz., ECS, NECS, NEFT etc., for the purpose of making payments to the shareholders.

All the shareholders are requested to immediately update their Bank Account No.

with 9-digit MICR Code (either Bank Account No. or 9-digit MICR No. or both), if the same has not been updated with the Company's share transfer agent or the depository participant, as the case may be.

Unclaimed dividends

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

As per section 205-C of the Companies Act, 1956, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the Investor Education and Protection Fund set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1995-96 to 2004-05 were transferred by the Company to the said fund in the years 2003 to 2012. No claims shall lie against the fund or the Company in respect of amounts so transferred.

Unpaid/unclaimed dividend for 2005-06 shall become transferable to the fund in September 2013. A separate reminder letter is sent to such shareholders for whom the dividend is unpaid for the financial year 2005-06. Shareholders are requested to verify their records and send claims, if any, before the amount becomes due for transfer to the fund.

Further, the Ministry of Corporate Affairs (MCA) vide its notification dated 10 May 2012 prescribed the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 which mandates all the companies to file the particulars of all the unclaimed and unpaid amounts through eForm 5 INV on the web portal of MCA and subsequently also upload the data on the website of the Company. The Company has accordingly filed the necessary Forms on 31 July 2012 and on 23 October 2012 for the financial year ended 31 March 2011 and 31 March 2012 respectively. The details of unclaimed dividends for the financial years 2004-05 to 2010-11 have been uploaded on the Company's website www.bhil.in

Share transfer agent

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

All physical transfers, transmission, transposition, issue of duplicate share certificate/s, issue of demand drafts in lieu of dividend warrants etc. as well as requests for dematerialisation/rematerialisation are being processed in periodical cycles at Karvy Computershare Pvt. Ltd. The work related to dematerialisation/rematerialisation is handled by Karvy Computershare Pvt. Ltd. through connectivities with National Securities Depository Ltd. and Central Depository Services India Ltd.

Share transfer system

Share transfers received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. Total number of shares transferred in physical category during 2012-13 was 1,048,304 shares versus 64,970 shares during 2011-12.

Dematerialisation of shares

During 2012-13, 1,545,160 shares were dematerialised, compared to 5,553,582 shares during 2011-12. Shares held in physical and electronic mode as on 31 March 2013 are as given in Table 1.

Table 1: Shares held in physical and electronic mode

	Position as on 31 March 2013		Position as on 31 March 2012		Net change during 2012-13	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	9,444,522	8.49	10,989,671	9.87	(1,545,149)	(1.39)
Demat:						
NSDL	99,220,054	89.15	97,827,411	87.90	1,392,643	1.25
CDSL	2,628,934	2.36	2,476,428	2.23	152,506	0.14
Sub total	101,848,988	91.51	100,303,839	90.13	1,545,149	1.39
Total	111,293,510	100.00	111,293,510	100.00	—	—

Global Depository Receipts (GDRs)

The Company issued Global Depository Receipts (GDRs) in 1994 and the underlying shares against each GDR were issued in the name of the overseas depository i.e. Deutsche Bank Trust Company Americas. As on 31 March 2013, 304,675 GDRs were outstanding, and represented an equal number of underlying equity shares.

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

Stock code

1. BSE, Mumbai	500490
2. National Stock Exchange	BAJAJHLDNG
3. Reuters	BJAT.BO
4. Bloomberg	BJA.IN
5. ISIN for Depositories (NSDL and CDSL)	INE118A01012
6. SEDOL or GDRs on London Stock Exchange	4039077
7. ISIN for GDRs on London Stock Exchange	US0571002080

Listing on stock exchanges

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

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

GDRs are listed on the London Stock Exchange, having its office at EC2N 1HP, London UK.

During 2012-13, the listing fees payable to these stock exchanges were paid in full.

Market price data

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

Table 2: Monthly highs and lows of equity shares of Bajaj Holdings & Investment Ltd. during 2012-13 (₹) vis-à-vis BSE Sensex

Month	BSE		NSE		LONDON SE (GDRs)		Closing BSE Sensex
	High	Low	High	Low	High	Low	
Apr 12	864.00	807.00	863.00	803.00	838.43	757.56	17,318.81
May 12	850.00	745.00	850.00	736.35	864.61	711.48	16,218.53
Jun 12	786.90	758.00	797.85	750.10	734.81	706.47	17,429.98
Jul 12	826.00	730.00	829.50	731.05	748.06	712.44	17,236.18
Aug 12	812.00	745.00	815.00	742.00	945.97	730.90	17,429.56
Sep 12	810.00	742.10	811.00	735.05	866.22	819.25	18,762.74
Oct 12	882.00	766.10	883.00	796.00	982.92	799.10	18,505.38
Nov 12	885.00	815.45	888.00	818.10	1,008.49	783.29	19,339.90
Dec 12	1,022.00	853.00	1,024.65	847.05	904.54	780.98	19,426.71
Jan 13	1,058.00	951.00	1,058.30	954.05	1,295.88	890.27	19,894.98
Feb 13	990.20	939.85	998.80	940.90	1,311.00	1,272.36	18,861.54
Mar 13	956.85	879.05	961.25	855.55	1,321.80	1,270.06	18,835.77

**Bajaj Holdings & Investment Limited vs BSE Sensex,
indexed to 100 on 1 April 2012**



Distribution of shareholding

Table 3 gives details about the pattern of shareholding among various categories as on 31 March 2013, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholding across categories

Categories	31 March 2013		31 March 2012	
	No. of Shares	% to total capital	No. of Shares	% to total capital
Promoters	44,705,440	40.17	44,705,540	40.17
Friends and associates of promoters	14,795,362	13.29	15,640,049	14.05
GDRs*	304,675	0.27	299,728	0.27
Foreign Institutional Investors	14,967,553	13.45	11,231,303	10.09
Public Financial Institutions	8,321,433	7.48	8,423,078	7.57
Mutual Funds	2,935,356	2.64	4,065,772	3.65
Nationalised and other banks	111,547	0.10	181,797	0.16
NRIs and OCBs	640,239	0.58	808,361	0.73
Others	24,511,905	22.02	25,937,882	23.31
Total	111,293,510	100.00	111,293,510	100.00

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

Table 4: Distribution of shareholding according to size class as on 31 March 2013

No. of equity shares	No. of shareholders	% to Total shareholders	No. of shares	% to Total shares
1 to 500	49,279	91.88	2,769,864	2.49
501 to 1000	1,566	2.92	1,147,338	1.03
1001 to 2000	1,007	1.88	1,447,349	1.30
2001 to 3000	488	0.91	1,224,628	1.10
3001 to 4000	237	0.44	832,777	0.75
4001 to 5000	165	0.31	757,063	0.68
5001 to 10000	382	0.71	2,648,675	2.38
10001 and above	512	0.95	100,465,816	90.27
Total	53,636	100.00	111,293,510	100.00

Shareholders' and investors' grievances

The Board of Directors of the Company currently has a shareholders' and investors' grievance committee consisting of three non-executive independent directors and one non-executive director to specifically look into the shareholders'/ investors' complaints on various matters. Routine queries/complaints received from shareholders are promptly attended to and replied. Queries/complaints received during the period under review related to non-receipt of dividend by warrants as well as through electronic clearing service, non-receipt of annual report, non-receipt of transferred shares and change of address and/or bank particulars. There were no pending issues to be addressed or resolved.

During the year, letters were received from SEBI/ROC/Stock Exchanges/Investors concerning 12 complaints filed by the shareholders on various matters. In respect of each of these complaints, replies were sent to SEBI/ROC/Stock Exchanges/Investors in the prescribed format, as the case may be, and no action remained to be taken at the Company's end.

Opening of demat suspense account with HDFC Bank

In accordance with the provisions contained in the clause 5A of the listing agreement with the Stock Exchanges, as amended by SEBI vide circular dated 16 December 2010, the Company was required to send three reminders at the registered addresses of the shareholders whose shares were lying "Undelivered/Unclaimed" with the Company, requesting for the correct particulars to dispatch such share certificates. If no response was received, the shares were required to be transferred to an "Unclaimed Share Suspense Account", which shall be maintained by the Company in the electronic form. As and when any shareholder approaches at a later date, the Company shall deliver the shares to him/her from the said account, after proper verification/identification. Further, voting rights on such shares are to remain frozen till the rightful owner claims the shares.

Accordingly, during the previous year, Company sent three reminders to these shareholders, followed by opening of the said suspense account with HDFC Bank.

After completing the necessary formalities 17,947 shares held by 100 shareholders were transferred to the said suspense account in April 2012. 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 clause 5A of the listing agreement. The summary of this account for the year 2012-13 is as follows:

Sr No	Particulars	No. of shareholders	Outstanding shares
i.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 April 2012	100	17,947
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	Nil	Nil
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	Nil	Nil
iv.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 March 2013	100	17,947

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 will be sent by the share transfer agent of the Company upon such request. Nomination facility for shares held in electronic form is also available with depository participant as per the bye-laws and business rules applicable to NSDL and CDSL.

Address for correspondence

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

Karvy Computershare Pvt. Ltd.
Plot No.17 to 24, Vittalrao Nagar
Near Image Hospital
Madhapur
Hyderabad 500 081

Contact persons

M S Madhusudhan
Mohd.Mohsinuddin
Tel No: (040) 44655152
Fax No: (040) 44655024
E-mail: mohsin.mohd@karvy.com
Website: www.karvy.com

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

Compliance Officer

Vallari Gupte
(w.e.f. 3 December 2012)
Tel: (020) 27472851(Extn 6063), 27406063
Fax: (020) 27407380
E-mail: investors@bhil.in
Website: www.bhil.in

Report on Corporate Social Responsibility (CSR)

The CSR activities of Bajaj Group are guided by the vision and philosophy of its Founding Father, late Shri Jamnalal Bajaj, who embodied the concept of trusteeship in business and laid the foundation for ethical, value-based and transparent functioning.

The core elements of CSR activities include ethical functioning, respect for all stake-holders, protection of human rights and care for the environment.

The Bajaj Group generally implements the above initiatives through its employees, welfare funds and Group NGOs/Trusts/Charitable Bodies operating at various locations in the country. It also enlists the help of non-group NGOs, local authorities, business associations, social and philanthropic organisations of repute and civil society, wherever deemed necessary.

In this backdrop, some of the major initiatives taken up through the Bajaj Group Trusts during the year under review are summarised below:-

1. Jamnalal Bajaj Foundation (JBF-Foundation)

Jamnalal Bajaj Foundation was established in 1976 for promoting Gandhian constructive programmes and assisting constructive workers, who devoted themselves to the national cause.

Awards

The Foundation gives four awards annually - each of the value of ₹ 5 lakh. Of these, three are given to individuals in India for outstanding contribution in the fields of constructive work on Gandhian lines, application of science and technology for rural development and upliftment and welfare of women and children. The fourth one is an international award - given to individuals other than Indian citizens from foreign countries for their contribution to the promotion of Gandhian values outside India.

Other charitable activities

The Foundation has given donation to various Institutions/NGOs from time to time for strengthening their various community welfare activities and charitable objects of welfare of general public utility based on Gandhian philosophy and ideals. Special mention must be made for the project undertaken by the Foundation of providing financial assistance to widows of farmers of Vidarbha region, who had committed suicide.

2. Janakidevi Bajaj Gram Vikas Sanstha (JBGVS)

Rural and urban development activities

The group continued with its rural development activities in Pune, Aurangabad and Wardha districts of Maharashtra and Sikar district of Rajasthan through JBGVS. JBGVS aims at integrated development of 75 villages, to be carried out by the villagers themselves and under their own leadership by forging partnership with Government, local institutions and NGOs. In the process, JBGVS acts as a catalyst to make this positive transformation happen within a stipulated time-frame.

On completing 25 glorious years of service for the community and social development of rural areas, JBGVS celebrated 2012 as the Silver Jubilee year by organising various programmes, like clean house competition, healthy baby competition, blood donation camp, bal melava, health check-up camp for senior citizens etc. in the villages covered by JBGVS.

The events and progress made during the last 25 dedicated years were presented to the members of the Board of Directors, senior officials of the group and others on 15 January 2013. Two booklets viz. Integrated Rural Development Model of JBGVS and a souvenir illustrating the journey over 25 years were released at the hands of Rahul Bajaj and Jamshyd Godrej.

To commemorate the occasion, a cultural programme was also held at JBGVS in which Madhur Bajaj was the chief guest and in which trustees, sarpanches and prominent personalities were present and felicitated.

During the year, JBGVS implemented several programmes to strengthen primary education, primary health care, improving socio-economic condition and environmental development. The programmes touched the lives of 28,000 people, comprising people from Scheduled Caste, Scheduled Tribe, Nomadic Tribes and Other Backward Class. JBGVS programmes covered 65% people from economically weak and socially backward communities.

Primary education

Primary education has been the major area of intervention in the villages. Support has been provided for infrastructure development of primary schools and anganwadis (pre primary schools) by repairing school rooms and providing furniture and equipment. Three user-friendly sanitation complexes have been constructed in partnership with FICCI Ladies Organisation, Mumbai and local Gram Panchayat. Special efforts were taken to check malnutrition by conducting awareness and training programmes for mothers on importance of breast feeding, nutritious food using local materials, special check-up camps etc. Non-formal educational programmes for children in primary schools were organised involving secondary school students from the villages. These programmes are aimed at generating interest of children in education. In the year under review, JBGVS installed 4 E-learning units in the schools that changed the face of education in the rural areas. Through various short training programmes, teachers and parents were motivated to actually participate and improve the quality of education. Special programmes on health-related issues and HIV/AIDS were organised for adolescent boys and girls in the schools.

Primary health care

JBGS attaches a lot of importance to its community health initiatives and follows the philosophy 'Prevention is better than cure'. The programmes, i.e. mother and child health care (MCH), health check-up camps, mobile clinic service, hygiene and sanitation programmes etc. were organised with the help from village level JBGVS-trained health workers. JBGVS has also been partnering with Government in strengthening National Rural Health Mission (NRHM) at the grass-root level by supporting check-up camps organised for pregnant mothers by PHCs. During the year, JBGVS organised 135 health check-up camps benefitting 4,155 people in all the project areas. In Aurangabad, six health check-up camps were organised for BPL families in association with Kamalnayan Bajaj Hospital. 305 patients were examined in these camps. The idea was to screen and detect complicated cases and provide them free treatment at Kamalnayan Bajaj Hospital. In Wardha, JBGVS has been working in partnership with Vinoba Bhave Hospital, which provides free treatment to the villagers. In total, 550 patients have benefitted under these programmes. During the year, 30 HIV/AIDS awareness programmes were organised, in which 1,250 women participated. There was no polio or severe malnourished case in these villages.

Economic development

Agriculture is the main occupation in the villages, where JBGVS works. Programmes, like soil testing, demonstration plots for improved variety of seeds and fertilisers, improved agricultural practices, natural farming, promotion of horticulture etc. were implemented in all the project areas. Various types of farm and non-farm based vocational training programmes i.e. dairy, poultry, goatry, two wheeler repairing, fashion designing etc. were organised. In Wardha, JBGVS has been working in partnership with Ministry of Small and Medium Enterprises (MSME) for conducting vocational training programmes.

JBGS has been working in partnership with Rotary Club of Poona North for implementation of Kamdhenu cow project.

Cows distributed	100
Co-partners	100
Total milk yield (October 2012- March 2013)	99,000 ltrs
Total Income generated (6 months)	₹ 17.82 lakh

In Kasi ka bas village of Sikar district, a revolving fund of ₹ 1.24 lakh created by JBGVS has helped 32 SHGs to get ₹ 19.23 lakh loan from bank to start income generation activities like goatry, dairy, small enterprises, etc.

Environmental development

Wardha is one of the drought-prone districts of Maharashtra. During summer, drinking water becomes scarce and women have to travel long distance to fetch water. Last year JBGVS completed water conservation work in 5 villages of Wardha district by deepening of nullah. The ponds created on these nullahs helped in increasing water storage in the wells downstream. This solved the drinking water problem of these 5 villages. Villagers are now very happy. After a survey, it has been decided to carry on similar work in 102 water scarce villages in coming months.

No. of nullah treated	5
Quantum of water stored	59 TCM
No. of villages benefitted	5
No. of families benefitted	2,600

Social development

Local leadership plays an important role in the development of villages. JBGVS organised various types of leadership development programmes for local youth, women, adolescent girls and boys etc. The Government invited JBGVS to train the newly elected women members of Gram Panchayats in Maval and Khed blocks of Pune district. JBGVS supported sports competitions and procurement of sports equipments. Support was also provided to promote local cultures and celebrate various festivals. 31 new Self Help Groups (SHG) consisting of 380 women were formed and they were motivated to take up village development activities, in addition to their regular savings and credit programmes.

Urban development

Samaj Seva Kendra (SSK) is the urban development wing of JBGVS. It has a total membership of 1,057 families. SSK provides facilities for social, education, cultural and economic development to the residents of Akurdi, Nigdi and adjoining areas. During the year, various types of programmes like pre-primary class, balbhavan, literacy, tailoring, yoga, karate, tabala and harmonium, classical and western dance, senior citizen programmes etc. were carried out. A senior citizens' club with over 100 members has also been started. Various special programmes, like medical check-up, study tour etc. are being organised for them.

Summer camp for school children got very good response. 374 children attended summer camps in two batches. The library has 67 members and 659 books on subjects ranging from stories, novels, tailoring, nutrition, health care, autobiographies etc. A few vocational training programmes, like beauty parlour, basic tailoring, fashion designing and mobile handset repairing were also conducted. About 100 youth mostly women were benefitted from these programmes. It has been decided to start a Samaj Kalyan Kendra at Aurangabad and Sikar.

3. Group trusts for colleges

Shiksha Mandal

It was founded by Late Shri Jamnalal Bajaj in 1914 with the strong conviction that sound education was essential for our nation's development. Initially a school, from the 1940s, it transformed itself into an institution for higher education.

Presently, it consists of 7 institutions with student strength of 8,500 and 274 teachers. At Wardha, it has a Commerce college, a Science College, an Engineering Polytechnic, a degree and diploma institution in Agriculture and a College of Rural Services. It runs a Commerce College at Nagpur. Its mission is to provide high quality education at a low cost and to instill nationalistic and humane values in its students.

Its Agriculture College, Engineering Polytechnic and Science College enjoy good rating by external agencies. Its Agriculture Diploma course consistently delivers over 90% result.

It has well developed infrastructure and a positive work culture. All its colleges, barring the one at Nagpur, run in a single shift to encourage greater student-teacher interaction and extra-curricular activities. It has over 700 computers with extensive internet access.

During the year under review, its Science College had the distinction of being awarded a ₹ 1 crore "Star College" grant by the Department of Biotechnology, the only college in Vidarbha to have been so chosen.

In 1937, Shiksha Mandal had the privilege of hosting India's first Education conference, which was presided over by Gandhiji. To commemorate its 75th Anniversary, a seminar was held in which Prof. Mushirul Hasan, ex-Vice Chancellor of Jamia Millia, Dr. Krishna Kumar, ex-director of NCERT and Prof. Anil Sadgopal, Founder of the Hoshangabad Science Experiment participated.

15 of its students appeared in merit lists of the University. Its students excel at sports. 24 of them represented the state and 93 represented the University. 3 of them won medals at the national level. Its students are very active in extra-curricular activities. This year, one student from the Polytechnic has made it to the national level in a technical contest.

For meritorious students, free-ships are also provided by Shiksha Mandal. Thus, no meritorious student is denied admission due to inability to pay fees.

Shiksha Mandal, not only focuses on the academic and personal development of students, but also works on making them employable. It runs successful guidance programs for Chartered Accountancy, Company Secretaryship and competitive exams for jobs in banks.

Shiksha Mandal is connected to the community it operates in. It has been running a Community Polytechnic since 1984, where school drop-outs are trained, at Wardha and 5 village centres, in technical trades. It has been involved in a number of national level agricultural programs.

In 2012-13, its colleges received over ₹ 3 crore funding from the University Grant Commission for various facilities including Library, Girls' Hostel etc. A ₹ 20 lakh grant was sanctioned by AICTE for up-gradation of its engineering laboratories.

Its annual non-recurring expenditure now exceeds ₹ 5 crore. This is funded by Bajaj group trusts, external agencies and internal accruals. The Bajaj group trusts have donated to Shiksha Mandal around ₹ 19 crore in the last 5 years.

Bajaj Science Centre

In academic year 2012-13, 403 students from 27 different schools of Wardha benefited from the Bajaj Science Education Centre. In addition, 106 students were coached at the Centre for various competitive examinations. 880 students appeared for Entrance examination held on 4 March 2013, for the 218 fresh intake capacity of the Centre, which reflects the recognition of its quality.

The Centre conducted crash courses of practicals of standard X students. These courses are mainly organised for the students from villages, who cannot come on regular basis. 86 students benefited from this programme.

It also conducted a four day workshop for 32 Science and Mathematics teachers of Wardha city. Some teachers from outside Wardha also participated.

Achievements of its Students included winning of many prestigious awards. The culture of appearing for competitive examinations is growing in Wardha, due to consistent efforts of Bajaj Science Centre.

Institute of Gandhian Studies (Gandhi Vichar Parishad)

Institute of Gandhian Studies (Gandhi Vichar Parishad), Wardha founded in memory of Late Shri Jamnalal Bajaj completed 25 years of service in October 2012. During the year, the Institute organised (a) Post Graduate Diploma Course in Gandhian Thought (University Recognised) for students from different parts of India and abroad (b) Orientation Camp Classes on Gandhian Thought for Medical Students (c) University Students' Camps at the local, regional and national level (d) International Non-violence Day and related programmes (e) Annual Ravindra Varma Memorial Lecture (f) Silver Jubilee Seminar on Gandhi, Development and Sustainability (g) Short Term Course on Gandhian Thought (h) National Seminar on Child Labour (i) Inter Religious Study Course on Methods, Training and Practices for Purification and Path to Perfection. (j) Special training programme for Gandhi International, France (k) publications and other programmes.

4. Marathwada Medical and Research Institute (MMRI) - a trust

Bajaj group is giving substantial support to this trust, which runs Kamalnayan Bajaj Hospital and Kamalnayan Bajaj Nursing College for B.Sc. Nursing degree course.

Kamalnayan Bajaj Hospital

MMRI has established Kamalnayan Bajaj Hospital, located at Aurangabad in Marathwada region of Maharashtra and is providing super speciality and tertiary care medical facilities, not available elsewhere in this region. The hospital has expanded its capacity to 250 beds and major part of the expansion has been for general category patients. It has cancer treatment facilities, including Linac Accelerator and Brachy therapy, a new generation 128 slice dual source CT scan, and MRI of 1.5 Tesla, new generation Siemens Cath Lab for heart patients, latest ophthalmology equipment and other advanced facilities including open heart surgeries and organ transplantation (Kidney). Hospital also provides non-surgical treatment of Kidney. The hospital has been providing annually relief for close to 55,000 patients on OPD basis and close to 7,000 patients, who are admitted to hospital for various treatments. It also has an intensive care unit and cardiac care unit, with a capacity of 30 beds and with an occupancy rate of more than 95%.

The hospital also runs a programme of providing relief to Below Poverty Line (BPL) and Economically Weaker sections (EWS) of the society with free/subsidised treatment.

During the year under review, hospital with the help of an NGO has conducted camps in 182 villages of the district of Aurangabad, where more than 9,414 patients have been checked and given free treatment and medicines and out of these, 1,867 patients needing further treatment at hospital were treated totally free as in-patients at the hospital at a cost of ₹ 1.20 crore.

Kamalnayan Bajaj Nursing College (KBNC)

Kamalnayan Bajaj Nursing College (KBNC) was established in 2010 by MMRI Trust. KBNC is offering basic B.Sc Nursing 4 years degree programme with an annual in-take of 50 students. KBNC is affiliated to Maharashtra University of Health Sciences, Nashik and Indian Nursing Council.

KBNC has excellent infrastructure facilities of international standard with state-of-art Laboratories and Library with computer Lab having free internet access, hostel for boys and girls, with an investment of over ₹ 10 crore.

KBNC has well qualified and well groomed teaching staff with high profile degrees in nursing and management. KBNC has plans to start P.B.B.Sc (N) and M.Sc (N) programme and research centre for allied health sciences and short term training programmes for health-care professionals.

KBNC offers seven types of scholarships with support from Government of Maharashtra and Social Welfare Office and MUHS, Nashik.

5. Fuji Guruji Memorial Trust

Fuji Guruji Memorial Trust has established Bauddha Mandir, Vishwa Shanti Stupa at Wardha for promotion of thoughts and teachings of Lord Buddha, Mahatma Gandhi and other preachers preaching same or similar ideology and to propagate the message of world peace, love, non-violence and equality of all religions. It has also established Bal Sanskar Kendras for the benefit and upliftment of poor children below the age of six years from small villages of Wardha district.

6. Kamalnayan Bajaj Charitable Trust

Kamalnayan Bajaj Charitable Trust runs Gitai Mandir, Pujya Jamnalal Bajaj Exhibition and Vinoba Darshan Complex, Audio-video Hall at Wardha. It also runs a library with literature and books on Mahatma Gandhi, Vinoba Bhave, Pujya Jamnalal Bajaj, Smt Jankidevi Bajaj and other freedom fighters.

7. Jamnalal Bajaj Seva Trust

Soon after the demise of Jamnalalji in 1942, as per his wishes, the first charitable trust, Jamnalal Bajaj Seva Trust was established, with an initial corpus of ₹ 5 lakh.

In 1960, at the suggestion of Acharya Vinoba Bhave, the trust purchased about 400 acres of land on the outskirts of Bangalore to establish an International Sarvodaya Centre-Vishwaneedam for promoting agriculture, dairy development, rural development and training local women and youth for self-employment.

The trust has also been contributing its share to the promotion of art and culture through Kamalnayan Bajaj Hall and Art Gallery. Exhibition, handicrafts display as well as corporate meetings, conferences and seminars are common activities inside the Kamalnayan Bajaj Hall. The art gallery is used to display the artistic works of painters and sculptors. The art gallery also provides an opportunity to budding artists to showcase their talents.

The trust continued running 6 Balwadis i.e. Bal Sanskar Kendra in rural areas for poor children below six years of age.

“Hamaara Sapna” project initiated by the trust endeavors to uplift the slum residents of South Mumbai. The project involves imparting skill training along with overall knowledge and hands-on experience to foster a better tomorrow.

General

The Group has about 40 Public Charitable Trusts, which are also engaged in many topical and socially relevant CSR activities and initiatives by donating to worthy organisations. Narrative above is not exhaustive, but only illustrative to give a glimpse of the importance being given by the Group towards its Social Responsibilities.

Refer web links
<http://www.bajajelectricals.com/beyond-profits.aspx>
<http://www.jamnalalbajajfoundation.org/>
<http://www.narishakti.org/>
<http://www.shikshamandal.org/>

Contact: csr@bajajauto.co.in for more information.

Standalone Financial Statements

Independent Auditors' Report

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

Report on the financial statements

1. We have audited the accompanying financial statements of Bajaj Holdings & Investment Ltd. (the "Company"), which comprise the Balance Sheet as at 31 March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's responsibility for the financial statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

7. As required by 'the Companies (Auditors' Report) Order, 2003', as amended by 'the Companies (Auditors' Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

Independent Auditors' Report (Contd.)

- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- (e) On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Annexure to Independent Auditors' Report

Referred to in paragraph [7] of the Independent Auditors' Report of even date to the members of Bajaj Holdings & Investment Ltd. on the financial statements for the year ended 31 March 2013

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. The Company is an investment company and consequently, does not hold any inventory. Therefore, the provisions of clause 4(ii) of the said Order are not applicable to the Company.
3. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4(iii)[(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ 5 lakh in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax as at 31 March 2013 which have not been deposited on account of a dispute, are as follows:

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Matters arising out of Assessment Orders received	73.39	AY 2003-04, AY 2004-05, AY 2005-06, AY 2006-07, AY 2008-09, AY 2009-10	ITAT (Income Tax Appellate Tribunal)

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the Balance Sheet date, the provisions of clause 4(xi) of the Order are not applicable to the Company.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.

Annexure to Independent Auditors' Report (Contd.)

13. As the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name or are in the process of transfer in its name, except to the extent of the exemption granted under section 49 of the Act.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
16. The Company has not raised any term loans. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
17. The Company has not raised any loans on short term basis. Accordingly, the provisions of clause 4(xvii) of the Order are not applicable to the Company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Balance Sheet as at 31 March

Particulars	Note No.	(₹ In Crore)	
		2013	2012
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	111.29	111.29
Reserves and surplus	4	5,075.46	4,737.15
		5,186.75	4,848.44
Non-current liabilities			
Deferred tax liabilities (net)	5	4.05	3.73
Other long-term liabilities	6	17.50	17.50
Long-term provisions	7	—	—
		21.55	21.23
Current liabilities			
Trade payables	8	0.29	0.66
Other current liabilities	8	8.69	9.66
Short-term provisions	7	417.69	414.10
		426.67	424.42
Total		5,634.97	5,294.09
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	11.97	11.82
Lease adjustment account - plant and machinery		17.50	17.50
Capital work-in-progress		—	160.33
		29.47	189.65
Non-current investments	10	4,028.75	3,581.14
Long-term loans and advances	11	330.08	317.15
Other non-current assets	12	200.00	100.00
		4,588.30	4,187.94
Current assets			
Current investments	10	899.19	668.08
Cash and bank balances	13	138.96	402.44
Short-term loans and advances	11	3.58	31.91
Other current assets	12	4.94	3.72
		1,046.67	1,106.15
Total		5,634.97	5,294.09

Summary of significant accounting policies followed by the Company

2

The accompanying notes are an integral part of the financial statements

Rahul Bajaj
Sanjiv Bajaj

Chairman
Managing Director

In terms of our report of even date

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner

Membership Number: 40451
Pune: 16 May 2013

Vallari Gupte
Company Secretary

Madhur Bajaj
Rajiv Bajaj
D J Balaji Rao
S H Khan
Nanoo Pamnani
Naresh Chandra
Manish Kejriwal
P Murari

Directors

Statement of Profit and Loss for the year ended 31 March

Particulars	Note No.	2013	2012
Revenue from operations	14	743.68	647.93
Other income	15	1.47	2.44
Total revenue (I)		745.15	650.37
Expenses:			
Employee benefits expense	16	2.69	1.07
Finance costs	17	0.01	0.01
Depreciation		2.10	0.24
Other expenses	18	9.90	6.24
Total expenses (II)		14.70	7.56
Profit before tax		730.45	642.81
Tax expense			
Current tax		66.80	75.80
Deferred tax		0.32	(0.45)
Total tax expense		67.12	75.35
Profit after tax		663.33	567.46
Basic and diluted Earnings per share (In ₹)	19	59.6	51.0
(Nominal value per share ₹ 10)			

Summary of significant accounting policies followed by the Company

2

The accompanying notes are an integral part of the financial statements

Rahul Bajaj
Sanjiv Bajaj

Chairman
Managing Director

In terms of our report of even date

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner

Membership Number: 40451
Pune: 16 May 2013

Vallari Gupte
Company Secretary

Madhur Bajaj
Rajiv Bajaj
D J Balaji Rao
S H Khan
Nanoo Pamnani
Naresh Chandra
Manish Kejriwal
P Murari

Directors

Cash Flow Statement

(₹ In Crore)

Particulars	2013	2012
I. Operating activities		
Profit before tax	730.45	642.81
Adjustments:		
Add:		
i) Depreciation	2.10	0.24
ii) Amount written off against leasehold land	0.02	0.02
iii) Loss on sale of assets	–	0.02
iv) Amortisation of (premium)/discount on acquisition of fixed income securities	(18.87)	(4.88)
v) Interest expense	0.01	0.01
	(16.74)	(4.59)
Less:		
i) Provision for diminution in value of investments written back	11.15	3.72
ii) Provision for doubtful interest written back	3.00	–
	14.15	3.72
	699.56	634.50
Change in assets and liabilities		
i) Loans and advances	1.34	(0.09)
ii) Other assets	(101.22)	47.65
iii) Other bank balances	50.90	(150.53)
iv) Liabilities and provisions	(0.45)	1.38
	(49.43)	(101.59)
(Increase)/decrease in investments, net*	(142.04)	(71.46)
Net cash from operating activities before income tax	508.09	461.45
Income tax refund/paid for earlier years (net)	3.60	21.51
Income tax paid	(52.58)	(49.45)
Net cash from operating activities	459.11	433.51
Carried forward	459.11	433.51

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars		2013	2012
	Brought forward	459.11	433.51
II. Investing activities			
i) Capital expenditure	(0.44)	(160.34)	
ii) (Increase)/decrease in investment in associates*	(368.22)	(29.47)	
iii) (Increase)/decrease in other investments, net*	20.06	238.60	
Net cash from investing activities	(348.60)	48.79	
III. Financing activities			
i) Interest expense	(0.01)	(0.01)	
ii) Dividend paid	(279.13)	(389.00)	
iii) Corporate dividend tax paid	(43.95)	(63.19)	
Net cash from financing activities	(323.09)	(452.20)	
Net change in cash and cash equivalents	(212.58)	30.10	
Cash and cash equivalents as at 1 April 2012 [Opening balance]	245.73	215.63	
Cash and cash equivalents as at 31 March 2013 [Closing balance]	33.15	245.73	

*As Company is an investment company, interest earned and dividend received are considered as part of cash flow from operating activities. Purchase and sale of investment has been classified into operating and investing activity based on the intention of management at the time of purchase of securities.

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Vallari Gupte
Company Secretary

Rahul Bajaj
Sanjiv Bajaj
Madhur Bajaj
Rajiv Bajaj
D J Balaji Rao
S H Khan
Nanoo Pamnani
Naresh Chandra
Manish Kejriwal
P Murari

Chairman
Managing Director
Directors

Notes to financial statements for the year ended 31 March 2013

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

2 Summary of significant accounting policies followed by the Company

Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 and the RBI guidelines/regulations to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule VI to the Companies Act, 1956.

1) System of Accounting

- i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- ii) Financial Statements are prepared under the Historical cost convention. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- iii) Estimates and assumptions used in the preparation of the Financial Statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

2) Revenue recognition:

a) Income:

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

- (1) a) Interest income is accrued over the period of the loan. However, where a loan is classified as a non-performing asset, as per the prudential norms prescribed by RBI to the extent applicable to the Company as a NBFC and guidelines framed by the management, interest thereon is recognised only when it is actually received.
 - b) Income from debentures and bonds is accrued over the maturity of the security, net of amortisation of premium/discount, thereby recognising the implicit yield to maturity, with reference to the coupon dates, where applicable. However, income is accrued only where interest is serviced regularly and is not in arrears, as per the applicable prudential norms prescribed for NBFCs by the Reserve Bank of India to the extent applicable to the Company and the guidelines framed by the management.
- (2) Dividend is accrued in the year in which it is declared whereby a right to receive is established.
- (3) Profit/loss on sale of investments is recognised on the contract date.

3) Fixed assets and depreciation

(A) Fixed assets

- i) Fixed assets except freehold land are carried at cost of acquisition or construction cost including pre-operative expenses, less accumulated depreciation and amortisation. Freehold land is carried at cost of acquisition.
- ii) Land and buildings acquired/constructed, not intended to be used in the operations of the Company are categorised as investment property under Investments and not as Fixed assets.

(B) Depreciation and amortisation:

(a) Leasehold land:

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

Notes to financial statements for the year ended 31 March 2013 (Contd.)

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

(b) On other Fixed assets

Depreciation is provided at the rates specified in Schedule XIV of the Companies Act, 1956 or at rates computed with reference to the economic life of the assets where the estimated economic life is shorter than the life inferred by the Schedule XIV rates.

- i. Depreciation on additions is being provided on prorata basis from the month of such additions.
- ii. Depreciation on assets sold, discarded or demolished during the year is being provided at their rates upto the month in which such assets are sold, discarded or demolished.

4) Investments

- a) Fixed income securities remaining with the Company after transfer of demerged undertakings are carried at their fair market values as at 1 April 2007 where the carrying costs of such investments were higher on that date, less amortisation of premium/discount thereafter, as the case may be.
- b) Current investments representing fixed income securities with a maturity less than 1 year and those intended to be held for a period less than 1 year from the date on which the investment is made are stated at cost adjusted for amortisation and diminution with reference to realisable value, as necessary.
- c) Other fixed income securities, other than current, are carried at cost, less amortisation of premium/discount, as the case may be, and provision for diminution, if any, as considered necessary.
- d) Investments other than fixed income securities (Eg. equity, mutual funds etc.) are valued at cost of acquisition, less provision for diminution as necessary where they are intended to be held for a long term, else current investments are valued at lower of cost or realisable value.
- e) Investments with maturity of less than 3 months from the date of acquisition are classified as cash and cash equivalents.
- f) Investments other than current investments, made by the Company are intended to be held for long-term, hence diminutions in value of quoted investments are generally not considered to be of a permanent nature.
- g) The management has laid out guidelines for the purpose of assessing likely impairments in investments and for making provisions based on given criteria. Appropriate provisions are accordingly made, which in the opinion of the management are considered adequate and also considering the prudential norms specified by the Reserve Bank of India, applicable to the Company in this behalf.
- h) Investment property is carried at cost, less depreciation computed in the manner prescribed for Fixed assets.

5) Employee benefits

a) Privilege leave entitlements

Privilege leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment the liability is recognised at actuarially determined value by an appointed actuary.

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 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 actuarial liability is recognised as a liability.

c) Superannuation

Defined contribution to Superannuation fund is being made as per the Scheme of the Company.

d) Defined provident fund contribution

is made to Government Provident Fund Authority.

e) Defined contribution to Employees Pension Scheme 1995

is made to Government Provident Fund Authority.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

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

6) Taxation

- a) Provision for tax is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income Tax Act, 1961.
- b) Deferred tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystallise with reasonable certainty. However, in case of deferred tax assets (representing unabsorbed depreciation or carried forward losses) are recognised, if and only if there is virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised. Deferred tax is recognised on adjustments to revenue reserves to the extent the adjustments are allowable as deductions in determination of taxable income and they would reverse out in future periods.

7) Provisions and contingent liabilities

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

3 Share capital

	₹ In Crore)	
	2013	2012
Authorised: 150,00,000 equity shares of ₹ 10 each	150.00	150.00
Issued, subscribed and fully paid-up shares: 111,293,510 equity shares of ₹ 10 each	111.29	111.29
	111.29	111.29

a. Further, of the above:-

- i) 4,342,676 equity shares issued by way of Euro equity issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares, excluding 2,171,388 equity shares allotted as bonus shares thereon. Outstanding GDRs at the close of the year were 304,675 (299,728).
- ii) 4,859,000 equity shares of ₹ 10 each were issued and allotted to promoters on 27 March 2010 on conversion of 4,859,000 warrants at a premium of ₹ 439.58 per share.
- iii) 5,251,000 equity shares of ₹ 10 each were issued and allotted to promoters on 21 January 2011 on conversion of 5,251,000 warrants at a premium of ₹ 439.58 per share.

b. Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The 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. 5,251,000 equity shares allotted to promoters on conversion of warrants are restricted from transfer, except inter se promoter group upto 20 January 2014.

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

	31 March 2013		31 March 2012	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	15,565,590	13.99%	15,565,590	13.99%
Life Insurance Corporation of India	7,519,849	6.76%	7,621,494	6.85%
Jaya Hind Investments Pvt. Ltd.	5,805,256	5.22%	5,805,256	5.22%

Notes to financial statements for the year ended 31 March 2013 (Contd.)

4 Reserves and surplus

	₹ In Crore	
	2013	2012
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as per the last financial statements	506.99	393.50
Add: Transferred from surplus in Statement of Profit and Loss	132.67	113.49
Closing balance	639.66	506.99
Securities premium account		
Balance as per the last financial statements	444.42	444.42
General reserve		
Balance as per the last financial statements	3,299.65	3,242.90
Add: Transferred from surplus in Statement of Profit and Loss	66.33	56.75
Closing balance	3,365.98	3,299.65
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	486.09	411.05
Profit for the year	663.33	567.46
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	132.67	113.49
Transfer to General reserve	66.33	56.75
Proposed dividend	278.23	278.23
Tax on proposed dividend	46.79	43.95
Total appropriations	524.02	492.42
Balance in the Statement of Profit and Loss	625.40	486.09
	5,075.46	4,737.15

Notes to financial statements for the year ended 31 March 2013 (Contd.)

5 Deferred tax liabilities (net)

	₹ In Crore	
	2013	2012
Deferred tax liability		
On account of timing difference in		
Depreciation	7.78	7.36
Amortisation of discount on acquisition of fixed income securities	0.71	3.72
Gross deferred tax liability	8.49	11.08
Deferred tax asset		
On account of timing difference in		
Diminution in value of investments	0.85	2.13
Provision for bad and doubtful debts, ICDs etc.	1.12	2.04
Provision for privilege leave etc. (₹ 959 - previous year ₹ 16,736)	-	-
Taxes, duties etc.	0.03	0.03
Amortisation of premium/discount on acquisition of fixed income securities	2.18	1.06
Adjustments on account of gratuity provisions (₹ -15,439)	-	0.16
Demerger expenses under section 35D	-	1.68
Provision for diminution in value of investments in terms of scheme of arrangement	0.26	0.25
Gross deferred tax asset	4.44	7.35
	4.05	3.73

6 Other long-term liabilities

	₹ In Crore	
	2013	2012
Lease security deposits	17.50	17.50
	17.50	17.50

7 Provisions

	Long-term		Short-term	
	2013	2012	2013	2012
Provision for employee benefits [See note 23]				
Provision for gratuity (₹ -45,423 - previous year ₹ -22,767)	-	-	-	-
Provision for compensated absences (₹ 2,821)	-	-	-	0.01
Other provisions				
Provision for tax (net of tax paid in advance)	-	-	92.67	91.91
Proposed dividend*	-	-	278.23	278.23
Tax on proposed dividend	-	-	46.79	43.95
	-	-	417.69	414.09
	-	-	417.69	414.10

* Dividend per equity share proposed and recognised as distribution to equity shareholders, for the year ended 31 March 2013 and 2012 amounts to ₹ 25 for both the years.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

8 Current liabilities

(₹ In Crore)

	Current	
	2013	2012
Trade payables		
Other than dues to micro and small enterprises*	0.29	0.66
	0.29	0.66
Other current liabilities		
Security deposits	0.20	–
Unclaimed dividend	5.81	6.71
Directors' remuneration and commission payable	2.16	1.97
Employee benefits payable	–	0.02
Taxes payable	0.44	0.39
Other payables	0.08	0.57
	8.69	9.66
	8.98	10.32

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

9 Fixed assets (tangible assets)

(₹ In Crore)

Particulars	Gross block (a) (c)			Depreciation			Net block	
	As at 31 Mar 12	Additions	Deductions/adjustments	As at 31 Mar 13	As at 31 Mar 12	Deductions/adjustments	For the year (c)	As at 31 Mar 13
Land freehold (d)	–	–	–	–	–	–	–	–
Land leasehold (f)	1.27	–	0.02 (e)	1.25	–	–	–	1.25
Buildings (b)	13.56	–	–	13.56	3.01	–	0.23	3.24
Vehicles	–	0.44	–	0.44	–	–	0.04	0.40
Leased assets: Plant and machinery	87.50	–	–	87.50	87.50	–	–	87.50
Total	102.33	0.44	0.02	102.75	90.51	–	0.27	90.78
Previous year total	102.40	0.05	0.12	102.33	90.31	0.04	0.24	90.51
								11.82

- (a) At cost, except leasehold land which is at cost, less amounts written off.
 (b) i. Includes premises on ownership basis in Co-operative Society ₹ 7.34 crore and cost of shares therein ₹ 1,000/-.
 ii. Includes premises on ownership basis ₹ 5.38 crore represented by 66 equity shares and 182 debentures of the face value of ₹ 660 and ₹ 18,900,000/- respectively.
 (c) Refer note 2 clause 3(A) and (B) of summary of significant accounting policies.
 (d) Includes land at cost of ₹ 47,782/-.
 (e) Represents amount amortised over lease period.
 (f) Titles pending transfer in the name of the Company post change in the name of the Company consequent to demerger of erstwhile Bajaj Auto Ltd. (now, Bajaj Holdings & Investment Ltd.).
 (g) Depreciation for the year on investment property amounting to ₹ 1.83 crore (previous year ₹ Nil) has been reduced from Investments in note 10.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments

	₹ In Crore			
	Non-current portion		Current maturities	
	2013	2012	2013	2012
(A) Long-term investments:				
In Investment Property:				
Unquoted:				
Cost of premises to be given on operating lease	192.05	—	—	—
Less: Accumulated depreciation	1.83	—	—	—
	190.22	—	—	—
In Fully Paid Preference Shares:				
Unquoted:				
196,169 0.01% Cumulative Redeemable Preference Shares of ₹ 10 each in Mukand Ltd.	0.19	0.19	—	—
300,000 14.50% Redeemable Cumulative Non Convertible Preference Shares of ₹ 100 each in Southern Petrochemical Industries Corporation Ltd. (net of provision for diminution amounting to ₹ 3.00 crore - previous year ₹ 3.00 crore)	—	—	—	—
	0.19	0.19	—	—
In Fully Paid Equity Shares:				
Associate Company				
Trade:				
Quoted:				
91,119,000 Shares of ₹ 10 each in Bajaj Auto Ltd.	286.22	286.22	—	—
62,314,214 (56,649,211) Shares of ₹ 5 each in Bajaj Finserv Ltd.	743.82	375.60	—	—
	1,030.04	661.82	—	—
Joint Venture				
Trade:				
Quoted:				
2,742,848 Shares of ₹ 10 each in Maharashtra Scooters Ltd.	0.24	0.24	—	—
Subsidiary Company				
Trade:				
Unquoted:				
24,500 Shares of ₹ 100 each in Bajaj Auto Holdings Ltd.	0.25	0.25	—	—
Others				
Trade:				
Quoted:				
16,697,840 Shares of ₹ 2 each in Bajaj Electricals Ltd. (Group Company)	111.77	111.77	—	—
54,000 Shares of ₹ 10 each in Mukand Engineers Ltd. (Group Company)	0.10	0.10	—	—
Carried over	111.87	111.87	—	—
Carried over	1,220.94	662.50	—	—

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
		2013	2012	2013	2012
Others: (Contd.)	Brought over	1,220.94	662.50	—	—
Trade: (Contd.)					
Quoted: (Contd.)	Brought over	111.87	111.87	—	—
4,056,422 Shares of ₹ 10 each in Mukand Ltd. (Group Company)		24.37	24.37	—	—
		136.24	136.24	—	—
Others:					
Unquoted:					
1 Share of ₹ 100 each in The Poona District Motor Transport Co-operative Co Ltd. (₹ 100)				—	—
Quoted:					
896,035 Shares of ₹ 2 each in AIA Engineering Ltd.		27.67	27.67	—	—
482,400 Shares of ₹ 10 each in Axis Bank Ltd.		49.95	49.95	—	—
13,068,511 Shares of ₹ 1 each in Bajaj Hindustan Ltd.		87.18	87.18	—	—
2,057,230 (1,832,230)Shares of ₹ 2 each in Bharat Heavy Electricals Ltd.		79.94	74.94	—	—
984,636 (673,000) Shares of ₹ 5 each in Bharti Airtel Ltd.		32.57	22.55	—	—
3,095,789 (-)Shares of ₹ 10 each in Bharti Infratel Ltd.		67.40	—	—	—
1,707,615 (-)Shares of ₹ 10 each in Credit Analysis and Research Ltd. (Previous year it was Unquoted)		95.73	—	—	—
786,695 Shares of ₹ 10 each in Coal India Ltd.		21.23	21.23	—	—
371,134 (316,134) Shares of ₹ 10 each in Container Corporation of India Ltd.		40.23	35.22	—	—
– (171,820)Shares of ₹ 2 each in Financial Technologies Ltd.		—	15.80	—	—
2,566,661 Shares of ₹ 10 each in Force Motors Ltd.		60.47	60.47	—	—
– (1,099,160)Shares of ₹ 10 each in Gujarat Heavy Chemicals Ltd.		—	14.34	—	—
– (934,201) Shares of ₹ 10 each in Gujarat Pipavav Ltd.		—	5.17	—	—
6,251,040 (3,125,520)Shares of ₹ 1 each in Hercules Hoists Ltd. (Bonus Issue @ 1:1 during the year)		12.34	12.34	—	—
– (508,409) Shares of ₹ 1 each in Hindalco Industries Ltd.		—	7.42	—	—
– (298,870)Shares of ₹ 2 each in Housing Development Finance Corporation Ltd.		—	14.18	—	—
2,292,548 (1,576,435)Shares of ₹ 10 each in IL&FS Transportation Networks Ltd.		45.75	32.98	—	—
	Carried over	620.46	481.44	—	—
	Carried over	1,357.18	798.74	—	—

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
				2013	2012
Others: (Contd.)	Brought over	1,357.18	798.74	—	—
Quoted: (Contd.)					
	Brought over	620.46	481.44	—	—
11,476,662 (12,176,662)Shares of ₹ 10 each in ICICI Bank Ltd.		420.36	446.00	—	—
271,150 Shares of ₹ 1 each in Innovision E-Commerce Ltd. (net of provision for diminution amounting to ₹ 0.22 crore - previous year ₹ 0.22 crore)		—	—	—	—
1,465,521 (1,576,405) Shares of ₹ 10 each in Karnataka Bank Ltd.		14.75	16.59	—	—
507,527 Shares of ₹ 2 each in Larsen & Toubro Ltd.		74.14	74.14	—	—
— (38,023)Shares of ₹ 10 each in MOIL Ltd.		—	1.43	—	—
— (67,821)Shares of ₹ 10 each in Mphasis Ltd.		—	2.47	—	—
1,807,638 Shares of ₹ 10 each in National Thermal Power Corporation Ltd.		37.74	37.74	—	—
1,565,000 (-)Shares of ₹ 1 each in National Mineral Development Corporation Ltd.		24.99	—	—	—
712,957 (605,207) Shares of ₹ 10 each in Oil India Ltd.		32.64	27.63	—	—
1,200 Shares of ₹ 10 each in Pilani Investment & Industries Corporation Ltd.		0.14	0.14	—	—
2,709,360 Shares of ₹ 10 each in Power Finance Corporation Ltd.		55.00	55.00	—	—
843,000 (775,000) Shares of ₹ 10 each in Reliance Industries Ltd.		75.27	70.28	—	—
4,432,289 (3,285,289) Shares of ₹ 1 each in Sintex Industries Ltd.		49.72	41.58	—	—
— (20,559) Shares of ₹ 10 each in State Bank of India		—	3.62	—	—
1,119,764 Shares of ₹ 10 each in Tata Steels Ltd.		54.30	54.30	—	—
2,633,973 (2,063,973) Shares of ₹ 2 each in United Phosphorous Ltd.		37.01	30.01	—	—
	Carried over	1,496.52	1,342.37	—	—
In Fully Paid Equity Shares:					
Others:					
Unquoted:					
3,006,796 Shares of ₹ 1 each in Bombay Stock Exchange Ltd.		121.62	121.62	—	—
— (1,707,615)Shares of ₹ 10 each in Credit Analysis & Research Ltd. (Current Year, It is Quoted)		—	95.73	—	—
1 Shares of ₹ 10 each Hero Motors Ltd.		—	—	—	—
562,000 (-)Shares of ₹ 10 each in National Stock Exchange of India Ltd.		210.18	—	—	—
	Carried over	331.80	217.35	—	—
	Carried over	2,853.70	2,141.11	—	—

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		Non-current portion		Current maturities	
		2013		2012	
		Brought over			
	In Fully Paid Equity Shares: (Contd.)		2,853.70	2,141.11	—
	Others: (Contd.)				
	Unquoted: (Contd.)				
		Brought over	331.80	217.35	—
2,450,000	Shares of ₹ 10 each in National Multi-Commodity Exchange of India Ltd.		24.99	24.99	—
			356.79	242.34	—
	In Debentures:				
	Fully paid:				
	Others:				
	Quoted:				
400	10.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Ltd. - S-1		—	43.51	43.51
150	8.01% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Ltd. Series S-III		15.03	15.03	—
150	(-) Zero Percent Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.		16.80	—	—
200	(-) Zero Percent Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.		22.32	—	—
—	(250) Zero Percent Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.		—	—	25.58
—	(250) Zero Percent Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd. Series S-207 H-011		—	26.50	—
—	(100) 9.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd. Series S-218-H-022		—	10.43	—
150	9.75% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.		15.88	15.88	—
600	9.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.		—	62.40	62.40
100	9.96% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of L&T Finance Ltd.		—	10.00	10.00
150	10.15% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of L&T Finance Ltd.		—	15.00	15.00
—	(100) 7.60% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.		—	—	10.16
	Carried over		70.03	198.75	130.91
	Carried over		3,210.49	2,383.45	—

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
				2013	2012
In Debentures: (Contd.)	Brought over	3,210.49	2,383.45	—	—
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)	Brought over	70.03	198.75	130.91	35.74
100 (-) 9.10% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.		10.00	—	—	—
— (150) 9.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.		—	—	—	15.63
400 (-) 9.55% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.		42.00	—	—	—
150 (-) 9.75% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.		15.49	—	—	—
400 (-) 9.70% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.		42.93	—	—	—
50 (-) 9.57% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.		5.28	—	—	—
100 9.85% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.		—	10.76	10.76	—
* 361,485 12% Secured Partly Convertible Debentures of ₹ 150 each of Saurashtra Cement Ltd. - balance Non Convertible Portion of ₹ 100 each (Balance after part redemption) (net of provision for diminution amounting to ₹ 1.68 crore - previous year ₹ 2.37 crore)		—	—	—	—
* 148,905 12% Secured Partly Convertible Debentures of ₹ 250 each of Saurashtra Cement Ltd. - balance Non Convertible Portion of ₹ 200 each (Balance after part redemption) (net of provision for diminution amounting to ₹ 1.12 crore - previous year ₹ 1.58 crore)		—	—	—	—
350 10.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Gas Transportation Infrastructure Ltd.		—	40.00	40.00	—
— (350) 11.45% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Industries Ltd.		—	41.07	—	—
250 (-) 10.00% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Sundaram Finance Ltd.		25.16	—	—	—
Carried over	210.89	290.58	181.67	51.37	—
Carried over	3,210.49	2,383.45	—	—	—

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
		2013	2012	2013	2012
In Debentures: (Contd.)	Brought over	3,210.49	2,383.45	—	—
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)	Brought over	210.89	290.58	181.67	51.37
100 (-)8.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	10.22	—	—	—	—
100 (-)9.78% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	10.63	—	—	—	—
100 (-)9.30% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	10.12	—	—	—	—
— (100)7.45% Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	—	—	—	10.05	—
	241.86	290.58	181.67	61.42	—
Less: Amortisation of premium/discount on acquisition	(0.36)	4.83	7.42	(4.57)	—
	242.22	285.75	174.25	65.99	—
In Bonds:					
Fully paid:					
Others:					
Quoted:					
— (600) 9.50% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of Export-Import Bank of India Ltd.	—	62.84	—	—	—
100 9.35% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of Export-Import Bank of India Ltd.	—	10.07	10.07	—	—
250 8.45% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of Export-Import Bank of India Ltd. Series -N-11	25.26	25.26	—	—	—
200 7.50% Unsecured Redeemable Sub-ordinated Bonds in the nature of Debentures of ₹ 1,000,000 each of HDFC Bank Ltd. - Series 1/2005 (net of provision for diminution amounting to ₹ 2.29 crore - previous year ₹ 2.29 crore)	17.71	17.71	—	—	—
100 8.20% Secured Taxable Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 1,000,000 each of Indian Railway Finance Corporation Ltd.	10.23	10.23	—	—	—
— (500)8.46% Secured Taxable Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 1,000,000 each of Indian Railway Finance Corporation Ltd.	—	51.77	—	—	—
Carried over	53.20	177.88	10.07	—	—
Carried over	3,452.71	2,669.20	174.25	65.99	—

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
		2013	2012	2013	2012
In Bonds: (Contd.)	Brought over	3,452.71	2,669.20	174.25	65.99
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)	Brought over	53.20	177.88	10.07	—
6,600 6.70% Secured Tax-free Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 100,000 each of Indian Railway Finance Corporation Ltd.		66.00	66.00	—	—
50 8.80% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of L&T Ltd.		5.13	5.13	—	—
— (1,000)15% Bonds of ₹ 100,000 each of Madhya Pradesh Electricity Board (net of provision for diminution amounting to ₹ Nil - previous year ₹ 10.00 crore)		—	—	—	—
100 9.40% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of National Housing Bank		—	11.41	11.41	—
150 8.78% Secured Non Convertible Redeemable Taxable Bonds in the nature of Debentures (Series-XXXI) of ₹ 1,000,000 each of National Thermal Power Corporation Ltd.		15.00	15.00	—	—
50 7.19% Secured Non Convertible Redeemable Taxable Bonds of ₹ 1,000,000 each of NABARD. Series NPSB XI-A		—	5.04	5.04	—
150 9.40% Secured Non Convertible Redeemable Taxable Bonds of ₹ 1,000,000 each of NABARD. Series NPSB XI-A		—	15.40	15.40	—
900 8.40% Non Convertible Redeemable Bonds in the nature of Debentures (Series I) of ₹ 1,000,000 each of ONGC Videsh Ltd.		92.42	92.42	—	—
150 8.70% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures (Series -65-I) of ₹ 1,000,000 each of Power Finance Corporation Ltd.		15.38	15.38	—	—
500 11.25% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 52-C of ₹ 1,000,000 each of Power Finance Corporation Ltd.		58.30	58.30	—	—
50 11.40% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 52-A of ₹ 1,000,000 each of Power Finance Corporation Ltd.		—	5.60	5.60	—
50 8.95% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series -64-I of ₹ 1,000,000 each of Power Finance Corporation Ltd.		5.09	5.09	—	—
Carried over	Carried over	310.52	472.65	47.52	—
	Carried over	3,452.71	2,669.20	174.25	65.99

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
		2013	2012	2013	2012
In Bonds: (Contd.)	Brought over	3,452.71	2,669.20	174.25	65.99
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)	Brought over	310.52	472.65	47.52	—
— (200) 8.80% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	—	—	25.73	—	—
120 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	15.60	15.60	—	—	—
384 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. (Series-XXXII ST -D)	50.76	50.76	—	—	—
184 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. (Series-XXXII ST -E)	24.36	24.36	—	—	—
160 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. (Series-XXXIV-STP-A)	20.28	20.28	—	—	—
40 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series A of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	—	5.00	5.00	—	—
40 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series B of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	5.00	5.00	—	—	—
40 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series D of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	5.00	5.00	—	—	—
40 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series E of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	5.00	5.00	—	—	—
40 9.20% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series C of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	5.29	5.29	—	—	—
Carried over	441.81	634.67	52.52	—	—
Carried over	3,452.71	2,669.20	174.25	65.99	—

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
				2013	2012
		2013	2012		
In Bonds: (Contd.)	Brought over	3,452.71	2,669.20	174.25	65.99
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)	Brought over	441.81	634.67	52.52	—
40 9.33% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series B of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.		—	5.47	5.47	—
100 (-)8.70% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Rural Electrification Corporation Ltd.		10.01	—	—	—
150 (-)9.25% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Rural Electrification Corporation Ltd.		15.83	—	—	—
600 11.50% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series 87C of ₹ 1,000,000 each of Rural Electrification Corporation Ltd.		—	67.16	67.16	—
100 9.85% Sub-ordinated Non Convertible Bonds of ₹ 1,000,000 each of State Bank of India		10.00	10.00	—	—
250 8.85% Sub-ordinated Non Convertible Bonds of ₹ 1,000,000 each of State Bank of India		26.57	26.57	—	—
50 8.90% Unsecured Redeemable Non Convertible Sub-ordinated Upper Tier -II Bonds (Series I) in the nature of Promissory Notes of ₹ 1,000,000 each of State Bank of India		5.28	5.28	—	—
150 9.05% Unsecured Non Convertible Sub-ordinated Perpetual Tier-I Bonds (Innovative Perpetual Debt Instruments) (Series-II) in the nature of Promissory Notes ("Bonds") of ₹ 1,000,000 each of State Bank of India		15.03	15.03	—	—
14,852 9.50% Sub-ordinated Non Convertible Bonds of ₹ 10,000 each of State Bank of India		15.64	15.64	—	—
5,000 9.95% Sub-ordinated Non Convertible Bonds of ₹ 10,000 each of State Bank of India		5.15	5.15	—	—
		545.32	784.97	125.15	—
Less: Amortisation of premium/discount on acquisition		4.77	9.62	7.36	—
	Carried over	540.55	775.35	117.79	—
		3,993.26	3,444.55	292.04	65.99

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
		2013	2012	2013	2012
In Mutual Fund Units:					
Fully Paid:					
Unquoted:					
5,000,000	Units of ₹ 10 each of Quantum Mutual Fund under Quantum Long Term Equity Fund - Growth Plan	3,993.26	3,444.55	292.04	65.99
200	Masterplus Shares of ₹ 10 each of Unit Trust of India Under Mastershare Plus Unit Scheme 1991 (Masterplus)	5.00	5.00	—	—
2,320	Urban Infrastructure Opportunities Fund-Face Value ₹ 1 lakh each (Balance after Part Redemption)	—	—	—	—
10,000	J M Financial Property Fund - I of Face Value of ₹ 10,000 each, fully paid up (Balance after Part Redemption)	20.94	21.87	—	—
10,000	J M Financial Property Fund - I of Face Value of ₹ 10,000 each, fully paid up (Balance after Part Redemption)	9.55	9.72	—	—
20,000,000	Units of Birla Sun life Fixed Term Plan Series EV-Growth	—	20.00	20.00	—
20,000,000	Units of HDFC FMP 400D March 2012(1) - G	—	20.00	20.00	—
10,000,000	Units of ICICI FMP Series 63-384 Days Plan A Cummulative	—	10.00	10.00	—
15,000,000	Units of IDFC FMP TMS7 - Growth	—	15.00	15.00	—
20,000,000	Units of SBI Debt Fund Series 15 Months Fund-Series 7 - Growth	—	20.00	20.00	—
15,000,000	Units of Kotak FMP Series 76 - Growth	—	15.00	15.00	—
		35.49	136.59	100.00	—
Total (A)		4,028.75	3,581.14	392.04	65.99
(B) Current investments:					
In Certificate of Deposit:					
Unquoted:					
—	(5000)Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 11.06.2012	—	—	—	48.57
—	(2,500)Certificate of Deposit of ₹ 100,000 each of Punjab National Bank - 12.06.2012	—	—	—	23.78
—	(2,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 19.06.2012	—	—	—	22.81
—	(5,000)Certificate of Deposit of ₹ 100,000 each of Indian Bank - 03.09.2012	—	—	—	47.43
—	(5,000)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 03.09.2012	—	—	—	46.48
—	(2,500)Certificate of Deposit of ₹ 100,000 each of Bank of Baroda - 12.09.2012	—	—	—	23.73
—	(5,000)Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 20.09.2012	—	—	—	46.42
	Carried over	—	—	—	259.22

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
		2013	2012	2013	2012
In Certificate of Deposit: (Contd.)					
Unquoted: (Contd.)					
– (2,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 03.12.2012	–	–	–	–	259.22
– (2,500)Certificate of Deposit of ₹ 100,000 each of Indian Overseas Bank - 06.12.2012	–	–	–	–	22.80
– (2,500)Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce - 06.12.2012	–	–	–	–	22.79
– (5,000)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 12.12.2012	–	–	–	–	45.61
– (2,500)Certificate of Deposit of ₹ 100,000 each of Corporation Bank - 04.03.2013	–	–	–	–	22.63
– (2,500)Certificate of Deposit of ₹ 100,000 each of Canara Bank - 14.03.2013	–	–	–	–	22.57
– (2,500)Certificate of Deposit of ₹ 100,000 each of Andhra Bank - 14.03.2013	–	–	–	–	22.54
– (5,000)Certificate of Deposit of ₹ 100,000 each of Punjab National Bank - 15.03.2013	–	–	–	–	45.31
– (2,500)Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce - 19.03.2013	–	–	–	–	22.54
– (2,500)Certificate of Deposit of ₹ 100,000 each of Indian Overseas Bank - 21.03.2013	–	–	–	–	22.58
– (2,500)Certificate of Deposit of ₹ 100,000 each of Bank of India - 25.03.2013	–	–	–	–	22.60
2,500 (–)Certificate of Deposit of ₹ 100,000 each of Syndicate Bank - 19.06.2013	–	–	–	23.96	–
5,000 (–)Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 26.06.2013	–	–	–	47.92	–
5,000 (–)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 18.09.2013	–	–	–	47.95	–
2,500 (–)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 17.12.2013	–	–	–	23.49	–
2,500 (–)Certificate of Deposit of ₹ 100,000 each of Indian Overseas Bank - 25.02.2014	–	–	–	23.12	–
2,500 (–)Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce - 26.02.2014	–	–	–	23.12	–
7,500 (–)Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce - 05.03.2014	–	–	–	68.60	–
2,500 (–)Certificate of Deposit of ₹ 100,000 each of UCO Bank - 10.03.2014	–	–	–	22.89	–
	–	–	–	281.05	553.99
Add: Amortisation of premium/discount on acquisition	–	–	–	2.08	11.45
Carried over	–	–	–	283.13	565.44

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
		2013	2012	2013	2012
In Bonds:					
Fully paid:					
Others:					
Quoted:					
100 (-)8.93% Secured Non Convertible Redeemable Taxable Bonds of ₹ 1,000,000 each of Oriental Bank Of Commerce	–	–	283.13	565.44	
200 (-)8.80% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Power Grid Corporation of India Ltd.	–	–	10.26	–	
100 (-)8.90% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures of ₹ 1,000,000 of Power Finance Corporation Ltd.	–	–	20.00	–	
50 (-)9.46% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures of ₹ 1,000,000 of Power Finance Corporation Ltd.	–	–	9.98	–	
100 (-)8.87% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Rural Electrification Corporation Ltd.	–	–	5.47	–	
–	–	9.99	–		
Less: Amortisation of premium/discount on acquisition	–	–	55.70	–	
	–	–	55.70	–	
In Debentures:					
Fully paid:					
Others:					
Quoted:					
100 (-)10.25% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of BMW Financial Services Private Ltd.	–	–	10.23	–	
250 (-) 9.30% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.	–	–	25.00	–	
250 (-)9.55% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Hindalco Industries Ltd.	–	–	27.00	–	
200 (-)9.15% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of IDFC Ltd.	–	–	20.00	–	
100 (-)9.20% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of IDFC Ltd.	–	–	10.07	–	
100 (-)10.25% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Gas Transportation Infrastructure Ltd.	–	–	10.85	–	
Carried over	–	–	103.15	–	
Carried over	–	–	338.83	565.44	

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	Brought over	Non-current portion		Current maturities	
				2013	2012
		2013	2012		
In Debentures: (Contd.)					
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over				
70	(-)9.57% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	—	—	103.15	—
100	(-)9.70% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	—	—	7.38	—
150	(-)9.24% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Sterlite Industries Ltd.	—	—	10.79	—
100	(-)9.40% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Sterlite Industries Ltd.	—	—	15.29	—
	Less: Amortisation of premium/discount on acquisition	—	—	10.21	—
		—	—	146.82	—
		—	—	146.82	—
In Mutual Fund Units:					
Unquoted:					
75,309,685	(-)Reliance Liquid Fund-Direct Plan Growth	—	—	21.50	—
	– (2,311,999)ICICI Prudential Institutional Liquid plan	—	—	—	36.65
	- Super institutional Growth	—	—	21.50	36.65
Total (B)		—	—	507.15	602.09
Total (A+B)		4,028.75	3,581.14	899.19	668.08
	Aggregate provision for diminution in value of investments	8.31	19.46	—	—

		Book value as at		Market value as at	
				31 March 2013	31 March 2012
		Quoted*	Unquoted		
		3,940.37	987.57	25,109.25	22,293.94
		Total		4,927.94	4,249.22

Notes to Investments

1 Quoted Investments for which quotations are not available have been included in market value at the face value/paid up value, whichever is lower, except in case of Debentures, Bonds and Government securities, where the Net Present Value at current yield to Maturity have been considered.

2 Investments made by the Company other than those with a maturity of less than one year, are intended to be held for long term, hence diminution in the value of quoted investments are not considered to be of a permanent nature. On an assessment of the non-performing investments (quoted and unquoted) and keeping in mind the relevant provisioning norms applicable to the Company as a NBFC and the guidelines adopted by the management, no provision has been determined during the year ended 31 March 2013.

3 Refer note 2 clause 4 for accounting policy and valuation principles for investments.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

11 Loans and advances

(Unsecured, good, unless stated otherwise)

	₹ In Crore			
	Long-term		Short-term	
	2013	2012	2013	2012
Capital advances	0.50	–	–	–
Security deposits	0.66	0.38	–	–
Loan and advances to related parties [See note 24] (Previous year ₹ 34,501)	–	–	0.01	–
Other loans and advances				
CENVAT credit receivable	0.52	0.20	–	–
Advance income-tax (net of provision for tax)	300.52	288.69	3.00	31.89
Others	27.88	27.88	0.57	0.02
	328.92	316.77	3.57	31.91
	330.08	317.15	3.58	31.91

12 Other assets

(Unsecured, good, unless stated otherwise)

	₹ In Crore			
	Non-current		Current	
	2013	2012	2013	2012
Non-current bank balances [See note 13]	200.00	100.00	–	–
Others				
Interest accrued but not due on fixed deposits	–	–	2.67	3.72
Interest receivable on investments/loans	3.29	6.29	2.27	–
Less: Provision for doubtful receivable	3.29	6.29	–	–
	–	–	2.27	–
	200.00	100.00	4.94	3.72

Notes to financial statements for the year ended 31 March 2013 (Contd.)

13 Cash and bank balances

	₹ In Crore			
	Non-current		Current	
	2013	2012	2013	2012
Cash and cash equivalents				
Balances with banks:				
In current accounts	–	–	8.70	2.26
Cash equivalents				
Certificate of Deposits with maturity of less than three months from date of acquisition	–	–	–	195.04
Commercial Paper with maturity of less than three months from date of acquisition	–	–	24.45	48.43
	–	–	33.15	245.73
Other bank balances				
In unclaimed dividend accounts	–	–	5.81	6.71
Deposits with residual maturity for less than 12 months	–	–	100.00	150.00
Deposits with residual maturity for more than 12 months	200.00	100.00	–	–
	200.00	100.00	105.81	156.71
Amount disclosed under non-current assets [See note 12]	(200.00)	(100.00)		
	–	–	138.96	402.44

14 Revenue from operations

	₹ In Crore	
	2013	2012
Interest:		
Interest income on		
Bank deposits	24.64	22.31
Long-term investments	113.39	94.36
Current investments	4.14	0.60
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	(8.38)	(6.58)
Current investments	27.25	11.46
	161.04	122.15
Other financial services:		
Dividend income on		
Long-term investments in associates and joint ventures	418.81	373.94
Long-term investments	56.32	37.36
Profit on sale of investments, net*	92.35	85.72
Surplus on redemption of securities, net*	0.08	22.99
Provision for diminution in value of investments write back	11.15	3.72
Sundry credit balances appropriated (₹ 7,358)		
Investments/balances earlier written off, recovered (₹ 42,000)		
Income from units of mutual fund	0.93	–
Provision for doubtful interest written back	3.00	–
	743.68	647.93

* Including on current investments ₹ 35.25 crore (previous year ₹ 93.75 crore)

Notes to financial statements for the year ended 31 March 2013 (Contd.)

15 Other income

	₹ In Crore	
	2013	2012
Rent	0.22	0.11
Miscellaneous receipts	1.24	2.31
Provision no longer required	0.01	0.02
	1.47	2.44

16 Employee benefits expense

	₹ In Crore	
	2013	2012
Salaries, wages and bonus to employees	0.08	0.78
Remuneration to whole time director	2.40	–
Contribution to provident and other funds	0.21	0.24
Staff welfare expenses (₹ 14,959)	–	0.05
	2.69	1.07

17 Finance costs

	₹ In Crore	
	2013	2012
Interest expense	0.01	0.01
	0.01	0.01

18 Other expenses

	₹ In Crore	
	2013	2012
Repairs to buildings	0.81	0.13
Repairs to machinery (₹ 3,333 - Previous year ₹ Nil)	–	–
Rent	0.01	0.01
Rates and taxes	2.70	0.03
Insurance (Previous year ₹ 14,527)	0.01	–
Payment to auditor	0.08	0.09
Directors' fees and travelling expenses	0.14	0.15
Commission to non executive directors	0.36	1.97
Miscellaneous expenses	5.77	3.82
Loss on sale of assets	–	0.02
Amount written off against leasehold land	0.02	0.02
	9.90	6.24

Notes to financial statements for the year ended 31 March 2013 (Contd.)

18 Other expenses (Contd.)

Payment to auditor

	(₹ In Crore)	
	2013	2012
As auditor:		
Audit fee	0.05	0.05
Tax audit fee	0.01	0.01
Limited review	0.02	0.02
In other capacity:		
Other services (certification fees)	–	0.01
Reimbursement of expenses (₹ 17,830 – previous year ₹ 30,267)	0.08	0.09

19 Earnings Per Share (EPS)

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below:

	2013	2012
Profit after tax (₹ In Crore)	663.33	567.46
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	59.6	51.0
Face value per share ₹	10.0	10.0

20 Contingent liabilities

	(₹ In Crore)	
	2013	2012
Income Tax matters under dispute		
Appeal by the Company	93.25	93.25
Appeal by the Department	195.72	195.72

21 Capital and other commitments

	(₹ In Crore)	
	2013	2012
Capital commitments, net of capital advances	0.57	32.71

22 Expenditure in foreign currency (accrual basis)

	(₹ In Crore)	
	2013	2012
Other matters (₹ 38,500)	–	0.01

Notes to financial statements for the year ended 31 March 2013 (Contd.)

23 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 accounting standard 15 (Revised) the details of which are as hereunder.

Funded scheme

	(₹ In Crore)	2013 Gratuity	2012 Gratuity
Amount to be recognised in Balance Sheet			
Present value of funded obligations		0.05	0.01
Fair value of plan assets		(0.05)	(0.01)
Net liability (₹ -45,423 – previous year ₹ -22,767)			
Amounts in Balance Sheet			
Liability		–	–
Assets (₹ 45,423 – previous year ₹ 22,767)			
Net liability (₹ -45,423 – previous year ₹ -22,767)			
Expense to be recognised in the Statement of Profit and Loss			
Current service cost		0.05	0.03
Interest on defined benefit obligation		–	0.06
Expected return on plan assets		–	(0.03)
Net actuarial losses/(gains) recognised in year		–	0.10
Total, included in "Employee benefits expense"		0.05	0.16
Actual return on plan assets		–	0.03
Reconciliation of benefit obligations and plan assets for the period			
Change in defined benefit obligation			
Opening defined benefit obligation		0.01	0.67
Current service cost		0.05	0.03
Interest cost		–	0.06
Actuarial losses/(gain)		–	0.10
Benefits paid		(0.01)	(0.85)
Closing defined benefit obligation		0.05	0.01
Change in fair value of assets			
Opening fair value of plan assets		0.01	0.33
Expected return on plan assets		–	0.03
Contributions by employer		0.05	0.50
Benefits paid		(0.01)	(0.85)
Closing fair value of plan assets		0.05	0.01

Notes to financial statements for the year ended 31 March 2013 (Contd.)

23 Employee benefits (Contd.)

	₹ In Crore			
	2013	2013	2012	
Asset information				
Insurer managed funds	0.05	100.00%	100.00%	
	(₹ In Crore)			
	2009	2010	2011	2012
				2013
Experience adjustments				
Defined benefit obligation	0.51	0.56	0.67	0.01
Plan assets	0.23	0.28	0.33	0.01
Surplus/(deficit)	(0.28)	(0.28)	(0.34)	–
Exp. adj. on plan liabilities	0.09	(0.01)	0.05	0.10
Exp. adj. on plan assets	–	–	0.01	–
	(₹ In Crore)			
	2013			2012
Principal actuarial assumptions (expressed as weighted averages)				
Discount rate (p.a.)	8.05%	8.65%		
Expected rate of return on assets (p.a.)	7.50%	7.50%		
Salary escalation rate (p.a.) – Senior Staff	8.00%	–		
Salary escalation rate (p.a.) – Junior Staff	9.00%	9.00%		
	(₹ In Crore)			
	2013			2012
Unfunded schemes				
	Compensated Absences			Compensated Absences
Present value of unfunded obligations (₹ 2,821)	0.01	–		
Expense recognised in the Statement of Profit and Loss	–	(0.03)		
Discount rate (p.a.)	8.05%	8.65%		
Salary escalation rate (p.a.) – Senior Staff	8.00%	–		
Salary escalation rate (p.a.) – Junior Staff	9.00%	9.00%		

Notes to financial statements for the year ended 31 March 2013 (Contd.)

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

Name of related party and Nature of relationship	Nature of transaction	2013		2012	
		Transaction value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet
A. Holding company, subsidiaries and fellow subsidiary:					
Bajaj Auto Holdings Ltd. (Fully owned subsidiary)	Contribution to equity (24,500 shares of ₹ 100 each)	–	0.25	–	0.25
	Dividend received	7.35	–	–	–
B. Associates, joint ventures and investing parties:					
Maharashtra Scooters Ltd.	Contribution to equity (2,742,848 shares of ₹ 10 each)	–	0.24	–	0.24
(A Joint venture - 24% shares held by Bajaj Holdings & Investment Ltd.)	Dividend received	0.27	–	2.47	–
Bajaj Auto Ltd.	Contribution to equity (91,119,000 shares of ₹ 10 each)	–	286.22	–	286.22
(An associate - 31.49% shares held by Bajaj Holdings and Investment Ltd.)	Dividend received	410.04	–	364.48	–
	Business support services rendered	0.30	–	0.87	–
	Business support services received	0.66	–	0.16	–
	Revenue expenses reimbursed	2.55	–	–	–
Bajaj Finserv Ltd.	Contribution to equity (62,314,214 shares of ₹ 5 each)	368.22	743.82	29.47	375.60
(An associate - 39.16% shares held by Bajaj Holdings and Investment Ltd.)	(Previous year 56,649,211 shares of ₹ 5 each)				
	Dividend received	8.50	–	7.00	–
	Business support services rendered	0.18	–	0.51	–
	Business support services received	1.42	–	1.17	–
C. Individuals controlling voting power/exercising significant influence and their relatives:					
Rahul Bajaj (Chairman)	Sitting fees	0.01	–	0.01	–
	Commission	0.03	(0.03)	0.03	(0.03)
Madhur Bajaj	Sitting fees	0.01	–	0.01	–
	Commission	0.03	(0.03)	0.03	(0.03)
Rajiv Bajaj	Sitting fees	0.01	–	0.01	–
	Commission	0.03	(0.03)	0.03	(0.03)
Sanjiv Bajaj - (Managing Director w.e.f. 1 April 2012)	Remuneration	0.84	–	–	–
	Sitting fees	–	–	0.01	–
	Commission	1.80	(1.80)	1.63	(1.63)
Shekhar Bajaj	Nil	–	–	–	–
Niraj Bajaj	Nil	–	–	–	–
D. Key management personnel and their relatives:					
V S Raghavan (Chief Executive Officer)** upto 11 December 2011	Remuneration paid	–	–	1.52	–
E. Enterprises over which anyone in (c) and (d) exercises significant influence:					
Bajaj Allianz General Insurance Company Ltd.	Insurance premiums paid	0.01	0.01	–	–
	Sale of investments	5.09	–	–	–
Bajaj Finance Ltd.	Business support services rendered	0.09	–	0.06	–
Bajaj Electricals Ltd.	Contribution to equity (16,697,840 shares of ₹ 2 each)	–	111.77	–	111.77
	Dividend received	4.68	–	4.68	–
Hindustan Housing Company Ltd.	Maintenance charges paid	0.85	–	0.63	(0.20)
	Security deposit paid	–	0.23	0.23	0.23
Mukand Ltd.	Contribution to equity (4,056,422 shares of ₹ 10 each)	–	24.37	–	24.37
	0.01% 196,169 redeemable preference shares of ₹ 10 each	–	0.19	–	0.19
	Dividend received on equity shares	–	–	0.41	–
Mukand Engineers Ltd.	Contribution to equity (54,000 shares of ₹ 10 each)	–	0.10	–	0.10
	Dividend received on equity shares	0.01	–	0.01	–
Hercules Hoists Ltd.	Contribution to equity (6,251,040 shares of ₹ 1 each)	–	12.34	–	12.34
	(Previous year 3,125,520 shares of ₹ 1 each - bonus shares received)				
	Dividend received on equity shares	1.09	–	0.94	–

Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties.

In other cases, disclosure has been made only when there have been transactions with those parties.

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

Notes to financial statements for the year ended 31 March 2013 (Contd.)

25 Lease

Future minimum lease rental in respect of assets given on operating lease in the form of office premises after 1 April 2001
Minimum future lease payments as on 31 March 2013:

	(₹ In Crore)	
	2013	2012
Receivable		
Within one year	0.33	–
After one year but not more than five years	0.27	–
More than five years	–	–
	0.60	–

The Company has not taken any asset under an operating lease arrangement.

26 Schedule to Balance Sheet as on 31 March 2013

Balance sheet of a non deposit taking non-banking financial company

(As required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Liabilities Side	Amount Outstanding	Amount Overdue	(₹ In Lakh)
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:			
(a) Debentures : Secured			—
: Unsecured			—
(Other than falling within the meaning of public deposit*)			—
(b) Deferred Credits			—
(c) Term Loans			—
(d) Inter-corporate Loans and Borrowings			—
(e) Commercial Paper			—
(f) Other Loans (specify nature)			—

* Please see Note 1 below

Asset Side	Amount Outstanding
(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below)	
(a) Secured	-
(b) Unsecured	33,366
(Comprises advance income tax paid, interest receivable and other miscellaneous receivables)	
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial Lease	-
(b) Operating Lease	-
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

Notes to financial statements for the year ended 31 March 2013 (Contd.)

26 Schedule to Balance Sheet as on 31 March 2013 (Contd.)

	₹ In Lakh)	Amount Outstanding
Asset Side (Contd.)		
(4) Break up of Investments		
Current Investments		
1. Quoted:		
(i) Shares: (a) Equity		Nil
(b) Preference		Nil
(ii) Debentures and Bonds		20,252
(iii) Units of mutual funds		Nil
(iv) Government Securities		Nil
(v) Others		—
2. Unquoted:		
(i) Shares: (a) Equity		Nil
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		2,150
(iv) Government Securities		Nil
(v) Others: (a) Certificate of Deposit		28,313
(b) Commercial Paper		—
Long Term Investments		
1. Quoted		
(i) Shares: (a) Equity		266,304
(b) Preference		—
(ii) Debentures and Bonds		107,481
(iii) Units of mutual funds		—
(iv) Government Securities		—
(v) Others (Please specify)		—
2. Unquoted:		
(i) Shares: (a) Equity		35,704
(b) Preference		19
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		13,549
(iv) Government Securities		Nil
(v) Others (Please specify): Investment property		19,022
Total		492,794

Category	Amount net of provisions		
	Secured	Unsecured	Total
(5) Borrower group-wise classifications of assets financed as in (2) and (3) above: (Please see note (2) below)			
1. Related parties**			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	1	1
2. Other than related parties	Nil	33,365	33,365
Total	Nil	33,366	33,366

Notes to financial statements for the year ended 31 March 2013 (Contd.)

26 Schedule to Balance Sheet as on 31 March 2013 (Contd.)

Category	Market value/ break up or fair value or NAV	(₹ In Lakh)	Book Value (net of provisions)
(6) Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) Please see Note 3 below			
1. Related Parties**			
(a) Subsidiaries (Unquoted, hence disclosed at break up value)	5,167		25
(b) Companies in the same group (disclosed at market value) #	2,120,517		103,004
(c) Other related parties			
– Unquoted (disclosed at face value)	19		19
– Quoted	40,448		13,648
2. Other than related parties			
– Unquoted @	77,936		98,713
– Quoted (disclosed at market value)	349,960		277,385
Total	2,594,047		492,794

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

Identified in terms of section 370(1B) of Companies Act, 1956.

@ Investment in preference shares are disclosed at face value. Investments in equity shares are disclosed at break up value and investments in mutual funds are disclosed at fund value.

The break up values are computed based on latest available consolidated financial statements/reports.

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

	(₹ In Lakh)	Amount
(7) Other Information		
(i) Gross Non-Performing Assets		
(a) Related parties		Nil
(b) Other than related parties		930
(ii) Net Non-Performing Assets		
(a) Related parties		Nil
(b) Other than related parties		Nil
(iii) Assets acquired in satisfaction of debt		Nil

Notes:

- As defined in paragraph 2(1)(xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

26 Schedule to Balance Sheet as on 31 March 2013 (Contd.)

Items	2013	2012
(8) CRAR		
(i) CRAR %	109%	123%
(ii) CRAR - Tier I capital (%)	109%	123%
(iii) CRAR - Tier II capital (%)	0%	0%
(₹ In Lakh)		
Category	2013	2012
(9) Exposures: Exposures to Real Estate Sector		
(a) Direct Exposure	—	—
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans upto ₹ 15 lakh may be shown separately)	—	—
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits	—	—
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised Exposures -		
(a) Residential	—	—
(b) Commercial Real Estate	—	—
(b) Indirect Exposure	32,655	25,577
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	32,655	25,577

(10) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	(₹ In Lakh)
Liabilities	—	—	—	—	—	—	—	—	—
Borrowings from Banks	—	—	—	—	—	—	—	—	—
Market Borrowings	—	—	—	—	—	—	—	—	—
Assets	39,831	—	7,352	5,803	36,933	29,285	29,578	344,012	492,794
Advances	—	—	—	—	—	—	—	—	—
Investments	39,831	—	7,352	5,803	36,933	29,285	29,578	344,012	492,794

Notes to financial statements for the year ended 31 March 2013 (Contd.)

27

- a. The consolidated financial statements of the Company and its group are attached to these independent financial statements. The details of the group regarding the nature of relationship and the basis of consolidation can be referred to in note 1 to the said consolidated financial statements.
- b. The Company's business activity, including its subsidiaries and joint ventures, falls within a single business segment i.e. investment and therefore, segment reporting in terms of Accounting Standard 17 on Segment Reporting is not applicable.

28 Previous year figures

Previous year figures have been reclassified to conform to this year's classification.

29 Miscellaneous

₹ 1 crore is equal to ₹ 10 million.

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

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Rahul Bajaj Sanjiv Bajaj	Chairman Managing Director
Madhur Bajaj Rajiv Bajaj D J Balaji Rao S H Khan Nanoo Pamnani Naresh Chandra Manish Kejriwal P Murari	Directors

Vallari Gupte
Company Secretary

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

1. Name of the subsidiary	Bajaj Auto Holdings Ltd.
2. Financial year of the subsidiary ended on	31 March 2013
3. Holding company's interest: equity share capital	100%
4. Profit or loss for the current financial year so far as concern the members of the holding company, not dealt with or provided for in the accounts of the holding company	Profit ₹ 4.79 crore
5. Net aggregate profits or losses for the previous financial years since becoming subsidiary so far as concern the members of the holding company, not dealt with or provided for in the accounts of the holding company	Profit ₹ 50.08 crore
6. Net aggregate amounts received as dividends for previous financial years since becoming subsidiary dealt with in the accounts of the holding company in relevant years	₹ 17.97 crore

Vallari Gupte
Company Secretary
Pune: 16 May 2013

Rahul Bajaj
Sanjiv Bajaj
Madhur Bajaj
Rajiv Bajaj
D J Balaji Rao
S H Khan
Nanoo Pamnani
Naresh Chandra
Manish Kejriwal
P Murari

Chairman
Managing Director

Directors

Consolidated Financial Statements

Independent Auditors' Report on the Consolidated Financial Statements

To the Board of Directors of **Bajaj Holdings & Investment Ltd.**

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Bajaj Holdings & Investment Ltd. ("the Company") and its subsidiary, its jointly controlled entity and associate companies; hereinafter referred to as the "Group" (refer Note [1] to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at 31 March 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's responsibility for the consolidated financial statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditor on separate financial statements, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2013;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of one jointly controlled entity included in the consolidated financial statements, which constitute total assets of ₹ 67.82 crore and net assets of ₹ 60.32 crore as at 31 March 2013, total revenue of ₹ 14.38 crore, net profit of ₹ 11.72 crore and net cash outflow amounting to ₹ 0.39 crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Consolidated Balance Sheet as at 31 March

Particulars	Note No.	(₹ In Crore)		
		2013	2012	
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	2	111.29	111.29	
Reserves and surplus	3	10,233.80	8,568.73	
		10,345.09	8,680.02	
Non-current liabilities				
Deferred tax liabilities (net)		4.05	3.73	
Other long-term liabilities	4	23.87	24.91	
Long-term provisions	5	0.02	–	
		27.94	28.64	
Current liabilities				
Trade payables	6	0.52	0.87	
Other current liabilities	6	9.96	11.00	
Short-term provisions	5	418.30	414.24	
		428.78	426.11	
Total		10,801.81	9,134.77	
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	7	13.81	13.63	
Lease adjustment account - plant and machinery		17.50	17.50	
Capital work-in-progress		–	160.33	
		31.31	191.46	
Goodwill on investments in associates		505.11	352.72	
Non-current investments	8	8,653.01	7,004.90	
Long-term loans and advances	9	334.73	322.04	
Other non-current assets	11	200.02	100.01	
		9,724.18	7,971.13	
Current assets				
Current investments	8	919.92	700.75	
Inventories	12	0.14	0.06	
Trade receivables	10	0.61	0.38	
Cash and bank balances	13	146.62	424.85	
Short-term loans and advances	9	4.13	32.83	
Other current assets	11	6.21	4.77	
		1,077.63	1,163.64	
Total		10,801.81	9,134.77	

The accompanying notes are an integral part of the financial statements

Rahul Bajaj
Sanjiv Bajaj

Chairman
Managing Director

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Vallari Gupte
Company Secretary

Madhur Bajaj
Rajiv Bajaj
D J Balaji Rao
S H Khan
Nanoo Pamnani
Naresh Chandra
Manish Kejriwal
P Murari

Directors

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

Particulars	Note No.	(₹ In Crore)	
		2013	2012
Sales		1.80	1.77
Less: Excise duty		0.19	0.17
Net Sales		1.61	1.60
Other operating revenue		335.27	293.71
Revenue from operations (net)	14	336.88	295.31
Other income	15	2.58	5.72
Total revenue (I)		339.46	301.03
Expenses:			
Cost of raw material and components consumed	16	0.73	0.59
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	17	(0.07)	0.06
Employee benefits expense	18	4.03	4.23
Finance costs	19	0.01	0.01
Depreciation		2.10	0.24
Share of depreciation of joint venture		0.24	0.23
Other expenses	20	10.40	6.73
Total expenses (II)		17.44	12.09
Profit before exceptional item and tax (I - II)		322.02	288.94
Exceptional item	21	–	14.01
Profit before tax		322.02	274.93
Tax expense			
Current tax		68.37	76.91
Share of MAT credit of joint venture		(0.36)	–
Deferred tax		0.32	(0.45)
Total tax expense		68.33	76.46
Profit after tax		253.69	198.47
Income from associate after tax		1,602.69	1,480.70
Profit for the year		1,856.38	1,679.17
Basic and diluted Earnings per share (In ₹)		166.8	150.9
(Nominal value per share ₹ 10)			

The accompanying notes are an integral part of the financial statements

Rahul Bajaj
Sanjiv Bajaj

Chairman
Managing Director

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Vallari Gupte
Company Secretary

Madhur Bajaj
Rajiv Bajaj
D J Balaji Rao
S H Khan
Nanoo Pamnani
Naresh Chandra
Manish Kejriwal
P Murari

Directors

Notes to consolidated financial statements for the year ended 31 March 2013

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

Name of the company	Country of incorporation	% Shareholding of Bajaj Holdings and Investment Ltd.	Consolidated as
Bajaj Auto Ltd.	India	31.49%	Associate
Bajaj Finserv Ltd.	India	39.16%	Associate
Bajaj Auto Holdings Ltd.	India	100.00%	Subsidiary
Maharashtra Scooters Ltd.	India	24.00%	Joint venture

- b) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 and the RBI guidelines/regulations to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule VI to the Companies Act, 1956.

2 Share capital

	₹ In Crore	
	2013	2012
Authorised: 150,00,000 equity shares of ₹ 10 each	150.00	150.00
Issued, subscribed and fully paid-up shares: 111,293,510 equity shares of ₹ 10 each	111.29	111.29
	111.29	111.29

a. Further, of the above:-

- i. 4,342,676 equity shares issued by way of Euro equity issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares, excluding 2,171,388. equity shares allotted as bonus shares thereon. Outstanding GDRs at the close of the year were 304,675 (299,728).
- ii. 4,859,000 equity shares of ₹ 10 each were issued and allotted to promoters on 27 March 2010 on conversion of 4,859,000 warrants at a premium of ₹ 439.58 per share.
- iii. 5,251,000 equity shares of ₹ 10 each were issued and allotted to promoters on 21 January 2011 on conversion of 5,251,000 warrants at a premium of ₹ 439.58 per share.

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 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. 5,251,000 equity shares allotted to promoters on conversion of warrants are restricted from transfer, except inter se promoter group upto 20 January 2014.

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

	31 March 2013		31 March 2012	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	15,565,590	13.99%	15,565,590	13.99%
Life Insurance Corporation of India	7,519,849	6.76%	7,621,494	6.85%
Jaya Hind Investments Pvt. Ltd.	5,805,256	5.22%	5,805,256	5.22%

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

3 Reserves and surplus

	₹ In Crore	
	2013	2012
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as per the last financial statements	515.54	400.74
Add: Transferred from surplus in Statement of Profit and Loss	133.63	114.80
Closing balance	649.17	515.54
Securities premium account		
Balance as per the last financial statements	444.42	444.42
General reserve		
Balance as per the last financial statements	7,116.87	6,079.49
Add: Share of accumulated reserves of associate	134.94	(127.40)
Add: Reserve utilised by subsidiary and joint venture towards distribution of dividend	(1.23)	(0.40)
Add: Transferred from surplus in Statement of Profit and Loss	1,250.97	1,166.74
Add: Share of profit/(loss) of joint venture	11.72	(1.56)
Closing balance	8,513.27	7,116.87
Capital reserve arising on consolidation of joint venture	2.50	2.50
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	489.40	412.39
Profit for the year	1,856.38	1,679.17
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	133.63	114.80
Transfer to General reserve	1,250.97	1,166.74
Transfer to General reserve (share of joint venture)	11.72	(1.56)
Proposed dividend	278.23	278.23
Tax on proposed dividend	46.79	43.95
Total appropriations	1,721.34	1,602.16
Balance in the Statement of Profit and Loss	624.44	489.40
	10,233.80	8,568.73

4 Other long-term liabilities

	₹ In Crore	
	2013	2012
Share of annuity payable to VRS optees of joint venture	5.89	6.93
Lease security deposits	17.50	17.50
Other payables	0.48	0.48
	23.87	24.91

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

5 Provisions

	₹ In Crore			
	Long-term		Short-term	
	2013	2012	2013	2012
Provision for employee benefits				
Provision for gratuity (₹ -45,423 - previous year ₹ -22,767)			-	-
Provision for compensated absences (₹ 2,821)	-	-		0.01
Share of provision for compensated absences of joint venture	-	-	0.14	0.14
Share of provision for welfare scheme of joint venture	0.02	-	-	-
	0.02	-	0.14	0.15
Other provisions				
Provision for tax (net of tax paid in advance)	-	-	93.14	91.91
Proposed dividend	-	-	278.23	278.23
Tax on proposed dividend	-	-	46.79	43.95
	-	-	418.16	414.09
	0.02	-	418.30	414.24

6 Current liabilities

	₹ In Crore	
	2013	2012
Trade payables		
Share of dues to micro and small enterprises of joint venture	-	0.01
Other than dues to micro and small enterprises	0.33	0.66
Share of other than dues to micro and small enterprises of joint venture	0.19	0.20
	0.52	0.87
Other current liabilities		
Security deposits	0.20	0.01
Share of security deposits of joint venture	-	0.01
Unclaimed dividend	5.81	6.71
Share of unclaimed dividend of joint venture	0.23	0.24
Directors' remuneration and commission payable	2.16	1.97
Employee benefits payable	-	0.02
Taxes payable	0.45	0.39
Other Payables	0.08	0.55
Share of annuity payable to VRS optees of joint venture	1.03	1.10
	9.96	11.00
	10.48	11.87

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

7 Fixed assets (tangible assets)

Particulars	Gross block			Depreciation			Net block	
	As at 31 Mar 12	Additions	Deductions/adjustments	As at 31 Mar 13	As at 31 Mar 12	Deductions/adjustments	For the year (c)	As at 31 Mar 13
Land freehold	0.04	–	–	0.04	–	–	–	0.04
Land leasehold	1.28	–	0.02	1.26	–	–	–	1.26
Buildings	15.03	–	–	15.03	4.00	–	0.26	4.26
Plant and machinery	4.86	0.32	0.20	4.98	3.65	0.16	0.21	3.70
Furniture and fixtures	0.07	–	–	0.07	0.06	–	–	0.06
Office equipments	0.02	–	–	0.02	0.01	–	–	0.01
Vehicles	0.08	0.44	0.01	0.51	0.03	–	0.04	0.07
Leased assets:								
Plant and machinery	87.50	–	–	87.50	87.50	–	–	87.50
Total	108.88	0.76	0.23	109.41	95.25	0.16	0.51	95.60
Share of fixed assets of joint ventures	6.41	0.32	0.21	6.52	4.68	0.16	0.24	4.76
Previous year total	109.04	0.06	0.22	108.88	94.91	0.13	0.47	95.25
Share of fixed assets of joint ventures - previous year	6.50	0.01	0.10	6.41	4.54	0.09	0.23	4.68
								1.73

8 Investments

	Non-current portion		Current maturities	
	2013	2012	2013	2012
In Investment Property	190.22	–	–	–
In Fully Paid Preference Shares	0.19	0.19	–	–
In Equity Shares				
Long Term: Associate Company	5,578.80	4,043.87	–	–
Others	1,979.07	1,710.47	–	–
Share of joint ventures	37.22	25.11	–	–
	7,595.09	5,779.45	–	–
In Debentures, Bonds and Secured Premium Notes	242.22	285.75	321.07	65.98
Share of joint ventures	1.19	1.19	–	–
In Bonds	545.58	785.50	178.55	–
Share of joint ventures	15.03	16.23	–	–
In Mutual Fund Units	63.49	136.59	137.06	62.51
Share of joint ventures	–	–	0.11	0.10
In Certificate of Deposits	–	–	283.13	565.44
Share of joint ventures	–	–	–	6.72
	8,653.01	7,004.90	919.92	700.75

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

9 Loans and advances

(Unsecured, good, unless stated otherwise)

	₹ In Crore			
	Long-term		Short-term	
	2013	2012	2013	2012
Capital advances				
Security deposits	0.50	–	–	–
Share of security deposits of joint venture	0.66	0.38	–	–
Loan and advances to related parties (previous year ₹ 34,501)	0.01	0.01	–	–
Advances recoverable in cash or kind	1.35	1.35	–	0.33
Share of advances recoverable in cash or kind of joint venture	–	–	0.03	0.03
Other loans and advances				
Share of VAT refund receivable of joint venture	0.07	0.07	–	–
CENVAT credit receivable	0.52	0.20	–	–
Advance income-tax (net of provision for tax)	301.38	289.54	3.00	31.89
Share of Advance income-tax (net of provision for tax) of joint venture	1.26	1.03	–	0.04
Share of loans to former employees of joint venture	0.99	1.47	0.48	0.51
Others	27.99	27.99	0.57	0.02
Share of others of joint venture	–	–	0.04	0.01
	332.21	320.30	4.09	32.47
	334.73	322.04	4.13	32.83

10 Trade receivables

(Unsecured, considered good, unless stated otherwise)

	₹ In Crore			
	Non-current		Current	
	2013	2012	2013	2012
Outstanding for a period exceeding six months from the date they are due for payment				
Share of others, good of joint venture	–	–	–	–
Amount disclosed under the head "other non-current assets"	–	–	0.61	0.38
	–	–	0.61	0.38

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

11 Other assets

(Unsecured, good, unless stated otherwise)

	₹ In Crore			
	Non-current		Current	
	2013	2012	2013	2012
Non-current bank balances [See note 13]	200.00	100.00	—	—
Others				
Interest accrued but not due on fixed deposits	—	—	2.67	3.72
Share of interest accrued but not due on fixed deposits of joint venture	—	—	0.29	—
Interest receivable on investments/loans	3.31	6.30	2.27	—
Share of interest receivable on investments/loans of joint venture	—	—	0.98	1.05
Less: Provision for doubtful receivable	3.29	6.29	—	—
	0.02	0.01	3.25	1.05
	200.02	100.01	6.21	4.77

12 Inventories

	₹ In Crore	
	2013	2012
Raw materials and components (share of joint venture)	0.02	0.02
Work-in-progress (share of joint venture)	0.11	0.04
Stores (share of joint venture)	0.01	—
	0.14	0.06

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

13 Cash and bank balances

(₹ In Crore)

	Non-current		Current	
	2013	2012	2013	2012
Cash and cash equivalents				
Balances with banks:				
In current accounts	—	—	8.75	2.30
Share of current accounts of joint venture	—	—	(0.04)	0.35
Cash equivalents				
Certificate of Deposits with maturity of less than three months from date of acquisition	—	—	—	209.68
Commercial Paper with maturity of less than three months from date of acquisition	—	—	24.45	48.43
	—	—	33.16	260.76
Other bank balances				
In unclaimed dividend account	—	—	5.81	6.71
Share of unclaimed dividend account of joint venture	—	—	0.23	0.24
Deposits with residual maturity for less than 12 months	—	—	100.00	150.00
Deposits with residual maturity for less than 12 months (share of joint venture)	—	—	7.42	1.20
Deposits with residual maturity for more than 12 months	200.00	100.00	—	5.94
	200.00	100.00	113.46	164.09
Amount disclosed under non-current assets [See note 11]	(200.00)	(100.00)	—	—
	—	—	146.62	424.85

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

14 Revenue from operations

	₹ In Crore	
	2013	2012
Sale of products (share of joint venture)	1.80	1.77
Less: Excise duty on sale of products (share of joint venture)	0.19	0.17
Net sales (share of joint venture)	1.61	1.60
Interest:		
Interest income on		
Bank deposits	25.19	22.31
Share of bank deposits of joint venture	0.40	0.04
Long-term investments	114.26	95.42
Share of long-term investments of joint venture	1.47	1.63
Others	4.14	1.00
Share of others of joint venture	0.08	0.03
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	(8.44)	(6.58)
Current investments	27.25	11.46
Share of amortisation of (premium)/discount on acquisition of fixed income securities of joint venture	(0.01)	(0.08)
	164.34	125.23
Other financial services:		
Dividend income on		
Long-term investments	48.98	37.36
Share of long-term investments of joint venture	9.95	9.85
Profit on sale of investments, net	96.04	89.50
Profit on sale of investments, net (share of joint venture)	0.66	0.66
Surplus on redemption of securities, net	0.08	22.99
Surplus on redemption of securities, net (share of joint venture)	0.14	0.17
Provision for diminution in value of investments write back	11.15	3.74
Income from units of mutual fund	0.93	–
Provision for doubtful interest written back	3.00	–
Provision for doubtful advances written back	–	2.16
Sundry credit balances appropriated	–	0.01
Investments/balances earlier written off, recovered	–	2.04
	335.27	293.71
	336.88	295.31

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

15 Other income

	₹ In Crore	
	2013	2012
Rent	0.23	0.12
Miscellaneous receipts	2.26	2.58
Provision no longer required	0.01	–
Surplus on sale of assets	–	0.02
Share of surplus on sale of assets of joint venture	0.08	0.07
Share of sundry credit balances appropriated of joint venture	–	2.93
	2.58	5.72

16 Cost of raw material and components consumed

	₹ In Crore	
	2013	2012
Raw materials and boughtout items (share of joint venture)	0.73	0.59
	0.73	0.59

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

	2013	2012	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	0.11	0.04	(0.07)
Finished goods	–	–	–
	0.11	0.04	(0.07)
Inventories at the beginning of the year			
Work-in-progress	0.04	0.10	0.06
Finished goods	–	–	–
	0.04	0.10	0.06
	(0.07)	0.06	

18 Employee benefits expense

	₹ In Crore	
	2013	2012
Salaries, wages and bonus to employees	0.08	0.78
Share of salaries, wages and bonus to employees of joint venture	0.97	2.17
Remuneration to whole time director	2.40	–
Contribution to provident and other funds	0.21	0.24
Share of contribution to provident and other funds of joint venture	0.12	0.82
Staff welfare expenses	–	0.05
Share of staff welfare expenses of joint venture	0.25	0.17
	4.03	4.23

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

19 Finance costs

	₹ In Crore	
	2013	2012
Interest expense	0.01	0.01
	<u>0.01</u>	<u>0.01</u>

20 Other expenses

	₹ In Crore	
	2013	2012
Share of stores and tools consumed of joint venture	0.05	0.05
Share of power, fuel and water of joint venture	0.10	0.10
Repairs to buildings	0.81	0.13
Share of repairs to buildings of joint venture	–	0.01
Repairs to machinery (₹ 3,333 - previous year ₹ Nil)	0.04	–
Share of repairs to machinery of joint venture	0.03	0.03
Share of repairs to others of joint venture	0.01	0.01
Rent	2.70	0.03
Rates and taxes	0.01	0.01
Share of rates and taxes of joint venture	0.01	0.01
Insurance (previous year ₹ 14,527)	0.01	–
Share of insurance of joint venture	0.01	0.01
Payment to auditor	0.08	0.09
Share of payment to auditor of joint venture	0.02	0.03
Directors' fees and travelling expenses	0.14	0.15
Share of directors' fees and travelling expenses of joint venture	0.01	–
Commission to non executive directors	0.36	1.97
Miscellaneous expenses	5.85	3.88
Share of miscellaneous expenses of joint venture	0.14	0.16
Loss on sale of assets	–	0.02
Share of loss on sale of assets of joint venture	0.01	–
Amount written off against leasehold land	0.02	0.02
	<u>10.40</u>	<u>6.73</u>

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

21 Exceptional item

	₹ In Crore	
	2013	2012
Share of expenditure on voluntary retirement scheme of joint venture	—	14.01
	<u>—</u>	<u>14.01</u>

- 22** 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.
- 23** The accounting policies of the parent are best viewed in its independent financial statements, note 2. Differences in accounting policies followed by the other entities consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not significant.

24 Consolidated contingent liability

	₹ In Crore	
	2013	2012
i) Claims against the Company not acknowledged as debts (being share of joint venture and associates)	137.73	137.72
ii) Guarantees given by the associate to banks, on behalf of subsidiary of associate (being share of associates)	8.55	8.01
iii) Guarantees given by the Company to HDFC - for loans to Employees (being share of associates)	0.01	0.04
iv) Taxes, duties and other sums due {including ₹ 248.08 crore (previous year ₹ 194.54 crore) being share of joint venture and associate}	538.95	485.41
v) Claims made by temporary workmen (of associate)	Liability unascertained	Liability unascertained
vi) Claims, under policies, not acknowledged as debts (being share of associate)	7.43	4.46

25 Capital and other commitments

	₹ In Crore	
	2013	2012
Capital commitments to the extent not provided for, net of capital advances {including ₹ 39.33 crore (previous year ₹ 142.03 crore) being share of joint venture and associate}	39.90	174.74

26 Cash Flow Statement

Due to the different methods of computing cash flows adopted by two of the subsidiaries of associate carrying on the business of Insurance, which is mandated by the Insurance Regulatory & Development Authority, consolidated cash flows for the year could be better viewed when summarised as follows:

Particulars	₹ In Crore	
	2013	2012
From operating activities	473.00	421.22
From investing activities	(368.64)	78.42
From financing activities	(331.96)	(455.01)
Net change	(227.60)	44.63
Cash and cash flow equivalents at the beginning of the year	260.76	216.13
Cash and cash flow equivalents at the end of the year	33.16	260.76

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

27 Consolidated related party transactions are same as related party transactions of stand alone Bajaj Holdings and Investment Ltd.

28 Additional financial information

Statement of additional financial information, directed to be disclosed as a condition put forth by the Ministry of Corporate Affairs for grant of exemption from the applicability of section 212(1) of the Companies Act, 1956, is given below:

Financial information of subsidiaries for the year ended 31 March 2013

	₹ In Crore
Bajaj Auto Holdings Ltd.	
a Paid up share capital	0.25
b Share premium	—
Other reserves	51.43
c Total assets	56.11
d Total liabilities	56.11
e Investments*	53.65
f Turnover/Operating result	6.08
g Profit before tax	6.00
h Provision for tax	1.21
i Profit after tax	4.79
j Proposed Dividend	2.94

* For details of investments refer note 8

29 Previous year figures

Previous year figures have been reclassified to conform to this year's classification.

30 Miscellaneous

₹ 1 crore is equal to ₹ 10 million.

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Vallari Gupte
Company Secretary

Rahul Bajaj	Chairman
Sanjiv Bajaj	Managing Director
Madhur Bajaj	}
Rajiv Bajaj	
D J Balaji Rao	
S H Khan	
Nanoo Pamnani	
Naresh Chandra	
Manish Kejriwal	Directors
P Murari	

Notes

BAJAJ

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

NOTICE

Notice is hereby given that the Sixty eighth annual general meeting of the shareholders of Bajaj Holdings & Investment Ltd. will be held on Friday, 19 July 2013 at 4.15 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 audited Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss for the year ended 31 March 2013 and the Directors' and Auditors' Reports thereon.
- 2 To declare a dividend.
- 3 To appoint a director in place of Nanoo Pamnani, who retires by rotation and being eligible offers himself for re-appointment.
- 4 To appoint a director in place of P Murari, who retires by rotation and being eligible offers himself for re-appointment.
- 5 To appoint auditors of the Company for the period commencing from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to fix their remuneration.

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



Vallari Gupte
Company Secretary
Date: 16 May 2013

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2 Brief details of the directors, who are being re-appointed, are annexed hereto as per requirements of clause 49 of the listing agreement.
- 3 The register of members and share transfer books of the Company will remain closed from Saturday, 6 July 2013 to Friday, 19 July 2013, both days inclusive.
- 4 Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 23 July 2013 to 25 July 2013 as under:
 - a) to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be 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, 5 July 2013; and
 - b) to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/share transfer agent (i.e Karvy Computershare Pvt. Ltd.) on or before the close of business hours on Friday, 5 July 2013.
- 5 To ensure timely delivery of shareholders' communications and also credit of dividend through National Electronic Clearing Service (NECS) or dividend warrants/payment instruments:
 - a. Shareholders, holding shares in physical form, are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR/NECS details, to the share transfer agent of the Company (i.e. Karvy Computershare Pvt. Ltd.), on or before 5 July 2013.
 - b. Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc. to their respective depository participants and make sure that such changes are recorded correctly on or before 5 July 2013.
- 6 Dividend will be preferably paid through NECS, wherever the facility is available. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the shareholders. In cases where the dividends cannot be paid through NECS, the same will be paid by account payee/not negotiable instruments.
- 7 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 and others as prescribed in the respective sections of the Companies Act, 1956 as specified below:
 - i) Register of contracts with companies and firms in which directors are interested under section 301 of the Companies Act, 1956 on all working days during business hours.
 - ii) Register of directors' shareholdings under section 307 of the Companies Act, 1956 on all working days during business hours between the period beginning fourteen days before the date of annual general meeting and ending three days after the date of its conclusion.
- 8 Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend and vote at the annual general meeting.
- 9 Members/Proxies are requested to bring their attendance slips along with the copies of annual reports to the meeting.
- 10 Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
- 11 To receive faster communication of all shareholder communications, including annual reports, the shareholders 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, shareholders are advised to register their email address with M/s Karvy Computershare Pvt. Ltd.

ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

Item No. 3 of the Notice

Nanoo Pamnani

As regards reappointment of Nanoo Pamnani referred to in item no. 3 of the notice, following necessary disclosures are made for the information of the shareholders:

Brief profile of Nanoo Pamnani is given below:

Nanoo Pamnani (b. February 26, 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).

In his 40-year long career with Citibank, N.A., 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
- 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)
- Division Executive, Citibank, N.A., Asia Pacific Private Banking Group
- Chief Executive Officer, Citibank, N.A., Philippines

Major Directorships

Bajaj Auto Ltd.
Bajaj Finance Ltd.
Bajaj Finserv Ltd.
Bajaj Holdings & Investment Ltd.
P N Writer & Co Pvt Ltd.
Writer LifeStyle Pvt Ltd.

Committee Chairmanships

Bajaj Auto Ltd.
Bajaj Finserv Ltd.
Bajaj Finance Ltd.
Bajaj Holdings & Investment Ltd.

Committee positions

Bajaj Finance Ltd.
Bajaj Holdings & Investment Ltd.
P. N. Writer & Co. Pvt. Ltd.
Writer Lifestyle Pvt. Ltd.

Advisory Position

BMR Advisors, Mumbai, India

Shareholding in the Company

Nil

The Board commends the resolution for your approval.

None of the directors, except Nanoo Pamnani is concerned or interested in the said resolution.

Item No. 4 of the Notice

P. Murari

As regards reappointment of P Murari referred to in item No 4 of the notice, following necessary disclosures are made for the information of the shareholders:

Brief profile of P Murari is given below:

P Murari (b.August 19, 1934) having done M A (Economics) from Madras University joined the Indian Administrative Service (IAS), in which he served from 1957 till 1992.

During his illustrious career as a civil servant, he has held many distinguished positions, including:

- Sub-divisional and District Magistrate, Sub-Collector, Deputy Director of Census Operations
- Chairman/Managing Director/Director in State undertakings of Government of Tamil Nadu
- Health Secretary, Chairman - Electricity Board, Commissioner for Commercial Taxes, Govt of Tamil Nadu
- Additional Secretary to GOI, Ministry of Industry
- Secretary to GOI, Cabinet Secretariat, Implementation Committee for Pandit Jawaharlal Nehru Centenary
- Secretary, Ministry of Food Processing Industries, GOI
- Secretary, Ministry of Information and Broadcasting, GOI

He has undertaken many special projects for the Government of India and has chaired numerous high level commissions and committees. He has served on the Boards/Councils of several reputed institutions and professional bodies. He has represented India in the Asian Productivity Council. He has a number of important publications to his credit.

He retired as Secretary to the President of India in August, 1992.

He is currently Adviser to President, FICCI. He is also the elected President of the Indo American Association, Chennai.

Major Directorships

Aban Offshore Ltd.
Aditya Birla Nuvo Ltd.
Adayar Gate Hotel Ltd.
Bajaj Auto Ltd.
Bajaj Holdings & Investment Ltd.
Fortis Malar Hospital Ltd.
Great Eastern Energy Corporation Ltd.
HEG Ltd.
IDEA Cellular Ltd.
Xpro India Ltd.

Committee Chairmanships

Aban Offshore Ltd.
Adayar Gate Hotel Ltd.
Bajaj Holdings & Investment Ltd.

Committee positions

Aditya Birla Nuvo Ltd.
Fortis Malar Hospitals Ltd.
Great Eastern Energy Corporation Ltd.
Xpro India Ltd.

Shareholding in the Company

Nil

The Board commends the resolution for your approval.

None of the directors, except P Murari is concerned or interested in the said resolution.

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



Vallari Gupte
Company Secretary
Date: 16 May 2013

PROXY

I/We of
 in the district of being member/s of
 BAJAJ HOLDINGS & INVESTMENT LTD. hereby appoint
 of in the district of or failing him
 of in the district of
 as my/our proxy to vote for me/us on my/our behalf at the SIXTY EIGHTH ANNUAL GENERAL MEETING of the
 Company to be held on Friday, 19 July 2013 at 4.15 p.m. and any adjournment thereof.
 Signed this day of 2013.

Folio No.
DP ID No.
Client ID No.

₹ 1
Revenue Stamp

Signature.....

E-mail ID:.....

NOTE:

The proxy duly completed must be deposited at the registered office of the Company not less than 48 hours before the time of holding the meeting.

Members who have multiple folios/demat accounts with different joint-holders may use copies of this proxy form.

ATTENDANCE SLIP

I hereby record my presence at the SIXTY EIGHTH ANNUAL GENERAL MEETING of the Company on Friday, 19 July 2013 at 4.15 p.m. at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune-411 035.

Folio No or Client ID and DP ID No._____

Full Name of the *Shareholder/proxy
(in block letters)

*Strike out whichever is not applicable

Signature of *Shareholder/proxy

E-mail ID _____

NOTE:

Members who have multiple folios/demat accounts with different joint-holders may use copies of this attendance slip.