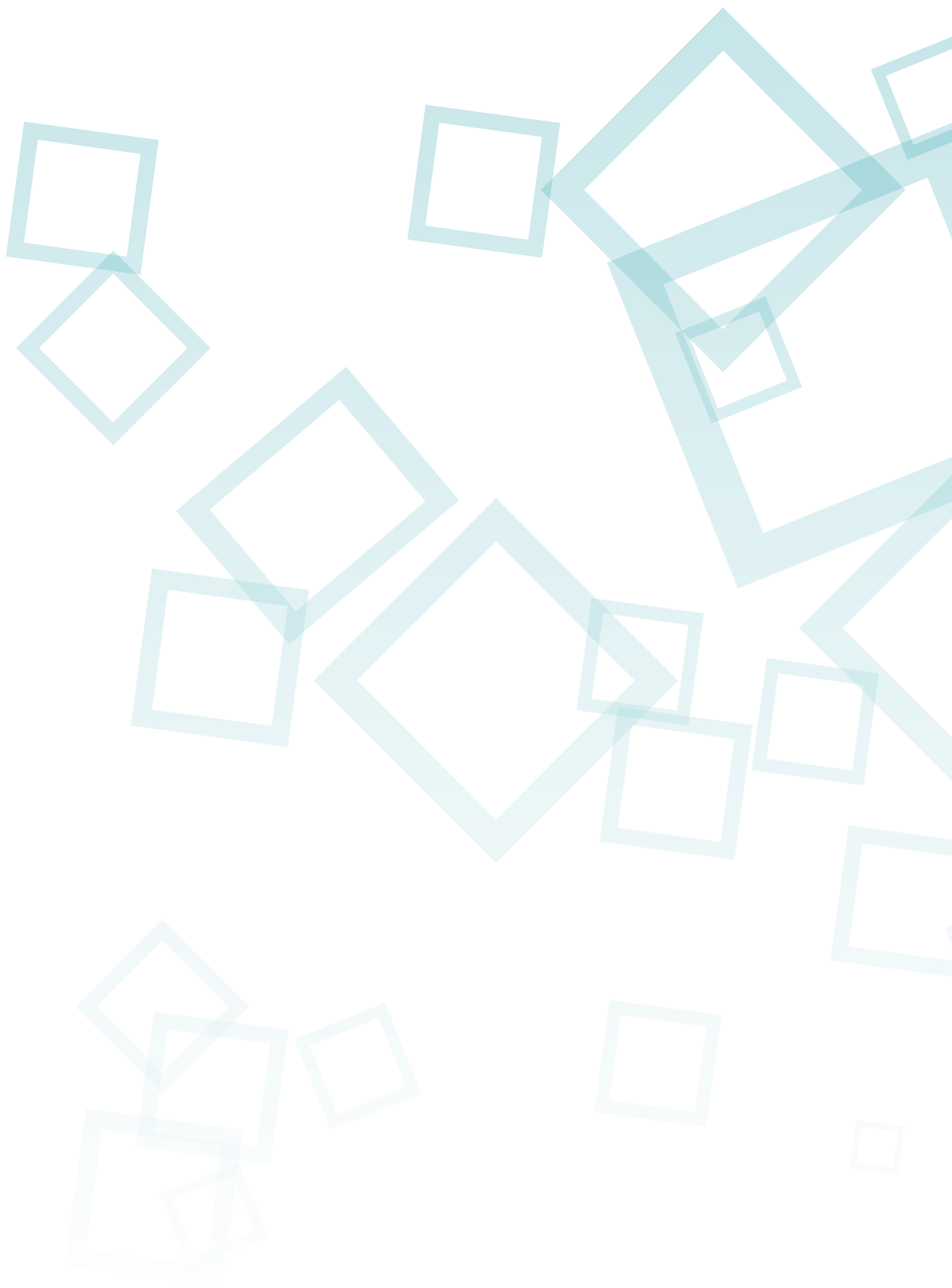




BAJAJ

67th **Annual Report** 2011-12
Bajaj Holdings & Investment Limited





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Sanjiv Bajaj
Managing Director

Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director
(w.e.f. 1 April 2012 and
Non-executive Director
upto 31 March 2012)

Madhur Bajaj

D J Balaji Rao

S H Khan

Rajiv Bajaj

Nanoo Pamnani

Manish Kejriwal

Naresh Chandra

P Murari

CEO

V S Raghavan
(upto 12 Decemer 2011)

Company Secretary

Mandar Velankar

Auditors

Dalal and Shah
Chartered Accountants

Bankers

Citibank N A
HDFC Bank

**Registered under the Indian
Companies Act, 1913**

Registered Office

Mumbai-Pune Road
Akurdi, Pune 411 035

Directors' Report

Introduction

The directors present their sixty-seventh annual report and the audited statements of accounts for the year ended 31 March 2012.

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)	
	2012	2011
Total Revenue	650.37	1,076.45
Finance Costs	0.01	–
Depreciation	0.24	0.24
Profit before tax	642.81	1,069.12
Tax expense	75.35	71.41
Profit after tax	567.46	997.71
Add: Tax credits pertaining to earlier years	–	2.38
Profit for the year	567.46	1,000.09
Add: Balance brought forward from previous year	411.05	163.71
Profit available for appropriation	978.51	1,163.80
Transfer to Reserve Fund u/s 45-IC(1) of the Reserve Bank of India Act, 1934	113.49	200.02
Transfer to General Reserve	56.75	100.01
Proposed dividend (inclusive of dividend tax)	322.18	452.72
Balance carried to Balance Sheet	486.09	411.05
Basic Earnings per share (₹)	51.0	93.4
Diluted Earnings per share (₹)	51.0	91.9

Financial results (Consolidated)

The highlights of the Consolidated Financial Results are as under:

	(₹ In Crore)	
	2012	2011
Total Revenue	301.03	900.41
Profit before tax and exceptional item	288.94	888.27
Profit before tax	274.93	888.27
Income from associates after tax	1,480.70	1,504.23
Profit for the year	1,679.17	2,322.76
Basic Earnings per share (₹)	150.9	217.0
Diluted Earnings per share (₹)	150.9	213.5

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 2012. The amount of dividend and the tax thereon aggregates to ₹ 322.18 crore.

Dividend paid for the year ended 31 March 2011 was ₹ 35 per share (350 per cent). The amount of dividend and the tax thereon aggregated to ₹ 452.72 crore.

De-notification of Special Economic Zone (SEZ)

The Board of Approval (BoA), Ministry of Commerce and Industry, had granted its formal approval to Bajaj Holdings & Investment Limited i.e. erstwhile Bajaj Auto Limited on 7 April 2006 for development, operation and maintenance of Engineering SEZ at Waluj, Aurangabad.

Your Company had taken numerous steps from time to time over the last few years for development of SEZ. Given the market conditions and withdrawal of some tax incentives, your Company feels that its SEZ Project is not viable in the changed market scenario. The Company has, therefore, applied on 25 January 2012 to the appropriate authority of Government of India for de-notification of its SEZ Project. The BoA vide its letter dated 27 March 2012 has conveyed its in-principle approval for de-notification of the Company's SEZ.

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, your Company is categorised as a 'systemically important non-deposit taking non-banking financial company' having total assets of ₹ 100 crore and above. The Company has not accepted public deposits during the year under review.

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 Limited as on 31 March 2012	Status
Bajaj Auto Limited	31.49%	Associate
Bajaj Finserv Limited	39.15%	Associate
Bajaj Auto Holdings Limited	100%	Subsidiary
Maharashtra Scooters Limited (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 BAL) 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 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 are 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.

Sad demise of Shri V S Raghavan, CEO

Shri V S Raghavan, CEO of the Company, who was suffering from a major ailment, passed away on 12 December 2011 at Pune.

Shri Raghavan was also the 'manager' of the Company in terms of provisions of the Companies Act, 1956 since 20 February 2008. He was associated with the Bajaj Group since 1984.

The Board hereby notes and takes on record the contribution made by Shri V S Raghavan during his association with the Group in various capacities.

Directors

During the year under review, the Board, at its meeting held on 27 March 2012, has, 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.

D J Balaji Rao and Naresh Chandra retire from the Board by rotation this year and being eligible, offer themselves for re-appointment.

Corporate Social Responsibility

During the year 2011-12, 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' 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 alongwith 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

Pursuant to Notification dated 28 February 2011 issued by the Ministry of Corporate Affairs, the format for disclosure of financial statement prescribed under Schedule VI to the Companies Act, 1956 has been substantially revised. The financial results of the Company for the year ended 31 March 2012 have, therefore, been disclosed as per the revised Schedule VI. Previous year's figures have also been restated to conform with the current year's presentation.

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 accounting standards and 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, statement of profit and loss 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 hence is not attaching the balance sheet, statement of profit and loss 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 and foreign exchange earnings and outgo 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.

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 2011-12 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, alongwith 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 2011-12. A declaration to this effect signed by the Chief Executive Officer (CEO) of the Company is contained in this annual report.

The CEO and Chief Financial Officer (CFO) have certified to the Board with regard to the financial statements and other matters as required 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.

Group

Pursuant to an intimation from the promoters, the names of the promoters and entities comprising "Group" as defined under the erstwhile Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969 are disclosed in the annual report in terms of Regulation 3(1)(e) of the erstwhile SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

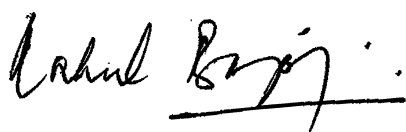
Auditors' report

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 and 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
17 May 2012

Annexure 1

Auditors' certificate regarding compliance of conditions of Corporate Governance

To the Members of
Bajaj Holdings & Investment Limited

We have examined the compliance of conditions of Corporate Governance by Bajaj Holdings & Investment Limited, for the year ended 31 March 2012, 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 explanations 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 and Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 17 May 2012

Annexure 2

Declaration by Chief Executive Officer (CEO)

I, Sanjiv Bajaj, Managing Director of Bajaj Holdings & Investment Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31 March 2012 compliance with the code of conduct of the Company laid down for them.

Sanjiv Bajaj
Managing Director
Pune: 17 May 2012

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 Limited, certify:

1. That we have reviewed the financial statements for the year ended 31 March 2012 and that to the best of our knowledge and belief;
 - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - these statements 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, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of 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
 - significant changes in internal control during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 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

Sanjiv Bajaj
Managing Director
Pune: 17 May 2012

Kevin D'sa
Chief Financial Officer

Management Discussion and Analysis

Bajaj Holdings & Investment Limited ('BHIL' or 'the Company'), after the demerger of erstwhile Bajaj Auto Limited in 2007-08, is essentially an investment company. The Company holds 31.49% in Bajaj Auto Limited and 39.15% in Bajaj Finserv Limited, the results of which are consolidated with BHIL.

FY 2012 has been a mixed year for the Company as its performance on standalone basis was affected by the depressed equity markets during the year. Performance of its associates has however generally been impressive in terms of revenue and profit.

- Standalone Income - ₹ 650.37 crore v/s ₹ 1,076.45 crore
- Standalone Profit for the year - ₹ 567.46 crore v/s ₹ 1,000.09 crore
- Consolidated Profit for the year - ₹ 1,679.17 crore v/s ₹ 2,322.76 crore

Standalone Results of Bajaj Holdings & Investment Limited

The performance of the Company is directly related to the performance of its investments. Income of the Company consists of interest on securities, dividend income and profit on sale of investments. During the year, total income was ₹ 650.37 crore as against ₹ 1,076.45 crore during the previous year.

Dividend income was ₹ 411.30 crore as against ₹ 225.01 crore during the previous year, mainly on account of increase in dividend by Bajaj Auto Limited.

During the year, profit on sale of investments for the year under review dropped from ₹ 706.52 crore to ₹ 85.72 crore. Due to slowdown in market and depressed equity market conditions, opportunities for booking profits on investments were limited during the year under review.

Standalone results of Bajaj Holdings & Investment Ltd. are given in Table 1:

Table 1: Financial performance of Bajaj Holdings & Investment Limited

	(₹ In Crore)	
	2012	2011
Interest	122.15	139.68
Dividend	411.30	225.01
Profit on sale of investments	85.72	706.52
Others	31.20	5.24
Total Income	650.37	1,076.45
Other expenses	7.56	7.33
Profit before tax	642.81	1,069.12
Tax expense	75.35	71.41
Add: Tax credits pertaining to earlier years	—	2.38
Profit for the year	567.46	1,000.09

The Company's assets broadly consist of equity investments and investments in liquid and secured instruments. The position of investments and its corresponding market values are given in Table 2.

Table 2: Position of investments held by the Company

			(₹ In Crore)	
	2012		2011	
	Cost	Market Value	Cost	Market Value
Bajaj Auto Limited	286.22	15,297.06	286.22	13,332.99
Bajaj Finserv Limited	375.60	3,464.10	346.13	2,934.86
Other group companies	236.24	545.75	223.91	592.60
Other equities (including application money)	1,516.78	2,140.56	1,211.57	2,350.80
Subtotal - Equity shares	2,414.84	21,447.47	2,067.83	19,211.25
Mutual funds - equity based	5.00	5.00	5.00	5.00
Preference shares	0.20	0.20	0.20	0.20
Government securities	—	—	73.22	73.78
Debentures and bonds	1,127.08	1,120.64	991.17	983.86
Fixed income group - others	945.57	945.57	1,436.05	1,436.05
Subtotal - Fixed Income Securities	2,077.85	2,071.41	2,505.64	2,498.89
Fixed deposits	250.00	250.00	170.00	170.00
Total	4,742.69	23,768.88	4,743.47	21,880.14

Bajaj Holdings & Investment Ltd. (BHIL) is a Systemically Important Non-Deposit taking NBFC. Within the ceilings provided under Non-Banking Financial (Non-Deposit Accepting or Holding) Company Prudential Norms (Reserve Bank) Directions, 2007, certain other conditions/sub-limits have also been laid down in the Investment Policy framed by the Board of Directors of the Company and the same are adhered to by the Company.

Subject to the above, the investment activity of the Company is guided by the principles of adequate security, safety and prudence and the Company would continue to endeavor to achieve good returns within this ambit. Broad parameters are set out for Asset Allocation, Benchmarking other operating guidelines.

The general strategy of Investment is to generate long-term capital appreciation and current income by creating a portfolio invested in equity and equity-related securities as well as in fixed Income securities of various maturities with a view to maximising income, while maintaining the optimum balance of yield, safety and liquidity.

While investing in equities, the Company focuses on those sectors of economy and industry that exhibit consistent and long-term profitable growth. The Company also invests in select private equity opportunities.

The Company has an investment committee appointed by the Board that meets regularly to review investment performance and decide all significant investments. The Company has also constituted 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)

The Board of Approval, Ministry of Commerce and Industry, had granted its formal approval to Bajaj Holdings & Investment Limited i.e. erstwhile Bajaj Auto Limited on 7 April 2006 for development, operation and maintenance of Engineering SEZ at Waluj, Aurangabad.

The Company had taken numerous steps from time to time over the last few years for development of SEZ. Given the market conditions and withdrawal of some tax incentives, the Company feels that its SEZ Project is not viable in the changed market scenario. The Company has, therefore, applied on 25 January 2012 to the appropriate authority of Government of India for de-notification of its SEZ Project. The Board of Approval vide its letter dated 27 March 2012 has conveyed its in-principle approval for de-notification of the Company's SEZ.

Consolidated results

Consolidated financial results include results of companies shown in Table 3.

Table 3: Consolidated entity – Bajaj Holdings & Investment Limited

Name of the Company	% shareholding and voting power of Bajaj Holdings & Investment Limited	Consolidated as
a. Bajaj Auto Limited	31.49%	Associate
b. Bajaj Finserv Limited	39.15%	Associate
c. Bajaj Auto Holdings Limited	100%	Subsidiary
d. Maharashtra Scooters Limited	24%	Joint venture

With the underlying group companies, especially Bajaj Auto Limited, delivering excellent results, the consolidated results of Bajaj Holdings & Investment Limited have also been outstanding. The consolidated financials of Bajaj Holdings & Investment Limited, including its subsidiaries, associates and joint ventures are given in Table 4:

Table 4: Summarised Consolidated Accounts of Bajaj Holdings & Investment Limited

	2012	2011
(₹ In Crore)		
Net sales and other income	301.03	900.41
Income from associates after tax	1,480.70	1,504.23
Profit before tax and after income from associates	1,755.63	2,392.50
Profit for the year	1,679.17	2,322.76

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 5: Summary of financial results

	2012	2011
(₹ In Crore)		
Operating income	7.69	3.14
Profit before tax	7.62	3.07
Profit after tax	6.51	2.21
Profit attributable to BHIL (100%)	6.51	2.21

Associates

Bajaj Auto Ltd. (BAL)

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

Table 6: Summary of consolidated financial results

	2012	2011
	(₹ In Crore)	
Total revenue	20,201.26	17,008.05
Profit before tax	4,068.14	4,461.08
Profit after tax	3,045.40	3,454.89
Profit attributable to BHIL	958.97	1,087.91

Bajaj Finserv Ltd. (BFS)

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

Table 7: Summary of consolidated financial results

	2012	2011
	(₹ In Crore)	
Operating and other income	3,904.78	2,444.57
Profit before tax	2,226.22	1,669.56
Profit after tax	1,337.77	1,114.84
Profit attributable to BHIL	521.73	416.32

Joint Venture

Maharashtra Scooters Ltd.

A joint sector company promoted by the Company with Western Maharashtra Development Corporation Limited (WMDC) continued to earn its income from its investments. Due to an exceptional item viz. expenditure on Voluntary Retirement Scheme of ₹ 58.39 crore during the year, the results were strictly not comparable with those of the previous year.

The summary of its financial results is given below:

Table 8: Summary of financial results

	2012	2011
	(₹ In Crore)	
Sales and other income	70.48	41.09
Profit before tax	(6.49)	21.13
Profit after tax	(6.49)	21.72
Profit attributable to BHIL	(1.55)	5.21

Cautionary Statement

Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be 'forward looking' within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

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 central to the working of the Group. Bajaj Holdings & Investment Limited ('the Company' or 'BHIL') maintains the same tradition and commitment.

Given below are the BHIL's corporate governance policies and practices for 2011-12. As will be seen, BHIL'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 non-independent and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

Composition

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.

As on 31 March 2012, the Board of BHIL consisted of ten directors, all of whom were non-executive. Five out of the ten non-executive directors were independent. The Board has no institutional nominee directors. As Table 1 below shows, the Company is in compliance with the guidelines.

The Board, at its meeting held on 27 March 2012, has, 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.

'Manager' under the Companies Act, 1956

The Company had 'manager' in terms of provisions of the Companies Act, 1956 during the year 2011-12 until 12 December 2011, when the 'manager', V S Raghavan unfortunately passed away due to a major illness.

Non-executive directors' compensation

The Board of Directors at its meeting held on 19 January 2011 had partially revised the directors' remuneration policy with effect from 1 April 2011 and accordingly, non-executive directors of the Company with effect from 1 April 2011 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. In terms of the said approvals, the Board has also approved the payment of ₹ 16,000,000 as commission to Sanjiv Bajaj for the year 2011-12 in consideration of the additional services rendered by him during the year 2011-12.

The Company currently does not have a stock option programme.

Board procedures

During 2011-12, the Board of Directors met five times: on 18 May 2011, 14 July 2011, 20 October 2011, 19 January 2012 and 27 March 2012. The gap between any two meetings has been less than four months. The Board meeting held on 27 March 2012 was done with video conferencing facility in terms of the circular issued by Ministry of Corporate Affairs.

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for 2011-12

Name of director	Category	Meetings attended	Whether attended last AGM on 14 July 2011
Rahul Bajaj	Chairman, non-executive	5/5	Yes
Madhur Bajaj	Non-executive	5/5	Yes
Rajiv Bajaj	Non-executive	5/5	Yes
Sanjiv Bajaj [#]	Non-executive	5/5	Yes
D J Balaji Rao	Non-executive, independent	5/5	Yes
S H Khan	Non-executive, independent	5/5	Yes
Nanoo Pamnani	Non-executive, independent	5/5	Yes
Manish Kejriwal	Non-executive	5/5	Yes
Naresh Chandra	Non-executive, independent	5/5	Yes
P Murari	Non-executive, independent	4/5	Yes

[#] Appointed as Managing Director with effect from 1 April 2012

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.

As approved by the Board of Directors at its meeting held on 13 January 2010 pursuant to the requirements under the NBFC regulations, the following information is also being placed before the Board at regular intervals:

- I. Progress 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 membership of Board committees

Table 2 gives the number of directorships and committee positions held by the directors of BHIL.

Table 2: Number of directorships/committee positions of directors as on 31 March 2012

Name of director	In listed companies	In unlisted public limited companies	Committee positions	
			As chairman	As member
Rahul Bajaj	4	2	0	0
Madhur Bajaj	6	0	0	0
Rajiv Bajaj	4	1	0	1
Sanjiv Bajaj	6	4	1	5
D J Balaji Rao	10	0	4	6
S H Khan	5	3	5	5
Nanoo Pamnani	4	0	5	2
Manish Kejriwal	2	0	0	2
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 held 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 2011-12. 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 Limited, 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, and 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 2012:

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 2011-12, the audit committee met four times: 18 May 2011, 14 July 2011, 20 October 2011 and 19 January 2012. 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 2011-12

Name of director	Category	Meetings attended
1. Nanoo Pamnani	Chairman (Non-executive and independent)	4/4
2. S H Khan	Non-executive and independent	4/4
3. Manish Kejriwal	Non-executive	4/4
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 BHIL. A statement of the significant transactions and arrangements entered into by this subsidiary company was also placed periodically before the Board of BHIL.

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.

At its meeting of 16 July 2005, 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 risk through a properly defined framework.

The Company has received a certificate of registration dated 29 October 2009 to carry on the business of a systemically important non-banking financial institution (non-deposit taking) under registration number N-13.01952.

There were no public issues, right issues, preferential issues etc. during the year.

Remuneration and Nomination Committee

BHIL, as erstwhile Bajaj Auto Limited, 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 has 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 restyled as 'Remuneration and Nomination Committee'.

Further, the Board of Directors 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 2012:

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

During the year, the committee met on 27 March 2012. The committee recommended appointment of 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 recommended his remuneration.

The committee also noted that D J Balaji Rao and Naresh Chandra 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 this committee attended this meeting. S H Khan attended the meeting by way of video conferencing.

Remuneration of directors

Pecuniary relationship or transactions of non-executive directors

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

The register of contracts maintained by the Company under Section 301 of the Companies Act, 1956, contains record of the transactions entered into with the above companies. 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 judgement. 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 has been put on the Company's website www.bhil.in.

Non-executive directors

The Board of Directors at its meeting held on 19 January 2011 had partially revised the directors' remuneration policy with effect from 1 April 2011 and accordingly, non-executive directors of the Company with effect from 1 April 2011 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. In terms of the said approvals, the Board has also approved the payment of ₹ 16,000,000 as commission to Sanjiv Bajaj for the year 2011-12 in consideration of the additional services rendered by him during the year 2011-12.

BHIL has no stock option plans and hence it does not form a part of the remuneration package payable to any non-executive director. In 2011-12, the Company did not advance any loans to any of the non-executive directors. Table 4 gives details of the remuneration paid or payable to directors during 2011-12.

Table 4: Remuneration paid/payable to Directors during 2011-12

(Amount In ₹)

Name of Director	Relationship with other directors	Sitting fees	Salary and perquisites	Commission	Total
Rahul Bajaj	Father of Rajiv Bajaj, Sanjiv Bajaj, father-in-law of Manish Kejriwal	120,000	–	300,000	420,000
Madhur Bajaj	–	100,000	–	250,000	350,000
Rajiv Bajaj	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	100,000	–	250,000	350,000
Sanjiv Bajaj ¹	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	100,000	–	16,250,000	16,350,000
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	200,000	–	500,000	700,000
Naresh Chandra	–	200,000	–	500,000	700,000
P Murari	–	80,000	–	200,000	280,000

¹ Appointed as Managing Director with effect from 1 April 2012.

Notes: 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.

Shares held by non-executive directors

The non-executive directors as on 31 March 2012, who held shares in BHIL, are as under:

Table 5: Shares held by non-executive directors

Name of director	Number of shares held as on 31 March 2012
Rahul Bajaj	4,475,352
Madhur Bajaj	1,863,616
Rajiv Bajaj	1,323,050
Sanjiv Bajaj [#]	1,362,724
Manish Kejriwal	100

[#]appointed as Managing Director w.e.f. 1 April 2012

Management

Management discussion and analysis

This is given as a separate chapter in the annual report.

Disclosure of material transactions

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 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 retiring directors. Of these, one third are required to retire every year and, if eligible, may seek re-appointment by the shareholders. 7 of the 10 directors of BHIL as on 31 March 2012 were directors, liable to retire by rotation. This year, the retiring directors are D J Balaji Rao and Naresh Chandra who being eligible, have offered their candidature for re-appointment. Their candidature 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.

Profiles of D J Balaji Rao and Naresh Chandra have been given in the notice convening the sixty seventh annual general meeting of the Company.

During the year under review, as stated in the earlier paragraph, the Board, at its meeting held on 27 March 2012, has, 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.

Communication to shareholders

Quarterly, half-yearly and annual financial results are published in numerous leading dailies, such as Financial Express, Business Standard, The Economic Times, The Times of India and Kesari alongwith the official press release. The Company also sends the half-yearly financial results, alongwith a detailed write-up, to each household of shareholders.

BHIL 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 queries (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. Shareholders desiring to receive the said documents in physical form will continue to get the same in physical form.

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

The last three 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:

64th AGM	16 July 2009	at 4.00 p.m.
65th AGM	22 July 2010	at 4.00 p.m.
66th AGM	14 July 2011	at 4.00 p.m.

Details of special resolution(s) passed at general meetings during the last three years' Annual General Meetings (AGM)

At the 66th AGM held on 14 July 2011, one special resolution was passed regarding payment of commission to non-executive directors, which will be valid upto 31 March 2016.

At the 65th AGM held on 22 July 2010, no special resolutions were passed.

At the 64th AGM held on 16 July 2009, one special resolution was passed pertaining to issue of warrants/shares to promoters on a preferential basis.

Extraordinary General Meetings (EGM) and Postal Ballot

No extra-ordinary general meetings were held during the last three years.

So far, the Company has not adopted postal ballot for passing any resolution at the general meetings, because there has been no occasion for doing so.

Material disclosure of related party transactions

Material transactions, if any, entered into with related parties have been disclosed elsewhere in this annual report. None of these have had any potential conflict with the interests of the Company.

Details of capital market non-compliance, if any

There has been 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, except in the following case:

During the year 2009-10, SEBI passed an order against the Company levying a penalty of ₹ 50,000 for violation under Regulation 7(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Regulation 13(3) of SEBI (Prohibition of Insider Trading) Regulations, 1992. Brief facts of the case are as under;

As a part of treasury operations, the Company (erstwhile BAL) had invested ₹ 10 crore in 13% preference shares of Sushmita Holdings Limited (SHL) in 1999. As a security, the Company had obtained guarantees backed up by pledge of shares of 'NOCIL'. When the preference shares fell due for redemption and dividend thereon became due, SHL defaulted. In order to recover the investments in SHL, the pledge of NOCIL shares was invoked on 30 August 2004 and the Company sold the shares to realise its investment dues.

Since the pledged shares, which were sold were in excess of 5%, there was a violation by way of non-disclosure. After exchange of communications and hearings before SEBI, SEBI passed an Order dated 30 September 2009, levying a penalty of ₹ 50,000.

SEBI, however, held in categorical terms that there were no mala fides on the part of the Company and the Company did not have any other interest, other than recovery of its overdue investment.

Shareholders' and investors' grievance committee

The Board of Directors of BHIL, as erstwhile Bajaj Auto Limited, constituted its shareholders' and investors' grievance committee in 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 etc. In addition, the committee also looks into matters that can facilitate better investor services and relations.

The committee consisted of the three non-executive independent directors and one non-independent non-executive director as on 31 March 2012, 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 27 March 2012 to review the status of investors' services rendered. All members, except P Murari were present at the meeting. S H Khan and Manish Kejriwal attended the meeting by way of video conferencing from Mumbai. The secretarial auditor as well as the company secretary (who is also the compliance officer) were also present. The committee expressed its whole-hearted satisfaction on the overall status of compliances and actions taken on various matters.

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 2011-12.

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 alongwith 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 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 annual 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 2011-12.

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. The policy has been appropriately communicated to the employees within the organisation.

General Shareholder Information

Annual General Meeting

Date:	18 July 2012
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 BHIL has proposed a dividend of ₹ 25 per equity share (250 per cent) for the financial year 2011-12, subject to approval by the shareholders at the annual general meeting. Dividend paid in the previous year was ₹ 35 per equity share (350 per cent).

Dates of book closure

The register of members and share transfer books of the Company will remain closed from Saturday, 7 July 2012 to Wednesday, 18 July 2012, 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 2012 and 25 July 2012:

- to all those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end-of-the-day on Friday, 6 July 2012; and
- 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 closing hours on Friday, 6 July 2012.

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 share transfer agent or registered office of the Company.

Unclaimed dividend

Unclaimed dividends upto 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 2003-04 were transferred by the Company to the said fund in the years 2003 to 2011. No claims shall lie against the fund or the Company in respect of amounts so transferred.

Unpaid/unclaimed dividend for 2004-05 shall become transferable to the fund in September 2012. Shareholders are requested to verify their records and send claims, if any, for 2004-05, before the amount becomes due for transfer to the fund.

Share transfer agent

The Company appointed Karvy Computershare Pvt. Ltd. as its share transfer agent and accordingly, processing of share transfer/dematerialisation/rematerialization 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 2011-12 was 64,970 shares versus 167,667 shares during 2010-11.

Dematerialisation of shares

During 2011-12, 5,553,582 shares were dematerialised, compared to 5,194,621 shares during 2010-11. Distribution of shares as on 31 March 2012 and 2011 is given in Table 1.

Table 1: Shares held in physical and electronic mode

	Position as on 31 March 2012		Position as on 31 March 2011		Net change during 2011-12	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	10,989,671	9.87	16,543,200	14.86	(5,553,529)	(4.99)
Demat:						
NSDL	97,827,411	87.90	90,847,939	81.63	6,979,472	6.27
CDSL	2,476,428	2.23	3,902,371	3.51	(1,425,943)	(1.28)
Sub Total	100,303,839	90.13	94,750,310	85.14	5,553,529	4.99
Total	111,293,510	100.00	111,293,510	100.00		

Global depository receipts (GDRs)

BHIL 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 2012, 299,728 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. NSE, Mumbai	BAJAJHLDNG
3. Reuters	BJAT.BO
4. Bloomberg	BJA.IN
5. ISIN for Depositories (NSDL and CDSL)	INE118A01012

Listing on stock exchanges

Shares of BHIL 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 2011-12, the listing fees payable to these stock exchanges have been paid in full.

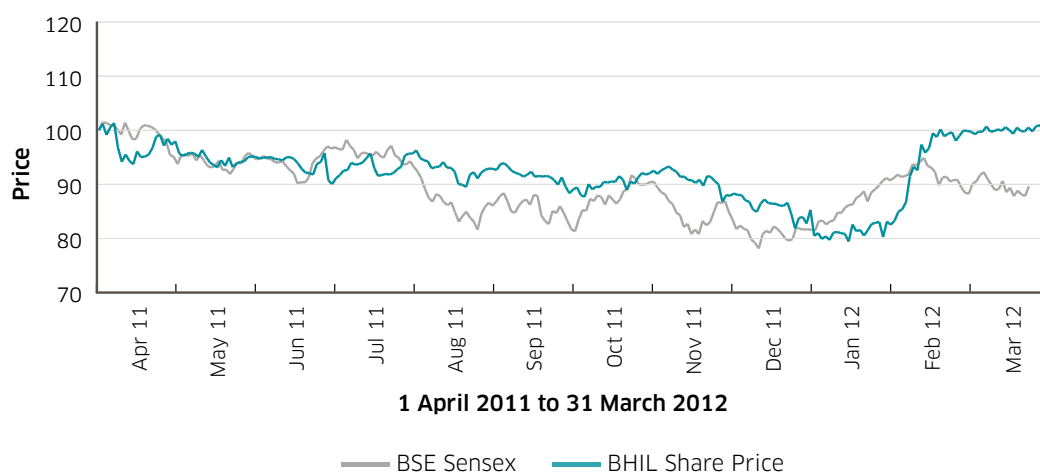
Market price data

Table 2 gives the monthly highs and lows of BHIL'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 Limited during 2011-12 (₹) vis-à-vis BSE Sensex

Month	BSE		NSE		LONDON SE (GDRs)		Closing BSE Sensex
	High	Low	High	Low	High	Low	
Apr 11	824.90	747.60	828.00	750.60	824.87	784.54	19,135.96
May 11	819.40	740.55	805.00	737.30	799.59	765.98	18,503.28
Jun 11	781.00	722.00	781.00	721.00	798.97	735.05	18,845.87
Jul 11	785.00	728.10	785.25	726.00	760.60	749.45	18,197.20
Aug 11	785.00	708.10	785.05	705.05	748.85	728.18	16,676.75
Sep 11	765.00	710.00	780.10	679.45	763.61	723.56	16,453.76
Oct 11	751.00	695.85	752.50	700.15	776.26	726.98	17,705.01
Nov 11	762.00	689.00	762.00	687.10	769.27	715.46	16,123.46
Dec 11	728.00	655.00	729.70	651.00	743.89	676.50	15,454.92
Jan 12	693.00	625.00	693.95	628.05	690.56	656.95	17,193.55
Feb 12	830.00	664.00	829.70	662.00	826.52	649.37	17,752.68
Mar 12	831.00	780.05	845.00	669.00	847.98	788.41	17,404.20

Bajaj Holdings & Investment Limited vs BSE Sensex, indexed to 100 on 1 April 2011



Distribution of shareholdings

Table 3 gives details about the pattern of shareholdings among various categories as on 31 March 2012, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholdings across categories

Categories	31 March 2012		31 March 2011	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	44,705,540	40.17	42,415,855	38.11
Friends and associates of promoters	15,640,049	14.05	15,193,682	13.65
GDRs*	299,728	0.27	313,713	0.28
Foreign Institutional Investors	11,231,303	10.09	12,758,594	11.46
Public Financial Institutions	8,423,078	7.57	8,411,842	7.56
Mutual Funds	4,065,772	3.65	3,267,819	2.94
Nationalised and other banks	181,797	0.16	246,546	0.22
NRIs and OCBs	808,361	0.73	862,205	0.77
Others	25,937,882	23.31	27,823,254	25.01
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 2012

Number of equity shares	No. of shareholders	% to total shareholders	No. of shares	% to total shares
1 TO 500	57,183	92.58	3,153,815	2.84
501 TO 1000	1,653	2.68	1,219,162	1.10
1001 TO 2000	1,081	1.75	1,546,885	1.39
2001 TO 3000	498	0.81	1,248,533	1.12
3001 TO 4000	238	0.38	834,065	0.75
4001 TO 5000	179	0.29	817,563	0.73
5001 TO 10000	394	0.64	2,762,622	2.48
10001 AND ABOVE	539	0.87	99,710,865	89.59
Total	61,765	100.00	111,293,510	100.00

Shareholders' and investors' grievances

The Board of Directors of BHIL currently has a shareholders'/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 listing agreement with the Stock Exchanges, (as amended by SEBI vide circular dated 16 December 2010 – Clause 5A), the Company was required to send 3 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 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 year, Company has 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. Since such a transfer was made in April 2012, the question of giving any disclosure under Clause 5A of the Listing Agreement for the year 2011-12 does not arise. The disclosure will be made regarding this account from the year 2012-13

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 is routinely sent by the Company upon such request and is also available on the Company's website. 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 registered office of the Company at the following address:

Karvy Computershare Pvt. Ltd.

Plot No.17 to 24,
Vittalrao Nagar,
Madhapur,
Hyderabad 500 081

Contact persons:

Mr M S Madhusudhan
Mr Mohd.Mohsinuddin
Tel No. (040) 44655152
Mobile: +91 91774 01094
e-mail : mohsin@karvy.com
Website: www.karvy.com

Bajaj Holdings & Investment Limited

Mumbai-Pune Road
Akurdi, Pune 411 035.
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 the Bajaj Group are guided by the vision and philosophy of its Founding Father, Shri Jamnalal Bajaj, who embodied the value of trusteeship in business and laid the foundation for its ethical and value-based 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 and civil society, wherever deemed necessary.

Some of the major initiatives taken up during the year under review are summarised below:

A. Through group trusts

1. Jamnalal Bajaj Foundation (JBF-Foundation)

In 1976, the Jamnalal Bajaj Foundation was established to promote Gandhian constructive programmes and assist constructive workers devoted 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 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 donations to various Institutions/NGOs from time to time to strengthen their various community welfare activities and charitable objectives of welfare of general public utility based on Gandhian philosophy and ideals. Special mention must be made of the Foundation's project to provide financial assistance to widows of farmers who had committed suicide in the Vidarbha region of Maharashtra.

2. Janakidevi Bajaj Gram Vikas Sanstha (JBGVS)

Rural and community development activities and empowerment of women

The group continued with its rural development activities through JBGVS in Pune, Aurangabad and Wardha districts of Maharashtra, and Sikar district of Rajasthan. JBGVS aims at integrated development of 75 villages, to be carried out by the villagers themselves, and under their own leadership by forging partnerships with the Government, local institutions and NGOs. This year, JBGVS has started working in 90 villages of Wardha district in association with local NGOs on specific need based projects such as natural farming, sanitation, etc.

During the year, JBGVS implemented several programmes to strengthen primary education and primary health care, improve socio-economic conditions, and develop the environment. Out of a total of 39,000 beneficiaries through our programmes, about 75% were from economically weaker sections. Of these, 16,400 beneficiaries belong to socially backward sections (5,900 Scheduled Caste and 10,500 Scheduled Tribe), 2,600 to Nomadic Tribe and 5,560 to Other Backward Classes. The focus of all the initiatives has been to provide support to economically weak and socially neglected communities, i.e., Scheduled Caste, Scheduled Tribes, and families below the poverty line.

Primary education

Primary education has been the major area of intervention in the villages. Support has been provided for infrastructure development in primary schools and anganwadis (pre-primary schools). School rooms have been repaired and furniture and equipment have been provided to both primary and pre-primary schools. Special efforts were taken to check malnutrition by conducting awareness and training programmes for mothers on the importance of breast feeding, nutritious food using local materials, special check up camps, supporting VCDs, etc. Non-formal educational programmes for children in primary schools were organised by involving secondary school students from the villages. These programmes are aimed at generating interest in education among children. Through various short 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

JBGVS attaches a lot of importance to its community health initiatives and follows the philosophy 'Prevention is better than cure'. Programmes such as Mother and Child Health (MCH), health check up camps, mobile clinic service, hygiene and sanitation programs, etc. were organised with the help of trained village level health workers. In the JBGVS villages of Aurangabad, six health check up camps were organised for BPL families only, in association with Kamalnayan Bajaj Hospital, Aurangabad; 305 patients were examined in these camps. The idea was to screen and detect complicated cases and provide free treatment at Kamalnayan Bajaj Hospital; 32 patients have been provided this benefit under these programmes. During the year, 30 HIV/AIDS awareness programmes were organised, in which 1,250 women participated.

Economic development

Agriculture is the main occupation in the villages where JBGVS works. Programmes like soil testing, demonstration plots for improved variety seeds and fertilizers, 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, such as dairy, poultry, goatery, two wheeler repairing, fashion designing, etc. were organised. A few such programmes were organised exclusively for 34 SC/ST youths. Of the 34 youths participating in the two wheeler repairing course, 12 were sent to Om Sai Service Station, Pune for onsite training. In Wardha, JBGVS has been working in partnership with Magan Sangrahalaya Samiti to promote natural farming. This will help reduce the cost of inputs in agriculture. During the year, 750 farmers registered to start natural farming.

In Kasi ka bas village of Sikar district, a revolving fund of ₹ 105,000 has been created with support from JBGVS. During the year, 90 women have taken loans of ₹ 9 lakh for various income generation activities, like goatery, grocery shops, tea stalls, trading of incense sticks (agarbatti), etc. The focus of all economic development programmes has been to generate gainful self employment amongst youth and women at the grass-root level.

Environmental development

Under this programme, soil and water conservation, plantation, and horticulture based livelihood development amongst tribal families have been implemented. The Central Government supported DPAP (Drought Prone Area Programme) which was started in

2003-04 came to an end on 31 March 2012. During the year, various treatments like continuous contour trenches, farm bunds, cement nala bunds, Vanaraibandhara, etc. were carried out on 2,525 hectares of land to increase productivity. Under the Aamrai project, supported jointly by National Bank for Agriculture and Rural Development (NABARD) and JBGVS, 448 tribal families were benefitted.

A total of 393.5 acres of waste land was brought under horticulture plantation. In Bhojankheda village, Wardha, water conservation work was carried out in a nala, which resulted in higher storage capacity (around 6TCM) and increased water level up to 5 ft. in five wells downstream. This will help solve the drinking water problem in the village and irrigate about 60-70 acres of land.

Social development

Local leadership plays a very important role in the development of villages. During the year, JBGVS organised various types of leadership development programmes for local youth, women, and adolescent girls and boys. Under the youth programme, support was provided for sports competitions and sports equipment. Support was also provided to promote local culture and celebrate various festivals. Women Self Help Groups (SHG) were formed and motivated to take up village development activities in addition to their regular saving and credit programmes. During the year, 15 new SHGs consisting of 160 women were formed.

Urban development

Samaj Seva Kendra (SSK) is the urban development wing of JBGVS. It has a total membership of 1,050 families. SSK provides facilities for social, educational, cultural and economic development to the residents of Akurdi, Nigadi and adjoining areas. During the year, various types of programmes were carried out, such as pre-primary classes, balbhavan, literacy, tailoring, yoga, karate, tabla and harmonium, classical and western dance, senior citizen programmes, etc. The summer camp for school children got a very good response, with 374 children attending in two batches. A library was also started with initial stock of 550 books on subjects ranging from fiction and autobiographies to tailoring, nutrition, health care, etc. In future, the library will be developed as a resource centre, catering to the needs of school children, youth, women and senior citizens. A few vocational training programmes like beauty parlour, basic tailoring, fashion designing, and mobile handset repairing were also conducted. About 100 youth, mostly women, benefitted from these programmes.

3. Group trusts for colleges

Shiksha Mandal

Founded in 1914 by Late Shri Jamnalal Bajaj, Shiksha Mandal, Wardha runs seven colleges in Wardha/Nagpur, with around 10,000 students. These include colleges for commerce, science, agriculture, engineering (polytechnic), and rural services. Shiksha Mandal's mission is to provide high quality education at an affordable cost. It was set up to develop human resources for national development and it strives to fulfil its mandate.

All the colleges are in the throes of development, both academic and infrastructural. Ramkrishna Bajaj College of Agriculture was recently rated as 'A' by its affiliating University. ASTN Engineering Polytechnic has invested ₹ 1.6 crore to double its space and upgrade its laboratories. JB College has a new Biotechnology and Microbiology Lab, and a Girls' Hostel. Ten Shiksha Mandal faculty members received project grants in the year 2011-12, as against three last year. Almost 30% of the faculty in the colleges are Ph.Ds. During 2011-12, they produced over 68 papers in journals and 15 books.

The topper in the XII Commerce Board Exam from Vidarbha was from its GS College, Nagpur, as was the topper in Nagpur University's MBA course.

Guidance for appearing in the Common Proficiency Test of the Institute of Chartered Accountants of India was started at GS College, Wardha and a 50% result was achieved in it, compared to 20% nationally and 2% in Wardha. Similar results were achieved at GS College, Nagpur. A vegetable vendor's daughter and an autorickshaw driver's daughters were amongst the qualifiers. Meritorious students from low income families are given full remission of fees.

In 2011-12, three of its students won medals at the national level in power lifting. Over 40 students represented the University and 30 students represented Maharashtra in various sporting events.

Shiksha Mandal has a very strong National Service Scheme (NSS) culture, and camps are held in villages. Students built a house for a destitute woman during one such camp this year.

Eminent alumni of Shiksha Mandal include Nitin Gadkari, Harish Salve, Justice Ravi Deshpande, Udayan Sen (CEO Deloitte India), Ramesh Chandak (MD KEC International), and Jaydeep Shah (President ICAI).

A new Bajaj Institute of Technology is being planned at Wardha. It is expected to cost ₹ 50 crore, which is being funded by Bajaj Trusts. A retired General Manager from Bajaj Auto has been given responsibility for its development. The Institute is expected to set new standards in developing industry-ready students. Bajaj Group Trusts have donated ₹ 13.5 crore to Shiksha Mandal in the last four years. Refer web link www.shikshamandal.org

Bajaj Science Centre

Functioning for the last five years, Bajaj Science Centre (BSC) nurtures a culture amongst school children of learning science through experiments. Its value is now clearly understood. For its 230 vacancies this year, 1,160 students gave the entrance test compared to 835 students last year. BSC had 486 students participating in its programs during 2011-12; some of them won prestigious scholarships/awards.

Dr. Anil Kakodkar, Ex-Chairman, Atomic Energy Commission and Chairman, Rajeev Gandhi Science and Technology Commission, visited BSC to understand its functioning and explore the possibility of establishing similar institutions at the district level in Maharashtra.

A new four-day training programme for science teachers, aimed at improving the teaching of science in schools, was started; 20 teachers from various schools, mostly outside Wardha, participated in it. Bajaj Trusts spent ₹ 20 lakh on BSC during 2011-12.

Institute of Gandhian Studies (Gandhi Vichar Parishad)

During the year 2011-12, Institute of Gandhian Studies (Gandhi Vichar Parishad), Wardha organised (a) Post Graduate Diploma Course in Gandhian Thought 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 regional and national level (d) International Non-violence Day and Related Programmes (e) Ravindra Varma Memorial Lecture on Gandhi and Contemporary Non-Violent Action (f) Inauguration of Silver Jubilee Year (g) Inter Religious Study Course on the Concept of Love in Religions and its Practical Applications (h) Special training programme for Gandhi International, France (i) Publications, and other programmes.

4. Marathwada Medical and Research Institute (MMRI)

The Bajaj Group gives substantial financial support to this institution, which runs the Kamalnayan Bajaj Hospital, and Kamalnayan Bajaj Nursing College (KBNC) for B.Sc. Nursing degree course.

Kamalnayan Bajaj Hospital

MMRI has established Kamalnayan Bajaj Hospital at Aurangabad in the 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, with advanced facilities and equipment; a major part of the expansion has been for general category patients. Annually, the hospital has been providing relief for close to 55,000 patients on OPD basis, and

close to 7,000 patients admitted to the hospital for various treatments. It also has an intensive care unit and cardiac care unit, with a capacity of 22 beds, and an occupancy rate of more than 95%.

The Hospital also runs a programme to provide relief through free/subsidised treatment to Below Poverty Line (BPL) and Economically Weaker Section (EWS) persons. With the help of an NGO, the Hospital has conducted camps in 309 villages in Aurangabad district, where more than 18,700 patients have been checked and given treatment and free medicines; of these, 5,538 patients needing further treatment were treated totally free as in-patients at the hospital at a cost of ₹ 1.67 crore.

Kamalnayan Bajaj Nursing College (KBNC)

Kamalnayan Bajaj Nursing College (KBNC) was established in 2010 by MMRI Trust, which is managed by the Bajaj Group as part of its Corporate Social Responsibility initiatives.

KBNC offers a basic B.Sc Nursing four-year degree programme with an annual intake of 50 students. It is affiliated to Maharashtra University of Health Sciences, Nashik.

KBNC has invested over ₹ 10 crore in excellent infrastructure facilities of international standard, including state-of-the-art laboratories, a library with computer lab allowing free Internet access, and hostels for boys and girls.

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

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

5. Fuji Guruji Memorial Trust

Fuji Guruji Memorial Trust has established Baudha Mandir, Vishwa Shanti Stupa at Wardha to promote the thoughts and teachings of Lord Buddha, Mahatma Gandhi, and other such preachers, in a bid 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 of poor children below the age of six years from small villages in 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, on the suggestion of Acharya Vinoba Bhave, the Trust purchased about 400 acres of land on the outskirts of Bangalore to establish the International Sarvodaya Centre – Vishwaneedam for the promotion of agriculture, dairy development, rural development, and training in self employment for local women and youth.

The Trust has also been promoting arts and culture through Kamalnayan Bajaj Hall and Art Gallery. Exhibitions, handicrafts displays, corporate meetings, conferences and seminars are held at the Kamalnayan Bajaj Hall. The art gallery is used to display the artistic works of painters and sculptors. It also provides budding artists an opportunity to showcase their talent.

The Trust has continued to run seven balwadis, i.e., Bal Sanskar Kendras in rural areas for poor children below six years of age.

The 'Hamaara Sapna' project initiated by the Trust endeavours to uplift the slum residents of South Mumbai. The project involves imparting skill training alongwith overall knowledge and hands-on experience to foster a better tomorrow.

B. Through group companies

1. Bajaj Auto Limited (BAL)

Code of conduct and affirmative action

BAL believes that its success is interlinked with the well-being of all sections of society and equal opportunity for all sections. It continues to ensure no discrimination of any type to socially disadvantaged sections in the work place.

In the year under review, BAL recruited 2,066 new employees, of which 284 (13.75%) belong to weaker sections, in line with the affirmative action. At the end of the previous year, this percentage was 7.63%.

Support to weaker sections for IIT JEE entrance

One economically weaker, underprivileged student belonging to the SC/ST category has been given financial assistance to undertake coaching for the Joint Entrance Examination to enable him to qualify for admission to India's premier engineering education centre - Indian Institute of Technology.

Education

Under the Public Private Partnership programme (PPP), BAL has undertaken to upgrade two Industrial Training Institutes (ITI) in Pune, one in Pantnagar, and one in Aurangabad.

BAL took action to ensure better quality of output from the institutes and also followed up with concerned agencies for approval of the Institute Development Plan. In ITI Mulshi, BAL donated used machinery for better training and job orientation, which has been installed and commissioned. Under the PPP, 56 additional students were admitted to ITI Mulshi during this year. Revenue generation has also started at ITI Mulshi during this year, helping in the repayment of loans taken from Government.

At Ramnagar, near Pantnagar, the new structure is ready and additional students are expected to be admitted in 2012.

CII had initiated a programme to enhance the employability of diploma engineers through life skill inputs from industry in partnership with Government Polytechnic, Pune. BAL has supported this initiative by conducting three sessions on 'team work' for final year students of Government Polytechnic, Pune during 2011-12.

Health

Government of India - Ministry of Health and Family Welfare - National AIDS Control Organisation (NACO) and CII have initiated Public Private Partnership (PPP) to provide better healthcare to AIDS patients. From August 2008, the Bajaj YCM ART Centre at YCM Hospital has registered 6,653 patients with 4,863 cases for Anti Retroviral Therapy (ART). This Centre, the largest such run by industry, continues to be a benchmark for others.

In view of the increased patient flow, additional man power has been added to handle increased ART patients. In appreciation of the ART Centre's quality of service, four Link ART Centres have been attached to us; they are located at Mawal, Manchar, Khed, and Junnar.

Others

BAL's Akurdi plant employees organised a blood donation camp for Deenanath Mangeshkar Hospital in which 181 employees donated blood.

BAL's fire tenders attended to non Bajaj distress/fire calls 19 times during the year.

2. Bajaj Allianz Insurance Companies

This year, Bajaj Allianz Life Insurance Company Limited (BALIC) won the stiffly competed 'Best utilisation of IT to transform business - Large Enterprise' award at the Bloomberg UTV CXO Awards 2011. For the second consecutive year, BALIC was awarded the SKOCH Financial Inclusion Award 2012 for contribution towards financial inclusion through life insurance. The SKOCH Financial Inclusion award recognised BALIC's micro-insurance product, Sarv Shakti Suraksha (SSS), which is an affordable life insurance product with a systematic savings option catering to rural markets.

BALIC was also awarded Certificates of Merit in recognition of its micro-insurance initiatives in the following areas:

- A robust and simplified micro insurance renewal collection mechanism
- Tools of financial insurance literacy for rural customers
- Micro-insurance claims handling and settlement

The Allianz global format Junior Football Camp in India with a school contact programme was conducted for the second year across 40 cities. Over 25,000 students participated, of which four were finally selected to attend an exclusive football training camp at FC Bayern Club in Munich.

General

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

Refer web links

<http://www.bajajauto.com/csr.asp>

<http://www.bajajelectricals.com/beyond-profits.aspx>

<http://www.jamnalalbajajfoundation.org/>

<http://narishakti.org/>

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

Constituents of 'Group' as defined in erstwhile MRTTP Act, 1969 for the purposes of erstwhile SEBI (SAST) Regulations, 1997

Persons constituting group within the definition of "group" as defined in the erstwhile Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e) of the erstwhile Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

Sr No	Name of the Person/Entity	Sr No	Name of the Person/Entity
1	Anant Bajaj	39	Bajaj Finance Ltd.
2	Deepa Bajaj	40	Bajaj Financial Securities Ltd.
3	Geetika Bajaj	41	Bajaj Financial Solutions Ltd.
4	Kiran Bajaj	42	Bajaj Finserv Ltd.
5	Kriti Bajaj	43	Bajaj Holdings & Investment Ltd.
6	Kumud Bajaj	44	Bajaj International Pvt. Ltd.
7	Madhur Bajaj	45	Bajaj Sevashram Pvt. Ltd.
8	Minal Bajaj	46	Baroda Industries Pvt. Ltd.
9	Nimisha Bajaj	47	Hercules Hoists Ltd.
10	Niraj Bajaj	48	Hind Musafir Agency Ltd.
11	Niravnayan Bajaj	49	Jamnallal Sons Pvt. Ltd.
12	Pooja Bajaj	50	Kamalnayan Investment & Trading Pvt. Ltd.
13	Rahul Kumar Bajaj	51	Madhur Securities Pvt. Ltd.
14	Rajivnayan Bajaj	52	Mukand Engineers Ltd.
15	Rishab Bajaj	53	Mukand Ltd.
16	Ruparani Bajaj	54	Niraj Holdings Pvt. Ltd.
17	Sanjali Bajaj	55	Rahul Securities Pvt. Ltd.
18	Sanjivnayan Bajaj	56	Sanraj Nayan Investments Pvt. Ltd.
19	Shefali Bajaj	57	Shekhar Holdings Pvt. Ltd.
20	Shekhar Bajaj	58	Rupa Equities Pvt. Ltd.
21	Siddhant Bajaj	59	The Hindustan Housing Co. Ltd.
22	Suman Jain	60	Anant Trading Company
23	Sunaina Kejriwal	61	Bachhraj Trading Company
24	Manish Kejriwal	62	Bajaj Trading Company
25	Aryaman Kejriwal	63	Rishabh Trading Company
26	Nirvaan Kejriwal	64	Anant Trust
27	Neelima Bajaj Swamy	65	Aryaman Trust
28	Aditya Swamy	66	Deepa Trust
29	Bachhraj and Company Pvt. Ltd.	67	Geetika Trust
30	Bachhraj Factories Pvt. Ltd.	68	Kriti Trust
31	Bajaj Allianz Financial Distributors Ltd.	69	Minal Trust
32	Bajaj Allianz General Insurance Company Ltd.	70	Neelima Trust
33	Bajaj Allianz Life Insurance Company Ltd.	71	Nimisha Trust
34	Bajaj Auto Employees' Welfare Funds	72	Niravnayan Trust
35	Bajaj Auto Holdings Ltd.	73	Nirvaan Trust
36	Bajaj Auto Ltd.	74	Rishabnayan Trust
37	Bajaj Electricals Ltd. Employees Welfare Funds	75	Sanjali Trust
38	Bajaj Electricals Ltd.	76	Siddhant Trust

Note: Shareholdings of HUFs, are held in the names of the respective individuals in the capacity of Karta. Hence HUFs, are not separately listed hereinabove.



Standalone Financial Statements

Report of the Auditors to the Members

1. We have audited the attached Balance Sheet of Bajaj Holdings & Investment Limited (the "Company") as at 31 March 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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;
 - (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 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31 March 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 17 May 2012

Annexure to the Auditors' Report

Referred to in paragraph [3] of the Auditors' Report of even date to the members of Bajaj Holdings & Investment Limited on the financial statements as of and for the year ended 31 March 2012

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 3(b) to 3(d) of para 4 of the order are not applicable to the Company for the year.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 3(f) and 3(g) of para 4 of the order are not applicable to the Company for the year.
3. 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.
4. (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (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.
5. 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.
6. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
7. 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.
8. (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, sales tax, wealth tax, service tax, customs duty as at 31 March 2012 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Matters arising out of Assessment Order received.	8.84	AY 1991-92, AY 1992-93	High Court
	Matters arising out of Assessment Order received.	41.37	AY 2001-02, AY 2005-06	ITAT (Income Tax Appellate Tribunal)
	Matters arising out of Assessment Order received.	100.20	AY 2006-07, AY 2007-08, AY 2008-09	CIT (Commissioner of Income Tax) Appeal

Annexure to the Auditors' Report (Contd.)

9. The Company has no accumulated losses.
10. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
13. 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.
14. 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.
15. The Company has not obtained any term loans.
16. On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
17. 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.
18. The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
19. The Company has not raised any money by public issues during the year.
20. 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
21. Considering the nature of the business conducted by the Company, the clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable in the case of the Company for the year, as it is not related to the business carried on by the company.

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 17 May 2012

Balance Sheet as at 31 March

		(₹ In Crore)	
	Note No.	2012	2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	111.29	111.29
Reserves and surplus	4	4,737.15	4,491.87
		4,848.44	4,603.16
Non-current liabilities			
Deferred tax liabilities (net)	5	3.73	4.18
Other long-term liabilities	6	17.50	17.76
Long-term provisions	7	0.61	0.95
		21.84	22.89
Current liabilities			
Trade payables	8	0.68	0.75
Other current liabilities	8	9.64	6.97
Short-term provisions	7	341.19	454.45
		351.51	462.17
Total		5,221.79	5,088.22
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	11.82	12.09
Lease adjustment account-plant and machinery		17.50	17.50
Capital work-in-progress		160.33	–
		189.65	29.59
Non-current investments	10	3,581.14	3,060.67
Long-term loans and advances	11	271.20	277.79
Other non-current assets	12	100.00	150.00
		4,141.99	3,518.05
Current assets			
Current investments	10	668.08	1,317.62
Cash and bank balances	13	402.44	221.81
Short-term loans and advances	11	5.56	29.37
Other current assets	12	3.72	1.37
		1,079.80	1,570.17
Total		5,221.79	5,088.22

Summary of significant accounting policies followed by the Company

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 17 May 2012

Mandar Velankar
Company Secretary

2	
Rahul Bajaj	Chairman
Sanjiv Bajaj	Managing Director
Madhur Bajaj	} Directors
Rajiv Bajaj	
D J Balaji Rao	
S H Khan	
Nanoo Pamnani	
Naresh Chandra	
Manish Kejriwal	
P Murari	

Statement of Profit and Loss for the year ended 31 March

		(₹ In Crore)	
Particulars	Note No.	2012	2011
Revenue from operations	14	647.93	1,074.56
Other income	15	2.44	1.89
Total revenue (I)		650.37	1,076.45
Expenses:			
Employee benefits expense	16	1.07	1.92
Finance costs	17	0.01	—
Depreciation		0.24	0.24
Other expenses	18	6.24	5.17
Total expenses (II)		7.56	7.33
Profit before tax		642.81	1,069.12
Tax expense			
Current tax		75.80	170.00
MAT credit		—	(113.36)
Deferred tax		(0.45)	14.77
Total tax expense		75.35	71.41
Profit after tax		567.46	997.71
Tax credits pertaining to earlier years		—	2.38
Profit for the year		567.46	1,000.09
Earnings per share (In ₹)	19		
Basic		51.0	93.4
Diluted		51.0	91.9
(Nominal value per share ₹ 10)			

Summary of significant accounting policies followed by the Company

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 17 May 2012

Mandar Velankar
Company Secretary

2

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

Cash Flow Statement

(₹ In Crore)

Particulars	2012	2011
I. Operating Activities		
Profit before tax	642.81	1,069.12
Adjustments:		
Add:		
i) Depreciation	0.24	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	(4.88)	(24.46)
	(4.60)	(24.20)
Less:		
Provision for diminution in value of investments written back	3.72	–
	3.72	–
	634.49	1,044.92
Change in assets and liabilities		
i) Loans and advances	(0.09)	(0.15)
ii) Other assets	47.65	(150.38)
iii) Other bank balances	(150.00)	–
iv) Liabilities and provisions	1.38	(2.81)
	(101.06)	(153.34)
(Increase)/decrease in investment in associates	(29.47)	(210.37)
(Increase)/decrease in other investments, net	167.14	(223.78)
	137.67	(434.15)
Net cash from operating activities before income tax	671.10	457.43
Income tax refund/paid for earlier years (net)	21.51	23.44
Income tax paid	(49.45)	(170.41)
Net cash from operating activities	643.16	310.46
Carried forward	643.16	310.46

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	2012	2011
Brought forward	643.16	310.46
II. Investment Activities		
Payment for purchase of office premises	(160.34)	—
Net cash from investment activities	(160.34)	—
III. Financing Activities		
i) Equity shares issued during the year	—	177.06
ii) Dividend paid	(389.00)	(318.36)
iii) Corporate dividend tax paid	(63.19)	(52.83)
Net cash from financing activities	(452.19)	(194.13)
Net change in cash and cash equivalents	30.63	116.33
Cash and cash equivalents as at 1 April 2011 [Opening balance]	221.81	105.48
Cash and cash equivalents as at 31 March 2012 [Closing balance]	252.44	221.81
	—	—

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 17 May 2012

Mandar Velankar
Company Secretary

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

Notes to financial statements for the year ended 31 March 2012

- 1** Bajaj Holdings & Investment Limited (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 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, where intended to be held for a long-term, thereby recognising the implicit yield to maturity, with reference to the coupon dates. 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

Fixed Assets except freehold land are carried at cost of acquisition or construction cost including pre-operative expenses, less accumulated depreciation and amortisation.

(B) Depreciation and amortisation:

(a) Leasehold land:

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

(b) On other Fixed Assets

Depreciation on all assets is provided on 'Straight Line basis' in accordance with the provisions of Section 205 (2) (b) of the Companies Act, 1956, in the manner and at the rates specified in Schedule XIV to the said Act.

- 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.

Notes to financial statements for the year ended 31 March 2012 (Contd.)

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 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.
- f) 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.

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 Limited (BALIC). However, any deficit in Plan Assets managed by LIC and BALIC as compared to the actuarial liability is recognised as a liability immediately.

c) Superannuation

Defined Contribution to Superannuation Fund is being made as per the Scheme of the Company.

d) Define 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.

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.

Notes to financial statements for the year ended 31 March 2012 (Contd.)

3 Share capital

	(₹ In Crore)
	2012
	2011
Authorised:	
150,000,000 equity shares of ₹ 10 each	150.00
Issued, subscribed and fully paid-up shares:	
111,293,510 equity shares of ₹ 10 each	111.29
	111.29

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 March 2012		31 March 2011	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	111,293,510	111.29	106,042,510	106.04
Share allotment by way of conversion of preferential warrants	–	–	5,251,000	5.25
Outstanding at the end of the year	111,293,510	111.29	111,293,510	111.29

b. 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 299,728 (313,713).
- 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.

c. 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.

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

	31 March 2012		31 March 2011	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	15,565,590	13.99%	13,699,590	12.31%
Life Insurance Corporation of India	7,621,494	6.85%	7,560,851	6.79%
Jaya Hind Investments Private Limited	5,805,256	5.22%	5,805,256	5.22%

Notes to financial statements for the year ended 31 March 2012 (Contd.)

4 Reserves and surplus

	(₹ In Crore)	
	2012	2011
Reserve Fund in terms of Section 45–IC(1) of the Reserve Bank of India Act, 1934		
Balance as per the last financial statements	393.50	193.48
Add: Transferred from surplus in statement of profit and loss	113.49	200.02
Closing Balance	506.99	393.50
Securities Premium Account		
Balance as per the last financial statements	444.42	213.59
Add: Additions during the year	–	230.83
Closing Balance	444.42	444.42
General Reserve		
Balance as per the last financial statements	3,242.90	3,142.89
Add: Transferred from surplus in statement of profit and loss	56.75	100.01
Closing Balance	3,299.65	3,242.90
Surplus in the statement of profit and loss		
Balance as per last financial statements	411.05	163.71
Profit for the year	567.46	1,000.09
Less: Appropriations		
Transfer to Reserve Fund in terms of Section 45–IC(1) of the Reserve Bank of India Act, 1934	113.49	200.02
Transfer to general reserve	56.75	100.01
Proposed dividend	278.23	389.53
Tax on proposed dividend	43.95	63.19
Total appropriations	492.42	752.75
Balance in the statement of profit and loss	486.09	411.05
	4,737.15	4,491.87

Notes to financial statements for the year ended 31 March 2012 (Contd.)

5 Deferred tax liabilities (Net)

	(₹ In Crore)	
	2012	2011
Deferred tax liability		
On account of timing difference in		
Depreciation and amortisation	7.36	7.33
Amortisation of premium/discount on acquisition of fixed income securities	3.72	–
Gross deferred tax liability	11.08	7.33
Deferred tax asset		
On account of timing difference in		
Diminution in value of investments	2.13	2.71
Provision for bad and doubtful debts, ICDs etc.	2.04	2.04
Provision for privilege leave etc.	0.01	0.03
Taxes, duties etc.	0.01	0.04
Amortisation of premium/discount on acquisition of fixed income securities	1.07	(7.94)
Adjustments on account of gratuity provisions	0.16	0.11
Demerger expenses under section 35D	1.68	3.47
Provision for diminution in value of investments in terms of scheme of arrangement	0.25	2.69
Gross deferred tax asset	7.35	3.15
	3.73	4.18

6 Other long-term liabilities

	(₹ In Crore)	
	2012	2011
Trade payables	–	0.26
Lease Security Deposits	17.50	17.50
	17.50	17.76

7 Provisions

	(₹ In Crore)			
	Long-term		Short-term	
	2012	2011	2012	2011
Provision for employee benefits [See note 23]				
Provision for gratuity	–	0.34	–	–
Provision for compensated absences	–	–	0.01	0.10
	–	0.34	0.01	0.10
Other provisions				
Provision for tax (net of tax paid in advance)	0.61	0.61	19.00	1.63
Proposed dividend *	–	–	278.23	389.53
Tax on proposed dividend	–	–	43.95	63.19
	0.61	0.61	341.18	454.35
	0.61	0.95	341.19	454.45

*During the year ended 31 March 2012, the amount of per share dividend proposed and recognised as distributions to equity shareholders is ₹ 25 (previous year ₹ 35).

Notes to financial statements for the year ended 31 March 2012 (Contd.)

8 Other current liabilities

	₹ In Crore	
	2012	2011
Trade payables		
Dues to micro and small enterprises *	—	—
Other than dues to micro and small enterprises @	0.68	0.75
Other liabilities		
Security deposits	—	0.30
Unclaimed dividend	6.71	6.18
Other Payables	2.93	0.49
	9.64	6.97
	10.32	7.72

*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.

@ Trade payables includes emoluments payable to employees for services rendered.

9 Fixed assets

	₹ In Crore									
	Gross block (a)				Depreciation			Net block		
	As at 31 Mar 11	Additions	Deductions/ adjustments	As at 31 Mar 12	As at 31 Mar 11	Deductions/ adjustments	For the Year (c)	As at 31 Mar 12	As at 31 Mar 12	As at 31 Mar 11
Land Freehold (d)	—	—	—	—	—	—	—	—	—	—
Land Leasehold (f)	1.29	—	0.02 (e)	1.27	—	—	—	—	1.27	1.29
Buildings (b)	13.51	0.05	—	13.56	2.77	—	0.24	3.01	10.55	10.74
Vehicles	0.10	—	0.10	—	0.04	0.04	—	—	—	0.06
Leased Assets: Plant and Machinery	87.50	—	—	87.50	87.50	—	—	87.50	—	—
Total	102.40	0.05	0.12	102.33	90.31	0.04	0.24	90.51	11.82	12.09
Previous year total	102.42	—	0.02	102.40	90.07	—	0.24	90.31	12.09	—

(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) & (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 Limited (now, Bajaj Holdings & Investment Limited).

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments

(₹ In Crore)

	Non-current portion		Current maturities	
	2012	2011	2012	2011
(A) Long-term Investments:				
In Government and Trust Securities:				
Quoted:				
– 10.03% Government of India Stock 2019 (Maturity Date 09.08.2019) of face value of ₹ 650,000,000 (Previous Year ₹ 1,300,000,000)	–	89.39	–	–
Less: Amortisation of Premium/Discount on acquisition	–	4.88	–	–
	–	84.51	–	–
In Fully Paid Preference Shares:				
Unquoted:				
– (250,000) 12% Cumulative Redeemable Preference Shares of ₹ 100 each in Himachal Futuristic Communications Limited	–	2.50	–	–
– (2,000,000) 9% Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each in Kopran Limited	–	2.00	–	–
196,169 0.01% Cumulative Redeemable Preference Shares of ₹ 10 each in Mukand Limited	0.19	0.19	–	–
300,000 14.50% Redeemable Cumulative Non Convertible Preference Shares of ₹ 100 each in Southern Petrochemical Industries Corporation Limited	3.00	3.00	–	–
	3.19	7.69	–	–
In Fully Paid Equity Shares:				
Associate Company				
Trade:				
Quoted:				
91,119,000 Shares of ₹ 10 each in Bajaj Auto Limited	286.22	286.22	–	–
56,649,211 (55,976,658) Shares of ₹ 5 each in Bajaj Finserv Limited	375.60	346.13	–	–
	661.82	632.35	–	–
Joint Venture				
Trade:				
Quoted:				
2,742,848 Shares of ₹ 10 each in Maharashtra Scooters Limited	0.24	0.24	–	–
	0.24	0.24	–	–
Subsidiary Company				
Trade:				
Unquoted:				
24,500 Shares of ₹ 100 each in Bajaj Auto Holdings Limited	0.25	0.25	–	–
	0.25	0.25	–	–
Carried over	665.50	725.04	–	–

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

	(₹ In Crore)			
	Non-current portion		Current maturities	
	2012	2011	2012	2011
Brought over	665.50	725.04	—	—
Trade: (Contd.)				
Quoted:				
16,697,840 Shares of ₹ 2 each in Bajaj Electricals Limited (Group Company)	111.77	111.77	—	—
54,000 Shares of ₹ 10 each in Mukand Engineers Limited (Group Company)	0.10	0.10	—	—
4,056,422 Shares of ₹ 10 each in Mukand Limited (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 Limited	—	—	—	—
Quoted:				
896,035 Shares of ₹ 2 each in AIA Engineering Limited	27.67	—	—	—
482,400 Shares of ₹ 10 each in Axis Bank Limited	49.95	—	—	—
— (500) Shares of ₹ 1 each in Ashok Leyland Limited	—	—	—	—
13,068,511 Shares of ₹ 1 each in Bajaj Hindustan Limited	87.18	87.18	—	—
1,832,230 (218,117) Shares of ₹ 2 each in Bharat Heavy Electricals Limited (Face Value of ₹ 10 each sub divided in Face Value of ₹ 2 each during the year)	74.94	48.81	—	—
673,000 (923,000) Shares of ₹ 5 each in Bharti Airtel Limited	22.55	30.93	—	—
— (6,637) Shares of ₹ 10 each in Century Enka Limited	—	0.04	—	—
786,695 Shares of ₹ 10 each in Coal India Limited	21.23	21.23	—	—
316,134 (123,631) Shares of ₹ 10 each in Container Corporation of India Limited	35.22	15.06	—	—
— (50) Shares of ₹ 10 each in Eicher Motors Limited	—	—	—	—
— (50) Shares of ₹ 10 each in Escorts Limited	—	—	—	—
171,820 (142,793) Shares of ₹ 2 each in Financial Technologies Limited	15.80	13.41	—	—
2,566,661 Shares of ₹ 10 each in Force Motors Limited	60.47	60.47	—	—
1,099,160 Shares of ₹ 10 each in Gujarat Heavy Chemicals Limited	14.34	14.34	—	—
934,201 (994,271) Shares of ₹ 10 each in Gujarat Pipavav Limited	5.17	5.50	—	—
3,125,520 Shares of ₹ 1 each in Hercules Hoists Limited	12.34	12.34	—	—
— (250) Shares of ₹ 2 each Hero MotoCorp Limited	—	0.01	—	—
508,409 Shares of ₹ 1 each in Hindalco Industries Limited	7.42	7.42	—	—
— (50) Shares of ₹ 5 each in Hindustan Motors Limited	—	—	—	—
298,870 Shares of ₹ 2 each in Housing Development Finance Corporation Limited	14.18	14.18	—	—
Carried over	448.46	330.92	—	—
Carried over	801.74	861.28	—	—

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2012	2011	2012	2011
	Brought over	801.74	861.28	—	—
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	448.46	330.92	—	—
1,576,435	(346,190) Shares of ₹ 10 each in IL&FS Transportation Networks Limited	32.98	8.85	—	—
12,176,662	Shares of ₹ 10 each in ICICI Bank Limited	446.00	446.00	—	—
271,150	Shares of ₹ 1 each in Innovision E-Commerce Limited	0.22	0.22	—	—
1,576,405	(764,533) Shares of ₹ 10 each in Karnataka Bank Limited	16.59	10.00	—	—
—	(120) Shares of ₹ 10 each in Kinetic Engineering Limited	—	—	—	—
—	(100) Shares of ₹ 10 each in Kinetic Motor Company Limited	—	—	—	—
507,527	(235,059) Shares of ₹ 2 each in Larsen & Toubro Limited	74.14	35.41	—	—
—	(191) Shares of ₹ 10 each in LML Limited	—	—	—	—
38,023	Shares of ₹ 10 each in MOIL Limited	1.43	1.43	—	—
—	(95) Shares of ₹ 10 each in Majestic Auto Limited	—	—	—	—
67,821	Shares of ₹ 10 each in Mphasis Limited	2.47	—	—	—
1,807,638	Shares of ₹ 10 each in National Thermal Power Corporation Limited	37.74	37.74	—	—
605,207	(223,536) Shares of ₹ 10 each in Oil India Limited	27.63	25.54	—	—
1,200	Shares of ₹ 10 each in Pilani Investment & Industries Corporation Limited	0.14	0.14	—	—
2,709,360	Shares of ₹ 10 each in Power Finance Corporation Limited	55.00	—	—	—
775,000	(424,500) Shares of ₹ 10 each in Reliance Industries Limited	70.28	41.77	—	—
—	(50) Shares of ₹ 10 each in Scooters India Limited	—	—	—	—
3,285,289	(1,258,752) Shares of ₹ 1 each in Sintex Industries Limited	41.58	15.64	—	—
20,559	(40,559) Shares of ₹ 10 each in State Bank of India	3.62	7.15	—	—
—	(197,856) Shares of ₹ 1 each in Sterlite Industries (India) Limited	—	0.39	—	—
—	(332) Shares of ₹ 5 each in Sundaram-Clayton Limited	—	—	—	—
—	(10,845) Shares of ₹ 10 each in Supreme Petrochem Limited	—	—	—	—
—	(50) Shares of ₹ 10 each in Swaraj Mazda Limited	—	—	—	—
1,119,764	(501,526) Shares of ₹ 10 each in Tata Steels Limited	54.30	27.12	—	—
	Carried over	1,312.58	988.32	—	—
	Carried over	801.74	861.28	—	—

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2012	2011	2012	2011
	Brought over	801.74	861.28	—	—
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	1,312.58	988.32	—	—
	– (2,000) Shares of ₹ 1 each in TVS Motor Company Limited	—	—	—	—
	– (211,695) Shares of ₹ 10 each in Ultratech Cement Company Limited	—	18.66	—	—
	2,063,973 (818,973) Shares of ₹ 2 each in United Phosphorous Limited	30.01	13.00	—	—
	– (112,020) Shares of ₹ 10 each in V.B.Desai Financial Services Limited	—	—	—	—
	– (166) Shares of ₹ 5 each in Wabco TVS (India) Limited	—	—	—	—
		1,342.59	1,019.98	—	—
In Fully Paid Equity Shares:					
Others:					
Unquoted:					
	3,006,796 Shares of ₹ 1 each in Bombay Stock Exchange Limited	121.62	121.62	—	—
	1,707,615 (569,205) Shares of ₹ 10 each in Credit Analysis & Research Limited (1,138,410 Bonus Shares received during the year)	95.73	95.73	—	—
	1 Share of ₹ 10 each Hero Motors Limited	—	—	—	—
	2,450,000 Shares of ₹ 10 each in National Multi-Commodity Exchange of India Limited	24.99	24.99	—	—
		242.34	242.34	—	—
In Debentures:					
Fully paid:					
Others:					
Quoted:					
	400 (150) 10.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Limited - S-1	43.51	17.09	—	—
	150 8.01% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Limited Series S-III	15.03	15.03	—	—
	250 Zero Percent Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Limited	—	25.58	25.58	—
	250 (-) Zero Percent Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Limited Series S-207 H-011	26.50	—	—	—
	Carried over	85.04	57.70	25.58	—
	Carried over	2,386.67	2,123.60	—	—

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2012	2011	2012	2011
	Brought over	2,386.67	2,123.60	—	—
In Debentures: (Contd.)					
Fully Paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	85.04	57.70	25.58	—
100 (-) 9.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Limited Series S-218-H-022		10.43	—	—	—
150 (-) 9.75% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Limited		15.88	—	—	—
600 (250) 9.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Limited		62.40	25.00	—	—
100 (-) 9.96% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of L&T Finance Limited		10.00	—	—	—
150 (-) 10.15% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of L&T Finance Limited		15.00	—	—	—
100 7.60% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Limited		—	10.16	10.16	—
150 (-) 9.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Limited		—	—	15.63	—
100 (-) 9.85% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Limited		10.76	—	—	—
350 11.45% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Industries Limited		41.07	41.07	—	—
350 10.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Gas Transportation Infrastructure Limited		40.00	40.00	—	—
* 361,485 12% Secured Partly Convertible Debentures of ₹ 150 each of Saurashtra Cement Limited - balance Non Convertible Portion of ₹ 100 each (Balance after part redemption)		2.37	3.07	—	—
* 148,905 12% Secured Partly Convertible Debentures of ₹ 250 each of Saurashtra Cement Limited - balance Non Convertible Portion of ₹ 200 each (Balance after part redemption)		1.58	2.05	—	—
— (100) 9.90% Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,000,000 each of Tata Sons Limited		—	—	—	10.98
100 7.45% Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,000,000 each of Tata Sons Limited		—	10.05	10.05	—
	Carried over	294.53	189.10	61.42	10.98
	Carried over	2,386.67	2,123.60	—	—

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2012	2011	2012	2011
	Brought over	2,386.67	2,123.60	—	—
In Debentures: (Contd.)					
Fully Paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	294.53	189.10	61.42	10.98
	Less: Amortisation of Premium/Discount on acquisition	4.83	(0.88)	(4.57)	0.27
		289.70	189.98	65.99	10.71
In Bonds:					
Fully paid:					
Others:					
Quoted:					
600	(350) 9.50% Unsecured Redeemable Non -Convertible Taxable Bonds of ₹ 1,000,000 each of Export-Import Bank of India Limited	62.84	37.00	—	—
100	(-) 9.35% Unsecured Redeemable Non -Convertible Taxable Bonds of ₹ 1,000,000 each of Export-Import Bank of India Limited	10.07	—	—	—
250	8.45% Unsecured Redeemable Non -Convertible Taxable Bonds of ₹ 1,000,000 each of Export-Import Bank of India Limited Series -N-11	25.26	25.26	—	—
200	7.50% Unsecured Redeemable Subordinated Bonds in the nature of Debentures of ₹ 1,000,000 each of HDFC Bank Limited - Series 1/2005	20.00	20.00	—	—
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 Limited	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 Limited	51.77	51.77	—	—
6,600	6.70% Secured Taxfree Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 100,000 each of Indian Railway Finance Corporation Limited	66.00	66.00	—	—
50	8.80% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of L&T Limited	5.13	5.13	—	—
1,000	15% Bonds of ₹ 100,000 each of Madhya Pradesh Electricity Board	10.00	10.00	—	—
100	9.40% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of National Housing Bank	11.41	11.41	—	—
	Carried over	272.71	236.80	—	—
	Carried over	2,676.37	2,313.58	65.99	10.71

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2012	2011	2012	2011
	Brought over	2,676.37	2,313.58	65.99	10.71
In Bonds: (Contd.)					
Fully Paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	272.71	236.80	—	—
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 Limited	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	—	—	—
900	8.40% Non Convertible Redeemable Bonds in the nature of Debentures (Series I) of ₹ 1,000,000 each of ONGC Videsh Limited	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 of Power Finance Corporation Limited	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 of Power Finance Corporation Limited	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 of Power Finance Corporation Limited	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 of Power Finance Corporation Limited	5.09	5.09	—	—
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 Limited	25.73	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 Limited	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 Limited. (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 Limited. (Series-XXXII ST-E)	24.36	24.36	—	—
	Carried over	601.39	550.08	—	—
	Carried over	2,676.37	2,313.58	65.99	10.71

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2012	2011	2012	2011
	Brought over	2,676.37	2,313.58	65.99	10.71
In Bonds: (Contd.)					
Fully Paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	601.39	550.08	—	—
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 Limited. (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 Limited	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 Limited	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 Limited	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 Limited	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 Limited	5.29	5.29	—	—
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 Limited	5.47	5.47	—	—
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 Limited	67.16	67.16	—	—
—	(600) 6.60% Subordinated Non Convertible Bonds of ₹ 1,000,000 each of SIDBI Limited Series -III	—	—	—	62.81
100	9.85% Subordinated Non Convertible Bonds of ₹ 1,000,000 each of State Bank of India	10.00	10.00	—	—
250	8.85% Subordinated Non Convertible Bonds of ₹ 1,000,000 each of State Bank of India	26.57	26.57	—	—
50	8.90% Unsecured Redeemable Non Convertible Subordinated 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	—	—
	Carried over	761.44	710.13	—	62.81
	Carried over	2,676.37	2,313.58	65.99	10.71

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2012	2011	2012	2011
	Brought over	2,676.37	2,313.58	65.99	10.71
In Bonds: (Contd.)					
Fully Paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	761.44	710.13	—	62.81
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% Subordinated Non Convertible Bonds of ₹ 10,000 each of State Bank of India	15.64	15.64	—	—
5,000	(10,000) 9.95% Subordinated Non Convertible Bonds of ₹ 10,000 each of State Bank of India	5.15	5.15	—	5.15
		797.26	745.95	—	67.96
	Less: Amortisation of Premium/Discount on acquisition	9.62	4.20	—	1.93
		787.64	741.75	—	66.03
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	5.00	5.00	—	—
200	Masterplus Shares of ₹ 10 each of Unit Trust of India Under Mastershare Plus Unit Scheme 1991 (Masterplus)	—	—	—	—
2,320	Urban Infrastructure Opportunities Fund-Face Value ₹ 1 lakh each (Balance after Part Redemption)	21.87	23.83	—	—
9,722.59	(10,000) J M Financial Property Fund - I of Face Value of ₹ 10,000 each, fully paid up (Balance after Part Redemption)	9.72	10.00	—	—
20,000,000	Units of Birla Sunlife Fixed Term Plan Series EV-Growth	20.00	—	—	—
20,000,000	Units of HDFC FMP 400D March 2012(1) - G	20.00	—	—	—
10,000,000	Units of ICICI FMP Series 63-384 Days Plan A Cum	10.00	—	—	—
15,000,000	Units of IDFC FMP TMS7 - Growth	15.00	—	—	—
20,000,000	Units of SBI Debt Fund Series 15 Months Fund-Series 7 - Growth	20.00	—	—	—
15,000,000	Units of Kotak FMP Series 76 - Growth	15.00	—	—	—
		136.59	38.83	—	—
Total (A)		3,600.60	3,094.16	65.99	76.74

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

	(₹ In Crore)			
	Non-current portion		Current maturities	
	2012	2011	2012	2011
(B) Current Investments:				
In Commercial paper:				
Unquoted:				
– (500) Commercial Paper of ₹ 500,000 each of Edelweiss Capital Limited - 08.04.2011	–	–	–	24.38
– (500) Commercial Paper of ₹ 500,000 each of Indian Infoline - 04.05.2011	–	–	–	24.30
– (500) Commercial Paper of ₹ 500,000 each of J M Financial Products Limited - 05.05.2011	–	–	–	24.34
	–	–	–	73.02
Add: Amortisation of Premium/Discount on acquisition	–	–	–	1.75
	–	–	–	74.77
In Certificate of Deposit:				
Unquoted:				
– (2,500) Certificate of Deposit of ₹ 100,000 each of Corporation Bank - 26.03.2012	–	–	–	22.71
– (2,500) Certificate of Deposit of ₹ 100,000 each of Punjab National Bank - 07.03.2012	–	–	–	22.81
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 28.04.2011	–	–	–	23.57
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 07.03.2012	–	–	–	22.70
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 16.05.2011	–	–	–	24.25
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 18.05.2011	–	–	–	24.18
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 30.05.2011	–	–	–	24.03
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 09.03.2012	–	–	–	22.76
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 19.03.2012	–	–	–	22.75
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of India - 01.06.2011	–	–	–	23.98
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 02.06.2011	–	–	–	47.20
– (2,500) Certificate of Deposit of ₹ 100,000 each of Bank of Baroda - 03.06.2011	–	–	–	24.23
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 03.06.2011	–	–	–	23.60
– (2,500) Certificate of Deposit of ₹ 100,000 each of UCO Bank Limited - 08.06.2011	–	–	–	24.24
Carried over	–	–	–	353.01

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

	Non-current portion		Current maturities	
	2012	2011	2012	2011
In Certificate of Deposit: (Contd.)				
Unquoted: (Contd.)				
Brought over	—	—	—	353.01
– (5,000) Certificate of Deposit of ₹ 100,000 each of UCO Bank Limited - 04.07.2011	—	—	—	48.56
– (2,500) Certificate of Deposit of ₹ 100,000 each of Indian Overseas Bank - 08.06.2011	—	—	—	24.29
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 10.06.2011	—	—	—	23.54
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 14.06.2011	—	—	—	24.01
– (2,500) Certificate of Deposit of ₹ 100,000 each of IDBI Bank Limited - 15.06.2011	—	—	—	24.02
– (2,500) Certificate of Deposit of ₹ 100,000 each of Central Bank of India - 15.06.2011	—	—	—	24.11
– (2,500) Certificate of Deposit of ₹ 100,000 each of HDFC Bank Limited - 15.06.2011	—	—	—	24.14
– (2,500) Certificate of Deposit of ₹ 100,000 each of Bank of India - 15.03.2012	—	—	—	22.75
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 20.06.2011	—	—	—	23.79
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 21.06.2011	—	—	—	23.97
– (2,500) Certificate of Deposit of ₹ 100,000 each of Bank of India- 24.06.2011	—	—	—	23.59
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 24.06.2011	—	—	—	23.66
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 27.06.2011	—	—	—	23.50
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of India - 28.06.2011	—	—	—	23.98
– (2,500) Certificate of Deposit of ₹ 100,000 each of Canara Bank- 04.07.2011	—	—	—	24.07
– (5,000) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 11.07.2011	—	—	—	47.78
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 11.07.2011	—	—	—	23.90
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 14.07.2011	—	—	—	23.91
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 18.07.2011	—	—	—	23.93
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 20.07.2011	—	—	—	23.36
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 17.08.2011	—	—	—	23.22
Carried over	—	—	—	901.09

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

	Non-current portion		Current maturities	
	2012	2011	2012	2011
In Certificate of Deposit: (Contd.)				
Unquoted: (Contd.)				
Brought over	—	—	—	901.09
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 29.08.2011	—	—	—	23.20
– (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 21.09.2011	—	—	—	23.22
– (2,500) Certificate of Deposit of ₹ 100,000 each of Canara Bank- 23.09.2011	—	—	—	23.15
– (2,500) Certificate of Deposit of ₹ 100,000 each of Bank of India- 23.09.2011	—	—	—	23.14
– (7,500) Certificate of Deposit of ₹ 100,000 each of Bank of India- 28.09.2011	—	—	—	69.50
– (5,000) Certificate of Deposit of ₹ 100,000 each of Bank of India- 08.11.2011	—	—	—	46.10
– (2,500) Certificate of Deposit of ₹ 100,000 each of Corporation Bank - 20.02.2012	—	—	—	22.72
5,000 (-) 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	—
2,500 (-) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 03.12.2012	—	—	22.80	—
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	—
Carried over	—	—	418.42	1,132.12

Notes to financial statements for the year ended 31 March 2012 (Contd.)

10 Investments (Contd.)

(₹ In Crore)				
	Non-current portion		Current maturities	
	2012	2011	2012	2011
In Certificate of Deposit: (Contd.)				
Unquoted: (Contd.)				
Brought over	—	—	418.42	1,132.12
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	—
	—	—	553.99	1,132.12
Add:Amortisation of Premium/Discount on acquisition	—	—	11.45	28.99
	—	—	565.44	1,161.11
In Mutual Fund Units:				
Unquoted:				
— (3,186,479.132) Birla Sun Life Income Plus-Growth	—	—	—	5.00
2,311,999 (-) ICICI Prudential Institutional Liquid plan - Super institutional Growth	—	—	36.65	—
	—	—	36.65	5.00
Total (B)	—	—	602.09	1,240.88
Total (A+B)	3,600.60	3,094.16	668.08	1,317.62
Less: Provision for diminution in value of Investments	19.46	36.09	—	—
	3,581.14	3,058.07	668.08	1,317.62
Application Money for Investment in Shares, Bonds & Mutual Fund Units	—	2.60	—	—
	3,581.14	3,060.67	668.08	1,317.62

(₹ In Crore)				
	Book Value as at		Market Value as at	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Quoted*	3,267.75	2,853.19	22,293.94	19,989.87
Unquoted	981.47	1,522.50		
	4,249.22	4,375.69		

Notes to Investments

- *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.
- 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 & 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 2012.
- Refer note 2 clause 4 for accounting policy and valuation principles for investments.

Notes to financial statements for the year ended 31 March 2012 (Contd.)

11 Loans and advances

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

	Long-term		Short-term	
	2012	2011	2012	2011
Security deposits	0.38	0.16	—	—
Loan and advances to related parties [See note 24] (₹ 34,501 - previous year ₹ 48,190)				
Other loans and advances				
VAT refund receivable	—	—	—	0.05
CENVAT credit receivable	0.20	0.20	—	0.07
Advance income-tax (net of provision for tax)	242.74	249.55	5.54	29.22
Others	27.88	27.88	0.02	0.03
	270.82	277.63	5.56	29.37
	271.20	277.79	5.56	29.37

12 Other assets

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

	Non-current		Current	
	2012	2011	2012	2011
Non-current bank balances [See note 13]	100.00	150.00	—	—
Others				
Interest accrued but not due on fixed deposits	—	—	3.72	1.37
Interest receivable on investments/loans	6.29	6.29	—	—
Less: Provision for doubtful receivable	6.29	6.29	—	—
	—	—	—	—
	100.00	150.00	3.72	1.37

Notes to financial statements for the year ended 31 March 2012 (Contd.)

13 Cash and bank balances

			(₹ In Crore)	
	Non-current		Current	
	2012	2011	2012	2011
Cash and cash equivalents				
Balances with banks:				
On current accounts	—	—	2.26	0.45
On unclaimed dividend account	—	—	6.71	6.18
Cash equivalents				
Deposits with original maturity of less than three months from date of acquisition	—	—	—	20.00
Certificate of Deposits with maturity of less than three months from date of acquisition	—	—	195.04	146.61
Commercial Paper with maturity of less than three months from date of acquisition	—	—	48.43	48.57
	—	—	252.44	221.81
Other bank balances				
Deposits with original maturity of more than twelve months	100.00	150.00	150.00	—
	100.00	150.00	150.00	—
Amount disclosed under non-current assets [See note 12]	(100.00)	(150.00)	—	—
	—	—	402.44	221.81

14 Revenue from operations

			(₹ In Crore)	
			2012	2011
Interest:				
Interest income on				
Bank deposits			22.31	1.37
Long-term investments			94.57	113.46
Current investments				
Others			0.39	0.39
Less: Amortisation of premium/(discount) on acquisition of fixed income securities			(4.88)	(24.46)
			122.15	139.68
Other financial services:				
Dividend income on				
Long-term investments in Associates and Joint Ventures			373.94	188.99
Long-term investments			37.36	36.02
Profit on sale of investments, net*			85.72	706.52
Surplus on redemption of securities, net*			22.99	3.11
Provision for diminution in value of investments write back			3.72	—
Sundry credit balances appropriated			0.01	—
Investments/balances earlier written off, recovered			2.04	0.24
			647.93	1,074.56

* Including on current investments ₹ 93.75 crore (previous year ₹ 39.28 crore)

Notes to financial statements for the year ended 31 March 2012 (Contd.)

15 Other income

	(₹ In Crore)	
	2012	2011
Rent	0.11	0.15
Miscellaneous receipts	2.31	1.74
Provision no longer required	0.02	–
	2.44	1.89

16 Employee benefits expense

	(₹ In Crore)	
	2012	2011
Salaries, wages and bonus to employees	0.78	1.70
Contribution to provident and other funds	0.24	0.18
Staff welfare expenses	0.05	0.04
	1.07	1.92

17 Finance costs

	(₹ In Crore)	
	2012	2011
Interest expense	0.01	–
	0.01	–

18 Other expenses

	(₹ In Crore)	
	2012	2011
Repairs to buildings	0.13	0.42
Repairs to computers etc.	–	0.02
Rent	0.01	0.01
Rates and taxes	0.03	0.02
Insurance (₹ 14,527)	–	0.07
Payment to auditor	0.09	0.09
Directors' fees and travelling expenses	0.15	0.15
Commission to Non Executive Directors	1.97	–
Miscellaneous expenses	3.82	4.37
Loss on sale of assets	0.02	–
Amount written off against leasehold land	0.02	0.02
	6.24	5.17

Notes to financial statements for the year ended 31 March 2012 (Contd.)

18 Other expenses (Contd.)

Payment to Auditor

(₹ In Crore)

	2012	2011
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	0.01
Reimbursement of expenses (₹ 30,267 - previous year ₹ 25,136)		
	0.09	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:

	2012	2011
Basic:		
Profit for the year after tax (₹ in crore)	567.46	1,000.09
Number of shares outstanding at the beginning of the year (Nos)	111,293,510	106,042,510
Weighted average number of shares issued during the year (on conversion of warrants) (Nos)	—	1,007,041
Weighted average number of shares outstanding at the end of the year (Nos)	111,293,510	107,049,551
Basic Earnings per share (₹)	51.0	93.4
Diluted:		
Profit for the year after tax (₹ in crore)	567.46	1,000.09
Number of shares outstanding at the beginning of the year (Nos)	111,293,510	106,042,510
Weighted average number of shares issued during the year (on conversion of warrants) (Nos)	—	1,007,041
Dilutive element of warrants converted during the year (upto date of conversion) (Nos)	—	1,765,065
Weighted average number of shares outstanding at the end of the year (Nos)	111,293,510	108,814,616
Diluted Earnings per share (₹)	51.0	91.9

20 Contingent liabilities

(₹ In Crore)

	2012	2011
Income Tax matters under dispute		
Appeal by the Company	93.25	90.91
Appeal by the Department	195.72	195.72

21 Capital and other commitments

(₹ In Crore)

	2012	2011
Capital Commitments, net of capital advances	32.71	—

Notes to financial statements for the year ended 31 March 2012 (Contd.)

22 Expenditure in foreign currency (accrual basis)

	2012	2011
	(₹ In Crore)	
Other matters	0.01	–

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

	2012 Gratuity	2011 Gratuity
	(₹ In Crore)	
Amount To Be Recognised in Balance Sheet		
Present Value of Funded Obligations	0.01	0.67
Fair Value of Plan Assets	(0.01)	(0.33)
Net Liability	–	0.34
Amounts in Balance Sheet		
Liability	–	0.34
Assets	–	–
Net Liability	–	0.34
Expense To Be Recognised in the Statement of Profit and Loss		
Current Service Cost	0.03	0.02
Interest on Defined Benefit Obligation	0.06	0.04
Expected Return on Plan Assets	(0.03)	(0.02)
Net Actuarial Losses/(Gains) Recognised in Year	0.10	0.05
Total, Included in "Employee benefits expense"	0.16	0.09
Actual Return on Plan Assets	0.03	0.03
Reconciliation of Benefit Obligations and Plan Assets For the Period		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	0.67	0.56
Current Service Cost	0.03	0.02
Interest Cost	0.06	0.04
Actuarial Losses/(Gains)	0.10	0.05
Benefits Paid	(0.85)	–
Closing Defined Benefit Obligation	0.01	0.67
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	0.33	0.28
Expected Return on Plan Assets	0.03	0.02
Contributions by Employer	0.50	0.03
Benefits Paid	(0.85)	–
Closing Fair Value of Plan Assets	0.01	0.33

Notes to financial statements for the year ended 31 March 2012 (Contd.)

23 Employee benefits (Contd.)

	2012 (₹ In Crore)	2012	2011
Asset Information			
Insurer Managed Funds	0.01	100.00%	100.00%

	2008	2009	2010	2011	2012 (₹ In Crore)
Experience Adjustments					
Defined Benefit Obligation	0.36	0.51	0.56	0.67	0.01
Plan Assets	0.19	0.23	0.28	0.33	0.01
Surplus/(Deficit)	(0.17)	(0.28)	(0.28)	(0.34)	–
Exp. Adj. on Plan Liabilities	0.02	0.09	(0.01)	0.05	0.10
Exp. Adj. on Plan Assets	(0.03)	–	–	0.01	–

	2012	2011
Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount Rate (p.a.)	8.65%	8.30%
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%

Unfunded scheme

	2012 Compensated Absences	2011 Compensated Absences
Particulars		
Present Value of Unfunded Obligations	0.01	0.10
Expense recognised in the Statement of Profit and Loss	(0.03)	0.02
Discount Rate (p.a.)	8.65%	8.30%
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 2012 (Contd.)

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

(₹ In Crore)

		2012		2011	
Name of related party and Nature of relationship	Nature of transaction	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.	Contribution to Equity (24,500 shares of ₹ 100 each)	–	0.25	–	0.25
(Fully owned subsidiary)	Purchase of part equity portfolio	–	–	17.67	
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 and Investment Ltd.)	Dividend received	2.47	–	1.51	–
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	364.48	–	182.24	–
	Business Support Services rendered	0.87	–	1.11	–
	Business Support Services received	0.16	–	0.33	–
	Aviation Charges paid	–	–	0.07	–
	Purchase of 8.01% NCDs of Ultra Tech Cement Ltd.	–	–	5.03	–
	Purchase of Certificate of Deposit of State Bank of Bikaner & Jaipur	–	–	23.66	–
Bajaj Finserv Ltd.	Contribution to Equity (56,649,211 shares of ₹ 5 each)	29.47	375.60	210.37	346.13
(An associate – 39.15% shares held by Bajaj Holdings and Investment Ltd.)	(Previous year 55,976,658 shares of ₹ 5 each)				
	Dividend received	7.00	–	5.24	–
	Business Support Services rendered	0.51	–	0.60	–
	Business Support Services received	1.17	–	0.96	–
C. Individuals controlling voting power/exercising significant influence and their relatives:					
Rahul Bajaj	Sitting Fees	0.01	–	0.01	–
(Chairman)	Commission	0.03	(0.03)	–	–
Madhur Bajaj	Sitting Fees	0.01	–	0.01	–
	Commission	0.03	(0.03)	–	–
Rajiv Bajaj	Sitting Fees	0.01	–	0.01	–
	Commission	0.03	(0.03)	–	–
Sanjiv Bajaj	Sitting Fees	0.01	–	0.01	–
(Managing Director w.e.f. 1 April 2012)	Commission	1.63	(1.63)	–	–
Shekhar Bajaj	Nil	–	–	–	–
Niraj Bajaj	Nil	–	–	–	–
D. Key Management Personnel & their relatives:					
V S Raghavan (Chief Executive officer) * * upto 12 December 2011	Remuneration Paid	1.52	–	1.34	

Notes to financial statements for the year ended 31 March 2012 (Contd.)

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

(₹ In Crore)

Name of related party and Nature of relationship	Nature of transaction	2012		2011	
		Transaction value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet
E. Enterprises over which anyone in (c) & (d) exercises significant influence:					
Bajaj Allianz General Insurance Company Ltd.	Insurance Premiums Paid	–	–	0.08	–
	Sale of investments	–	–	10.18	–
Bajaj Allianz Life Insurance Company Ltd.	Purchase of investments	–	–	10.61	–
Bajaj Finance Limited	Business Support Services rendered	0.06	–	–	–
Bajaj Electricals Ltd.	Contribution to Equity (16,697,840 shares of ₹ 2 each)	–	111.77	6.03	111.77
	Dividend Received	4.68	–	3.96	–
Hindustan Housing Co. Ltd.	Maintenance charges paid	0.63	(0.20)	0.71	–
	Security deposit paid	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	–	0.20	–	0.20
	Dividend received on Equity Shares	0.41	–	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 (3,125,520 shares of ₹ 10 each)	–	12.34	12.34	12.34
	Dividend received on Equity Shares	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.

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 2012:

(₹ In Crore)

	2012	2011
Receivable		
Within one year	–	0.17
After one year but not more than five years	–	–
More than five years	–	–
	–	0.17

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

Notes to financial statements for the year ended 31 March 2012 (Contd.)

26 Schedule to Balance Sheet as on 31 March 2012

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)

(₹ In Lakh)

Liabilities Side:

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

* 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	Nil
(b) Unsecured	27,676
(Comprises advance income tax paid, interest receivable & 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	Nil
(b) Operating Lease	Nil
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil
4. Break up of Investments:	
Current Investments	
1. Quoted:	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (Application money)	

Notes to financial statements for the year ended 31 March 2012 (Contd.)

26 Schedule to Balance Sheet as on 31 March 2012 (Contd.)

Asset Side (Contd.)

	(₹ In Lakh)
	Amount Outstanding
2. Unquoted:	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	3,665
(iv) Government Securities	Nil
(v) Others : (a) Certificate of Deposit	56,544
(b) Commercial Paper	–
Long-term Investments	
1. Quoted	
(i) Shares : (a) Equity	214,067
(b) Preference	Nil
(ii) Debentures and Bonds	112,708
iii) Units of mutual funds	Nil
(iv) Government Securities	–
(v) Others (Please specify)	Nil
2. Unquoted:	
(i) Shares : (a) Equity	24,259
(b) Preference	20
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	13,659
(iv) Government Securities	Nil
(v) Others (Please specify)	Nil
Total	424,922

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	27,676	27,676
Total	Nil	27,676	27,676

Notes to financial statements for the year ended 31 March 2012 (Contd.)

26 Schedule to Balance Sheet as on 31 March 2012 (Contd.)

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.

(₹ In Lakh)		
Category	Market value/break up or fair value or NAV	Book value (Net of provisions)
1. Related Parties **		
(a) Subsidiaries (Unquoted, hence disclosed at break up value)	5,033	25
(b) Companies in the same group (disclosed at market value) #	1,876,116	66,182
(c) Other related parties		
–Unquoted (disclosed at face value)	20	20
–Quoted	42,554	13,648
2. Other than related parties		
–Unquoted @	82,965	98,102
–Quoted (disclosed at market value)	310,724	246,945
Total	2,317,412	424,922

** 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 & investments in mutual funds are disclosed at fund value.

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

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

7. Other information	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	2,346
(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 & 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 2012 (Contd.)

26 Schedule to Balance Sheet as on 31 March 2012 (Contd.)

8. CRAR

Items	Current Year	Previous Year
(i) CRAR %	123%	140%
(ii) CRAR – Tier I capital (%)	123%	140%
(iii) CRAR – Tier II capital (%)	0%	0%

9. Exposures

Exposures to Real Estate Sector

		(₹ In Lakh)	
Category		Current Year	Previous Year
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, multitenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits		–	–
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised Exposures -			
(a) Residential		–	–
(b) Commercial Real Estate		–	–
b. Indirect Exposure		25,577	14,757
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		25,577	14,757

10. Asset Liability Management

Maturity pattern of certain items of assets and liabilities for Investment Schedule

		(₹ In Lakh)							
	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to one year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities	–	–	–	–	–	–	–	–	–
Borrowings from Banks	–	–	–	–	–	–	–	–	–
Market Borrowings	–	–	–	–	–	–	–	–	–
Assets	4,671	1,004	2,475	28,799	29,859	76,684	16,567	264,863	424,922
Advances	–	–	–	–	–	–	–	–	–
Investments	4,671	1,004	2,475	28,799	29,859	76,684	16,567	264,863	424,922

Notes to financial statements for the year ended 31 March 2012 (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

The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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 and Shah
 Firm Registration Number: 102021W
 Chartered Accountants

Anish P Amin
 Partner
 Membership Number: 40451
 Pune: 17 May 2012

Mandar Velankar
 Company Secretary

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

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 2012
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 ₹ 6.51 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 ₹ 52.11 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	₹ 10.62 crore

Rahul Bajaj Chairman
Sanjiv Bajaj Managing Director

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

} Directors

Mandar Velankar
Company Secretary
Pune: 17 May 2012



Consolidated Financial Statements

Report of the Auditors on the Consolidated Financial Statements

The Board of Directors

Bajaj Holdings & Investment Limited

1. We have audited the attached consolidated balance sheet of Bajaj Holdings & Investment Limited (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) as at 31 March 2012, the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one jointly controlled entity included in the consolidated financial statements, which constitute total assets of ₹ 57.53 crore and net assets of ₹ 48.92 crore as at 31 March 2012, total revenue of ₹ 16.92 crore, net loss of ₹ 1.56 crore and net cash flows amounting to ₹ 0.94 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.
4. 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 sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditor on separate financial statements and on the other financial information of the component of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached 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 2012;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Dalal and Shah

Firm Registration Number: 102021W

Chartered Accountants

Anish P Amin

Partner

Membership Number: 40451

Pune: 17 May 2012

Consolidated Balance Sheet as at 31 March

		(₹ In Crore)	
Particulars	Note No.	2012	2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	111.29	111.29
Reserves and surplus	3	8,568.73	7,339.54
		8,680.02	7,450.83
Non-current liabilities			
Deferred tax liabilities (net)		3.73	4.18
Other long-term liabilities	4	24.91	18.23
Long-term provisions	5	0.61	0.95
		29.25	23.36
Current liabilities			
Trade payables	6	0.89	1.31
Other current liabilities	6	10.98	9.90
Short-term provisions	5	341.33	454.80
		353.20	466.01
Total		9,062.47	7,940.20
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	13.63	14.13
Lease Adjustment Account - Plant and Machinery		17.50	17.50
Capital work-in-progress		160.33	–
		191.46	31.63
Goodwill on investments in associates		352.72	341.85
Non-current investments	8	7,004.90	5,519.54
Long-term loans and advances	9	276.09	281.40
Other non-current assets	11	100.01	150.22
		7,925.18	6,324.64
Current assets			
Current investments	8	700.75	1,355.23
Inventories	12	0.06	0.13
Trade receivables	10	0.38	0.31
Cash and bank balances	13	424.85	222.67
Short-term loans and advances	9	6.48	34.50
Other current assets	11	4.77	2.72
		1,137.29	1,615.56
Total		9,062.47	7,940.20

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 17 May 2012

Mandar Velankar
Company Secretary

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

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

(₹ In Crore)

Particulars	Note No.	2012	2011
Sales		1.77	1.64
Less : Excise Duty		0.17	0.15
Net Sales		1.60	1.49
Other operating revenue		293.71	896.65
Revenue from operations (net)	14	295.31	898.14
Other income	15	5.72	2.27
Total Revenue (I)		301.03	900.41
Expenses:			
Cost of raw material and components consumed	16	0.59	0.63
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	17	0.06	0.01
Employee benefits expense	18	4.23	5.42
Finance costs	19	0.01	—
Depreciation		0.24	0.24
Share of depreciation of joint venture		0.23	0.24
Other expenses	20	6.73	5.60
Total expenses (II)		12.09	12.14
Profit before exceptional items and tax (I - II)		288.94	888.27
Exceptional item	21	14.01	—
Profit before tax		274.93	888.27
Tax expense			
Current tax		76.91	170.86
MAT credit		—	(113.36)
Deferred tax		(0.45)	14.77
Total tax expense		76.46	72.27
Profit after tax		198.47	816.00
Income from associates after tax		1,480.70	1,504.23
Profit after income from associates		1,679.17	2,320.23
Tax credits pertaining to earlier years		—	2.38
Share of tax credits pertaining to earlier years of joint venture		—	0.15
Profit for the year		1,679.17	2,322.76
Earnings per share (In ₹)			
Basic		150.9	217.0
Diluted		150.9	213.5
(Nominal value per share ₹ 10)			

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 17 May 2012

Mandar Velankar
Company Secretary

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

Notes to consolidated financial statements for the year ended 31 March 2012

- 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 Limited	India	31.49%	Associate
Bajaj Finserv Limited	India	39.15%	Associate
Bajaj Auto Holdings Limited	India	100.00%	Subsidiary
Maharashtra Scooters Limited	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

	2012	2011
	(₹ In Crore)	
Authorised :		
150,000,000 equity shares of ₹ 10 each	150.00	150.00
Issued, subscribed and fully paid-up shares:		
111,293,510 equity shares of ₹ 10 each	111.29	111.29
	111.29	111.29

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

	2012		2011	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	111,293,510	111.29	106,042,510	106.04
Share allotment by way of conversion of preferential warrants	—	—	5,251,000	5.25
Outstanding at the end of the year	111,293,510	111.29	111,293,510	111.29

b. Further, of the above:-

- 4,342,676 equity shares issued by way of Euro equity issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares, excluding 2,171,388 equity shares allotted as bonus shares thereon. Outstanding GDRs at the close of the year were 299,728 (313,713).
- 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.
- 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.

c. 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.

Notes to consolidated financial statements for the year ended 31 March 2012 (Contd.)

2 Share capital (Contd.)

d. Details of shareholders holding more than 5% shares in the company

	2012		2011	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnallal Sons Pvt. Ltd.	15,565,590	13.99%	13,699,590	12.31%
Life Insurance Corporation of India	7,621,494	6.85%	7,560,851	6.79%
Jaya Hind Investments Private Limited	5,805,256	5.22%	5,805,256	5.22%

3 Reserves and surplus

	(₹ In Crore)	
	2012	2011
Reserve Fund in terms of Section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as per the last financial statements	400.74	200.27
Add: Transferred from surplus in the statement of profit and loss	114.80	200.47
Closing Balance	515.54	400.74
Securities Premium Account		
Balance as per the last financial statements	444.42	213.59
Add : Additions during the year	—	230.83
Closing Balance	444.42	444.42
General Reserve		
Balance as per the last financial statements	6,079.49	4,809.33
Add: Share of accumulated reserves of associate	(127.40)	(151.56)
Add: Reserve utilised by joint venture towards distribution of dividend	(0.40)	(0.26)
Add: Transferred from surplus in the statement of profit and loss	1,166.74	1,416.76
Add: Share of profit/(loss) of joint venture	(1.56)	5.22
Closing Balance	7,116.87	6,079.49
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	412.39	164.80
Profit for the year	1,679.17	2,322.76
Less: Appropriations		
Transfer to Reserve Fund in terms of Section 45-IC(1) of the Reserve Bank of India Act, 1934	114.80	200.47
Transfer to general reserve	1,166.74	1,416.76
Transfer to general reserve (share of joint venture)	(1.56)	5.22
Proposed dividend	278.23	389.53
Tax on proposed dividend	43.95	63.19
Total appropriations	1,602.16	2,075.17
Balance in the statement of profit and loss	489.40	412.39
	8,568.73	7,339.54

Notes to consolidated financial statements for the year ended 31 March 2012 (Contd.)

4 Other long-term liabilities

	(₹ In Crore)	
	2012	2011
Trade payables	–	0.26
Share of annuity payable to VRS optees of joint venture	6.93	–
Lease Security Deposits	17.50	17.50
Other payables	0.48	0.47
	24.91	18.23

5 Provisions

	(₹ In Crore)			
	Long-term		Short-term	
	2012	2011	2012	2011
Provision for employee benefits				
Provision for gratuity	–	0.34	–	–
Provision for compensated absences	–	–	0.01	0.10
Share of provision for compensated absences of joint venture	–	–	0.14	0.35
Share of provision for welfare scheme of joint venture	–	–	–	–
	–	0.34	0.15	0.45
Other provisions				
Provision for tax (net of tax paid in advance)	0.61	0.61	19.00	1.63
Proposed dividend	–	–	278.23	389.53
Tax on proposed dividend	–	–	43.95	63.19
	0.61	0.61	341.18	454.35
	0.61	0.95	341.33	454.80

6 Other current liabilities

	(₹ In Crore)	
	2012	2011
Trade payables		
Dues to micro and small enterprises	–	–
Share of dues to micro and small enterprises of joint venture	0.01	0.02
Other than dues to micro and small enterprises	0.68	0.75
Share of other than dues to micro and small enterprises of joint venture	0.20	0.54
	0.89	1.31
Other liabilities		
Share of advance against order of joint venture	–	2.74
Security deposits	0.01	0.31
Share of security deposits of joint venture	0.01	–
Unclaimed dividend	6.71	6.18
Share of unclaimed dividend of joint venture	0.24	0.18
Unclaimed amount of sale proceeds of Fractional coupons of Bonus Shares (₹ 5,595 - previous year ₹ 5,595)	–	–
Other Payables	2.93	0.49
Share of annuity payable to VRS optees of joint venture	1.08	–
	10.98	9.90
	11.87	11.21

Notes to consolidated financial statements for the year ended 31 March 2012 (Contd.)

7 Fixed assets

(₹ In Crore)

	Gross block				Depreciation				Net block	
	As at 31 Mar 11	Additions	Deductions/ adjustments	As at 31 Mar 12	As at 31 Mar 11	Deductions/ adjustments	For the Year (c) & (e)	As at 31 Mar 12	As at 31 Mar 12	As at 31 Mar 11
Land Freehold	0.04	–	–	0.04	–	–	–	–	0.04	0.04
Land Leasehold	1.30	–	0.02	1.28	–	–	–	–	1.28	1.30
Buildings	14.98	0.05	–	15.03	3.73	–	0.28	4.01	11.02	11.25
Plant & Machinery	4.95	–	0.09	4.86	3.55	0.08	0.18	3.65	1.21	1.40
Furniture & Fixtures	0.08	–	0.01	0.07	0.06	0.01	–	0.05	0.02	0.02
Office Equipments	0.02	–	–	0.02	0.01	–	–	0.01	0.01	0.01
Vehicles	0.17	0.01	0.10	0.08	0.06	0.04	0.01	0.03	0.05	0.11
Leased Assets: Plant & Machinery	87.50	–	–	87.50	87.50	–	–	87.50	–	–
Total	109.04	0.06	0.22	108.88	94.91	0.13	0.47	95.25	13.63	14.13
Share of fixed assets of joint ventures	6.50	0.01	0.10	6.41	4.54	0.09	0.23	4.68	1.73	1.96
Previous year total	109.10	0.03	0.09	109.04	94.49	0.06	0.48	94.91	14.13	
Share of fixed assets of joint ventures - previous year	6.54	0.03	0.07	6.50	4.36	0.06	0.24	4.54	1.96	

8 Investments

(₹ In Crore)

	Non-current		Current	
	2012	2011	2012	2011
In Government and Trust Securities	–	84.51	–	–
In fully Paid Preference Shares	3.19	7.69	–	–
In Equity Shares				
Long-term: Associate Companies	4,043.87	3,043.44	–	–
Others	1,710.69	1,388.08	–	–
Share of joint ventures	25.11	25.11	–	–
	5,779.67	4,456.63	–	–
In Debentures, Bonds and Secured Premium Notes	289.70	189.98	65.98	10.71
Share of joint ventures	1.19	23.44	–	–
In Bonds	797.79	751.94	–	66.03
Share of joint ventures	16.23	–	–	–
In Mutual Fund Units	136.59	38.84	62.51	39.80
Share of joint ventures	–	–	0.10	0.43
In Certificate of Deposits	–	–	565.44	1,161.11
Share of joint ventures	–	–	6.72	2.38
In Commercial Paper	–	–	–	74.77
	7,024.36	5,553.03	700.75	1,355.23
Less: Provision for diminution in value of Investments	19.46	36.09	–	–
	7,004.90	5,516.94	700.75	1,355.23
Add: Application Money for investment in Shares and Bonds	–	2.60	–	–
	7,004.90	5,519.54	700.75	1,355.23

Notes to consolidated financial statements for the year ended 31 March 2012 (Contd.)

9 Loans and advances

(Unsecured, good, unless stated otherwise)

			(₹ In Crore)	
			Long-term	Short-term
	2012	2011	2012	2011
Security deposits	0.38	0.16	—	—
Share of security deposits of joint venture	0.01	0.01	—	—
Loan and advances to related parties (₹ 34,501 - previous year ₹ 48,190)				
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	0.08
Other loans and advances				
VAT refund receivable	0.07	0.07	—	0.05
CENVAT credit receivable	0.20	0.20	—	0.07
Advance income tax (net of provision for tax)	244.62	251.62	5.58	29.22
Share of loans to former employees of joint venture	1.47	—	0.51	—
Others	27.99	27.99	0.02	5.07
Share of others of joint venture	—	—	0.01	0.01
	274.35	279.88	6.12	34.42
	276.09	281.40	6.48	34.50

10 Trade receivables

(Unsecured, considered good, unless stated otherwise)

			(₹ In Crore)	
			Non-current	Current
	2012	2011	2012	2011
Outstanding for a period exceeding six months from the date they are due for payment	—	—	—	—
Share of others, good of joint venture	—	—	0.38	0.31
	—	—	0.38	0.31
Amount disclosed under the head "other non-current assets" [See note 11]	—	—	—	—
	—	—	0.38	0.31

11 Other assets

(Unsecured, good, unless stated otherwise)

			(₹ In Crore)	
			Non-current	Current
	2012	2011	2012	2011
Non-current bank balances [See note 13]	100.00	150.00	—	—
Others				
Interest accrued but not due on fixed deposits	—	—	3.72	1.37
Share of interest accrued but not due on fixed deposits of joint venture	—	—	—	0.01
Interest receivable on investments / loans	6.30	6.51	—	—
Share of interest receivable on investments / loans of joint venture	—	—	1.05	1.34
Less: Provision for doubtful receivable	6.29	6.29	—	—
	0.01	0.22	1.05	1.34
	100.01	150.22	4.77	2.72

Notes to consolidated financial statements for the year ended 31 March 2012 (Contd.)

12 Inventories

(valued at lower of cost and net realisable value)

	(₹ In Crore)	
	2012	2011
Raw materials and components (share of joint venture)	0.02	0.02
Work-in-progress (share of joint venture)	0.04	0.10
Stores (share of joint venture)	–	0.01
	0.06	0.13

13 Cash and bank balances

	(₹ In Crore)			
	Non-current		Current	
	2012	2011	2012	2011
Cash and cash equivalents				
Balances with banks:				
On current accounts	–	–	2.30	0.46
Share of current accounts of joint venture	–	–	0.35	0.31
On unclaimed dividend account	–	–	6.71	6.18
Share of unclaimed dividend account of joint venture	–	–	0.24	0.18
Cash equivalents				
Deposits with original maturity of less than three months from date of acquisition	–	–	–	20.00
Certificate of Deposits with maturity of less than three months from date of acquisition	–	–	209.68	146.61
Commercial Paper with maturity of less than three months from date of acquisition	–	–	48.43	48.57
	–	–	267.71	222.31
Other bank balances				
Deposits with original maturity of more than twelve months	100.00	150.00	150.00	–
Deposits with original maturity of more than twelve months (share of joint venture)	–	–	1.20	0.36
Deposits with original maturity of more than three months but less than and equal to twelve months	–	–	5.94	–
	100.00	150.00	157.14	0.36
Amount disclosed under non-current assets [See note 11]	(100.00)	(150.00)	–	–
	–	–	424.85	222.67

Notes to consolidated financial statements for the year ended 31 March 2012 (Contd.)

14 Revenue from operations

	2012	2011
	(₹ In Crore)	
Sale of products	1.77	1.64
Less: Excise duty on sale of products	0.17	0.15
Net sales	1.60	1.49
Interest:		
Interest income on		
Bank deposits	22.31	1.37
Share of bank deposits of joint venture	0.04	0.05
Long-term investments	95.42	114.28
Share of long-term investments of joint venture	1.63	2.06
Others	1.00	1.35
Share of others of joint venture	0.03	0.02
Less : Amortisation of premium/(discount) on acquisition of fixed income securities	(4.88)	(24.46)
Share of amortisation of premium/(discount) on acquisition of fixed income securities of joint venture	0.08	0.03
	125.23	143.56
Other financial services:		
Dividend income on		
Long-term investments	37.36	36.64
Share of long-term investments of joint venture	9.85	6.03
Profit on sale of investments, net	89.50	706.84
Share of profit on sale of investments, net of joint venture	0.66	0.18
Surplus on redemption of securities, net	22.99	3.12
Share of surplus on redemption of securities, net of joint venture	0.17	0.04
Provision for diminution in value of investments written back	3.74	–
Provision for doubtful advances written back	2.16	–
Sundry credit balances appropriated	0.01	–
Investments/balances earlier written off, recovered	2.04	0.24
Other operating revenue	293.71	896.65
	295.31	898.14

15 Other income

	2012	2011
	(₹ In Crore)	
Rent	0.12	0.15
Miscellaneous receipts	2.58	2.10
Surplus on sale of assets	0.02	–
Share of surplus on sale of assets of joint venture	0.07	0.02
Share of sundry credit balances appropriated of joint venture	2.93	–
	5.72	2.27

Notes to consolidated financial statements for the year ended 31 March 2012 (Contd.)

16 Cost of raw material and components consumed

	(₹ In Crore)	
	2012	2011
Raw Materials & Boughtout Items (share of joint venture)	0.59	0.63
	0.59	0.63

17 (Increase)/decrease in inventories

	(₹ In Crore)		
	2012	2011	(Increase)/decrease
Inventories at the end of the year			
Work-in-progress	0.04	0.10	0.06
Finished goods	–	–	–
	0.04	0.10	0.06
Inventories at the beginning of the year			
Work-in-progress	0.10	0.11	0.01
Finished goods	–	–	–
	0.10	0.11	0.01
	0.06	0.01	

18 Employee benefits expense

	(₹ In Crore)	
	2012 Gratuity	2011 Gratuity
Salaries, wages and bonus to employees	0.78	1.70
Share of salaries, wages and bonus to employees of joint venture	2.17	2.79
Contribution to provident and other funds	0.24	0.18
Share of contribution to provident and other funds of joint venture	0.82	0.53
Staff welfare expenses	0.05	0.04
Share of staff welfare expenses of joint venture	0.17	0.18
	4.23	5.42

19 Finance costs

	(₹ In Crore)	
	2012	2011
Interest expense	0.01	–
	0.01	–

Notes to consolidated financial statements for the year ended 31 March 2012 (Contd.)

20 Other expenses

	(₹ In Crore)	
	2012	2011
Share of stores & tools consumed of joint venture	0.05	0.05
Share of power, fuel & water of joint venture	0.10	0.10
Repairs to buildings	0.13	0.42
Share of repairs to buildings of joint venture	0.01	0.04
Repairs to computers etc.	–	0.02
Share of repairs to machinery of joint venture	0.03	0.05
Share of repairs to others of joint venture	0.03	0.03
Rent	0.01	0.01
Rates and taxes	0.03	0.02
Share of rates and taxes of joint venture	0.01	0.01
Insurance (₹ 14,527)	–	0.07
Share of insurance of joint venture	0.01	0.01
Payment to auditor	0.09	0.09
Share of payment to auditor of joint venture	0.03	0.02
Directors' fees and travelling expenses	0.15	0.15
Commission to Non Executive Directors	1.97	–
Miscellaneous expenses	3.88	4.39
Share of miscellaneous expenses of joint venture	0.16	0.10
Loss on sale of assets	0.02	–
Amount written off against leasehold land	0.02	0.02
	6.73	5.60

21 Exceptional item

	(₹ In Crore)	
	2012	2011
Share of expenditure on voluntary retirement scheme of joint venture	14.01	–
	14.01	–

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.

Notes to consolidated financial statements for the year ended 31 March 2012 (Contd.)

24 Notes pertaining to subsidiary, joint venture and associates, to the extent required to fairly present the needed disclosures. The figures disclosed in this note are at full value and not the proportionate share of the parent company.

Maharashtra Scooters Limited

- 1 Maharashtra Scooters Limited had announced Voluntary Retirement Schemes (VRS) for its workmen on 6 June 2011 and on 7 November 2011 and for staff on 1 December 2011. In response to the Schemes, a total of 437 employees opted for the same. The Company has incurred a total expenditure of ₹ 58.39 crore on the said schemes. In compliance with the provisions of the Accounting Standard-15 "Employees Benefits" the entire amount of ₹ 58.39 crore is charged to the the statement of profit and loss in the current financial year.
- 2 Unclaimed balance in scooter booking advance amounting to ₹ 12.21 crore has been credited to statement of profit and loss. As and when any customer claims refund of advance, the same will be paid and charged to statement of profit and loss in the year of payment.

25 Consolidated contingent liability

	2012	2011
	(₹ In Crore)	
i) Claims against the Company not acknowledged as debts (being share of joint venture and associates)	137.72	138.92
ii) Guarantees given by the associate to banks, on behalf of subsidiary of associate (being share of associates)	8.01	7.30
iii) Guarantees given by the Company to HDFC - for loans to employees (being share of associates)	0.04	0.07
iv) Taxes, duties and other sums due (including ₹ 194.54 crore (previous year ₹ 155.91 crore) being share of joint venture and associate)	485.41	444.44
v) Claims made by temporary workmen (of associate)	Liability unascertained	Liability unascertained
vi) Claims, under policies, not acknowledged as debts (being share of associate)	4.46	3.56

26 Capital and other commitments

	2012	2011
	(₹ In Crore)	
Capital Commitments to the extent not provided for, net of capital advances (including ₹ 142.03 crore (previous year ₹ 68.42 crore) being share of joint venture and associate)	174.74	68.42

27 Cash Flow Statement

Due to the different methods of computing cash flows adopted by two of the subsidiaries 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:

	2012	2011
	(₹ In Crore)	
Particulars		
From Operating Activities	646.15	307.20
From Investment Activities	(145.74)	4.34
From Financing Activities	(455.01)	(195.86)
Net Change	45.40	115.68
Cash & Cash Equivalents at the beginning of the year	222.31	106.63
Cash & Cash Equivalents at the end of the year	267.71	222.31

Notes to consolidated financial statements for the year ended 31 March 2012 (Contd.)

28 Consolidated related party transactions are same as related party transactions of stand alone Bajaj Holdings and Investment Limited.

29 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 2012

	(₹ In Crore)
	Bajaj Auto Holdings Ltd.
a) Paid up share capital	0.25
b) Share premium	–
Other reserves	50.08
c) Total assets	59.36
d) Total liabilities	59.36
e) Investments*	36.00
f) Turnover/Operating result	7.69
g) Profit before tax	7.62
h) Provision for tax	1.11
i) Profit after tax	6.51
j) Proposed Dividend	7.35

* For details of investments refer note 8.

30 Previous year figures

The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

31 Miscellaneous

₹ 1 crore is equal to ₹ 10 million.

In terms of our report of even date

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 17 May 2012

Mandar Velankar
Company Secretary

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



BAJAJ

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

NOTICE

Notice is hereby given that the Sixty-Seventh annual general meeting of the shareholders of Bajaj Holdings & Investment Limited will be held on Wednesday, 18 July 2012 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:

- 1 To consider and adopt the audited balance sheet as at 31 March 2012 and the profit and loss account for the year ended 31 March 2012 and the directors' and auditors' reports thereon.
- 2 To declare a dividend.
- 3 To appoint a director in place of D J Balaji Rao, who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To appoint a director in place of Naresh Chandra, 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.

Special Business

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

"RESOLVED that pursuant to the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and schedule XIII thereto (including any amendment or statutory modification thereto for the time being in force) and subject to such sanctions as may be necessary, approval is hereby given to the appointment of Sanjiv Bajaj as the Managing Director of the Company for a five year term commencing from 1 April 2012 till 31 March 2017 on the terms and conditions including remuneration and minimum remuneration in the event of absence or inadequacy of profits as set out in the explanatory statement relating to this resolution and in the agreement entered into between the Company and Sanjiv Bajaj, which agreement is hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Sanjiv Bajaj.

"FURTHER RESOLVED that in the event of any statutory amendment, modification or relaxation by the central government to schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the Company and Sanjiv Bajaj be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

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

By order of the Board of Directors
for Bajaj Holdings & Investment Limited



Mandar Velankar
Company Secretary
Date: 17 May 2012

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 Explanatory statement setting out all material facts concerning the aforesaid special business contained in Item No. 6 as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
- 3 Brief details of the directors, who are being re-appointed, are annexed hereto as per requirements of clause 49 of the listing agreement.
4. The register of members and share transfer books of the Company will remain closed from Saturday, 7 July 2012 to Wednesday, 18 July 2012, both days inclusive.
- 5 Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 23 July 2012 and 25 July 2012:
 - 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 Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end-of-the-day on Friday, 6 July 2012; 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 closing hours on Friday, 6 July 2012.
- 6 Members holding shares in physical form are advised to furnish, on or before 6 July 2012, particulars of their bank account, if changed, to the share transfer agent (i.e. Karvy Computershare Pvt. Ltd.) of the Company to incorporate the same in the dividend warrants/payment instruments. In cases where the payments to the shareholders holding shares in dematerialised form are made by dividend warrants/payment instruments, particulars of bank account registered with their depository participants will be considered by the Company for printing the same on the dividend warrants/payment instruments.
- 7 Shareholders, holding shares in physical form, are requested to notify change of address, if any, to the share transfer agent (i.e. Karvy Computershare Pvt. Ltd.) of the Company, preferably along with their bank/National Electronic Clearing Service (NECS) details on or before 6 July 2012. 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 by them correctly on or before 6 July 2012.

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.
- 8 The Company has been maintaining, inter alia, the following statutory registers at its registered office at Akurdi, Pune, which are open for inspection of 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 during the period beginning fourteen days before the date of annual general meeting and ending three days after the date of its conclusion.
9. 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.
10. Members/Proxies are requested to bring their attendance slips along with the copies of annual reports to the meeting.
11. For security reasons, no article/baggage will be allowed at the venue of the meeting.
12. 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 e-mail address with M/s Karvy Computershare Private Limited, Hyderabad.

ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT AND EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 3 of the Notice

D J Balaji Rao

As regards re-appointment of D J Balaji Rao referred to in item No 3 of the notice, following necessary disclosures are made for the information of the shareholders:

D. J. Balaji Rao (born on December 15, 1939), is a Mechanical Engineer and holds a post-graduate Diploma in Industrial Engineering. He attended the advanced management programme at the European Institute of Business Administration (INSEAD) at Fountainebleau, France in 1990.

He was the Deputy Managing Director of erstwhile The Industrial Credit and Investment Corporation of India Ltd. (ICICI) and in April 1996, he was made Vice Chairman and Managing Director of SCICI Ltd. In June 1997, he was appointed as the first Managing Director of Infrastructure Development Finance Company Limited., which he served till his superannuation in January, 2000. He has served with distinction on the Boards of many leading companies, including MICO Ltd., Wipro Ltd. and Bharat Forge.

Major Directorships

3M India Limited - Chairman
Ashok Leyland Limited
Bajaj Auto Limited
Bajaj Finance Ltd.
Bajaj Finserv Limited
Bajaj Holdings & Investment Limited
CMI FPE Ltd.
Graphite India Limited
Hinduja Foundries Limited
JSW Energy Limited

Committee positions

3M India Limited
Ashok Leyland Limited
Bajaj Auto Limited
Bajaj Finserv Limited
CMI FPE Ltd.
Hinduja Foundries Limited
JSW Energy Limited

Shareholding in the Company

Nil

The Board commends the resolution for your approval.

None of the directors, except D J Balaji Rao is concerned or interested in the said resolution.

Item No. 4 of the Notice

Naresh Chandra

As regards re-appointment of Naresh Chandra referred to in item No 4 of the notice, following necessary disclosures are made for the information of the shareholders:

Naresh Chandra (born on 1 August 1934) is India's National Security Advisory Board Chairman. He is also on the Board of Directors for several companies, including Cairn India Limited, Bajaj Auto Limited, Vedanta resources Plc, London and EROS International Plc, London. Naresh Chandra worked as a Chairman of the committee on Civil Aviation Policy, set up by the Government of India, and submitted its report in 2004.

From 2002 to 2003, he chaired the Committee on Corporate Governance and the Committee on Private Companies and Limited Companies Partnerships. He was the Ambassador of India to the United States from 1996 to 2001 and Governor of the state of Gujarat from 1995 to 1996. Previously in 1992, and following the economic liberalisation program in India, Naresh Chandra led the first official delegation to the United States to promote U.S. investments in India, during which endeavour he was Cabinet Secretary, the highest post in the Indian Civil Service. Also in 1992, he was appointed Senior Advisor to the Prime Minister of India. He also formerly served as Chief Secretary in the State of Rajasthan, Advisor to the Governor of Jammu and Kashmir, and successively Secretary to the ministries of Water Resources, Defense, Home and Justice in the Government of India. He was also the Indian Co-chairman of the U.S. Technology Transfer Working Group from 1980 to 1981.

Naresh Chandra is a recipient of Padma Vibhushan, a high civilian award given by the President of India.

Chairmanships

Balrampur Chini Mills Limited
EROS International Media Limited

Major Directorships

Hindustan Motors Limited
Electrosteel Castings Limited
Bajaj Auto Limited
Bajaj Finserv Limited
Bajaj Holdings & Investment Limited
ACC Limited
Ambuja Cements Limited
Cairn India Limited
Gammon Infrastructure Projects Limited

Committee positions

Hindustan Motors Limited
Electrosteel Castings Limited
Bajaj Auto Limited
Bajaj Finserv Limited
Bajaj Holdings & Investment Limited
EROS International Media Limited
ACC Limited
Cairn India Limited
Gammon Infrastructure Projects Limited

Shareholding in the Company

Nil

The Board commends the resolution for your approval.

None of the directors, except Naresh Chandra is concerned or interested in the said resolution.

Item No 6 of the Notice

At the meeting of the Board of Directors of the Company held on 27 March 2012, Sanjiv Bajaj, was appointed as the Managing Director of the Company for a period of five years with effect from 1 April 2012 till 31 March 2017 on the terms of remuneration mentioned hereinbelow, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 1956 or any statutory amendment or relaxation thereof.

1. Salary

₹ 500,000 (₹ Five Lakh only) per month with such annual increments/increases as may be decided by the Board of Directors from time to time.

2. Commission

Payable for each financial year, subject to such ceilings as may be set out in the Companies Act, 1956 and subject to such ceiling as may be fixed by the Board of Directors from time to time. The amount of commission shall be payable after the annual accounts are approved by the Board of Directors and adopted by the shareholders.

3. Perquisites

- i. Company's contribution to provident fund and superannuation fund to the extent these either singly or put together are not taxable under the Income-tax Act.
- ii. Gratuity at the rate of one month's salary, for each year of service.
- iii. Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.
- iv. Free furnished residential accommodation with gas, electricity, water and furnishings.
- v. Reimbursement of medical expenses incurred for self and family in India or abroad including hospitalisation, nursing home and surgical charges and in case of medical treatment abroad the air-fare, boarding/lodging for patient and attendant.
- vi. Reimbursement of actual travelling expenses for proceeding on leave from Pune to any place in India and return therefrom once a year in respect of himself and family.
- vii. Reimbursement of membership fees for clubs in India or abroad, including any admission/life membership fees.
- viii. Personal accident insurance policy in accordance with the scheme applicable to senior employees.
- ix. Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, as may be approved by the Board of Directors from time to time.
- x. Reimbursement of entertainment expenses incurred in the course of business of the Company.
- xi. Free use of Company's car for Company's work as well as for personal purposes along with driver.
- xii. Telephone, tele-fax and other communication facilities at Company's cost.
- xiii. Subject to any statutory ceiling/s, the Managing Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

4. Valuation of perquisites

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

5. Minimum remuneration

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Managing Director shall, subject to the approval of the central government, if required, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in schedule XIII to the Companies Act, 1956, from time to time.

6. Computation of ceiling

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

- a. Contribution to provident and superannuation funds referred to in para 3 (i) above.
- b. Gratuity payable as per para 3 (ii), to the extent of half a month's salary for each completed year of service.
- c. Encashment of leave at the end of the tenure as per para 3 (iii) above.

7. Other terms

The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board/Remuneration and Nomination Committee, as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director in accordance with the provisions of the said Act or any amendments made therein or with the approval of the Central Government, if required.

Information about the appointee

Sanjiv Bajaj, 42, is B.E. (Mech), first class with distinction from the University of Pune, M. Sc (Manufacturing Systems Engg) with distinction from the University of Warwick, UK and MBA from Harvard Business School, USA. Since 2008, he is the Managing Director of Bajaj Finserv Limited. Bajaj Finserv operates in the insurance business through Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz General Insurance Company Limited, as well as in the lending business through Bajaj Finance Limited and in the wealth management business through Bajaj Financial Solutions Ltd. His role includes guiding the current businesses and building new ones in the financial services space.

In his various roles in Bajaj Auto Ltd. (BAL), including as Executive Director, he has handled with distinction areas of International Business, Finance, Legal and Taxation. He was selected as India Inc's one of the hundred most powerful CEOs in India by Economic Times' Corporate Dossier magazine in its 2009 survey conducted by IMRB International. He was awarded Business Today magazine's Best CFO Awards 2005 as one of the top CFOs of India for 2005.

His directorships/committee positions in other public limited companies:

Major Directorships:

Bajaj Finserv Limited, (Managing Director)
Bajaj Allianz General Insurance Company Limited
Bajaj Allianz Life Insurance Company Limited
Bajaj Finance Limited
Bajaj Auto Limited
Maharashtra Scooters Limited
Jeewan Limited
Hindustan Housing Company Limited

Committee positions:

Bajaj Finserv Limited
Bajaj Allianz General Insurance Company Limited
Bajaj Allianz Life Insurance Company Limited
Bajaj Finance Limited
Maharashtra Scooters Limited

He holds 1,362,724 Equity Shares of ₹ 10 each in the Company as on 31 March 2012.

This resolution is being proposed as a special resolution in view of the relevant provisions of schedule XIII to the Companies Act requiring a special resolution for payment of minimum remuneration in the event of loss or inadequacy of profits.

Copies of the abstract as prepared under section 302 of the Companies Act, 1956 have already been sent to all the shareholders in April 2012. The Company has entered into an agreement with Sanjiv Bajaj laying down, inter alia, the terms of remuneration referred to above and the powers and authorities delegated to him. Copy of the said agreement along with abstract as prepared under section 302 of the Companies Act, 1956 are available for inspection by the members during business hours on any working day between 10.00 a.m. and 1:00 p.m. at the registered office of the Company upto the date of this Annual General Meeting.

The Board commends the aforesaid special resolution for approval.

None of the Directors, except Rahul Bajaj, Rajiv Bajaj, Sanjiv Bajaj and Manish Kejriwal are concerned or interested in the said resolution.

By order of the Board of Directors
for Bajaj Holdings & Investment Limited

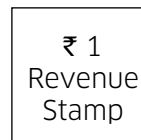


Mandar Velankar
Company Secretary
Date: 17 May 2012

PROXY

I/We of
 in the district of being member/s of
 BAJAJ HOLDINGS & INVESTMENT LIMITED 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 SEVENTH ANNUAL GENERAL MEETING of the
 Company to be held on Wednesday, 18 July 2012 at 4.15 p.m. and any adjournment thereof.
 Signed this day of 2012.

Folio No.
DP ID No.
Client ID No.



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.

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ATTENDANCE SLIP

I hereby record my presence at the SIXTY SEVENTH ANNUAL GENERAL MEETING of the Company on
 Wednesday, 18 July 2012 at 4.15 p.m. at the registered office of the Company at Bajaj Auto Limited Complex,
 Mumbai-Pune Road, Akurdi, Pune- 411035.

Folio No or Client ID & 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.