

NURTURING

A NEW WAVE OF GROWTH





Board of Directors

Kushagra Bajaj
Chairman (Promoter)

Roshan Fateh Lal Hinger
Whole-time Director

Dilip Cherian
Non-Executive Director (Independent)

Gaurav Dalmia
Non-Executive Director (Independent)

Haigreve Khaitan
Non-Executive Director (Independent)

Aditya Vikram Ramesh Somani
Non-Executive Director (Independent)

Sumit Malhotra
Whole-time Director

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A Message from the Chairman

Dear Stakeholders,

It gives me great pleasure, to welcome you all as stakeholders of Bajaj Corp Limited. The year 2010-2011 was indeed an eventful year for your Company, marked by its changed status as a listed Company.

The successful completion of the Initial Public Offering and listing of the Company's securities on the National Stock Exchange and Bombay Stock Exchange in August 2010 marked an important milestone for your Company. The IPO had generated considerable interest across the entire spectrum of investors-institutional, retail etc and I thank all investors for participating and reposing their faith in the Company.

Your Company continues to grow at a healthy pace and despite the sharp rise in the input costs your Company has been able to judiciously mitigate the impact to a large extent. The highlights of the Company's performance include:

- Sales increased to ₹ 35,867 lacs in FY2011 registering a growth of 21.76%
- Earnings before interest, depreciation and tax increased to ₹ 10,893 lacs in FY 2011 registering a growth of 11.45%

Your company's lead brand Bajaj Almond Drops Hair Oil is now available in over 19.5 lac outlets and continues to trail-blaze as a leader in the Light Hair Oil space.

Although commodity and input prices continue to pose a challenge, I am confident that with the help of efficient sourcing mechanisms, your Company will manage these costs efficiently, while delivering quality products. Our focus continues on improving the market share of Bajaj Almond Drops Hair Oil in the Light Hair Oil market space through improved distribution and promotion strategies. We have recently launched a new cooling oil variant in the market and we expect the product to garner a share in this niche market.

The commendable rate of growth achieved by the Indian economy through the past two decades of economic reforms has transformed both the rural and urban demography. Time and again, India has exhibited to the world that a prudent mix of visionary government policies and forward looking participative execution from the Indian industry can thrust the GDP growth to almost double digits.



The FY 2011 was characterized by high inflation, fuelled partly by the high crude prices. During the first half of the FY 2011, inflation continued to remain within the 13-15% range, though this dropped in the second half of the year. Despite inflationary pressures, the Indian GDP demonstrated its robustness and resilience and grew around 8.5%. The Government's continued spending on social initiatives through the National Rural Employment Guarantee Act, 2005 and the measures announced in the Union Budget for FY 2012 too played their part in providing a cushioning effect against inflationary pressures.

The FMCG sector, which is among one of the largest sectors in India, has performed quite encouragingly. It is heartening to note that a large portion of the growth has been contributed by volume expansion which is an indication of rising demand and consumption. Higher input prices, rising inflation and increasing competition could have an adverse impact on the margins, but overall I am encouraged by the significant opportunity that still exists in this space.

Being primarily an agrarian economy, monsoons in India are still viewed as a precursor to the health of the Indian economy. However, with less number of people working directly in farming or related activities, this dependence has reduced.

Your Company enjoys a rich heritage. We are focused on building on this platform by putting in place all the ingredients for a strong and vibrant future. To achieve this objective, I need your continued support, trust and encouragement. I take this opportunity to thank all our employees, who have contributed to a successful performance. I would like to thank our business partners, vendors and other business associates. Finally, I would like to thank our esteemed stakeholders for their trust and support.

With Warm Regards,

Kushagra Bajaj
Chairman

Notice to shareholders

NOTICE is hereby given that the **Fifth Annual General Meeting** of the Members of Bajaj Corp Limited will be held on **Monday, the 8th day of August 2011 at 11.00 A.M.** at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai-400 021, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2011, the Profit and Loss Account for the year ended on that date and Report of Directors and the Auditors thereon for the said year.
2. To declare dividend on Equity Shares for the year ended March 31, 2011.
3. To appoint a Director in place of Mr. Kushagra Bajaj, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Gaurav Dalmia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. R. S. Dani & Co. (Firm Registration Number 000243C) retiring Auditors as Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereto (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such approval(s), permission(s) and/or sanction(s) as may be necessary, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Roshan Fateh Lal Hinger as Whole-time Director and designated as Vice-Chairman of the Company for a further period of 5 (Five) years with effect from April 1, 2011, on the terms and conditions and the remuneration as set out below:-
- I. Remuneration:
 - a) Basic Salary: In the range of ₹ 4,30,000/- per month to ₹ 10,00,000/- per month.
 - b) Allowances and Perquisites:
 - i) House Rent Allowance at the rate 50% of Basic Salary.
 - ii) Contribution to Provident Fund: Company's contribution to Provident Fund equal to 12% of Basic Salary or up to such an amount permissible under the law and as may be

decided by the Board of Directors from time to time.

- iii) Contribution to Superannuation Fund: Company's contribution to Superannuation Fund equal to 15% of Basic Salary or up to such an amount permissible under the law and as may be decided by the Board of Directors from time to time.
- iv) Medical Reimbursement: Reimbursement at the rate 8.5% of Basic Salary.
- v) Conveyance Allowance: At the rate 30% of Basic Salary.
- vi) Leave Travel Allowance: Reimbursement at the rate 8.5% of Basic Salary.
- vii) Leave: Leave with full pay or encashment thereof as per the rules of the Company. Encashment of the unavailed leave is allowed at the end of the tenure.
 Explanation:
 Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.
- viii) Annual Performance Incentive up to a maximum amount of ₹ 20,00,000/- subject to approval by Board of Directors.
- c) Amenities:
 - i) Conveyance facilities: The Vice Chairman is entitled for use of car for official purposes.
 - ii) Communication facilities: The Vice Chairman is entitled for use of telephone, telefax and other communication facilities at his residence.
- II. Overall remuneration:
 The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.
- III. Other Terms and Conditions:
 Other terms and conditions of appointment of Mr. Roshan Fateh Lal Hinger, Whole-time Director designated Vice Chairman are as under:
 - a. The Vice Chairman shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
 - b. The Vice Chairman shall not, so long as he functions as such, become interested or

otherwise concerned directly or through his wife and /or minor children in any selling agency of the Company in future without prior approval of the Central Government.”

“RESOLVED FURTHER THAT in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period of five years from April 1, 2011, the Vice Chairman shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors (which term shall be deemed to include the Remuneration Committee) to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Vice Chairman in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII thereto or any modification thereto and as may be agreed by and between the Board and Mr. Roshan Fateh Lal Hinger.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 309, and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereto (including any statutory modification or re-enactment thereof, for the time being in force) and subject further to the approval of Central Government and any other approval(s) as may be required, the consent and approval of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Sumit Malhotra, Whole-time Director of the Company, with effect from April 1, 2011 till the remaining tenure of the present term of Whole-time Director expiring on March 31, 2013, by revising the Basic Salary from ₹ 2,80,000/- per month to ‘in the range of ₹ 3,30,000/- to ₹ 7,00,000/- per month’ with resultant changes in allowances, perquisites and benefits as set out herein below:-

I. Remuneration:

- a) Basic Salary: In the range of ₹ 3,30,000/- per month to ₹ 7,00,000/- per month.
- b) Allowances and Perquisites:
 - i) House Rent Allowance at the rate 40% of Basic Salary.
 - ii) Special Allowance at the rate 25% of Basic Salary.
 - iii) Contribution to Provident Fund: Company's contribution to Provident Fund equal to 12% of Basic Salary or up to such an amount permissible under the law and as may be decided by the Board of Directors from time to time.
 - iv) Contribution to Superannuation Fund: Company's contribution to Superannuation Fund equal to 15% of Basic Salary or up to such an amount permissible under the law

and as may be decided by the Board of Directors from time to time.

- v) Medical Reimbursement: Reimbursement at the rate 8.33% of Basic Salary.
- vi) Conveyance Allowance: at the rate 30% of Basic Salary.
- vii) Leave Travel Allowance: Reimbursement at the rate 8.33% of Basic Salary.
- viii) Leave: Leave with full pay or encashment thereof as per the rules of the Company. Encashment of the unavailed leave is allowed at the end of the tenure.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

- ix) Annual Performance Incentive up to a maximum amount of ₹ 20,00,000/- subject to approval by Board of Directors.
- c) Amenities:
 - i) Conveyance facilities: The Whole-time Director is entitled for use of car for official purposes.
 - ii) Communication facilities: The Whole-time Director is entitled for use of telephone, telefax and other communication facilities at his residence.

II. Overall remuneration:

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Other Terms and Conditions:

Other terms and conditions of appointment of Mr. Sumit Malhotra, Whole-time Director are as under:

- a. The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without prior approval of the Central Government.”

“RESOLVED FURTHER THAT in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period from April 1, 2011 to March 31, 2013, the Whole-time Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty

to the Board of Directors (which term shall be deemed to include the Remuneration Committee) to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Whole-time Director in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII thereto or any modification thereto and as may be agreed by and between the Board and Mr. Sumit Malhotra."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 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 other applicable rules, regulations, guidelines and other statutory provisions and subject further to the approval of Central Government and any other approval(s) as may be required, consent and approval of the Company be and is hereby granted for payment of commission to Non-Executive Directors (other than Directors in whole-time employment of the Company), not exceeding 1% of the Net Profits of the Company, to be computed in the manner laid down in Section 198(1) of the Companies Act, 1956 for a period of 5 years commencing from April 1, 2011."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 81(1A) 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), the Foreign Exchange Management Act, 1999, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended from time to time (the "SEBI ICDR Regulations") the notifications issued by the Reserve Bank of India ("RBI") and other applicable laws, listing agreement entered into by the Company with the stock exchanges where the shares of the Company are listed, Memorandum of Association and Articles of Association and subject to all other statutory and regulatory approval(s), consent(s), permission(s) and/or sanction(s) of the Government of India, RBI, Securities and Exchange Board of India ("SEBI") and all other concerned authorities (hereinafter singly or collectively referred to as the "Appropriate Authorities") as may be required, and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/or sanction and agreed

to by the Board of Directors of the Company (the "Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the Board be and is hereby authorised to create, issue, offer and allot securities in one or more tranches, whether denominated in rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more domestic or foreign market(s), for a value of up-to ₹ 1,000 crore (Rupees One thousand crore only) including Equity Shares and/or Other Financial Instruments ("OFIs") Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), any other depository receipt mechanism, Preference Shares and/or convertible into Equity Shares (either at the option of the Company or the holders thereof) at a later date, any such instrument, Debentures all or any of the aforesaid with or without detachable or non-detachable warrants and/or warrants of any nature and / or secured premium notes and / or floating rate notes / bonds and / or other financial instruments with or without voting rights (hereinafter collectively referred to as the "Securities") with or without premium, in the course of domestic and / or international offerings through public issue(s) and / or private placement(s) and / or qualified institutional placement ("QIP") and / or further public offering ("FPO") and / or any other permitted modes to be subscribed to in Indian and/or any foreign currency(ies) by resident or non-resident / foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/ Foreign Institutional Investors ("FIIs") and their sub-accounts/, Qualified Institutional Buyers ("QIB"), Mutual Funds, Pension Funds, Venture Capital Funds, Banks, Financial Institutions, Insurance Companies, National Investment Funds, Insurance Funds set up by the Army, Navy or Air Force, the Department of Posts of the Government of India and such other persons or entities, whether or not such investors are members of the Company, to all or any of them, jointly or severally through a prospectus, offer document and/or other letter or circular ("Offer Document") and such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium to the market price prevailing at the time of the issue and in such form and manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with the Lead Manager(s) and/or Underwriters and/or other Advisors, with authority to retain oversubscription upto such percentage as may be permitted by the Appropriate Authorities."

"RESOLVED FURTHER THAT the Relevant Date

for determining the pricing of the securities whether on Qualified Institutional Placement to QIBs as per the provisions of Chapter VIII of SEBI ICDR Regulations, 2009 or issue of equity shares underlying the Global Depository Receipts shall be:

- (i) In case of allotment of equity shares, the date of the meeting in which the Board of Directors of the Company decides to open the proposed issue;
- (ii) In case of allotment of eligible convertible securities, either the date of the meeting in which the Board of Directors of the Company decided to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares or such date, if any, as may be notified by SEBI or the RBI or any appropriate authority from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to allot further shares upto 15% (fifteen percent) of its issue size to the Stabilisation Agent by availing the Green Shoe Option subject to the provisions of relevant SEBI Regulations and enter into and execute all such agreements and arrangements with any Merchant Banker or Book Runner, as the case may be, involved or concerned in such offerings of Securities and to pay all such fee/ expenses as may be mutually agreed between the Company and the said Stabilisation Agent."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such agreements and arrangements with any Lead Manager(s), Co-Lead Manager(s), Manager(s), Advisor(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee, Stabilisation Agent, Registrar, Banker/ Escrow Banker to the Issue and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such Securities in one or more Indian/ International Stock Exchanges."

"RESOLVED FURTHER THAT the Board and/ or an agency or body authorised by the Board may issue Depository Receipt(s) or Certificate(s), representing the underlying securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/ or International Capital Markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian/ International practices and regulations and under the norms and practices prevalent in the Indian/ International Markets."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of further equity shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such further

equity shares ranking pari-passu with the existing equity shares of the Company in all respects except provided otherwise under the terms of issue and in the offer document."

"RESOLVED FURTHER THAT subject to the existing law and regulations, such Securities to be issued, that are not subscribed, may be disposed of by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including offering or placing them with resident or non-resident/ foreign investor(s) (whether institutions and/ or incorporated bodies and/ or individuals and/ or trusts and/ or otherwise)/ Foreign Institutional Investors ("FIIs")/ Qualified Institutional Buyers ("QIBs")/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks and/ or Employees and Business Associates of the Company or such other person(s) or entity(ies) or otherwise, whether or not such investors are members of the Company, as the Board may in its absolute discretion decide."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised on behalf of the Company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/offer(s) or allotment(s) or otherwise and utilisation of the issue proceeds and/ or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent that the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT to the extent permissible under Law, the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution on it, to any Committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

By Order of the Board of Directors

Sujoy Sircar
Company Secretary

Place : Mumbai
Dated : April 30, 2011

NOTES:

1. **A member entitled to attend and vote at the ANNUAL GENERAL MEETING ("MEETING") is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, shall be deposited at the registered office of the Company not less than FORTY-EIGHT hours before the commencement of the Meeting.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. In terms of Article 129 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Kushagra Bajaj and Mr. Gaurav Dalmia, Directors, retire by rotation and being eligible, offer themselves for re-appointment. The Board of Directors commends their respective re-appointments.
5. Brief resume of all Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships/ chairmanships for Board/Committees, shareholding and relationship between Directors *inter-se* as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the annexure.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business to be conducted at the Meeting is annexed hereto.
7. Relevant documents referred in accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
8. The Register of Members and Share Transfer Register Books of the Company shall remain closed from Saturday, July 30, 2011 to Monday, August 08, 2011 (both days inclusive).
9. Dividend in respect of the equity shares of the Company as recommended by the Directors, if approved at the Annual General Meeting, will be paid at par on or after Tuesday, August 9, 2011:-
 - a. To those members who hold Shares in physical form and whose names shall appear in the Register of Members as on Friday, July 29, 2011.
 - b. In respect of Shares held in electronic form, to the beneficial owners of Shares as at the close of business hours on Friday, July 29, 2011 as per the details to be furnished by the Depositories to the Company for this purpose.
10. Members are requested to furnish their Bank Account details, change of address and all other required details to the Registrar & Share Transfer Agents in respect of Shares if held in physical form. In case of shares held in electronic form, these details should be furnished to the respective Depository Participants (DPs).
11. SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form, are therefore, requested to submit their copies of PAN card to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Ltd.
12. For convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by way of attendance slip, which is annexed to this Notice. Members are requested to bring their Attendance Slip, fill up and sign the same at the place provided and hand it over at the entrance of the venue.
13. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agent of the Company at the following address:

By Post/ Courier/ Hand Delivery	M/s. Karvy Computershare Pvt. Ltd. Unit : Bajaj Corp Limited Plot Nos. 17-24, Vittal Rao Nagar Madhapur, Hyderabad- 500 081 Tel. No.: 040 2342 0815-28 Fax No.: 040 2342 0814 E-mail: einward.ris@karvy.com
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14. Pursuant to the provisions of Section 205A to Section 205C of the Companies Act, 1956, all unclaimed/unpaid monies by way of dividend transferred to the "Unpaid Dividend Account" of the Company as contemplated under Section 205A of the Companies Act, 1956 that remains unclaimed/unencashed for a period of 7 (seven) years from the respective date of such transfer

has to be transferred by the Company to "The Investor Education and Protection Fund" being the fund established by the Central Government under Section 205C (1) and no claims shall lie against the said Fund or the Company in respect thereof.

There are no unclaimed/unencashed monies by way of dividend in "Unpaid Dividend Account" of the Company that has remained unclaimed/unencashed for a period of 7 (seven) years from the respective date of such transfer to the aforementioned Unpaid Dividend Account.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item Nos. 6, 7, 8 and 9 of the accompanying Notice dated April 30, 2011.

In respect of Item No. 6

Mr. Roshan Fateh Lal Hinger, aged about 71 years, holds a Bachelors Degree in Science from the University of Udaipur. He is associated with the Bajaj Group since 1982. He has close to 45 years of experience in the FMCG business. He joined the Company in the year 2007 and is responsible for leading and directing the Company's strategy and business operations. He was inducted on to the Board of Directors on September 11, 2007 and designated as Vice Chairman in 2008. He has been holding the position of Vice Chairman since then.

The Members of the Company at the Extraordinary General Meeting held on May 30, 2008 approved the appointment of Mr. Hinger for a period of 3 (three) years with effect from April 1, 2008 till March 31, 2011.

The Board of Directors at their Meeting held on March 16, 2011 reappointed Mr. Roshan Fateh Lal Hinger for a period of 5 (Five) years with effect from April 1, 2011 on the same terms and conditions applicable for the existing term.

The Remuneration Committee and the Board of Directors at their respective Meetings held on April 30, 2011 have approved the revised remuneration payable to Mr. Hinger with effect from April 1, 2011 and other terms and conditions of office as stated in the Resolution at Item No. 6 of the Notice. The terms of variation in the form of revised remuneration as stated in the Resolution at Item No. 6 along with Memorandum of Interest or Concern as stated hereunder may be treated as Abstract of Arrangement and Memorandum of Interest of Directors under Section 302 of the Companies Act, 1956.

A copy each of the resolutions passed by the Remuneration Committee and the Board of Directors at their respective Meetings held on April 30, 2011, as referred to above, are available for inspection by Members during business hours on all working days between 11.00 a.m. and 1.00 p.m. except Saturdays at the Registered Office of the Company up to the date of the Meeting.

The Board of Directors recommend passing of the Special Resolution set out in Item No. 6 of the Notice.

Mr. Roshan Fateh Lal Hinger may be deemed to be interested and/or concerned in the resolution at Item No. 6 of the Notice. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No. 7

Mr. Sumit Malhotra, aged about 48 years, holds a Bachelors Degree in Pharmacy with Honours from Institute of Technology, Benaras Hindu University, Varanasi and a post graduate diploma in Business Management from Indian Institute of Management, Ahmedabad. He is associated with Bajaj Group since 2004. He joined the Company in the year 2008 and is responsible for leading the sales and marketing department of the Company. He has over 23 years of experience in the FMCG business. He was inducted on to the Board of Directors on March 12, 2008.

The Members of the Company at the Extraordinary General Meeting held on May 30, 2008 approved the appointment of Mr. Malhotra for a period of 5 (five) years with effect from April 1, 2008 till March 31, 2013.

The Remuneration Committee and the Board of Directors at their respective Meetings held on April 30, 2011 have approved the revised remuneration payable to Mr. Malhotra with effect from April 1, 2011. All other terms and conditions of Mr. Malhotra's appointment as Whole-time Director have remained unchanged. The terms of variation in form of revised remuneration as stated in the Resolution to Item No. 7 of the Notice along with the Memorandum of Interest or Concern as stated hereunder may be treated as Abstract of Arrangement and Memorandum of Interest of Directors under Section 302 of the Companies Act, 1956.

A copy each of the resolutions passed by the Remuneration Committee and the Board of Directors at their Meeting held on April 30, 2011, as referred to above, are available for inspection by Members during business hours on all working days between 11.00 a.m. and 1.00 p.m. except Saturdays at the Registered Office of the Company up to the date of the Meeting.

The Board of Directors recommend passing of the Special Resolution set out in Item No. 7 of the Notice.

Mr. Sumit Malhotra may be deemed to be interested and/or concerned in the Resolution at Item No. 7 of

the Notice. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No. 8

The Company presently pays sitting fees of ₹ 20,000/- for each Board Meeting and ₹ 15,000/- for each Committee Meetings attended by Non-Executive Directors. The Directors are required to devote significant time and attention to the wider scope of business activities of the Company and more so with the requirements of the revised Corporate Governance policies. The Board therefore recognizes the need to suitably remunerate the Director(s) of the Company who are not in the whole-time employment of the Company with payment of commission based on the Net Profits of the Company.

Under Section 309(2) read with Section 309(4) of the Companies Act, 1956, Non-Executive Directors may receive remuneration by way of a sitting fee for each Meeting of the Board or a Committee attended and by way of a monthly, quarterly or annual payment or by way of commission if the Company by Special Resolution authorizes such payment. Accordingly, approval of the shareholders is being sought for payment of the aforesaid commission for a period of 5 (five) years commencing from April 1, 2011.

At the Board Meeting held on April 30, 2011, the Board has considered seeking approval of the shareholders for payment of commission up to a sum not exceeding 1(one)% of the Net Profits of the Company.

The Board of Directors recommend passing of the Special Resolution set out in Item No. 8 of the Notice.

All the Non-Executive Directors of the Company namely Mr. Kushagra Bajaj, Mr. Haigreve Khaitan, Mr. Gaurav Dalmia, Mr. Aditya Vikram Ramesh Somani and Mr. Dilip Cherian may be deemed to be interested and/or concerned in the Resolution at Item No. 8 to the extent of the remuneration that may be received by them. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No. 9

The Company had recently concluded an Initial Public Offer ("IPO") of 4,500,000 Equity Shares of a face value of ₹ 5/- each, at an issue price of ₹ 660 per share aggregating to an issue size of ₹ 297 crore. Post allotment of the aforementioned shares, the public shareholding became 15.25% and Promoters

shareholding 84.75%. Pursuant to the provisions of the Securities Contract (Regulation) Rules, 1957, as amended, ("SCRR") the Company is required to increase the aforementioned Public shareholding up-to 25% within a period of 3 years from the date of listing of the securities, in the manner specified by the Securities and Exchange Board of India.

In view thereof it is proposed, as stated in the resolution, capital be raised by way of further public offer (fast track or otherwise) and /or qualified institutional placement and / or private placement and/ or depository receipts or any combination thereof as permitted by the the Securities and Exchanges Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") or any other Act/ Regulations whichever is applicable.

For making any further issue of shares to any person/s other than existing equity shareholders of the Company as also under the provisions of SEBI ICDR Regulations, 2009, approval of Shareholders is required to be obtained by way of passing a Special Resolution, in pursuance to the provisions of section 81 (1A) of the Companies Act, 1956 (the Act).

Therefore, the Board of your Company has recommended the Resolution contained in Item No. 9 to be passed by the shareholders, so as to enable it to issue further equity shares and/or other securities which will include issue on QIP basis.

The said Special Resolution is only an enabling one seeking authority to the Board to increase the Public shareholding up-to 25% as required under the amended provisions of the SCRR.

The Board of Directors recommend passing of the Special Resolution set out in Item No. 9 of the Notice.

All the Directors may be deemed to be interested in the Resolution at Item No. 9, to the extent of shares and/or securities of the Company that may be held by them and/or to the entity or entities in which any of respective director is deemed to be interested. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

By Order of the Board of Directors

Sujoy Sircar
Company Secretary

Place : Mumbai
Dated : April 30, 2011

ANNEXURE TO ITEMS 3, 4 & 6 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Kushagra Bajaj	Mr. Gaurav Dalmia	Mr. Roshan Fateh Lal Hinger
Director Identification Number	00017575	00009639	00974574
Date of Birth	04.02.1977	26.09.1965	14.01.1940
Nationality	Indian	Indian	Indian
Date of appointment on the Board	14.09.2007	04.02.2010	14.09.2007
Qualifications	Bachelor's of Science degree in Economics, Political Philosophy and Finance from Carneige Mellon University Pittsburg, USA and Master of Science degree in Marketing from the Northwestern University, Chicago, USA.	Bachelors Degree in Computer Science from Salford University, UK and Masters in Business Administration from Colombia University, USA.	Bachelors Degree in Science from University of Udaipur.
Expertise in functional area	Industrialist	Industrialist	Overall management of FMCG business
Number of shares held in the Company	Nil	Nil	Nil
List of Directorships held in other companies	Bajaj Hindusthan Ltd. Bajaj Capital Ventures (P) Ltd. Bajaj Consumer Care Ltd. Bajaj Eco-Tec Products Ltd. Bajaj Trustee Company (P) Ltd. KBN Enterprises (P) Ltd. Bajaj Energy (P) Ltd. Bajaj Power Ventures (P) Ltd. Global World Power Projects (P) Ltd.	Dalmia Agencies Pvt. Ltd. First Capital India Ltd. Infinity Technology Investments Pvt. Ltd. Infinity Technology Trustee Pvt. Ltd. Landmark Landholdings Pvt. Ltd. Skylark Consultants (India) Pvt. Ltd. India Value Fund Advisors Pvt. Ltd. Astir Properties Pvt. Ltd. Ansal Landmark Township Pvt. Ltd. Landmark Hi Tech Development Pvt. Ltd. New Line Buildtech Pvt. Ltd. Sukhm Infrastructure Pvt. Ltd. Plus One Realtors Pvt. Ltd. New Line Developers Pvt. Ltd.	Bajaj Consumer Care Ltd. Bajaj ebiz (P) Ltd., Esugar Clearing Corporation Ltd. Bajaj Infrastructure Development Co. Ltd.

Name of the Director	Mr. Kushagra Bajaj	Mr. Gaurav Dalmia	Mr. Roshan Fateh Lal Hinger
		IVF Advisors Pvt. Ltd. Landmark Realtech Pvt. Ltd. Landmark Property Development Company Ltd. Kumar Builders Township Ventures Pvt. Ltd. Kumar Urban Development Ltd. Safari Retreats Pvt. Ltd. Hari Machines Ltd. OCL India Ltd. Debikay Systems Ltd. Pro Minerals Private Limited. Nobel Consultancy Pvt. Ltd. Aayush Manufactures & Financiers Pvt. Ltd. Khaitan Udyog Pvt. Ltd. T R Investments Pvt. Ltd. Sambhi Hotels Pvt. Ltd.	
Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31.03.2011	Nil	Nil	Nil

Directors' Report

Your Directors have pleasure in presenting their Fifth annual report and the audited statement of accounts for the financial year ended March 31, 2011.

Financial Results

The summarised financial results of the Company for the year ended March 31, 2011 are presented below:

	Financial Year ended March 31, 2011 (₹ Lacs)	Financial Year ended March 31, 2010 (₹ Lacs)
Sales and other income	37,645.50	29,971.15
Profit before interest, depreciation and taxation	12,594.52	10,253.14
Interest	10.56	13.14
Depreciation	179.40	84.42
Profit before exceptional items & tax	12,404.56	10,155.58
Exceptional Item (IPO expenses)	1,896.25	–
Profit before tax	10,508.31	10,155.58
Provision for taxation –Income Tax	2,094.00	1,735.00
–Wealth Tax	4.92	2.02
–Deferred Tax	(0.89)	27.22
Profit after tax	8,410.28	8,391.34
Balance brought forward from previous year	216.21	4,663.41
Disposable surplus after adjustments	8,626.49	13,054.75
Appropriation - Bonus Shares issued	–	750.00
–Interim dividend	–	9,200.00
–Proposed dividend	2,802.50	–
–Corporate dividend tax	465.46	1,563.54
–Transfer to General Reserve	842.00	1,325.00
–Balance carried to balance sheet	4,516.53	216.21

The Company achieved a turnover of ₹ 37,645.50 lacs as compared to ₹ 29,971.15 lacs in the previous year thereby registering a growth of 25.61% over previous year. Profit before tax and exceptional items was ₹ 12,404.56 lacs as against ₹ 10,155.58 lacs of the previous year. During the year Company incurred IPO expenses of ₹ 1,896.25 lacs which is shown as exceptional item. The Profit after tax stood at ₹ 8,410.28 lacs as compared to the profit of ₹ 8,391.34 lacs in the previous year. The operations and financial results of the Company are elaborated in annexed Management Discussion and Analysis Report.

Dividend

The Board of Directors of the Company recommend, for consideration of shareholders at the 5th Annual General Meeting, payment of dividend of 190% (₹ 9.50 per share) on 2,95,00,000 Equity Shares of the face value of ₹ 5/- each for the year ended March 31, 2011. During the last financial year 2009-10, the

Company had paid Interim Dividend of ₹ 7/- per share on Equity Shares of face value ₹ 1/- each and ₹ 8.80 per share on Equity Shares of face value ₹ 5/- each.

Operations

The continued growth of our lead brand Bajaj Almond Drops Hair Oil is primarily due to increased rural penetration. The increasing rural acceptance of our lead brand is characterized by the growth in the sales of our low unit size packs-sachets of 3ml and 20ml. Both are driving the volume growth of the brand especially in rural areas. The health of the brand is clearly shown by the fact that both the small as well as the largest Stock Keeping Unit (SKU) are growing at a faster rate indicative of new first time user increase in the smaller SKU as well as customer loyalty of regular users.

During the year under review, the Company's sales & distribution strategy was to improve penetration and to increase product availability. Distribution for our lead brand Bajaj Almond Drops Hair Oil has increased

dramatically. The number of stock points continued to increase and now the Company's product is stocked in 5,653 stock points (as against 4,200 in March 2010) all over India. As a result of this, there has been a dramatic improvement in the availability of our brands. Bajaj Almond Drops Hair Oil is now available at 1.95 million outlets (as against 1.49 million in March 2010) all over India. This has led to increase in the direct distribution of our brand and improved control over the distribution system.

The Company will continue to focus on improving the market share of Bajaj Almond Drops Hair Oil in the Light Hair Oil market space. To ensure this, our focus on improving distribution and promoting our product through heavy media advertising will continue. We have recently launched a new TV commercial and the feedback from consumers is that it has been appreciated and the key selling proposition message has been comprehended.

During the coming year we will see the consumer response to our new SKU- 500ml and acceptance of the PET bottles. This is an important initiative which will play a key role in deciding the future packaging of the lead brand.

Initial Public Offer (IPO)

The Company was a wholly owned subsidiary of Bajaj Consumer Care Ltd. prior to the Initial Public Offer ("IPO"). The entire shareholding was held by Bajaj Consumer Care Ltd. and its nominees. The Company came out with an IPO of 45,00,000 Equity Shares (face value ₹ 5/- each) at an issue price of ₹ 660/- (including a premium of ₹ 655/-) per equity share aggregating to ₹ 297 crore. The issue opened on August 2, 2010 and closed on August 5, 2010. The IPO was oversubscribed by 15.64 times and the shares of the Company got listed on the National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE") on August 18, 2010. Post listing on the aforementioned Stock Exchanges, the Public shareholding is 15.25% and Promoters shareholding is 84.75%.

Listing of Securities

The Company's Equity Shares are listed on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The Annual Listing fees to each of these Stock Exchanges have been paid by the Company.

Sub division of Equity Share Capital

With a view to improve liquidity, enabling greater participation by small investors and eventually widening the shareholder base, the Board of Directors of the

Company, pursuant to the provisions of the Companies Act, 1956, sought approval of shareholders through Postal Ballot for sub-division of the existing face value of ₹ 5/- each to ₹ 1/- each per Equity Share. The results of the Postal Ballot were declared on April 18, 2011 at the Registered Office of the Company. A total of 2,57,20,351 valid votes representing 87.19 % of the paid-up capital were cast during the postal ballot, out of which 2,57,18,856 votes representing 87.18% of the paid-up capital were in favour of the resolution and 1,495 votes representing 0.01 % of the paid-up capital were cast against the resolution. Post sub-division, the authorised share capital of the Company is ₹ 20 crore consisting of 20,00,00,000 Equity Shares of face value ₹ 1/- each and paid-up capital is ₹ 14.75 crore consisting of 14,75,00,000 Equity Shares of face value ₹ 1/- each, fully paid up.

Management Discussion and Analysis

The Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report.

Group

Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising "group" as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Directors

Mr. Kushagra Bajaj (DIN 00017575) and Mr. Gaurav Dalmia (DIN 00009639), Directors of the Company, will retire by rotation and being eligible, offer themselves for re-appointment. All the appointments of the Directors of the Company are in compliance with the provisions of Section 274 (1)(g) of the Companies Act, 1956.

Mr. Roshan Fateh Lal Hinger has been on the Board of Directors of the Company since September 2007 and was appointed as Whole-time Director and designated as Vice-Chairman of the Company in March 2008. He has been the Vice Chairman since then. The term of office of Mr. Roshan Fateh Lal Hinger as Whole-time Director of the Company expired on March 31, 2011. The Board of Directors, at its meeting held on March 16, 2011 re-appointed Mr. Roshan Fateh Lal Hinger as Whole-time Director designated as Vice-Chairman for another term of 5 (five) years w.e.f. April 01, 2011 at a remuneration approved by the Remuneration Committee, subject to the approval of shareholders and other authorities. Requisite approval in this regard is being sought at the forthcoming Annual General Meeting of the Company.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, as amended, with respect to the Directors' responsibility statement, it is hereby confirmed:

- (i) that in preparation of accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to the material departures;
- (ii) that the Directors of the Company have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended March 31, 2011;
- (iii) that the Directors of the Company 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; and
- (iv) that the Directors of the Company have prepared the accounts of the Company for the financial year ended March 31, 2011 on a going concern basis.

Auditors and Auditors' Report

M/s. R. S. Dani & Co, Chartered Accountants, existing Statutory Auditors will retire at the conclusion of the ensuing (5th) Annual General Meeting and seek re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Company has received certificate from M/s. R. S. Dani & Co, to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Board of Directors recommends to the shareholders the appointment of M/s. R. S. Dani & Co, as Auditors of the Company.

The observations and comments given in the report of the Auditors read together with notes to accounts are

self explanatory and hence do not call for any further information and explanation under Section 217(3) of the Companies Act, 1956.

Particulars of employees

As required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of employees are set out in the Annexure- III and forms part of this report.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The relevant data regarding the above is given in the Annexure-I hereto and forms part of this report.

Corporate Governance

The Company has vigorously striven to follow the best Corporate Governance practices aimed at building trust among the key stakeholders, shareholders, employees, customers, suppliers and other stakeholders on four key elements of Corporate Governance - transparency, fairness, disclosure and accountability.

Acknowledgements

Industrial relations have been cordial at all the factories of the Company.

The Directors express their appreciation for the sincere co-operation and assistance of Central and State Government authorities, bankers, customers and suppliers and business associates. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board of Directors

KUSHAGRA BAJAJ
Chairman

Mumbai,
April 30, 2011

ANNEXURE-I to Directors' Report for the year ended March 31, 2011

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the Companies Act (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. Conservation of Energy

Bajaj Corp continued to emphasize on the conservation and optimal utilization of energy in every manufacturing unit of the Company. The energy conservation measures implemented during financial year 2010-11 are listed below:

- Monitoring closely high energy consuming equipment.
- Maintenance of the machine as per schedule.
- Lights in the Raw Material/Packing Material and Finished Stock godown area are switched off during night across locations.
- Installed the higher capacity 240 Bottles per Minute (BPM) Machines to reduce the power consumption.
- Installed Material sensor on every machine resulting into reduction of power consumption.
- Water collected through rain water harvesting at the plant premises to raise the water level in the borewell.
- Replacement of street lights and installation of Compact Florescent Lamps (CFL) in manufacturing and godown area.

The Company continued its efforts towards effective utilization of energy for reduction in power consumption.

B. Technology Absorption

Efforts made by Company in technology absorption are given in prescribed Form B attached.

C. Foreign Exchange Earnings and Outgo

- a) Activities relating to exports: initiative taken to increase exports; development of new export markets for products and services; and export plans
None
- b) Total foreign exchange used and earned:

(₹ Lacs)

For the year ended March 31	2010-11	2009-10
Used	200.07	32.47
Earned	174.89	155.35

Form – A

Disclosure of particulars with respect to conservation of energy (to the extent applicable)

	For the year ended March 31	2010-11	2009-10
A. Power & Fuel Consumption			
Electricity			
(a) Purchased			
Units (in Kwh)	2,99,609	1,75,062	
Total Amount (In Rupees)	1,907,197	9,43,820	
Rate per Unit (In Rupees)	6.37	5.39	
(b) Own Generation			
(i) Through Diesel generator			
Units (in Kwh)	61,537	20,958	
Cost per Unit (In Rupees)	10.42	9.78	
Total Cost (In Rupees)	6,41,072	2,05,034	
(ii) Through Steam Turbine / Generator			
Units	Nil	Nil	
B. Average Consumption per unit of production of Hair Oil			
Electricity (Kwh/Manufactured Kilo Ltr of Hair Oil)	32.77	20.66	

Form – B

Disclosure of particulars with respect to technology absorption (to the extent applicable)

A. Research and Development (R&D)

1. Specific area in which R&D is carried out by the Company

Research & development efforts were focused on improvement in existing products and development of new products in following segment.

- Hair care products
- Ayurvedic Products
- Develop new products based on the principles of Ayurveda
- Research programs to understand the physiology of hair.
- Consumer in sight for product evaluation and design.
- R & D has been done in packaging of our premium brand.
- Research conducted to develop a new Stock Keeping Unit (SKU) in PET bottle instead of glass bottle.
- Development of competencies in new areas like Skin Care, Hair Care, Ayurveda Preparations and Soap.
- Development of new and innovative products, line extensions, processes to expand market to increase consumption and to fulfill the unmet desires of ultimate consumers.
- Availed services of experts in the field for analysis of our ingredient of raw material to further improve the quality of our end products.

2. Benefits derived as a result of the above efforts

- As a result of above R & D, new products are in final stage of launching under the category of ayurvedic preparation.
- We have launched a new SKU in 500 ml of our premium brand 'Bajaj Almond Drops Hair Oil' in PET bottles.

3. Future Plan of Action

Continued efforts are being made to develop innovative, commercially viable process and also for improving shelf life, stability, quality, convenience and meeting regulatory compliances. Company will continue to do research on new variants and SKUs under hair care segment and develop competencies in new areas like Skin Care, Ayurveda Preparations and Soap.

4. Expenditure on R&D

(₹ Lacs)

For the year ended March 31		2011	2010
a)	Capital	18.23	–
b)	Recurring	2.76	0.89
c)	Total	20.99	0.89
d)	Total R&D expenditure as a percentage of total turnover	0.06%	–

B. Technology absorption, adaptation and innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

- Participation in national conferences
- Imparting training to personnel in various manufacturing techniques by Indian experts and suppliers of plant and machinery.
- Installation of high capacity and latest technology machines to reduce power consumption, increase the efficiency/ output and saving in labour cost.

2. Benefit derived as a result of the above efforts:

- Improvement in existing processes and reducing consumption of scarce raw materials and fuel
- Cost reduction

3. Information regarding technology imported (imported during the last 5 years reckoned from the beginning of the financial year) :

a)	Technology imported	None
b)	Year of import	Not applicable
c)	Has technology been fully absorbed	Not applicable
d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	Not applicable

ANNEXURE-II to Directors' Report for the year ended March 31, 2011

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

- 1 A.N. Bajaj Enterprises Pvt. Ltd. (Formerly known as Krishnavijay Paper and Boards Pvt. Ltd)
- 2 Abhitech Developers Pvt. Ltd.
- 3 Anandamayi Trust
- 4 Apoorv Trust
- 5 Amber Shelters Pvt. Ltd
- 6 Bajaj Allwyn Realty Pvt. Ltd.
- 7 Bajaj Capital Ventures Pvt. Ltd.
- 8 Bajaj Consumer Care Employees Welfare Fund, Udaipur
- 9 Bajaj Consumer Care Employees Welfare Fund, Varanasi
- 10 Bajaj Consumer Care Ltd.
- 11 Bajaj Ebiz Pvt. Ltd.
- 12 Bajaj Hindusthan Ltd.
- 13 Bajaj Hindusthan Limited Employees Education Welfare Fund
- 14 Bajaj Hindusthan Limited Employees Family Planning Welfare Fund
- 15 Bajaj Hindusthan Limited Employees General Medical Aid Fund
- 16 Bajaj Hindusthan Limited Employees Sports & Cultural Activities Welfare Fund
- 17 Bajaj Hindusthan Limited Managerial Staff Medical Aid Fund
- 18 Bajaj Infrastructure Development Co. Ltd.
- 19 Bajaj Infrastructure Finance Corporation Pvt. Ltd.
- 20 Bajaj International Realty Pvt. Ltd.
- 21 Bajaj Logistics Pvt. Ltd.
- 22 Bajaj Power Ventures Pvt. Ltd.
- 23 Bajaj Eco-Tec Products Ltd
- 24 Bajaj Aviation Pvt. Ltd
- 25 Bajaj Internacional Participacoes Ltda
- 26 Bajaj Hindusthan (Singapore) Pte. Ltd
- 27 Bajaj Energy Pvt. Ltd (Formerly known as Bajaj Eco-Chem Products Pvt. Ltd)
- 28 Bajaj Trustee Company Pvt. Ltd.
- 29 Bajaj Power Generation Pvt. Ltd (Formerly known as Kashyap Properties Pvt. Ltd)
- 30 Bhoomipooja Shelters Pvt. Ltd.
- 31 Bhoomivijay Properties Pvt. Ltd.
- 32 Carbery Infrastructure Pte Ltd
- 33 Esugarindia Clearing Corporation Ltd.
- 34 Esugarindia Ltd.
- 35 Global World Power Projects Pvt. Ltd.
- 36 Golden Shore Investing FZE
- 37 Golden Shore Investing Ltd.
- 38 Jagruti Chinni Pvt. Ltd.
- 39 Kalakruti Real Estates Pvt. Ltd.
- 40 KNB Enterprises Pvt. Ltd. (Formerly known as Parvati Chinni Pvt. Ltd.)
- 41 Krishna Vijay Agro (Products) Pvt. Ltd
- 42 Kruti Real Estate Pvt. Ltd.
- 43 Kushagra Trust
- 44 Kushagra Trust no.2
- 45 Lambodar Sugars Pvt. Ltd.
- 46 Lalitpur Power Generation Company Ltd.
- 47 Megha Khandsari Pvt. Ltd.
- 48 N.H.M. Marketing Pvt. Ltd
- 49 New Horizons Investments Ltd
- 50 Shishir Bajaj Family Trust
- 51 Shishir Bajaj HUF
- 52 SKB Roop Commercial Pvt. Limited (Formerly known as Roop Sugars Pvt. Ltd.)
- 53 Vishwarupe Trust
- 54 Yugadikrit Trust

ANNEXURE-III to Directors' Report for the year ended March 31, 2011

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended 31st March, 2011.

Name	Designation/ Nature of Duties	Qualification	Experience (Yrs.)	Remuneration (Rs. In Lacs)	Date of Appointment	Age (Yrs.)	Particulars of Last employment
1. Mr. Roshan Fateh Lal Hinger	Vice Chairman and Executive Director	B.Sc.	49	104.50	01.04.08	71	Bajaj Consumer Care Ltd. - Whole Time Director
2. Mr. Sumit Malhotra	Executive Director	BPharma (Hons.), PGDBM (IIM,Ahmedabad)	25	90.82	01.04.08	50	Bajaj Consumer Care Ltd., - President (Sales & Mktg.)

Notes:

1. Gross Remuneration shown above is subject to tax and comprises salary (including arrears, allowances, rent, medical reimbursement, leave travel benefits, leave encashment, contribution to provident fund, superannuation fund & gratuity under LIC scheme) in terms of actual expenditure incurred by the company.
2. All the employees have adequate experience to discharge the responsibilities assigned to them.
3. None of the above employee is related to any of the Directors of the Company.
4. All the above employee were in service for full year.
5. The nature of employment is on contractual basis.

Corporate Governance Report

(Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges)

Company's philosophy on code of Corporate Governance

At Bajaj Corp, we value, practice and implement ethical and transparent business conduct aimed at building trust amongst various stakeholders-shareholders, employees, customers, suppliers and other stakeholders. Transparency, fairness, disclosure and accountability form the cornerstone of Corporate Governance policy. These elements are embedded in the way we manage the affairs of the business and operations of the Company. Your Company believes that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence.

Bajaj Corp is committed to maintain high standard of Corporate Governance. Bajaj Corp is constantly striving to evolve good Corporate Governance practices within the organization, across all the hierarchy levels, tailor-made to the changing circumstances, business environment and regulatory framework and parameters applicable to the Company.

A good and visionary leadership is critical for the practice of good Corporate Governance norms. Top management of Bajaj Corp consistently strives to dare, dream big and make sacrifices. They are people of impeccable integrity who are committed to certain basic values in the management of business and are prepared to walk the talk. Good Corporate Governance standards have enabled Bajaj Corp build and sustain its reputation for quality and also attract and retain the best and brightest talents.

Building trust and confidence requires an environment that places a high premium on ethics, fairness, transparency, courage and justice. We, at Bajaj Corp encourage this. The competitive nature of our major business is well understood by our investors. They know that there will be boom times and there will be lean times. We at Bajaj Corp constantly endeavour to communicate clearly and completely with them. We strive to be open and honest with them in all our dealings.

The philosophy and practice of Corporate Governance in Bajaj Corp can be summarized as:

- Establishing the roles, responsibilities and accountability of the Board of Directors and Management
- Responsible and ethical decision-making
- The protection of the rights and interests of all stakeholders
- Clearly recognizing and upholding the rights of Company's owners, shareholders and equality in treating all shareholders
- Transparency in all business dealings and transactions
- Timely and accurate disclosures of information
- Integrity of reporting
- Effective internal control to manage the element of uncertainty and potential risk inherent in every business decision

Board of Directors

Composition

The Board of Directors as on March 31, 2011 consists of 7 directors. 2 of the Directors are Executive Directors, and the remaining 5 Directors are Non-Executive Directors. The Executive Directors consist of 1 Executive Vice-Chairman and Whole Time Director and 1 Whole Time Director. 1 of the 7 Directors belong to the promoter group.

According to Clause 49 of the Listing Agreement, if the Chairman is a Non- Executive Chairman and he is a promoter of the company, at least half the Board should consist of Non-Executive Directors and also at least half of the Board shall comprise Independent Directors. In the case of Bajaj Corp, 71% of its Directors are Non-Executive. Since 4 Non-Executive Directors are Independent Directors, the Company is presently complying with the requirement of having one-half of the total size of the Board as Independent Directors. The Board of Directors of Bajaj Corp, therefore, has a healthy blend of Executive and Non-Executive Directors. Moreover, all the Non-Executive Directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company (See Table 1).

TABLE 1: Composition of the Board of Directors during 2010-11

Name	Position	Age (years)	Directorship Tenure (years)	Relationship with other Director
Mr. Kushagra Bajaj, Chariman	Promoter/Non-Executive	33	3	None
Mr. Roshan Fateh Lal Hinger	Non-Promoter/Executive	71	3	None
Mr. Dilip Cherian	Independent & Non-Executive	54	1	None
Mr. Gaurav Dalmia	Independent & Non-Executive	44	1	None
Mr. Haigreave Khaitan	Independent & Non-Executive	40	1	None
Mr. Aditya Vikram Ramesh Somani	Independent & Non-Executive	37	1	None
Mr. Sumit Malhotra	Non-Promoter/Executive	49	3	None

Outside Directorship and Membership of Board Committees

Details of the number of Directorships held in other Public Limited Companies and Committee positions held by Directors of Bajaj Corp is summarised in Table 2.

TABLE 2: Directorship in other Companies/Committee position as at March 31, 2011

Name	Directorship	Committee Membership			Committee Chairmanship		Total
	In all other Companies	In Listed Companies	In Unlisted Companies	Total	In Listed Companies	In Unlisted Companies	
Mr. Kushagra Bajaj	9	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Roshan Fateh Lal Hinger	4	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Dilip Cherian	11	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Gaurav Dalmia	28	2	4	6	Nil	1	1
Mr. Haigreave Khaitan	19	7	3	10	Nil	Nil	Nil
Mr. Aditya Vikram Ramesh Somani	5	1	Nil	1	Nil	Nil	Nil
Mr. Sumit Malhotra	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Private limited companies, foreign companies and companies under Section 25 have been excluded for the purposes of calculating Committee positions.
2. Memberships in only Audit Committee and Shareholders' Grievances Committee have been considered for Committee positions as per the Listing Agreement.

None of the directors of Bajaj Corp is a member in more than 10 Committees and Chairman of more than 5 Committees across all Companies in which he is a Director.

Membership term

As per statutory requirements, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. One-third of such Directors for the time being as are liable to retire by rotation shall retire from office and, if eligible, may seek re-appointment at a general meeting. 5 of the 7 Directors of Bajaj Corp are such retiring Directors.

Responsibilities of the Vice-Chairman and Whole-time Director

Presently Mr. Roshan Fateh Lal Hinger, Whole-time Director designated as Vice-Chairman and Mr. Sumit Malhotra, Whole-time Director are at the helm of affairs.

- The Vice-Chairman is responsible for leading and directing our Company's strategy and business operations. He also interacts with global thought-leaders to enhance the leadership position of Bajaj Corp.

- The Whole-time Director is responsible for leading the sales and marketing department of our Company. He is also responsible for achieving the annual business plan, taking new initiatives, acquisitions and investments.

The Vice-Chairman, Whole-time Director and the senior management provide periodic reports to the Board on their responsibilities, performance and targets.

Pecuniary relationship and transactions of non-executive directors with Bajaj Corp


The register of contracts maintained by the Company pursuant to the provisions of Section 301 of the Companies Act, 1956, contains particulars of all contracts or arrangements to which Section 297 or 299 apply. The register is signed by all the Directors present during the respective Board meetings held from time to time.

Board procedures

Board Meetings and Attendance

During the financial year 2010-11, the Board met six times. (See Table 3)

TABLE 3: Board meetings

Date of Board Meeting	Duration of gap from previous Board Meeting	Maximum gap permitted as per Clause 49
May 4, 2010	46 days	 120 days
August 13, 2010	114 days	
August 26, 2010	13 days	
October 21, 2010	55 days	
February 11, 2011	111 days	
March 16, 2011	32 days	

The maximum time gap between any two meetings is less compared to the mandated requirement of not more than 4 months in Clause 49. Generally the dates of the meetings were decided well in advance.

The details of attendance of Directors at the six Board meetings held during the financial year 2010-11 and at the last Annual General Meeting held on June 25, 2010 are given in Table 4.

TABLE 4: Attendance at the meetings of the Board of Directors during 2010-11

Name	Position	Board Meetings held	Board Meetings attended	Whether attended previous AGM on June 25, 2010
Mr. Kushagra Bajaj	Promoter & Non-Executive	6	3	Yes
Mr. Roshan Fateh Lal Hinger	Non-Promoter/Executive	6	5	No
Mr. Dilip Cherian	Independent & Non-Executive	6	3	No
Mr. Gaurav Dalmia	Independent & Non-Executive	6	4	Yes
Mr. Haigreve Khaitan	Independent & Non-Executive	6	6	No
Mr. Aditya Vikram Ramesh Somani	Independent & Non-Executive	6	4	No
Mr. Sumit Malhotra	Non-Promoter/Executive	6	4	Yes

Information supplied to the Board

The Board of Bajaj Corp has complete access to any information within the Company and to any employee of the Company. At the meetings, the Board is provided with all the relevant information on important matters affecting the working of the Company as well as all the related details that require deliberation by the members of the Board.

Comprehensive information regularly provided to the Board, *inter alia*, include:

- Annual operating plans, budgets and updates;
- Production, sales and financial performance statistics;
- Expansion plans, capital expenditure budgets and updates;
- Plant-wise operational review;
- Quarterly financial results;
- Minutes of meetings of Audit, Remuneration, Shareholders' and Investors' Grievance and

- Management Committees, as well as the abstracts of the circular resolutions passed;
- vii) General notices of interest;
- viii) Staff matters, including senior managers appointments;
- ix) Materially important legal proceedings by or against the Company;
- x) Share transfer and dematerialisation compliance;
- xi) Significant developments relating to labour relations and human resource relations;
- xii) Voluntary retirement schemes;
- xiii) Fatal/serious accidents or mishaps and any material effluent or pollution problems;
- xiv) Details of foreign exchange exposure and steps taken by management to limit the risk of adverse rate movement;
- xv) Details of acquisition plans;
- xvi) Information Technology strategies and related investments;
- xvii) Legal compliances reporting system; and
- xviii) Insider trading-related disclosure procedures and such other matters.

Board Committees

As of March 31, 2011, the Board had five committees (See Table 5)

TABLE 5: Board Committees

Committee	Members (Position)
Audit Committee	Mr. Gaurav Dalmia, Chairman* (Independent & Non-Executive) Mr. Aditya Vikram Ramesh Somani (Independent & Non-Executive) Mr. Dilip Cherian (Independent & Non-Executive) Mr. Roshan Fateh Lal Hinger (Executive Director)
Remuneration Committee	Mr. Gaurav Dalmia, Chairman* (Independent & Non-Executive) Mr. Haigreve Khaitan (Independent & Non-Executive) Mr. Aditya Vikram Ramesh Somani (Independent & Non-Executive)
Shareholders' & Investors' Grievance Committee	Mr. Dilip Cherian, Chairman* (Independent & Non-Executive) Mr. Roshan Fateh Lal Hinger (Executive Director) Mr. Sumit Malhotra (Executive Director)
Management Committee	Mr. Kushagra Bajaj, Chairman* (Non-Executive) Mr. Roshan Fateh Lal Hinger (Executive Director) Mr. Sumit Malhotra (Executive Director) Mr. Gaurav Dalmia (Independent & Non-Executive) Mr. Aditya Vikram Ramesh Somani (Independent & Non-Executive)
IPO Committee	Mr. Kushagra Bajaj, Chairman* (Non-Executive) Mr. Roshan Fateh Lal Hinger (Executive Director) Mr. Sumit Malhotra (Executive Director)

* Chairman of the respective Committee

The Board is responsible for constituting, assigning, co-opting and fixing of terms of service for Committee members of various Committees. The Chairman of the Board, in consultation with the Company Secretary of the Company and the Committee Chairman, determines the frequency and duration of the Committee meetings. Recommendations of the Committees are submitted to the Board for approval. The quorum for meetings is either two members or one-third of the members of the Committees, whichever is higher. In the case of all the above

Committees of Bajaj Corp, two members constitute the quorum.

Code of Conduct

The Company has adopted a Code of Conduct for the Directors and senior management of the Company. The same has been posted on the website of the Company. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the code for the effective period. The Declaration by the Vice-Chairman to that effect forms part of this Report.

Audit Committee

Constitution and composition

The Audit Committee was constituted on August 29, 2008 and was re constituted on February 4, 2010 comprised of;

Name of Committee Members	Position
Mr. Gaurav Dalmia (Chairman)	Independent & Non-Executive
Mr. Aditya Vikram Ramesh Somani	Independent & Non-Executive
Mr. Roshan Fateh Lal Hinger	Executive Director

The Audit Committee was reconstituted by the Board at its Meeting held on February 11, 2011 and at present comprises of:

Name of Committee Members	Position
Mr. Gaurav Dalmia (Chairman)	Independent & Non-Executive
Mr. Aditya Vikram Ramesh Somani	Independent & Non-Executive
Mr. Dilip Cherian	Independent & Non-Executive
Mr. Roshan Fateh Lal Hinger	Executive Director

Meetings and attendance

The Audit Committee met four times during the year on the following dates:

Date of Audit Committee Meetings	Duration of meeting
May 04, 2010	20 Minutes
August 26, 2010	35 Minutes
October 21, 2010	25 Minutes
February 11, 2011	30 Minutes

The attendance of each Committee Member is provided in Table 6.

TABLE 6: Attendance at the meetings of the Audit Committee of Directors during financial year 2010-11

Name of Committee Members	Position	Committee Meetings held	Committee Meetings attended
Mr. Gaurav Dalmia, Chairman	Independent & Non-Executive	4	3
Mr. Aditya Vikram Ramesh Somani	Independent & Non-Executive	4	3
Mr. Roshan Fateh Lal Hinger	Executive Director	4	4
Mr. Dilip Cherian *	Independent & Non-Executive	NIL	NIL

* Inducted as Member of Audit Committee with effect from February 11, 2011

All the above members possess sound knowledge of accounts, audit and finance.

Mr. Kushagra Bajaj, Non-Executive Chairman and Mr. D. K. Maloo, Chief Financial Officer are permanent invitees to the Audit Committee meetings. In addition, the heads of the Finance and Internal Audit functions, representatives of statutory auditors and other executives as are considered necessary, generally attended these meetings. The Company Secretary acted as the Secretary to the Audit Committee.

Brief description of Terms of Reference

The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, as amended from time to time, and its terms of reference include the following:

- Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approving payments to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments to financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications in the draft audit report.
- Reviewing with the management, the statement of uses / application of funds raised through

an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors on any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To monitor the use of proceeds received in the initial public offering.

The scope and terms of reference and working of the Audit Committee are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the committee. Presently, these conform to the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Remuneration Committee

Composition of the Committee

The composition of the Remuneration Committee is given in Table -5 above.

Terms of Reference

The Remuneration Committee was constituted in 2010 with the following terms of reference:

- a. To determine the Company's policy on remuneration to Executive Directors and their relatives working in the Company, including pension rights and compensation payments.
- b. To approve the remuneration payable to all managerial personnel (under the Companies Act, 1956) including Executive Directors.

Meeting and Attendance

The Remuneration Committee has not met during the year under review.

Remuneration Policy

The Remuneration Committee is fully empowered to determine/approve and revise, subject to necessary approvals, the remuneration of managerial personnel including Vice Chairman and Whole-time Director after taking into account the financial position of the Company, trend in the industry, qualifications, experience, past performance and past remuneration, etc.

The Non-Executive Directors are paid sitting fees for every meeting of the Board and its Committees attended by them.

Remuneration to Directors

Remuneration of Non-Executive Directors

Non-Executive Directors were paid a sitting fee of ₹ 20,000/- for attending each Board Meeting and ₹ 15,000/- for attending each Committee Meeting. The details of sitting fees paid to Non-Executive Directors during the financial year 2010-11 are provided in Table-7.

The Company proposes to pay commission to Non-Executive Directors @ 1% of Net Profits of the Company calculated in accordance with Sections 198, 309 and other applicable provisions of the Companies Act, 1956 and will be seeking necessary approval from the shareholders at the ensuing Annual General Meeting.

Remuneration of Executive Directors

The Executive Directors – Mr. Roshan Fateh Lal Hinger and Mr. Sumit Malhotra were paid remuneration as per their respective terms of appointment approved by the shareholders of the Company.

Upon retirement, Mr. Roshan Fateh Lal Hinger and Mr. Sumit Malhotra will be entitled to superannuation benefits payable as per the scheme of the Company and these form part of the perquisites approved for them and gratuity at the time of retirement. No pension will be paid by the Company to any of the Directors.

Bajaj Corp has no stock option plans and hence, such instrument does not form part of the remuneration package payable to any Executive Director and Non-Executive Director. During the period under review, the Company has paid Performance Incentive, details of

which are disclosed in Table 7. The Company did not advance any loans to any of the Executive and Non-Executive Directors during the period under review.

The details of remuneration paid to the Directors of the Company are given in Table 7.

TABLE 7: Remuneration of Directors during financial year 2010-11

Name of Directors	Relationship with other Directors	Salary (Net)	Performance Incentive	Sitting Fees	Total	Notice period
		(All figs. in ₹)				
Mr. Kushagra Bajaj Promoter/Non-Executive	–	–	–	165,000	165,000	N.A.
Mr. Roshan Fateh Lal Hinger Non-Promoter/Executive	–	9,450,124	1,000,000	–	10,450,124	N.A.
Mr. Dilip Cherian Independent & Non-Executive	–	–	–	75,000	75,000	N.A.
Mr. Gaurav Dalmia Independent & Non-Executive	–	–	–	140,000	140,000	N.A.
Mr. Haigreve Khaitan Independent & Non-Executive	–	–	–	120,000	120,000	N.A.
Mr. Aditya Vikram Ramesh Somani Independent & Non-Executive	–	–	–	140,000	140,000	N.A.
Mr. Sumit Malhotra Non-Promoter/Executive	–	8,081,776	1,000,000	–	9,081,776	N.A.

Note: The term of office of Mr. Roshan Fateh Lal Hinger expired on March 31, 2011. The Board of Directors at its meeting held on March 16, 2011, approved re-appointment of Mr. Roshan Fateh Lal Hinger as Whole-time Director designated as Vice Chairman for a further period of 5 years with effect from April 1, 2011. The term of office of Mr. Sumit Malhotra will expire on March 31, 2013. The Company does not have any service contract with any of the Directors.

The Remuneration Committee reviews performance of Whole-time Directors in consultation with the Head of Human Resources and decides Performance Incentive.

Shareholders' & Investors' Grievance Committee

The Shareholders' and Investors' Grievance Committee was constituted in 2010 by the Board for speedy disposal of all grievances/complaints relating to shareholders/investors. Reference to this Committee has been made by SEBI in Clause 49 of the Listing Agreement.

The Committee specifically looks into the redressal of shareholder and investor complaints on matters relating to transfer of shares, non-receipt of application money refund, etc. In addition, the Committee advises on matters which can facilitate better investor services and relations.

Mr. D. K. Maloo, who joined the Company on April 1, 2008 as General Manager (Finance) & Company Secretary, located at the Head Office at Udaipur. He was handling the Corporate Secretarial functions and Finance & Accounts related responsibilities also.

The Company has concluded an Initial Public Offering in August 2010 and subsequently the shares of the Company were listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). In order to cater investor grievances effectively, the Corporate Secretarial functions were moved to Mumbai. Mr. D. K. Maloo has been appointed as Chief Financial Officer with effect from October 21, 2010 and relinquished from the responsibilities as Company Secretary and Mr. Sujoy Sircar has been appointed as Company Secretary and Compliance Officer with effect from October 21, 2010.

In order to expeditiously process all requests for transfer/transmission/rematerialisation/dematerialisation etc and other share related formalities, the Board has delegated the authority to approve transfer/transmission/rematerialisation/dematerialisation and other share related formalities to certain Directors/Officers of the Company at its meeting held on October 21, 2010 as under:

Transfer of Shares, Demat, Transmission of Shares, Issue of Duplicate share certificates, rematerialisation of shares	Authority to approve delegated to
Up to 1000 Equity Shares & Securities	Mr. Sumit Malhotra, Whole-time Director or Mr. D. K. Maloo, Chief Financial Officer or Mr. Sujoy Sircar, Company Secretary, severally
1001 & above Equity Shares & Securities	Mr. Kushagra Bajaj, Chairman or Mr. Roshan Fateh Lal Hinger, Vice-Chairman, severally

The Company has designated e-mail id "complianceofficer@bajajcorp.com" exclusively for the purpose of registering complaints by investors electronically. This e-mail id is displayed on the Company's website i.e. www.bajajcorp.com

The following table shows the nature of complaints received from shareholders during 2010-11. The total number of complaint(s) pending as on March 31, 2011 is 2. These two complaints have since been resolved.

Nature of complaints received during 2010-11	No. of Complaints
Non-receipt of Application money refund	894
Legal and others	0
Total	894

Meetings and attendance

During the year under review, the Shareholders' & Investors' Grievance Committee met once. The attendance of each Committee Member is provided in Table 8.

TABLE 8: Attendance at the meetings of the Shareholders' and Investors' Grievance Committee of Directors during the financial year 2010-11

Name of Committee Members	Position	Committee Meeting Held	Committee Meeting Attended
Mr. Dilip Cherian, Chairman	Independent & Non-Executive	1	1
Mr. Roshan Fateh Lal Hinger	Executive Director	1	Nil
Mr. Sumit Malhotra	Executive Director	1	1

Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and compliance with the non-mandatory requirements of this clause has been detailed hereunder:

Non-mandatory requirements under Clause 49 of the Listing Agreement

The status of compliance with the non-mandatory requirements of Clause 49 of the Listing Agreement is provided below:

Remuneration Committee

The Company has a Remuneration Committee, the details of which are provided in this Report under the section "Remuneration Committee".

Audit qualification

It is always the Company's endeavour to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

Training of Board members

Directors are fully briefed on all business-related matters, risk assessment and new initiatives proposed by the Company.

Whistle Blower Policy

The Board of Directors of Bajaj Corp including the Chairman of the Company are committed to maintain the highest standards of honesty, openness and accountability and recognise that each and every person in Bajaj Corp has an important role to play in achieving the organisational goals. It is the policy of the Company to encourage employees, when they have reasons to suspect questionable accounting/ audit practices, or the reporting of fraudulent financial information to shareholders, the Government or the financial markets, and/or serious misconduct otherwise, to report those concerns to the Company's management.

Subsidiary Companies

At present the Company has no subsidiary company. Accordingly, the requirement of appointing at least one independent director on the Board of Directors of the materially Indian unlisted subsidiary is not applicable.

Information to Shareholders

General information of shareholders' interest is set out in a separate section titled "Shareholder Information".

Auditors' Certificate on Corporate Governance

The Company has obtained a certificate from its Auditors testifying compliance with the provisions relating to Corporate Governance laid down in Clause 49 of the Listing Agreement with the Stock Exchanges. This certificate is annexed to the Directors' Report for the year 2010-11 and will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

Report on Corporate Governance

This section, read together with the information given in the sections (i) Management Discussion and Analysis and (ii) Shareholders Information, constitutes a detailed compliance report on Corporate Governance during the financial year 2010-11.

Management Discussion and Analysis

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

Steps for Prevention of Insider Trading Practices

In compliance with the SEBI (Prevention of Insider Trading) Regulations as amended, the Company has issued a comprehensive set of guidelines advising and cautioning management staff and other relevant business associates on the procedure to be followed while dealing in Equity Shares of Bajaj Corp and disclosure requirements in this regard. The Company believes that 'The Code of Internal Procedure and Conduct' that it has framed in this regard will help in ensuring compliance with the amended SEBI regulations.

Material Disclosures and Compliance

There were no transactions of material value with related parties viz. promoters, directors or the management, subsidiaries or relatives having any potential conflict with the interests of the Company.

Disclosures

All material transactions entered into with related parties have been disclosed in this Corporate Governance Report. There were no transactions of material value with related parties viz. promoters, directors or the management, their subsidiaries or relatives having potential conflict with interests of Company.

The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India in preparation of its financial statements and the Company has not adopted a treatment different from that prescribed in an Accounting Standard.

The Company has laid down the procedures about Risk Assessment and Minimisation and the same has been informed to the Board. These procedures are periodically reviewed to ensure that the Executive Management controls risk through means of a properly defined framework.

During the year under review, the Company has raised funds through IPO. It has also disclosed to the Audit Committee the uses / application of funds by major category. The Company has utilized the funds of the said issue for the purpose mentioned in the offer document. The Monitory Agency reports have been reviewed by the Audit Committee and appropriate recommendation were made by the Audit Committee to the Board.

No transaction of material nature has been made by the Company with its promoters, directors, or management or relatives, etc. that may have potential conflict with the interest of Company at large.

The Company publishes its criteria of making payment of sitting fee / remuneration to its non-executive Directors in the annual report.

None of the Directors of the Company except Mr. Sumit Malhotra, Executive Director holds any equity share / convertible instruments in the Company. Mr. Sumit Malhotra holds 250 equity shares (face value of ₹ 1/-). A new appointee on the Board discloses his shareholding in the Company prior to his appointment. These details are also disclosed in the notice to the general meeting called for the appointment of Directors.

During the last three years, there were no penalties or strictures imposed by either SEBI or the Stock Exchange or any Statutory authority for non-compliance of any matter related to the capital markets.

Compliance of the non-mandatory requirements of Clause 49 has been detailed as below.

- i) The Company does not maintain Chairman's office for its non-executive Chairman at its expense and the Company does not provide reimbursement of expenses incurred in performance of his duties.
- ii) There is no restriction as regards tenure of office of Independent Directors of the Company.

- iii) The Company has complied with non-mandatory requirement of Remuneration Committee and Chairman of the Committee is an Independent Director. It has three Directors and all of them are Non-Executive Directors.
- iv) The Company does not send a half yearly declaration of the financial performance including summary of significant events in last six months to each household of shareholders.
- v) Whistle Blower Policy exists in the Company and it is hereby affirmed and confirmed that no personnel has been denied access to the Audit Committee.

Details of Non-compliance

The Equity Shares of the Company were listed in National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) on August 18, 2010. During the period under review, there were no instances of non-compliance on any matter related to the capital markets. No penalties or strictures were imposed on the Company by any Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the year under review.

Shareholder Information

Information on general body meetings

Date, Time and Venue of 5th AGM:	Monday the 8th day of August, 2011 at 11.00 A.M. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.
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The previous three Annual General Meetings (AGM) of the Company were held on the following date, time and venue. (See Table 9)

TABLE 9: Date, Time and Venue of Annual General Meetings held:

AGM	Day, Date & Time	Venue
2nd AGM	Tuesday, 30th September 2008 at 11.00 A.M.	221, 2nd Floor, Bldg. No. 2, Solitaire Corporate Park, 167, Guru Hargovind Marg, Chakala, Andheri (East), Mumbai - 400 093.
3rd AGM	Tuesday, 29th September 2009 at 11.00 A.M.	221, 2nd Floor, Bldg. No. 2, Solitaire Corporate Park, 167, Guru Hargovind Marg, Chakala, Andheri (East), Mumbai - 400 093.
4th AGM	Friday, 25th June 2010 at 2.00 P.M.	221, 2nd Floor, Bldg. No. 2, Solitaire Corporate Park, 167, Guru Hargovind Marg, Chakala, Andheri (East), Mumbai - 400 093.

The summary of Special Resolutions and other important resolutions passed at the previous three Annual General Meetings and status of implementation thereof is reported below.

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules 2001, one postal ballot was conducted for seeking approval from shareholders regarding sub division of Equity Shares from face value of ₹ 5/- each to ₹ 1/- each. The Notice of Postal Ballot was mailed to all shareholders along with postage prepaid envelopes. Mr. R. Ramchandran, Company Secretary in Practice, had been appointed as Scrutinizer for the postal ballots, who submitted his report to the Chairman of the Board. The details of the postal ballot are provided herein below:-

Sr. No.	Date of announcement of result	Nature of Resolution	Item	Total no. of votes polled	No. of votes in favour (%)	No. of votes against (%)	No. of invalid votes (%)
1.	April 18, 2011	Ordinary	Sub division of Equity Shares from face value of ₹ 5/- each to ₹ 1/- each	25,991,178	25,718,856 (99.99%)	1,495 (0.01%)	270,827 (1.04%)

2nd AGM

Subject matter of the resolutions	Type of Resolution	Status of implementation
1. Authority to Board of Directors to borrow money on behalf of the Company up to a sum in excess of aggregate of the paid-up capital and free reserves, provided that the maximum amount borrowed by the Board of Directors and outstanding shall not exceed not exceeding ₹ 200 crore in terms of Section 293(1)(d) of Companies Act, 1956.	Ordinary Resolution	Not implemented as the Company has not borrowed any sum.
2. Appointment of Mr. P.L. Dadheech who was appointed as Additional Director during the year as a Director of the Company, liable to retire by rotation.	Ordinary Resolution	Implemented
3. Appointment of Mr. D.G. Samdani who was appointed as Additional Director during the year as a Director of the Company, liable to retire by rotation.	Ordinary Resolution	Implemented

Subject matter of the resolutions	Type of Resolution	Status of implementation
4. Appointment of Mrs. Minakshi Bajaj, a relative of a Director as Advisor-Marketing to the Company for a period of 5 years w.e.f. November 01, 2008.	Special Resolution	Implemented

3rd AGM

Subject matter of the resolutions	Type of Resolution	Status of implementation
1. Revision in Remuneration payable to Mr. Roshan Fateh Lal Hinger, Vice Chairman up to the remaining tenure of his present term.	Special Resolution	Implemented
2. Revision in Remuneration payable to Mr. Sumit Malhotra, Whole-time Director up to the remaining tenure of his present term.	Special Resolution	Implemented
3. Authority to the Board of Directors to borrow money on behalf of the Company in excess of aggregate of the paid-up capital and free reserves, provided that the maximum amount borrowed by the Board of Directors and outstanding shall not exceed ₹ 500 crore in terms of Section 293(1)(d) of the Companies Act, 1956.	Ordinary Resolution	Not implemented as the Company has not borrowed any sum.

4th AGM

Subject matter of the resolutions	Type of Resolution	Status of implementation
1. Appointment of Mr. Dilip Cherian as Director of the Company, liable to retire by rotation.	Ordinary Resolution	Implemented
2. Appointment of Mr. Gaurav Dalmia as Director of the Company, liable to retire by rotation.	Ordinary Resolution	Implemented
3. Appointment of Mr. Aditya Vikram Somani as Director of the Company, liable to retire by rotation.	Ordinary Resolution	Implemented
4. Appointment of Mr. Haigreve Khaitan as Director of the Company, liable to retire by rotation.	Ordinary Resolution	Implemented
5. Revision in remuneration payable to Mr. Roshan Fateh Lal Hinger, Vice Chairman up to the remaining tenure of his present term.	Special Resolution	Implemented
6. Revision in remuneration payable to Mr. Sumit Malhotra, Whole-time Director up to the remaining tenure of his present term.	Special Resolution	Implemented

Financial calendar 2011-12 (Tentative)

Financial Year 2010-11	: April 01, 2010 to March 31, 2011
Audited Annual Results for the year ended March 31, 2011	: April 30, 2011
Mailing of Annual Report	: July 2011
Unaudited first quarter financial results	: 1st week of August 2011
Unaudited second quarter financial results	: 1st week of November 2011
Unaudited third quarter financial results	: 1st week of February 2012

Dividend Announcement

The Board of Directors of the Company has recommended a dividend of 190% (₹ 9.50 per share) on the equity share of the face value of ₹ 5/- each for the year ended March 31, 2011, subject to approval by the shareholders of the Company at the forthcoming Annual General Meeting. The Directors had declared and paid two interim dividends for the Financial Year 2009-10 as per details given hereunder:-

- 1) ₹ 7/- per equity share of the face value of ₹ 1/- per share which was paid on December 24, 2009

- 2) ₹ 8.80 per equity share of the face value of ₹ 5/- per share which was paid on March 23, 2010

The total interim dividend for the financial year 2009-10 amounts to ₹ 10763.54 lacs including the Corporate Tax on Dividend Distribution.

Date of Book closure:

July 29, 2011 to August 8, 2011 (both days inclusive)

Date of Dividend Payment:

On or after August 9, 2011 but within the statutory

time limit of 30 days. The dividend on equity shares of the Company as recommended by the Board of Directors of the Company, upon declaration by the shareholders at the ensuing Annual General Meeting, will be paid on or after August 9, 2011 as under:-

- a) To all those beneficial owners in respect of the shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on July 29, 2011; and
- b) To all those shareholders in respect of the shares held in physical form after giving effect to the valid transfers in respect of the shares lodged with the Company on or before the close of business hours on July 29, 2011.

Payment of Dividend

Dividend will be paid by account payee/non-negotiable instrument or through NECS/RTGS/Electronic Clearing Service (ECS) as notified by the SEBI through the Stock Exchanges. In view of the advantages of receiving dividend through NECS/RTGS/ECS, shareholders are requested to opt for this mode. The details of action required to be taken by shareholders in this regard are outlined in the notice of the annual general meeting. For further clarifications or additional details, Shareholders may please contact the Company. The declared dividend is usually paid by the Company within three working days.

Unclaimed Dividends

In view of amended Section 205-C of the Companies Act, 1956, followed by the issue of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of 7(seven) years from the date of such transfer shall be transferred by the Company to a fund called Investor Education and Protection Fund (the fund) set up by the Central Government.

No unclaimed/uncashed monies by way of dividend in "Unpaid Dividend Account" of the Company qualifying for transfer pursuant to the relevant provisions stated herein above to the aforementioned Unpaid Dividend Account.

Information on Directors being appointed / re-appointed

The information regarding Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is given under Annexure to items 3, 4

& 6 of the Notice convening Annual General Meeting.

Communication to Shareholders

The Company has published its quarterly, half-yearly and annual results in all the editions of Free Press (English) and Navshakti (vernacular), Mumbai. Quarterly results were sent to the Stock Exchanges immediately after the Board approved them. The financial results and other relevant information are regularly and promptly updated on the website of the Company www.bajajcorp.com.

Share Transfer

The power to approve share transfer/transmission, etc. as well as the dematerialisation/rematerialisation has been delegated to Mr. Kushagra Bajaj, Chairman, Mr. Roshan Fateh Lal Hinger, Vice Chairman & Whole-time Director, Mr. Sumit Malhotra, Whole-time Director, Mr. D.K. Maloo, Chief Financial Officer, Mr. Sujoy Sircar, Company Secretary of the Company with effect from October 21, 2010. All transfers pertaining to shares held in physical form as well as requests for dematerialisation/rematerialisation are processed in fortnightly cycles.

Registrar and Transfer Agent

Karvy Computershare Private Limited, Registrar and Share Transfer Agent of Bajaj Corp, handle all share transfers and related processes. They provide the entire range of services to the Shareholders of the Company relating to share transfers, change of address or mandate and dividend. The electronic connectivity with both the depositories - National Securities Depository Limited and Central Depository Services (India) Limited is also handled by Karvy Computershare Private Limited.

Share Transfer System

Share transfers received by the Company are registered within 15 days from the date of receipt in most of the cases, provided the documents are complete in all respects.

The number of shares transferred in physical category during the year 2010-11 was 35 as compared to NIL in 2009-10.

Dematerialisation of Shares

During the year 2010-11, 2,49,99,959 shares were dematerialised as compared to NIL shares during the year 2009-10. Allotment of 45,00,000 Equity Shares (Face Value ₹ 5/- each) issued by way of IPO was in electronic form. The distribution of shares in physical and electronic modes as at March 31, 2011 and March 31, 2010. is provided in Table 10 (See Table 10)

TABLE 10: Details of Shares held in physical and electronic mode (Face Value ₹ 5/- each)

Categories	Position as at March 31, 2011		Position as at March 31, 2010		Shares dematerialised during financial year 2010-11	
	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding
Physical	41	0.00	2,50,00,000	100.00	–2,49,99,959	–84.75%
Demat:						
NSDL	42,62,758	14.45	0.00	0.00	42,62,758	14.45%
CDSL	2,52,37,201	85.55	0.00	0.00	2,52,37,201	85.55%
Sub-total	2,94,99,959	100.00	0.00	0.00	2,49,99,959	100.00%
Total	2,95,00,000	100.00	2,50,00,000	100.00	–	–

* Includes 45,00,000 Equity Shares allotted during the year pursuant to initial public offering.

Listing on Stock Exchanges and stock codes

The Company's Equity Shares are listed and traded on the following Stock Exchanges:

Name	Address	Stock Code
Bombay Stock Exchange Ltd. (BSE)	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	533229
The National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051	BAJAJCORP

The ISIN of Company's Equity Shares (face value of ₹ 5/- each) for NSDL & CDSL is INE933K01013. Post sub-division of Equity Shares of face value of ₹ 5/- each

to face value ₹ 1/- each, the ISIN of the Company's Equity Shares is INE933K01021.

The Company has paid listing fees for the financial year 2011-12 to all the Stock Exchanges where its securities are listed.

Market Price Data

Equity Shares

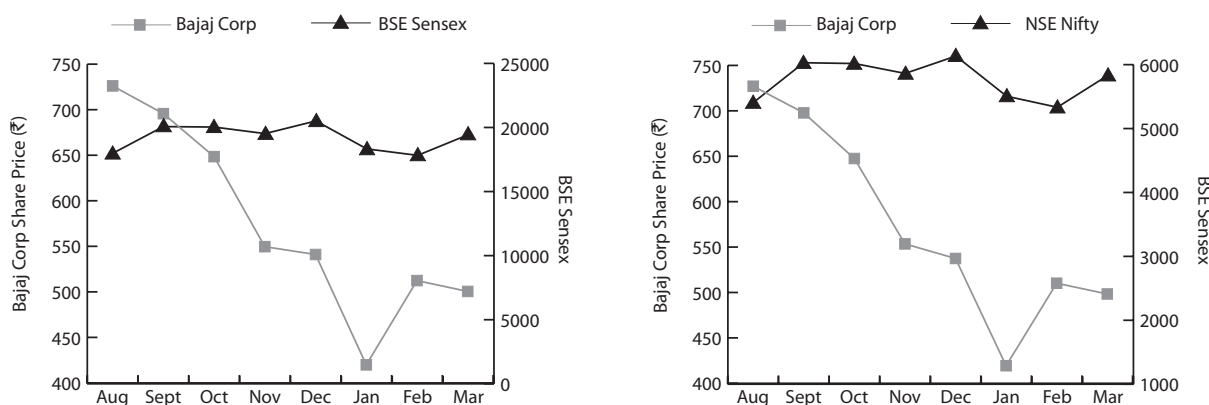
The Equity Shares of the Company were listed on August 18, 2010 post allotment of Equity Shares under IPO.

The details of high/low market price of the Equity Shares of the Company at Bombay Stock Exchange Limited (BSE) and at The National Stock Exchange of India Limited (NSE) during the period August 18, 2010 – March 31, 2011 are provided hereunder. (See Table 11)

TABLE 11: Monthly high/low Market Price of Equity Shares of Bajaj Corp during financial year 2010-11

Month	Quotation at BSE			Quotation at NSE		
	HIGH	LOW	CLOSING	HIGH	LOW	CLOSING
	FV ₹ 5	FV ₹ 5	FV ₹ 5	FV ₹ 5	FV ₹ 5	FV ₹ 5
August 2010	812.00	710.10	726.10	816.95	710.20	727.10
September 2010	757.50	692.90	695.65	758.95	695.15	697.75
October 2010	730.00	636.05	648.45	730.00	635.00	647.50
November 2010	652.00	531.10	549.60	654.10	530.00	553.50
December 2010	588.90	502.30	541.00	590.00	502.50	537.45
January 2011	542.70	417.10	419.85	543.55	401.00	419.35
February 2011	544.50	366.50	512.35	547.00	367.00	510.20
March 2011	550.00	417.00	500.45	550.00	432.00	498.35

The comparable movements of Bajaj Corp's shares against the broad based indices, namely BSE Sensex and NSE Nifty during the year ended March 31, 2011 is depicted in Chart A.

CHART A: Relative Performance of Bajaj Corp Limited's shares versus BSE Sensex/NSE Nifty :**Distribution of Shareholding**

The shareholding distribution of Equity Shares (Face Value ₹ 5/- each) as at March 31, 2011 (See Table 12)

TABLE 12: Shareholding distribution as at March 31, 2011

Category	No. of shareholders	% of total holders	No. of Shares	% of Capital
Upto 5000	19806	99.42	2795100	1.90
5001 to 10000	35	0.17	254985	0.17
10001 to 20000	18	0.09	248570	0.17
20001 to 30000	11	0.05	288940	0.20
30001 to 40000	2	0.01	76920	0.05
40001 to 50000	5	0.03	226815	0.15
50001 to 100000	5	0.03	359880	0.24
100001 and above	40	0.20	143248790	97.12
Total	19922	100.00	295000000	100.00

Shareholding Pattern

Table 13 gives the shareholding pattern (Face Value ₹ 5/- each) of the Company as at March 31, 2011

TABLE 13: Shareholding pattern as at March 31, 2011

Categories	March 31, 2011		March 31, 2010	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoters	25000000	84.75	24999965	100.00
Mutual Funds/UTI	1371385	4.65	0	0.00
Financial Institutions/Banks	580	0.00	0	0.00
Foreign Institutional Investors	1391265	4.72	0	0.00
NRIs	26638	0.09	0	0.00
Bodies Corporate	1056566	0.00	0	0.00
Others	653566	5.79	35*	0.00
Total	29500000	100.00	25000000	100.00

* Our corporate promoter Bajaj Consumer Care Limited (BCCL) is the beneficial owner of the Equity Shares.

Investor Services

The Company under the overall supervision of Mr. Sujoy Sircar, Company Secretary, is committed to provide efficient and timely services to its shareholders. Before IPO, all the share transfers and related process were being conducted in-house. Post listing of Equity Shares i.e. w.e.f. August 18, 2010, the Company has appointed M/s. Karvy Computershare Private Limited as its Registrar and Share Transfer Agent for rendering the entire range of services to the shareholders of the Company in regard to share transfer, change of address, change of mandate, dividend, etc. The electronic connectivity with both the depositories - National Securities Depository Limited and Central Depository Services (India) Limited is being maintained by Karvy Computershare Private Limited. The Company Secretary in co-ordination with the Registrar and Share Transfer Agent at periodic intervals attends and resolves various investor related complaints to the satisfaction of the investors.

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 all the registered Shareholder/s. The prescribed form for such nomination can be obtained from the Company. Nomination facility in respect of shares held in electronic form is also available with depository participant (DP) as per the bye-laws and business rules applicable to NSDL and CDSL.

Plant Locations

Hair Oil Manufacturing Units

1. Parwanoo, Himachal Pradesh
Add: Khasra N 434
Opp ESI Hospital,
Sector-1, Parwanoo
Tehsil Kasauli, Dist-Solan, Himachal Pradesh

2. Dehradun, Uttarakhand
Add: Industrial Khasra No. 122/13 MI,
Selaquin Ind. Area,
Dehradun, Uttarakhand
3. Paonta Sahib, (Himachal Pradesh)
Add: Village Batamandi,
Tehsil Paonta Sahib
District Sirmore, Himachal Pradesh

Address for Correspondence

Investors and shareholders can correspond with:

- 1) The Company at the following address:
Bajaj Corp Limited
221 Solitaire Corporate Park,
167 Guru Hargovind Marg
Chakala, Andheri (E)
Mumbai - 400 093
Tel: (9122) 66919477/78 Fax: (9122) 66919476
E-mail: complianceofficer@bajajcorp.com
Website: www.bajajcorp.com

AND/OR

- 2) The Registrars and Share Transfer Agent of the Company, M/s. Karvy Computershare Private Limited at their following address: -

By Post/ Courier/
Hand Delivery

M/s. Karvy Computershare
Private Limited
Unit: Bajaj Corp Limited
17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad -500 081
Phone No. +91-40-2342 0815-28
Fax No. +91-40-2342 0814
E-mail: einward.ris@karvy.com

Certification by Chief Executive Officer of the Company

I declare that all board members and senior management have affirmed compliance with the code of conduct for the current year.

Place : Mumbai
Date : April 30, 2011

Roshan Fateh Lal Hinger
Whole-time Director, Bajaj Corp Limited

Certificate

To

The Members of **Bajaj Corp Limited**

We have examined the compliance of conditions of Corporate Governance by Bajaj Corp Limited (the Company) for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination is 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 **R. S. Dani & Co.**
Chartered Accountants
Registration No : 000243C

C. P. Kothari
Partner
Membership No. 072229

Date : April 30, 2011
Place : Mumbai

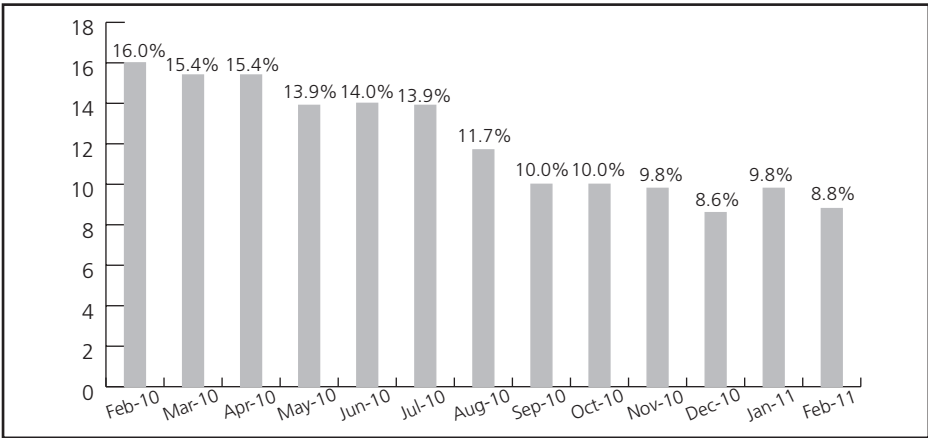
Management Discussion and Analysis

The Indian Economy

The year 2010-2011 was characterized by high inflation. Against an average inflation of 7.99% during the period 1969 to 2010 the year ended with an inflation of 8.82% in Feb 11, the peak being 15.1% in April 2010. The first

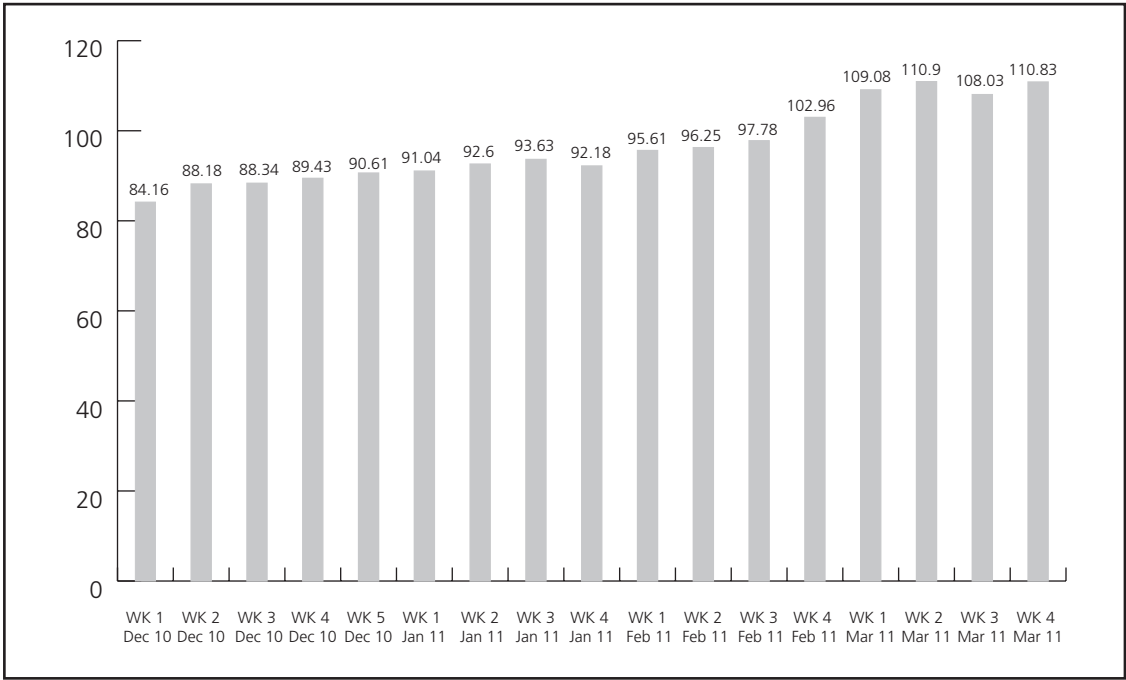
half of the year saw the inflation hover around the 13-15% range, though this dropped in the second half of the year, inflation still remained a cause of worry. What was, in the first half of the year, food inflation became inflation driven by high crude prices in the second half.

India Inflation Rate (source India Ministry of Labour)



Crude reached a high of \$110 per barrel by end of March 11 giving rise to expectations of a repeat of July 2008 when the prices touched \$136 a barrel.

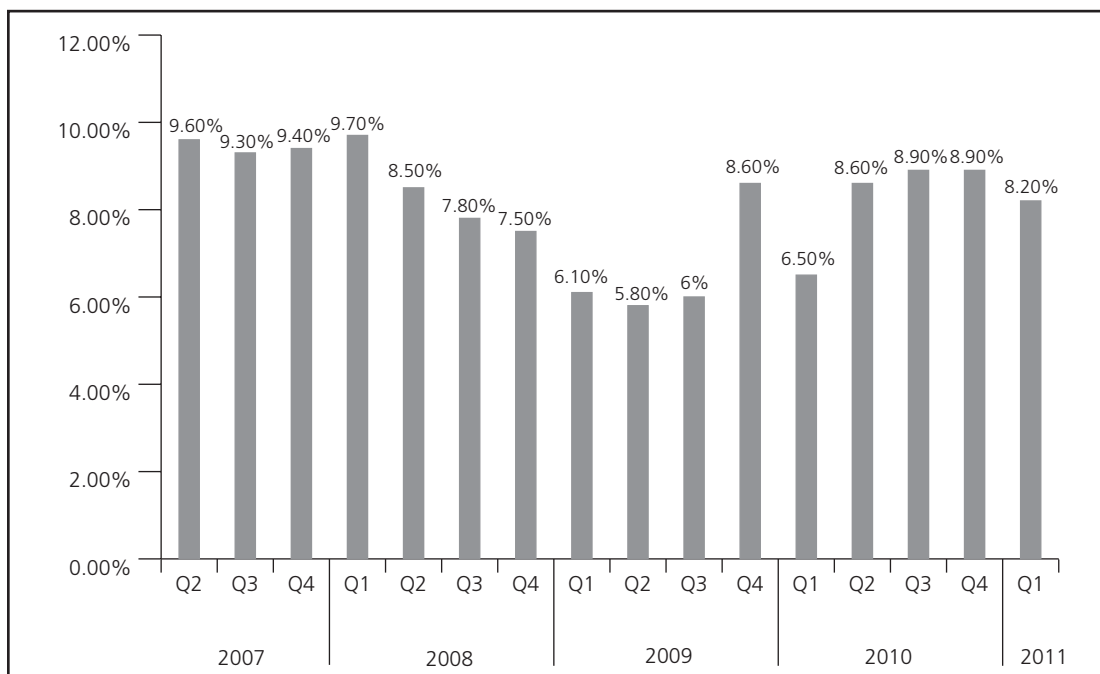
CRUDE PRICES IN \$ PER BARREL



Despite these pressures, the Indian GDP grew at around 8.5% during the year thereby showing the resilience of the Indian economy. The budget has played its part in this and the government continues to increase its

social spending through the National Rural Employment Guarantee Act, 2005 (NREGA). Indexing the wages to the Consumer Price Index (CPI) while not increasing the taxation should help increase consumption.

INDIAN GDP (Source Indian Statistical Organisation)



One of the sectors to see the positive effects of this increase in consumption has been the Fast Moving Consumer Goods (FMCG) sector.

FMCG Sector

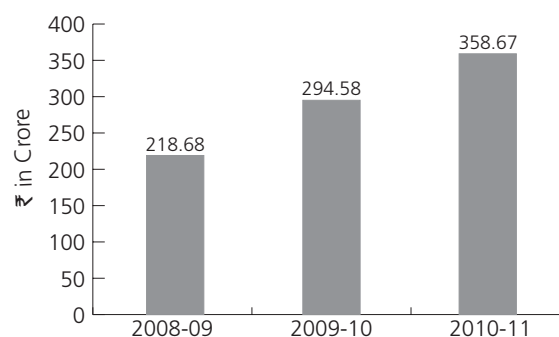
The year 2010 saw the FMCG industry clock a growth of 13% and reach ₹ 13,38,761 million (as per Nielsen). The industry has seen a healthy revenue growth led by volume growth. Inflationary pressures have been seen in the cost of Raw and Packaging material resulting in the compression of margins. To reduce the impact of the pressures on margins most companies have taken price increases resulting in EBITDA margins being protected.

Despite uncertain and volatile market scenario, the Company has constantly registered growth year on year. The highlights of the Company's performance in FY11 are:

- Sales increased to ₹ 35,867 lacs in FY11 from ₹ 29,458 lacs in FY10, registering a growth of 21.76%
- Earnings before interest, depreciation and tax increased to ₹ 10,892.93 lacs in FY11 from ₹ 9,774.24 lacs in FY 10, registering a growth of 11.45%
- Profit after Tax (PAT) increased by 0.23% from ₹ 8,391.34 lacs in FY10 to ₹ 8,410.28 lacs in FY11. During the year Company incurred IPO expenses of

₹ 1,896 lacs and same are written off in the current year which leads to reduction in PAT.

Company sales during last 3 years



The Hair Oil Industry

The Indian Hair Oil industry continued to grow at a good pace during the FY11. Hair Oils grew by 12.3% in volume terms. This was led by a 13.6% growth in volumes in the Light Hair Oil industry. **Bajaj Almond Drops** was one of the fastest growing brands in the

Hair Oil market 16.8% by volume and 24.4% by value.

The penetration of Hair oils grew 4% during 2010 and are currently at a penetration of 88.3%. On the other hand the unbranded Hair Oils which form 41% of the Hair Oil usage has seen a decline of 3% in the year 2010. Despite price increases taken by most leading players during the year the Hair Oil market continued to grow impressively.

The continued growth of our lead brand Bajaj Almond Drops Hair Oil is primarily due to increased rural penetration. Rural market share during the FY11 was

an impressive 57.5%. In FY11, 39.2% of Bajaj Almond Drops sales came from rural areas and the sales grew by 16.8% (volume).

The increasing rural acceptance of our lead brand is characterized by the growth in the sales of our low unit size packs. Our two smallest packs are Sachets (3ml) and ₹ 10 pack (20ml). Both are driving the volume growth of the brand especially in rural areas. As a result of this the saliency of the low unit brands (see table below) has improved during the year and now form 13.2% (9.6% in FY10) of the total volume sales of the brand.

Volume Saliency of SKUs in the Bajaj Almond Drops Hair Oil

SKU	04-05	05-06	06-07	07-08	08-09	09-10	10-11
20	0.8%	0.9%	0.7%	0.9%	1.3%	2.2%	2.8%
50	17.2%	18.5%	18.3%	17.4%	17.0%	17.6%	16.3%
75	2.3%	2.1%	2.9%	4.7%	5.5%	4.4%	4.0%
100	45.3%	45.1%	41.5%	39.0%	37.9%	34.4%	32.6%
200	33.7%	31.4%	27.9%	24.2%	21.7%	21.0%	20.0%
300	0.0%	0.0%	5.8%	10.4%	10.8%	13.1%	13.6%
Sachet	0.8%	1.9%	2.9%	3.5%	5.8%	7.4%	10.4%
500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

What is even more heartening is that the third highest growth is shown by our 300ml SKU (See table below). The health of the brand is clearly shown by the fact that both the small as well as the largest SKU are growing at a faster rate indicative of new first time user increase in the smaller SKU as well as customer loyalty of regular users.

ADHO SKU	Growth
20	49.8%
50	7.0%
75	5.2%
100	9.2%
200	9.5%
300	20.1%
Sachet	63.0%

Looking at the demand for our 300ml SKU we have launched a 500ml unit at the MRP of ₹ 150. An important point to be noted is that this SKU has been launched in PET and is the first SKU to move away from the glass bottle mode of packaging.

Sales & Distribution

During FY11 Company's sales & distribution strategy was to improve penetration and to increase product availability.

Distribution for our lead brand Bajaj Almond Drops Hair Oil has increased dramatically. The number of stock

points continued to increase and now the company's product is stocked in 5,653 stock points (as against 4,200 in March 2010 and 4600 in June 2010) all over India. As a result of this, there has been a dramatic improvement in the availability of our brands. Bajaj Almond Drops Hair Oil is now available at 1.95 million outlets (as against 1.49 million in March 2010 and 1.56 million in July 2010) all over India. To cater to this increase in distribution, the Field Force was suitably augmented. The number of salesmen in the field has increased from 730 (in March 2010) to 880 by the end FY11. This has led to increase in the direct distribution of our brand and improved control over the distribution system.

Way Ahead

The company will continue to focus on improving the market share of Bajaj Almond Drops Hair Oil in the Light Hair Oil market space. To ensure this happens our focus on improving distribution and promoting our product through heavy media advertising will continue. We have recently launched a new TV commercial with Ms. Lara Dutta as our brand ambassador. The initial feedback from consumers is that it has been appreciated and the key selling proposition message has been comprehended.

During the coming year we will see the consumer response to our new SKU - 500ml and acceptance of the PET bottles. This is an important initiative which will

play a key role in deciding the future packaging of the lead brand.

Operations

The Company has been continuously striving to strengthen procurement, manufacturing, marketing & human resource management and back-end operations which is demonstrated in the Company's performance during the year 2010-11

1. Procurement

During FY11 there was a significant increase in the prices of crude oil from \$84 per barrel in April 10 to \$110 per barrel in March 11. As a result of which a sharp increase of 50% was witnessed in the prices of LLP (Light Liquid Paraffin) one of the key raw materials over the average prices of previous year.

Prices of key packing material, like glass bottle, also registered an increase of 6.5% over average prices of previous year.

Exercising effective cost control over raw and packing materials was the biggest challenge faced by the Company. Our vendor development programme and term contracts with key suppliers enabled us mitigate cost pushes to a large extent.

2. Manufacturing

Company has five production facilities (including third party manufacturing facility), of which three units are situated in Himachal Pradesh (at Parwanoo & Paonta Sahib) one is situated in Uttarakhand (Dehradun) for manufacturing of all variants of hair oils and one unit is located at Udaipur, Rajasthan for the manufacturing of our oral care product. During the year, operations at Paonta Sahib Unit, which is our main facility, were scaled up.

3. Human Resources & Industrial Relations

Company is committed towards building organizational capability through empowered line managers.

We had implemented the process of organizational planning that evaluates structure, job design, and manpower forecasting throughout the company. We coordinated activities across all division lines. We had been able to identify core competencies for different levels and integrated with processes like Talent Acquisition, Talent Management, Enabling Performance and employee Engagement.

During the year Company held various programmes for providing training to its staff with a view to improve their performance and efficiency. One man day behavioral training programme for the frontline sales force and four man days functional and behavioral training for the sales managers took place with proper evaluation to measure return on investment. This eventually helped us find skill and

capability gaps and plan short-term and long-term strategy to address the issue.

As on March 31, 2011 the company had 334 people on its rolls.

The industrial relations at the Company's units, head office and sales centers were cordial throughout the year under review.

Financial Review

During FY11 company registered a strong growth in sales. Sales at ₹ 35,867.26 lacs recorded a growth of 21.76% over previous year mainly due to strong double digit growth (14.90%) in volume.

Abridged Profit & Loss Account of the Company

(₹ in Lacs)

Particulars	2010-11	2009-10	Change %
Sales	35,867.26	29,457.76	21.76%
Other Operating Income	76.65	34.49	122.24%
Total	35,943.91	29,492.25	21.88%
Cost of Goods Sold	15,657.69	11,678.37	34.07%
Employee Cost	1,625.97	1,384.28	17.46%
Advertisement & Sales Promo.	4,047.06	3,732.30	8.43%
Other Expenses	3,720.26	2,923.06	27.27%
EBITDA	10,892.93	9,774.24	11.45%
Interest Expenses	10.56	13.14	-19.63%
Depreciation	179.40	84.42	112.51%
Other Income	1,701.59	478.90	255.31%
Profit before exceptional item & Tax	12,404.56	10,155.58	22.15%
Exceptional Item	1,896.25	0.00	
Tax	2,098.03	1,764.24	18.92%
Profit After Tax (PAT)	8,410.28	8,391.34	0.23%

EBITDA margin declined 33.18% to 30.37% during the year mainly on account of substantial increase in cost of raw & packing materials, notably LLP and glass bottles.

During the year Company incurred IPO expenses of ₹ 1,896 lacs and same are written off in the current year which leads to reduction in PAT.

Increase in MAT rate also adversely affected the PAT margins of the Company. Effective tax rate went up from 17.37% to 19.97% during the year.

Despite of increase in MAT Rate & writing off of IPO expenses Company registered a marginal growth of 0.23% in PAT.

Key Profitability Ratios

Particulars	2010-11	2009-10
EBITDA/Sales	30.37%	33.18%
Profit before Tax & Exceptional Item/Sales	34.58%	34.48%
PAT/Sales	23.45%	28.49%
Earnings Per Share (₹)	30.20	33.57

Key Balance Sheet Ratios

Particulars	2010-11	2009-10
ROCE	50.67%	791.41%
RONW	40.55%	653.92%
Book Value per Share (₹)	131.92	10.24
Net Working Capital* in no. of days sales	-44.95	-14.31

* Excludes cash & bank balance

During the year Company came out with an Initial Public Offering (IPO) which increased its share capital (including share premium) to ₹ 29,700 lacs from ₹ 1,250 lacs and its number of shares from 250 lacs to 295 lacs

because of which a sharp decline in ROCE, RONW & EPS was seen.

With efficient management of supply chain, receivable and creditors, Company continued to keep the net working capital (ex. cash & bank balance) at negative level.

We continue to be a debt free Company.

The Board has recommended a final dividend @ ₹ 9.50/- per share i.e, 190% of its share capital. This translates into a cash outflow of ₹ 3,268 lacs (including Corporate Dividend Tax) and a dividend payout ratio of 33%.

Initial Public Offer (IPO)

Company came out with IPO in August 2010 and listed its securities on NSE & BSE on August 18, 2010. Company issued 45 lacs fully paid-up equity shares of face value of ₹ 5/- each at a premium of ₹ 655/- thereby raising a total fund of ₹ 29,700 lacs.

Main purpose of raising money was :

- promotion of future products of Company,
- acquisition and other strategic initiatives
- general corporate purpose

The Company proposes to launch four products in personal care segments and intends to utilize issue proceeds towards product promotion expenses. The status of products to be promoted is given below:

Products	Status
Product 1	The Company has tested the product formulation in house. Consumer test are underway. The Company will either rejig the perfume and/or formulation or go in for the packaging design testing stage.
Product 2	During 2010-11 Company manufactured the product and kept the product ready for launching in near future.
Product 3	Company has already soft launched the product in certain export market. Date of domestic launch will depend on consumer feedback.
Product 4	The communication strategy is being worked out by the company.

Utilisations of the proceeds of the IPO is as under:

(₹ in Crores)

Expenditure Items	Estimated Expenditure				Total expenditure incurred till March 31, 2011
	2010-11	2011-12	2012-13	Total	
Promotion of future products	60.70	71.30	88.00	220.00	0.38
Acquisition & other strategic initiatives	0.00	0.00	50.00	50.00	0.00
General corporate purposes	5.50	0.00	0.00	5.50	0.00
Issue Related Expenses	21.50	0.00	0.00	21.50	18.96
Total	87.70	71.30	138.00	297.00	19.34

Pending utilisation, net proceeds of the IPO have been invested in interest bearing liquid instruments, bank deposits and other financial products as mentioned herein below:

Particulars	Amount (₹ in crores)
(a) In Fixed Deposits with Banks	38.19
(b) In units of Debt Mutual Funds	10.01
(c) In Certificate of Deposits of Banks	228.91
(d) In Current Account with Bank	0.55
Total	277.66

Internal Control Systems & Adequacy

Company has in place, an adequate internal control and internal audit system managed by qualified and experienced people. Main objective of the system is

- to safeguard the Company's assets against loss through unauthorized use and pilferage
- to ensure that all transactions are authorized, recorded and reported correctly and timely
- to ensure that operations are conducted in an efficient and cost effective manner
- to ensure various compliances under statutory regulations and corporate policies are made on time
- to figure out the weaknesses persisting in the system and suggest remedial measure for the same

Internal audits are undertaken on a continuous basis covering all the operations i.e., manufacturing, sales & distribution, marketing, finance, etc. Reports of internal audits are reviewed by management from time to time and desired actions are initiated to strengthen the control and effectiveness of the system.

Risks & Concerns

Our Company, like any other enterprise, is exposed to business risk which can be an internal risks as well as external risks.

One of the key risks faced by the Company in today's scenario is the wide and frequent fluctuations in the prices of its raw material. Crude Oil prices went up as high as \$ 110 per barrel during the year which resulted into hike in prices of its derivatives. Any further increase in prices of raw materials could create a strain

on the operating margins of the Company. While Bajaj Almond Drops has exhibited adequate pricing power, unprecedented increase in raw material prices consequent to crude price increase may not be fully passed on and some impact may have to be absorbed by the Company.

Inflationary tendencies in the economy and deterioration of macro economic indicators can impact the spending power of the consumer because of which down trading from branded products to non-branded can occur which can affect the operating performance of the Company.

We operate in a highly competitive FMCG market with competitors who may have better ability to spend more aggressively on advertising and marketing and more flexibility to respond to changing business and economic conditions. Further, there are regional or smaller competitors who have certain advantages over us. An increase in the amount of competition that we face could have a material adverse effect on our market share and sales.

The FMCG environment is competition intensive and to ensure survival in this industry one has to focus on branding, product development and innovation but such expenditure carry the inherent risk of failure.

Any unexpected changes in regulatory framework pertaining to fiscal benefits and other related issue can affect our operations and profitability.

However the Company is well aware of the above risks and as part of business strategy has put in mechanism to ensure that they are mitigated with timely action.

Cautionary Statement

Statements in the management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations and futuristic in nature. Actual performance may differ materially from those either expressed or implied. Such statements represent intentions of the management and the efforts put into realise certain goals. The success in realising these depends on various factors both internal and external. Investors, therefore, are requested to make their own independent judgments before taking any investment decisions.

Certification by Chief Executive Officer and Chief Financial Officer of the Company

We, Roshan Fateh Lal Hinger, Whole Time Director (WTD) and D K Maloo, Chief Financial Officer (CFO), of Bajaj Corp Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March, 11 and its entire schedule and notes on accounts, as well as the Cash Flow Statement.
2. To the best of our knowledge and information:
 - a. These statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the company, which are fraudulent, illegal or violate the company's code of conduct.
4. The company's other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures pertaining to financial reporting.
5. The Company's other certifying officers and we have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and through them to the Audit Committee of the Company's Board of Directors:
 - a. All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
 - b. Significant changes in internal control over financial reporting during the year;
 - c. Any fraud, which we have become aware of and that involves Management or other employees who have a significant role in the Company's internal control systems over financial reporting;
 - d. Significant changes in accounting policies during the year.

Place : Mumbai
Date : April 30, 2011

Roshan Fateh Lal Hinger
Whole-time Director, Bajaj Corp Limited

D K Maloo
CFO, Bajaj Corp Limited

Auditors' Report

To the Members of Bajaj Corp Limited

1. We have audited the attached Balance Sheet of **Bajaj Corp Limited** as at **March 31, 2011** and also the annexed Profit & Loss Account of the Company and the Cash Flow Statement for the year ended on that date. 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 auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the Order'), issued by the Central Government of India in terms of Section 227(2A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Para 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in Sec 211 (3C) of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors are disqualified as on **March 31, 2011** from being appointed as director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in case of the Balance Sheet, of the state of affairs of the Company as at **March 31, 2011**,
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - (c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For **R. S. Dani & Co.**
Chartered Accountants
Registration No. : 000243C

C. P. Kothari
Partner
M. No. 072229

Place: Mumbai
Date : April 30, 2011

Annexture to the Auditors' Report

Referred to in Paragraph 3 of our Report of even date.

On the basis of the records produced to us for our verification/perusal, such checks as we considered appropriate, and in terms of information and explanations given to us on our enquiries, we state that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management at the reasonable intervals during the year. According to the information and explanations given to us and the records produced to us for verification, discrepancies noticed on such physical verification were not, in our opinion, material and the same have been properly dealt with in the Books of Accounts.
- (c) Fixed assets disposed of during the year were not material enough to affect the going concern identity of the company.
- (ii) (a) The Inventories of finished goods, stores, spare part and raw materials have been physically verified by the management. In our opinion the frequency of verification is reasonable.
- (b) The procedures of physical verification of Inventories followed by the management as explained to us are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts.
- (iii) The company has neither granted nor taken any loans, secured or unsecured to/from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information

and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. As per the information given to us, no major weaknesses in the internal controls have been identified by the management during the year. During the course of our audit, nothing had come to our notice that may suggest a major weakness in the internal control systems of the company.

- (v) (a) Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that contracts or arrangements referred to in section 301 of the Act have been entered in the register 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 have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) During the year 2010-11, Company has not accepted any deposit from the public.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) During the year 2010-11 the company was engaged in production of Hair Oil which comes under the list of Cosmetic or Toiletries item for which Compulsory Cost Accounting records should be maintained by the Company. On the basis of Records produced we are of the opinion that prima facie cost records and accounts prescribed by Central Government under Section 209(1)(d) of the Companies Act, 1956 in respect of products of the Company covered under the rules under the said section have been maintained.
- (ix) (a) According to the records of the Company, the company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty and Cess and other statutory dues to the extent applicable to it.
- (b) There is no disputed due on account of sales tax, wealth tax, income tax, service tax, customs duty, excise duty and cess.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or financial institution. The Company has not obtained any borrowings by way of debentures.
- (xii) The Company has not granted any loans or advance secured by pledge of shares, debentures or other securities.
- (xiii) The Company is not a Chit Fund/ Nidhi / Mutual Fund/ Society to which the provisions of Special Statute relating to Chit Fund are applicable. Accordingly Clause (xiii) of Para 4 is not Applicable.
- (xiv) The Company has, in our opinion, maintained proper records of the transactions and contracts with respect to its investments and timely entries of such transactions are made therein. We also report that the Company has held the investments in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions during the year under review.
- (xvi) The Company has not accepted any term loan during the year under review.
- (xvii) According to the information and explanation given to us, and overall examination of the

financial statement of the Company, we are of the opinion that short-term funds have not been used for long-term purpose and vice versa.

- (xviii) According to the information and explanation given to us, the Company has not made any Preferential Allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debentures during the year. Accordingly Clause (xix) of Paragraph 4 is not applicable.
- (xx) The Management has disclosed the end use of money raised by public issues and we have verified the same.
- (xxi) To the best of our knowledge and as per the information and explanation given to us there were no frauds on or by the company which have been noticed or reported during the year.

For **R. S. Dani & Co.**
Chartered Accountants
Registration No. : 000243C

C. P. Kothari
Partner
M. No. 072229

Place : Mumbai
Date : April 30, 2011

Balance Sheet as at March 31, 2011

	Schedule	As at March 31, 2011 ₹ Lacs	As at March 31, 2010 ₹ Lacs
A. Sources of Funds:			
1. Shareholders' Funds			
a) Share Capital	1	1,475.00	1,250.00
b) Reserves & Surplus	2	36,158.53	1,541.21
2. Loan Funds		–	–
3. Deferred Tax Liabilities (Net) (please refer Schedule 11(B))		4.84	5.73
Total		37,638.37	2,796.94
B. Application of Funds:			
1. Fixed Assets	3		
a) Gross Block		2,472.90	1,963.68
b) Less: Depreciation		304.26	127.50
c) Net Block		2,168.64	1,836.18
Capital Work in Progress		28.96	–
2. Investments (please refer Schedule 11(J))	4	33,006.25	210.09
3. Current Assets, Loans & Advances	5		
a) Inventories		1,442.58	989.20
b) Sundry Debtors		603.45	290.05
c) Cash & Bank Balances		8,134.35	1,675.16
d) Loans & Advances		428.23	246.29
		10,608.61	3,200.70
Less: Current Liabilities & Provisions	6		
a) Liabilities		4,428.77	2,190.02
b) Provisions		3,752.23	490.24
		8,181.00	2,680.26
Net Current Assets		2,427.61	520.44
4. Miscellaneous Expenditure		6.91	230.23
Total		37,638.37	2,796.94
Notes to the Accounts	11		

As per our report of even date
For **R. S. Dani & Co.**
Chartered Accountants
Registration No. : 000243C

For and on behalf of the Board

C. P. Kothari
Partner
M. No. 072229

Kushagra Bajaj
Chairman

Roshan Fateh Lal Hinger
Vice Chairman

Sumit Malhotra
Director

Aditya Vikram Somani
Director

Dilip Cherian
Director

Gaurav Dalmia
Director

Place: Mumbai
Date : April 30, 2011

Sujoy Sircar
Company Secretary

Profit and Loss Account for the year ended March 31, 2011

	Schedule	For the year ended March 31, 2011 ₹ Lacs	For the year ended March 31, 2010 ₹ Lacs
Income:			
Sales		35,867.26	29,457.76
Other Income	7	1,778.24	513.39
		<u>37,645.50</u>	<u>29,971.15</u>
Expenditure:			
Materials	8	15,657.69	11,678.37
Salaries and Wages	9	1,625.97	1,384.28
Selling & Administrative Expenses	10	7,777.88	6,668.50
Depreciation		179.40	84.42
		<u>25,240.94</u>	<u>19,815.57</u>
Profit Before Exceptional Items & Tax		12,404.56	10,155.58
Exceptional Items (please refer Schedule 11(A))		<u>1,896.25</u>	—
Profit Before Tax		10,508.31	10,155.58
- Current Tax		2,094.00	1,735.00
- Wealth Tax		4.92	2.02
- Deferred Tax		(0.89)	27.22
Profit After Tax		8,410.28	8,391.34
Balance Brought Forward		<u>216.21</u>	<u>4,663.41</u>
		<u>8,626.49</u>	<u>13,054.75</u>
Appropriations:			
Bonus Shares Issued		—	750.00
Interim Dividend		—	9,200.00
Proposed Dividend		2,802.50	—
Corporate Dividend Tax		465.46	1,563.54
Transferred to General Reserves		842.00	1,325.00
Balance Carried to Balance Sheet		<u>4,516.53</u>	<u>216.21</u>
		<u>8,626.49</u>	<u>13,054.75</u>
Earning per Share (EPS) (please refer Schedule 11(N))			
Basic (Face value of ₹ 5/- each)		30.20	33.57
Diluted (Face value of ₹ 5/- each)		30.20	33.57
Notes to the Accounts	11		

As per our report of even date
For **R. S. Dani & Co.**
Chartered Accountants
Registration No. : 000243C

For and on behalf of the Board

C. P. Kothari
Partner
M. No. 072229

Kushagra Bajaj
Chairman

Roshan Fateh Lal Hinger
Vice Chairman

Sumit Malhotra
Director

Aditya Vikram Somani
Director

Dilip Cherian
Director

Gaurav Dalmia
Director

Place: Mumbai
Date : April 30, 2011

Sujoy Sircar
Company Secretary

Cash Flow Statement (Indirect Method) for the year ended March 31, 2011

	2010-2011 ₹ in Lacs	2009-2010 ₹ in Lacs
A. Cash Flow from Operating Activities		
Net Profit before exceptional items & tax	12,404.56	10,155.58
Adjustments for:		
Depreciation	179.40	84.42
Misc. Expenditure written off	3.16	3.16
Interest Income	(1,127.18)	(459.72)
Dividend Income	(47.51)	—
Loss/(Profit) on sale of Investment	(526.90)	(19.18)
Operating profit before working capital changes	10,885.53	9,764.26
Adjustments for:		
(Increase)/decrease in Debtors	(294.31)	(257.55)
(Increase)/decrease in Inventories	(453.38)	(215.56)
(Increase)/decrease in Other Loans & Advances	(142.92)	639.90
Increase/(decrease) in Creditors	2,186.58	76.21
Increase/(decrease) in Other liabilities	107.99	57.21
Increase/(decrease) in Provisions	(5.96)	240.79
Cash generated from operations	12,283.53	10,305.26
Less: Direct taxes paid/deducted at source	2,137.98	1,697.70
Net Cash from/(Used in) Operating Activities (A)	10,145.55	8,607.56
B. Cash Flow from Investing Activities		
(Purchase)/Sale of Fixed Assets	(615.71)	(1,283.99)
Interest Received	1,127.18	459.72
Dividend Received	47.51	—
(Purchase)/Sale of Investment (Net)	(32,269.25)	(190.90)
Net Cash from/(Used in) Investing Activities (B)	(31,710.27)	(1,015.17)
C. Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares	29,700.00	—
Payment of Dividend	—	(9,225.00)
Payment of Dividend Tax	—	(1,567.79)
Share Issue Expenses	(1,676.09)	(227.91)
Net Cash from/(Used in) Financing Activities (C)	28,023.91	(11,020.70)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	6,459.19	(3,428.31)
Cash & Cash Equivalents - Opening Balance	1,675.16	5,103.47
Cash & Cash Equivalents - Closing Balance	8,134.35	1,675.16
Cash & Cash Equivalents (Year End)		
Cash in Hand	10.53	12.48
Remittance in Transit including Cheques in Hand	1,248.22	719.63
Balances in Bank : Current Account	275.60	229.05
Fixed Deposit Account	6,600.00	714.00
Total	8,134.35	1,675.16

As per our report of even date

For **R. S. Dani & Co.**

Chartered Accountants

Registration No. : 000243C

For and on behalf of the Board

C. P. Kothari

Partner

M. No. 072229

Kushagra Bajaj

Chairman

Roshan Fateh Lal Hinger

Vice Chairman

Sumit Malhotra

Director

Aditya Vikram Somani

Director

Dilip Cherian

Director

Gaurav Dalmia

Director

Place: Mumbai

Date : April 30, 2011

Sujoy Sircar

Company Secretary

Schedule No. 1 to 11 Annexed to and forming part of the Balance Sheet as at and the Profit & Loss Account for the year ended March 31, 2011

Schedule 3 - Fixed Assets ₹ in Lacs

[illegible]

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule 4 - Investments		
Short Term Investments (Unquoted) {Please refer Schedule 11(J)}	33,006.25	210.09
	<u>33,006.25</u>	<u>210.09</u>

Schedule 5 - Current Assets, Loans & Advances

Inventories (As taken, valued & certified by the Management)				
At cost				
Raw Material	404.46		243.60	
Packing Material	310.39		187.81	
Goods in Process	61.21		25.48	
	<u>776.06</u>		<u>456.89</u>	
At cost or market value whichever is lower				
Finished Goods	666.52	1,442.58	532.31	989.20
Sundry Debtors (Unsecured, Considered good)				
Outstanding for more than six months	6.44		3.55	
Others	597.01	603.45	286.50	290.05
Cash & Bank Balance				
Cash in Hand	10.53		12.48	
Balances with Scheduled banks				
- In Current Account	275.60		229.05	
- In Fixed Deposit Account	6,600.00		714.00	
Remittance in Transit & Cheques in hand	1,248.22	8,134.35	719.63	1,675.16
Loans & Advances (Unsecured, Considered good)				
Advance Payment for Direct Tax(Net)	1.03		(38.03)	
Advance to Suppliers	36.15		36.19	
Deposits and Other Assets	391.05	428.23	248.13	246.29
	<u>10,608.61</u>		<u>3,200.70</u>	

Schedule 6 - Current Liabilities & Provisions

Current Liabilities				
Advance from Customers	208.04		188.95	
Sundry Creditors for Goods	2,362.67		843.41	
Sundry Creditors for Expenses	1,201.94		609.54	
Deposits from C&Fs and others	39.50		41.50	
Statutory Liabilities	529.98		433.60	
Other Liabilities	86.64	4,428.77	73.02	2,190.02
Provisions				
Provision for Dividend & Tax thereon	3,267.96		—	
Provision for Others	484.27	3,752.23	490.24	490.24
	<u>8,181.00</u>		<u>2,680.26</u>	

	For the year ended March 31, 2011	For the year ended March 31, 2010
₹ in Lacs	₹ in Lacs	₹ in Lacs

Schedule 7 - Other Income

Interest Received on FDR & Others	1,127.18	145.61
Interest Received on ICDs	—	314.11
Profit on Sale of Investments	526.90	19.18
Dividend on Mutual fund	47.51	—
Cash Discount Received	61.39	30.46
Miscellaneous Income	15.26	4.03
	<u>1,778.24</u>	<u>513.39</u>

Schedule 8 - Materials

Opening Stock			
Finished Goods	532.31		568.76
Goods in Process	<u>25.48</u>	<u>557.79</u>	<u>15.10</u>
			583.86
Cost of Material Consumed			
Raw Materials	7,203.38		4,661.43
Packing Materials	6,108.75		4,900.23
Production & Manufacturing Expenses	<u>156.83</u>		<u>123.21</u>
	<u>13,468.96</u>		<u>9,684.87</u>
Less: Sale of Scrap Materials	<u>53.08</u>	<u>13,415.88</u>	<u>46.14</u>
			9,638.73
Purchase of Finished Goods		<u>2,411.75</u>	<u>2,013.57</u>
		<u>16,385.42</u>	<u>12,236.16</u>
Less: Closing Stock			
Finished Goods	666.52		532.31
Goods in Process	<u>61.21</u>	<u>727.73</u>	<u>25.48</u>
		<u>15,657.69</u>	<u>11,678.37</u>

Schedule 9 - Salaries & Wages

Salaries, Wages & Bonus etc.	1,488.17	1,176.13
Contribution to P. F. & Other Funds	120.63	202.58
Employees' Welfare Expenses	<u>17.17</u>	<u>5.57</u>
	<u>1,625.97</u>	<u>1,384.28</u>

	For the year ended March 31, 2011		For the year ended March 31, 2010	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Schedule 10 - Selling & Administrative Expenses				
Selling And Distribution Overheads				
Schemes & Sales Promotion Expenses	2,402.31		1,810.03	
Advertisement	1,644.75		1,922.27	
Freight & Octroi	1,619.84		1,258.25	
Cash Discount	572.47		488.28	
Travelling and Conveyance	399.50		343.50	
Royalty	395.63		324.94	
C&F Service Charges	120.44		104.01	
Breakages & Wastages	99.73		64.23	
Conference Expenses	73.83		35.89	
Export Expenses	1.40		1.20	
Total (A)	7,329.90	7,329.90	6,352.60	6,352.60
Administrative Overheads				
Electricity Power & Fuel		12.21		11.02
Repairs : Building	8.08		2.60	
Machineries	8.51		2.08	
Vehicles & Others	9.11	25.70	9.38	14.06
Audit Fees & Expenses		7.08		5.23
Rent		143.72		59.79
Rates & Taxes		6.60		7.78
Insurance		21.81		18.63
Interest and Bank Charges		10.56		13.14
Postage and Telephone		41.25		39.83
Computer & Software Development Exp.		22.06		15.79
Legal & Professional Exp.		44.72		39.05
Printing and Stationery		15.25		18.53
R & D and Product Development		2.76		0.89
Miscellaneous Expenses written off		3.16		3.16
Foreign Exchange Fluctuation (Gain)/Loss		(0.15)		0.08
Miscellaneous Expenses		91.25		68.92
Total (B)		447.98		315.90
Grand Total		7,777.88		6,668.50

Schedule – 11 Notes On Accounts:

A. Significant Accounting Policies:

I. Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the provisions of the Companies Act, 1956.

II. Fixed Assets

Fixed assets are reflected in the accounts at historical cost less accumulated depreciation.

III. Depreciation

Depreciation on fixed assets is provided on written down value method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

IV. Revenue Recognition

Income and Expenditure of all "Material Items" are accounted on accrual basis.

V. Inventories

Inventories are valued at cost. Finished goods and Goods in Process are valued at lower of cost or Market/Net realizable value.

VI. Investments

All the investments are current investments and are held at lower of cost and NAV/Market Value.

VII. Preliminary Expenses

One fifth of the preliminary expenses have been written off during the year.

VIII. Initial Public offer (IPO) Expenses

All the IPO expenses amounting to ₹ 1,896.25 lacs are written off during the year and shown as exceptional item in the Profit & Loss Account.

IX. Contingent Liabilities

Disputed liabilities and claims against the company including claims raised by fiscal

authorities (e.g. Sales Tax, Income Tax, etc.), pending in appeal/court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable is recognized in accounts. There is no contingent liability against the company.

X. Retirement Benefit

(a) Gratuity: The Company has taken Employee Group Gratuity-Cum-Life Assurance Policy of L.I.C. of India for covering accruing liability and the premium paid/payable on such policy is charged to Profit & Loss Account.

(b) Superannuation: Contribution to Superannuation fund is being made to LIC as per scheme of the Company.

(c) Provident Fund: Employees' own and Employer's Contribution are paid to the Government Provident Fund Authority.

(d) Employee Pension Scheme: Contribution to Employees' Pension Scheme, 1995 is made to the Government Provident Fund Authority.

XI. Foreign Currency Transaction

Transactions in foreign currency are recorded at exchange rate prevailing on the date of the transaction. Exchange rate differences resulting from foreign exchange transactions settled during the period, are recognized in the Profit and Loss Account.

XII. Income Tax And Deferred Taxation

The liability of company on account of Income Tax is estimated considering the provisions of the Income Tax Act, 1961. Deferred tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one year and capable of reversal in one or more subsequent year.

B. Deferred Tax

(₹ in Lacs)

Particulars	Opening Balance		Liability/(Asset) Created		Closing Balance	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Deferred Tax Liabilities/(Asset) on account of timing difference in Depreciation	51.04	14.36	2.85	36.68	53.89	51.04
Deferred Tax Liability/(Asset) on account of timing difference in Provision for Leave Encashment	(45.31)	(35.85)	(3.74)	(9.46)	(49.05)	(45.31)
Total	5.73	(21.49)	(0.89)	27.22	4.84	5.73

C. Payment to Auditors

(₹ in Lacs)

Particulars	2010-11	2009-10
(a) For Statutory Audit	3.31	3.31
(b) For Tax Audit	1.10	1.10
(c) For others services	0.77	5.52
(d) Out of pocket expenses	1.90	1.02
	7.08	10.95

D. Imported and Indigenous Raw Material Consumption

(₹ in Lacs)

Particulars	2010-11		2009-10	
1. Imported CIF, Custom Duty and other Charges	–	–	–	–
2. Indigenous	7,203.38	100%	4,661.43	100%

E. Expenditure in Foreign Currency

(₹ in Lacs)

Particulars	2010-11	2009-10
Professional Fees	189.94	–
Travelling	10.14	32.47

F. Earning in Foreign Currency

Particulars	2010-11	2009-10
FOB VALUE OF EXPORTS	174.89	155.35

G. Details of Licensed and Installed Capacity, Production, Stock & Turnover:

Quantitative information regarding Opening and Closing stock, Production, Purchases and Sales:-

Manufactured Goods:

(₹ in Lacs)

Product	Unit	Licensed Capacity	Installed Capacity	Opening Stock		Production	Sales		Closing Stock	
				Qty.	Amount		Qty.	Amount	Qty.	Amount
Hair Oil	K.Ltr.	–	77,000 (74,000)	357.49 (291.08)	361.02 (364.07)	11,020.39 (9,489.26)	10,969.78 (9,422.85)	31,084.27 (25,080.83)	408.10 (357.49)	510.83 (361.02)

(Figures in bracket are for previous year)

Traded Goods:

(₹ in Lacs)

Product	Unit	Opening Stock		Purchases		Sales		Closing Stock	
		Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
Hair Oil	K.Ltr.	135.58 (151.41)	159.94 (191.14)	1,658.32 (1,698.26)	2,310.58 (1,910.80)	1,685.35 (1,714.09)	4,648.17 (4,220.98)	108.55 (135.58)	144.76 (159.94)
Tooth Powder	M.T.	9.86 (11.54)	11.36 (13.55)	81.72 (94.80)	101.17 (102.77)	82.35 (96.48)	134.82 (155.95)	9.23 (9.86)	10.93 (11.36)

(Figures in bracket are for previous year)

H. Statement of Raw Material Consumed during year ended March 31, 2011

(₹ in Lacs)

Product	Opening Stock		Purchases		Consumption		Closing Stock	
	Qty. (Kg)	Amount	Qty. (Kg)	Amount	Qty. (Kg)	Amount	Qty. (Kg)	Amount
Refined Oil	74,371 (16,516)	38.26 (8.34)	20,21,661 (18,01,372)	1,152.19 (939.48)	20,18,923 (17,43,517)	1,141.63 (909.56)	77,109 (74,371)	48.82 (38.26)
Light Liquid Paraffin	82,352 (33,956)	37.64 (13.76)	75,20,108 (63,10,682)	5,032.11 (2,810.43)	73,45,739 (62,62,286)	4,881.30 (2,786.55)	2,56,721 (82,352)	188.45 (37.64)
Perfumes & Others	30,431 (7,949)	167.70 (58.77)	2,05,058 (1,88,734)	1,179.94 (1,074.25)	1,96,298 (1,66,252)	1,180.45 (965.32)	39,191 (30,431)	167.19 (167.70)
Total	1,87,154 (58,421)	243.60 (80.87)	97,46,827 (83,00,788)	7,364.24 (4,824.16)	95,60,960 (81,72,055)	7,203.38 (4,661.43)	3,73,021 (1,87,154)	404.46 (243.60)

(Figures in bracket are for previous year)

I. Managerial Remuneration under Section 198 of the Companies Act, 1956 paid or payable during the year to the Directors

(₹ In Lacs)

Particulars	2010-11	2009-10
(a) Salary & Allowances	191.07	204.22
(b) Contribution to Provident Fund	4.03	4.18
(c) Monetary Value of Perquisites	0.22	7.33
Total	195.32	215.73

Computation of net profit in accordance with Section 198 and Section 309 (5) of the Companies Act, 1956 and calculation of Remuneration/Commission payable to Directors

Particulars	2010-11	2009-10
Profit for the year before tax as per Profit & Loss Account	10,508.31	10,155.58
Add : Managerial remuneration	195.32	215.73
Directors fees	6.40	1.40
Adjusted net profit	10,710.03	10,372.71
Maximum permissible remuneration	1,178.10	1,141.00

J. During the year Company invested its surplus funds in the following debt liquid plans of Mutual Funds/ Banks' Certificate of deposits (CDs) and Commercial Paper (CPs) :-

Mutual Fund/CDs/CPs	Opening		Purchases		Redemption		Closing	
	Units	₹ in Lacs	Units	₹ in Lacs	Units	₹ in Lacs	Units	₹ in Lacs
ICICI Prudential Liquid Fund	26,483	60.00	—	—	26,483	60.00	—	—
Reliance Money Manager Fund	11,967	150.09	8,77,651	11,253.19	8,89,618	11,403.28	—	—
Reliance Liquidity Fund	—	—	12,21,23,780	17,297.31	12,21,23,780	17,297.31	—	—
Reliance Floating Rate Fund	—	—	67,50,280	1,000.00	67,50,280	1,000.00	—	—
Reliance Monthly Interval Fund-Series I-IG	—	—	1,72,57,013	2,208.22	1,72,57,013	2,208.22	—	—
Reliance Monthly Interval Fund-RG	—	—	7,87,129	100.01	7,87,129	100.01	—	—
Reliance Monthly Interval Fund-Series II-IG	—	—	1,55,40,088	2,000.52	1,55,40,088	2,000.52	—	—

Reliance Liquid Fund-Cash Plan	–	–	2,62,49,289	4,087.00	2,62,49,289	4,087.00	–	–
Reliance IF-Quarterly Plan-Series I-IG	–	–	67,97,106	700.00	67,97,106	700.00	–	–
Reliance QIF-Series III-IG	–	–	1,39,32,536	1,800.00	1,39,32,536	1,800.00	–	–
UTI Liquid Cash Plan	–	–	1,40,262	2,220.00	1,40,262	2,220.00	–	–
UTI Treasury Advantage Fund	–	–	2,46,947	3,210.58	2,46,947	3,210.58	–	–
UTI Monthly Interval Plan-II-IGP	–	–	19,48,068	201.40	19,48,068	201.40	–	–
HDFC Cash Management Fund	–	–	53,14,982	1,120.00	53,14,982	1,120.00	–	–
HDFC Liquid Fund	–	–	47,30,466	925.00	42,21,503	825.00	5,08,963	100.00
Birla Sunlife Cash Plus - Institutional	–	–	3,12,24,914	7,976.75	3,12,24,914	7,976.75	–	–
Birla Sunlife Cash Manager Fund	–	–	28,47,930	460.19	28,47,930	460.19	–	–
Birla Sunlife Cash Plus - Institutional Prem.	–	–	7,94,46,908	12,372.77	7,74,07,561	12,052.77	20,39,347	320.00
Religare Liquid Fund	–	–	88,77,641	3,543.04	88,77,641	3,543.04	–	–
Birla Sun Life Floating Rate Fund- LT-Inst-Growth	–	–	4,77,92,624	5,304.74	4,77,92,624	5,304.74	–	–
Birla Sun Life Cash Manager- Institutional Plan- Growth	–	–	4,81,86,516	7,644.34	4,81,86,516	7,644.34	–	–
Kotak Liquid (Institutional Premium)-Growth	–	–	1,46,19,509	2,781.83	1,46,19,509	2,781.83	–	–
Axis Liquid Fund-Institutional Growth	–	–	2,40,371	2,500.00	2,40,371	2,500.00	–	–
Axis Liquid Fund-Institutional Daily Dividend Reinvestment	–	–	2,51,044	2,510.48	2,51,044	2,510.48	–	–
Religare Liquid Fund -Super Institutional Growth	–	–	1,96,89,346	6,248.00	1,96,89,346	6,248.00	–	–
HDFC FMP 100 D Aug 2010 (2) Dividend-Series XIV	–	–	2,50,00,000	2,500.00	2,50,00,000	2,500.00	–	–
IDFC Cash Fund-Super Inst Plan C	–	–	2,01,94,662	2,312.00	2,01,94,662	2,312.00	–	–
Birla Sun Life - Cash Plus Retail Growth	–	–	4,72,365	120.75	4,72,365	120.75	–	–
Birla Sun Life - Saving Fund Retail Growth	–	–	4,57,034	82.02	4,57,034	82.02	–	–
Birla Sun Life - Cash Manager - Growth	–	–	1,06,478	25.00	1,06,478	25.00	–	–

Birla Sun Life - Ultra Short Term Fund - Growth	—	—	45,28,039	520.00	45,28,039	520.00	—	—
HDFC Liquid Fund - Prem Plan Growth	—	—	1,27,68,247	2,500.15	1,27,68,247	2,500.15	—	—
Birla Sun Life - Fixed Term Plan	—	—	1,00,13,754	1,001.38	—	—	1,00,13,754	1,001.38
Subros Ltd-CP	—	—	1,000	989.01	1,000	989.01	—	—
Simplex Infrastructure Ltd-CP	—	—	200	992.92	200	992.92	—	—
Future Value Retail-CP	—	—	100	495.51	100	495.51	—	—
Canara Bank -CD	—	—	4,000	3,701.02	—	—	4,000.00	3,701.02
Corporation Bank CD	—	—	2,500	2,270.41	—	—	2,500.00	2,270.41
Indian Overseas CD	—	—	2,500	2,271.15	—	—	2,500.00	2,271.15
Axis Bank Cd	—	—	2,500	2,268.77	—	—	2,500.00	2,268.77
HDFC Bank -CD	—	—	2,000	1,930.96	2,000	1,930.96	—	—
Punjab National Bank -CD	—	—	3,000	2,933.35	500	489.62	2,500.00	2,443.73
Bank of Maharashtra CD	—	—	2,500	2,456.81	2,500	2,456.81	—	—
State Bank of India-CD	—	—	3,500	3,389.38	2,500.00	2,479.34	1,000	910.04
Central Bank of India-CD	—	—	3,500	3,180.79	—	—	3,500	3,180.79
SBI Global Factors Ltd -CP	—	—	200	995.65	200	995.65	—	—
Oriental Bank of Commerce-CD	—	—	6,000	5,456.04	2,500	2,275.98	3,500.00	3,180.06
Syndicate Bank-CD	—	—	5,000	4,543.65	—	—	5,000	4,543.65
Dena Bank -CD	—	—	2,500	2,273.29	—	—	2,500	2,273.29
Bank of India- CD	—	—	2,500	2,271.28	—	—	2,500	2,271.28
Bank of Baroda-CD	—	—	2,500	2,270.68	—	—	2,500	2,270.68
PMS Fund-Almondz Global Sec Ltd- Under Debt Scheme:								
8.95% LIC Housing Finance 2020	—	—	50	500.48	50	500.48	—	—
9.05% Oriental Bank of Commerce Perpetual	—	—	49	490.14	49	490.14	—	—
8.79% IRFC DB 04-05-2030	—	—	50	502.18	50	502.18	—	—
8.62% Canara Bank 29-09-2025	—	—	50	500.00	50	500.00	—	—
8.80% Rural Elect Corp 2025	—	—	100	997.44	100	997.44	—	—
8.75% Rural Elect Corp 2025	—	—	98	1,009.95	98	1,009.95	—	—
Grand Total	38,450	210.09	54,94,59,376	157,217.52	53,69,01,262	124,421.36	12,596,564	33,006.25

K. Segment Reporting

As the company's business activity falls within a single segment viz. 'Cosmetics and toiletries' and the sales substantially being in the domestic market, the disclosure requirements of the Accounting Standard (AS) 17 "Segment Reporting" as prescribed by the Companies (Accounting Standard) Rules, 2006 are not applicable. However it does not have any impact on the true and fair view of the state of affairs in case of Balance Sheet and Profit and Loss Account.

L. Employees related Dues:**1. Defined Benefit Plan**

	Gratuity 2010-11 ₹ in Lacs	Gratuity 2009-10 ₹ in Lacs
a. Components of Employer Contribution		
Current Service Cost	18.61	98.90
Interest Cost	14.25	8.07
Expected Return on Plan Assets	(14.25)	(8.07)
Actuarial (Gain)/Loss	1.39	1.25
	20.00	100.15
b. Change in Defined Obligation		
Present Value of Obligation as at beginning of the year	150.27	56.88
Current Service Cost	18.61	98.90
Interest Cost	14.25	8.07
Actuarial (Gain)/Loss	0.00	(6.07)
Benefits Paid	(23.30)	(7.51)
Present Value of Obligation as at the end of the year	159.83	150.27
c. Change in Fair Value of Plan Assets		
Present Value of Plan Assets as at beginning of the year	150.27	56.88
Expected Return on Plan Assets	14.25	8.07
Actuarial Gain/(Loss)	(1.39)	(7.32)
Actual Company Contribution	20.00	100.15
Benefits Paid	(23.30)	(7.51)
Present Value of Plan assets as at the end of the year	159.83	150.27
d. Actuarial assumptions :		
Discount Rate	8%	8%
Estimated Rate of Return on Plan Assets	9.25%	9.15%
Salary Escalation Ratio Inflation	5%	5%
Method	Projected Unit Credit Method	
Mortality Rate	LIC (1994-96) Ultimate	

2. Defined Contribution Plan

	2010-11	2009-10
Company's Contribution to different contribution plans:		
a. Provident Fund	83.29	66.81
b. Employees State Insurance	13.30	7.09
c. Employees Superannuation Fund	0.56	12.30
d. EDLI Contribution	0.93	0.59
e. Group Insurance	2.55	2.65
	100.63	89.44

M. Initial Public Offer (IPO) & Change In Share Capital

Company came up with its IPO in August 2010 and listed its securities on NSE & BSE on August 18, 2010. Company issued 45 lacs fully paid up equity shares of face value of ₹ 5/- each at a premium of ₹ 655/- thereby raising a total fund of ₹ 29,700 lacs.

After IPO the total issued, subscribed and paid up capital changed to 295 lacs equity shares of ₹ 5/- each from 250 lacs equity shares of ₹ 5/- each

Position of IPO Funds as on March 31, 2011 is as follows:

Particulars	₹ in Lacs
Amount collected through IPO	29,700.00
Less : IPO expenses	1,896.25
Less : Fund utilized for promotion of future products	37.70
Closing Balance of IPO Funds as on March 31, 2011	27,766.05

Pending utilisation, net proceeds of the IPO have been invested in interest bearing debt liquid instruments, bank deposits and other financial products as mentioned herein below:

Particulars	(₹ in Lacs)
(a) In Fixed Deposits with Banks	3,819.33
(b) In units of Debt Mutual Funds	1,001.38
(c) In Certificate of Deposits of Banks	22,890.88
(d) In Current Account with Bank	54.46
Total	27,766.05

N. Basic & Diluted Earnings per share (EPS) computed in accordance with Accounting Standard 20 "Earning per share" as prescribed under the Companies (Accounting Standard) Rules, 2006

	2010-11	2009-10
Profit After Tax (₹ in lacs)	8,410.28	8,391.34
Adjusted weighted average number of shares outstanding		
Basic (In lacs)	278.48	250.00
Diluted (In lacs)	278.48	250.00
Earning per Share (face value ₹ 5/- per share)		
Basic (₹)	30.20	33.57
Diluted (₹)	30.20	33.57

O. As per Accounting Standard 18 (AS-18) 'Related Party Disclosures', prescribed by the Companies (Accounting Standard) Rules, 2006, the disclosures of transactions with the related parties as defined in AS-18 are given below:

(i) List of related parties and relationships:

Name of the Related Party	Relationship
1. Bajaj Consumer Care Ltd.	Holding company
2. Mr Kushagra Bajaj	Key Management Personnel
3. Mr Roshan Fateh Lal Hinger	Key Management Personnel
4. Mr Sumit Malhotra	Key Management Personnel
5. Mr Apoorv Bajaj	Key Management Personnel
6. Bajaj Infrastructure Development Company Ltd.	Associates
7. Bajaj Hindusthan Ltd.	Associates

(ii) Transactions during the period with Related Parties: (₹ in Lacs)

S. No.	Nature of Transaction	Holding company	Key Management Personnel	Associates	Total	Outstanding as on 31.03.2011
1.	Royalty	395.63 (324.94)	— —	— —	395.63 (324.94)	395.63 (324.94)
2.	Dividend Paid	— (9,225.00)	— —	— —	— (9,225.00)	— —
3.	Loan given & Received Back	— (5,850.00)	— —	— —	— (5,850.00)	— —
4.	Interest Received	— (72.97)	— —	— —	— (72.97)	— —
5.	Loan taken & Repaid	— (68.00)	— —	— —	— (68.00)	— —
6.	Interest Paid	— (0.04)	— —	— —	— (0.04)	— —
7.	Bonus Shares Issued	— (750.00)	— —	— —	— (750.00)	— —
8.	Purchases	2.25 (5.66)	— —	— —	2.25 (5.66)	— —
9.	Sale of Vehicle	13.92 —	— —	— —	13.92 —	— —
10.	Rent Paid	72.80 —	— —	— —	72.80 —	— —
11.	Deposit for Rent	5.50 —	— —	— —	5.50 —	5.50 —
12.	Remuneration	— —	223.44 (225.47)	— —	223.44 (225.47)	— —
13.	Sitting Fees	— —	1.65 (0.60)	— —	1.65 (0.60)	— —
14.	Reimbursement of Expenses	— (1.02)	— —	13.26 —	13.26 (1.02)	— —

(Figures in bracket are for previous year)

P. Trade creditors include dues to Small Industrial Undertaking. There are no Small Scale Industrial Undertaking to whom an amount of ₹ One Lac or more was payable and outstanding for more than 30 days.

Q. Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report of even date

For **R. S. Dani & Co.**

Chartered Accountants

Registration No. : 000243C

For and on behalf of the Board

C. P. Kothari
Partner
M. No. 072229

Kushagra Bajaj
Chairman

Roshan Fateh Lal Hinger
Vice Chairman

Sumit Malhotra
Director

Aditya Vikram Somani
Director

Dilip Cherian
Director

Gaurav Dalmia
Director

Place: Mumbai
Date : April 30, 2011

Sujoy Sircar
Company Secretary

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSSINESS PROFILE:

I. Registration Details :-

Registration No.	L01110MH2006PLC161345	State Code	11
Balance Sheet Date	31 Date	03 Month	2011 Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	22,500	Rights Issue	-
Bonus Issue	-	Private Placement	-

III. Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	3,763,837	Total Assets	3,763,837
Sources of Funds			
Paid Up Capital	147,500	Reserves & Surplus	3,615,853
Secured Loans	-	Unsecured Loans	-
Deferred Tax Balance	484		
Application of Funds			
Net Fixed Assets	219,760	Investments	3,300,625
Net Current Assets	242,761	Miscellaneous Expenditure	691

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	3,764,550	Total Expenditure	2,713,719
Profit/(Loss) before Tax	1,050,831	Profit/(Loss) after Tax	841,028
Earning Per Share (in Rs.)	30.20	Dividend Rate %	190%

V. Generic Names of Principle Products of the Company

Item Code No. (ITC Code)	3305 90	Product Description	Hair Oils
Item Code No. (ITC Code)	3306 10	Product Description	Dentifrices

For and on behalf of the Board

Kushagra Bajaj
Chairman

Roshan Fateh Lal Hinger
Vice Chairman

Sumit Malhotra
Director

Aditya Vikram Somani
Director

Dilip Cherian
Director

Gaurav Dalmia
Director

Sujoy Sircar
Company Secretary

Place: Mumbai
Date : April 30, 2011

[illegible]

bajaj corp limited

Registered Office: 2nd floor, Building No 2, Solitaire Corporate Park, 167 Guru Hargovind Marg, Andheri(E),
Mumbai-400093

D.P. Id No.		Folio No.	
Client Id No.		No. of Shares	

Attendance Slip

To be handed over at the entrance of the Meeting Hall

I / We hereby record my/our presence at the 5th Annual General Meeting of the Company held at the Kamalnayan Bajaj Hall, Bajaj Bhawan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021 on Monday, the 8th of August, 2011 at 11.00 A.M.

NAME/S OF THE SHAREHOLDER (IN BLOCK LETTERS)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER / PROXY	

Notes:

1. Member/s intending to appoint a Proxy should complete the Proxy Form below and deposit it at the Registered Office of the Company not later than 48 hours before the time of commencement of the meeting.
2. A Proxy need not be a member.
3. A Proxy cannot speak at the meeting or vote on show of hand.

< Tear Here >

bajaj corp limited

Registered Office: 2nd floor, Building No 2, Solitaire Corporate Park, 167 Guru Hargovind Marg, Andheri(E),
Mumbai-400093

D.P. Id No.		Folio No.	
Client Id No.		No. of Shares	

Proxy Form

I / We _____ of _____ in the district of _____ being a member/
members of BAJAJ CORP LIMITED, hereby appoint _____ of _____ in the district
of _____ or failing him _____ 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 5TH ANNUAL GENERAL MEETING of the Company held at
the Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021 on Monday,
the 8th of August, 2011 at 11.00 A.M. and any adjournment thereof.

Signed this _____ day of _____ 2011



Signature/s of shareholder/s

N.B.: The Proxy Form duly signed should reach the Registered Office of the Company at least 48 hours before the time of commencement of the meeting.

पेश है नया कैलाश परबत ठंडा तेल

चंदन की शीतलता बादाम का पोषण



आज की तेज रफ़्तार और भागदौड़ भरी ज़िन्दगी से आप बच नहीं सकते. रोज़ाना का दबाव आपके तन-मन पर तनाव पैदा कर सकता है दिलो दिमाग को थका सकता है.

पेश है बजाज कैलाश परबत ठंडा तेल. आपकी इन्द्रियों को ठंडा रखने वाले चंदन और उन्हें पोषण देने वाले बादाम से बना. इसका आयुर्वेदिक फ़ॉर्मूला आपके मस्तिष्क के टिशूज़ में नई जान जगाता है और आपको तुरन्त ही तनाव मुक्त करता है.

बजाज कैलाश परबत ठंडा तेल. तबियत रीचार्ज कर दे.

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