

BAJAJ

Bajaj Holdings & Investment Limited

66th Annual Report 2010-11



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Board of Directors

Rahul Bajaj
Chairman

Madhur Bajaj

D J Balaji Rao

S H Khan

Rajiv Bajaj

Nanoo Pamnani

Manish Kejriwal

Sanjiv Bajaj

Naresh Chandra

P Murari

CEO

V S Raghavan

Company Secretary

Mandar Velankar

Auditors

Dalal & Shah
Chartered Accountants

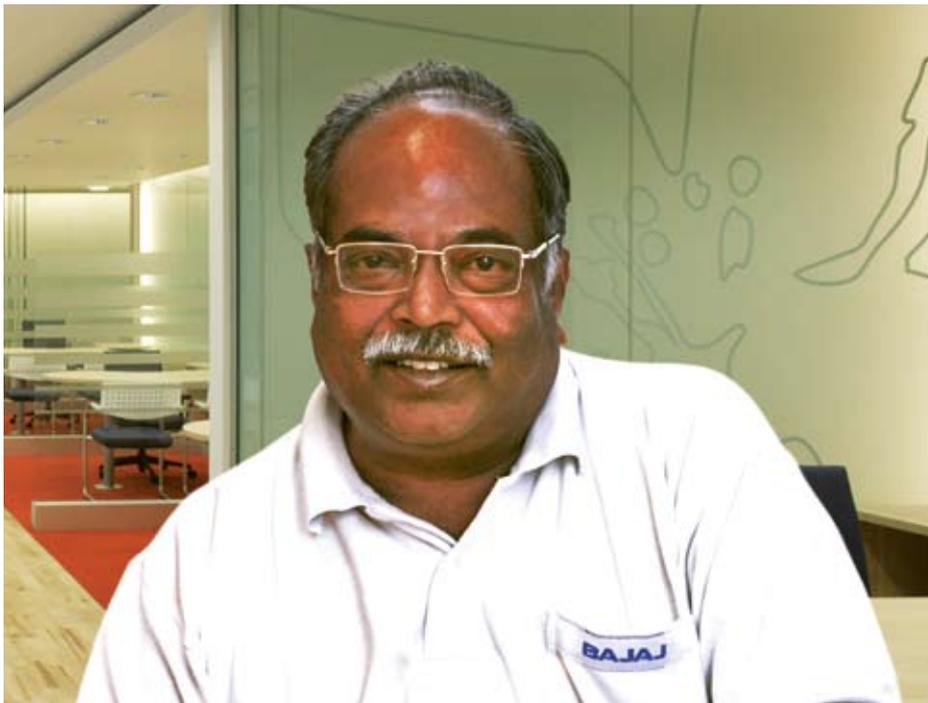
Bankers

Citibank NA
HDFC Bank

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

Registered Office

Mumbai-Pune Road,
Akurdi, Pune – 411 035



V S Raghavan

Directors' Report

Introduction

The directors present their sixty-sixth annual report and the audited statements of accounts for the year ended 31 March 2011.

Operations

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

Financial results (standalone)

	₹ In Lakh	
	2011	2010
Net sales & other income	107,645	81,348
Gross profit before interest & depreciation	106,936	80,721
Interest	—	—
Depreciation	24	22
Profit before tax	106,912	80,699
Provision for tax	7,141	3,566
Profit after tax	99,771	77,133
Add: Tax credits pertaining to earlier years	238	—
Profit for the year	100,009	77,133
Add: Balance brought forward from previous year	16,371	—
Less: Adjustments on revaluation of deferred tax assets	—	526
Profit available for appropriation	116,380	76,607
Transfer to Reserve Fund u/s 45C(1) of the Reserve Bank of India Act, 1934	20,002	15,427
Transfer to General Reserve	10,001	7,713
Proposed dividend (inclusive of dividend tax)	45,272	37,096
Balance carried to Balance Sheet	41,105	16,371

Financial results (consolidated)

	₹ In Lakh	
	2011	2010
Total income	90,046	71,942
Income from associates	150,423	69,023
Profit before tax	239,250	139,881
Profit for the year	232,276	136,260
Basic Earnings per share (₹)	217.0	134.6
Diluted Earnings per share (₹)	213.5	133.1

Dividend

The directors recommend for consideration of the shareholders at the ensuing annual general meeting, payment of dividend of ₹ 35 per share (350 per cent) for the year ended 31 March 2011. The amount of dividend and the tax thereon aggregates to ₹ 45,272 lakh.

Dividend paid for the year ended 31 March 2010 was ₹ 30 per share (300 per cent). The amount of dividend and the tax thereon aggregated to ₹ 37,096 lakh.

Registration as a Systemically Important Non-deposit Taking NBFC

The company has been registered with the Reserve Bank of India as a Non-Banking Financial Institution (non-deposit taking). In terms of provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, your company is categorised as a 'systemically important non-deposit taking non-banking financial company' having total assets of ₹ 100 crore and above. The company has not accepted public deposits during the year under review.

Subsidiary/Joint venture/Associates

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

Name of the Company	% Shareholding of Bajaj Holdings & Investment Limited as on 31 March 2011	Status
Bajaj Auto Limited	31.49%	Associate
Bajaj Finserv Limited	38.69%	Associate
Bajaj Auto Holdings Limited	100%	Subsidiary
Maharashtra Scooters Limited (MSL)	24%	Joint Venture

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

As reported in the past, the award of the arbitrator dated 14 January 2006 valuing the share price of MSL at ₹ 151.63 per share as the rate at which 3,085,712 equity shares of MSL held by WMDC are to be sold to the company, was challenged by WMDC in the Bombay High Court.

After hearing both the parties, the Hon'ble Bombay High Court, vide its order dated 15 February 2010, while confirming the ruling of the arbitrator on the relevant date for valuation and on the methodology adopted by the arbitrator on valuation, set aside the award of the learned arbitrator on the ground that the Arbitral Award goes contrary to the provisions of Section 111A of the Companies Act, 1956, which relates to free transferability of shares in a public limited company. The company has challenged the decision of the Hon'ble Bombay High Court by way of filing an appeal before the division bench of the High Court on various grounds and the same has been admitted. The appeal is currently pending.

Preferential Issue

During the year under review, promoters converted balance 5,251,000 warrants by paying balance 75%, i.e. ₹ 337.185 per equity share, aggregating to ₹ 17,706 lakh in January 2011.

In terms of powers conferred by the board of directors, share allotment committee allotted 5,251,000 equity shares of ₹ 10/- each to the promoters, at its meeting held on 21 January 2011.

Paid-up capital of the company has accordingly increased from ₹ 10,604 lakh (106,042,510 equity shares of ₹ 10/- each) to ₹ 11,129 lakh (111,293,510 equity shares of ₹ 10/- each). The Share Premium balance has gone up from ₹ 21,359 lakh to ₹ 44,442 lakh, since shares were issued at ₹ 449.58 per share, inclusive of ₹ 439.58 per share as share premium.

Approval of shareholders for payment of commission

Directors seek your approval by way of special resolution for payment of commission to non-executive directors of a sum not exceeding 1% of the net profits of the company for a further five years term from 1 April 2011 to 31 March 2016, subject to applicable provisions of the Companies Act, 1956. Earlier such approval expired on 31 March 2011.

Corporate Social Responsibility

During the year 2010-11, Bajaj Group continued its Corporate Social Responsibility (CSR) initiatives in various fields. Activities in this area are set out in detail in the annexed CSR Report.

Directors

During the year under review, Madhur Bajaj was appointed as non-executive director to fill up the casual vacancy caused by his resignation in the year 2009-10.

Madhur Bajaj, Rajiv Bajaj and S H Khan retire from the board by rotation this year and being eligible, offer themselves for re-appointment.

Directors' responsibility statement

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

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- that the annual accounts have been prepared on a going concern basis.

Consolidated financial statements

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

Information in aggregate for the subsidiary company is disclosed separately in the consolidated balance sheet.

Statutory disclosures

The company has received an exemption with regard to attaching of the balance sheet, profit and loss account and other documents of its subsidiary company, Bajaj Auto Holdings Limited. The summary of the key financials of the company's subsidiary is included in this annual report.

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

The company has received an exemption with regard to disclosure of investments in the investment schedule in the accounts under section 211(4) of the Companies Act, 1956. Any shareholder interested in obtaining the details thereof may write to the company.

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

The company has no particulars to report regarding technology absorption, conservation of energy and foreign exchange earning and outgo as required under section 217(1)(e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the report of board of directors) Rules, 1988.

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

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

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

A Cash Flow Statement for the year 2010-11 is attached to the balance sheet.

Corporate governance

Pursuant to clause 49 of the listing agreement with stock exchanges, a separate section titled 'Corporate Governance' has been included in this annual report, along with the reports on Management Discussion and Analysis and General Shareholder Information.

All board members and senior management personnel have affirmed compliance with the code of conduct for the year 2010-11. A declaration to this effect signed by the Chief Executive Officer (CEO) of the company is contained in this annual report.

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

Secretarial standards of ICSI

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

Group

Pursuant to an intimation from the promoters, the names of the promoters and entities comprising "Group" as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969

are disclosed in the annual report for the purpose of Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Auditors' report

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

Auditors

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

On behalf of the board of directors



Rahul Bajaj
Chairman

18 May 2011

Annexure 1

Certificate by Auditors on Corporate Governance

To the Members of
Bajaj Holdings and Investment Limited

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31 March 2011.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreements.

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

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

Anish P Amin
Partner
Membership No.: 40451
Pune: 18 May 2011

Annexure 2

Declaration by Chief Executive Officer (CEO)

I, V S Raghavan, Chief Executive Officer of Bajaj Holdings & Investment Limited hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31 March 2011 compliance with the code of conduct of the company laid down for them.

V S Raghavan

Chief Executive Officer

Pune : 18 May 2011

Annexure 3

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

We, V S Raghavan, Chief Executive Officer and Kevin D'sa, Chief Financial Officer of Bajaj Holdings & Investment Limited, certify:

1. That we have reviewed the financial statements for the year ended 31 March 2011 and that to the best of our knowledge and belief;
 - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading; and
 - these statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. That we have informed the auditors and the audit committee of:
 - significant changes in internal control during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

V S Raghavan

Chief Executive Officer

Pune : 18 May 2011

Kevin D'sa

Chief Financial Officer

Management Discussion and Analysis

In 2007-08, Bajaj Holdings & Investment Limited [BHIL – erstwhile Bajaj Auto Limited (BAL)] was demerged, whereby its manufacturing undertaking had been transferred to the new Bajaj Auto Limited and its strategic business undertaking consisting of wind farm and financial services business had been vested with Bajaj Finserv Limited.

Bajaj Holdings & Investment Limited ('BHIL' or 'the company') is essentially an investment company. The company holds 31.49% in Bajaj Auto Limited & 38.69% in Bajaj Finserv Limited, the results of which are consolidated with BHIL.

FY 2011 has been an excellent year for the company and its associates with each company scaling new highs in terms of revenue & profit.

- Stand alone income - ₹ 1,076.45 crore v/s ₹ 813.48 crore
- Stand alone Profit for the year - ₹ 1,000.09 crore v/s ₹ 771.33 crore
- Consolidated Profit After tax - ₹ 2,322.76 crore v/s ₹ 1,362.60 crore

Standalone Results of Bajaj Holdings & Investment Limited

The performance of the company is directly related to the performance of its investments. During the year, income from investments earned by the company was ₹ 1,074.56 crore as against ₹ 812.13 crore during the previous year.

During the year under review, the company booked profits on some of its investments. The profit on sale of investments increased from ₹ 590.13 crore in previous year to ₹ 706.52 crore for current year.

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

Table 1: Financial performance of Bajaj Holdings & Investment Limited

	2011	2010
		₹ In Crore
Interest	139.68	75.01
Dividend	225.01	140.82
Profit on sale of investments	706.52	590.13
Others	5.24	7.52
Income from Investments & Other Income	1,076.45	813.48
Other Expenses	7.33	6.49
Profit before tax	1,069.12	806.99
Tax expense	71.41	35.66
Add: Tax credits pertaining to earlier years	2.38	—
Profit for the year	1,000.09	771.33

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

Table 2: Position of investments held by the company

	2011		2010	
	Cost	Market Value	Cost	Market Value
Bajaj Auto Limited	286.22	13,332.99	286.22	9,162.47
Bajaj Finserv Limited	346.13	2,934.86	135.76	1,724.60
Other group companies	223.91	592.60	220.86	693.27
Other equities (including application money)	1,211.57	2,350.80	1,237.97	2,476.25
Subtotal – Equity shares	2,067.83	19,211.25	1,880.81	14,056.59
Mutual funds – equity based	5.00	5.00	5.00	5.00
Preference shares	0.20	0.20	0.20	0.20
Government securities	73.22	73.78	358.64	362.51
Debentures and bonds	991.17	983.86	946.43	971.17
Fixed income group – others	1,436.05	1,436.05	827.36	827.36
Subtotal – Fixed Income Securities	2,505.64	2,498.89	2,137.63	2,166.24
Total	4,573.47	21,710.14	4,018.44	16,222.83

Bajaj Holdings & Investment Ltd (BHIL), being a systemically important Non-Deposit taking NBFC has to adhere to the prudential norms prescribed by RBI from time to time. Specifically, company has to adhere to the provisions on 'Concentration of Investments' contained in Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, which provides ceilings on lending to & investment in a single company/group.

Within the above ceilings, certain other conditions/sub-limits have been laid down in the Investment Policy framed by the board of directors of the company and the same are adhered to by the company.

Subject to above, the investment activity of the company is guided by the principles of adequate security, safety and prudence and the company would continue to endeavor to achieve good returns within this ambit.

The investments are made by the company within the broad parameters set out for Asset Allocation, Benchmarking & other operating guidelines.

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

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

The company has an investment committee appointed by the Board that meets regularly to review investment performance & decide all significant investments.

Consolidated Results

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

Table 3: Consolidated entity – Bajaj Holdings & Investment Limited

Name of the company	% shareholding and voting power of Bajaj Holdings & Investment Limited	Consolidated as
a. Bajaj Auto Limited	31.49%	Associate
b. Bajaj Finserv Limited	38.69%	Associate
c. Bajaj Auto Holdings Limited	100%	Subsidiary
d. Maharashtra Scooters Limited	24%	Joint Venture

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

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

	2011	2010
Net sales & other income	900.46	719.42
Income from associates after tax	1,504.23	690.23
Profit before tax	2,392.50	1,398.81
Profit for the year	2,322.76	1,362.60

Status of Subsidiary, Associates and Joint Venture

Subsidiary

Bajaj Auto Holdings Ltd. (BAHL)

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

Table 5: Summary financial results

	2011	2010
Operating income	3.14	4.32
Profit before tax	3.07	4.27
Profit after tax	2.21	3.25
Profit attributable to BHIL (100%)	2.21	3.25

Associates

Bajaj Auto Ltd. (BAL)

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

Table 6: Summary consolidated financial results

	2011	2010
Net sales & other income	17,008.05	12,096.65
Profit before tax	4,464.08	2,301.29
Profit after tax	3,454.89	1,594.60
Profit attributable to BHIL	1,087.91	493.65

Bajaj Finserv Ltd. (BFS)

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

Table 7: Summary consolidated financial results

	2011	2010
Operating & other income	2444.57	985.41
Profit before tax	1669.73	830.28
Profit after tax	1114.84	559.12
Profit attributable to BHIL	416.32	196.58

Joint Venture

Maharashtra Scooters Ltd.

A joint sector company promoted by the company with Western Maharashtra Development Corporation Limited (WMDC) continued to earn income from its investments. The summary of its financial results is given below:

Table 8: Summary of financial results

	2011	2010
Sales & other income	41.09	24.34
Profit before tax	21.13	6.40
Profit after tax	21.72	8.41
Profit attributable to BHIL	5.21	2.02

Cautionary Statement

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

Corporate Governance

The commitment of Bajaj Group to the highest standards of good corporate governance practices predates SEBI and clause 49 of the listing agreement. Transparency, fairness, disclosure and accountability are central to the working of the Group. Bajaj Holdings & Investment Limited ('the company' or 'BHIL') maintains the same tradition and commitment.

Given below are the BHIL's corporate governance policies and practices for 2010-11. As will be seen, BHIL's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements in accordance with the provisions of clause 49 of the listing agreement.

Board of directors

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

Composition

The company has a non-executive chairman. According to clause 49, if the non-executive chairman is a promoter, at least one half of the board of the company should consist of independent directors.

During the year under review, Madhur Bajaj was appointed as non-executive director on 22 July 2010 to fill up the casual vacancy caused by his resignation in the year 2009-10.

As on 31 March 2011, the board of BHIL consisted of ten directors, all of whom were non-executive. The company has 'manager' in terms of provisions of Companies Act, 1956. Five out of the ten non-executive directors were independent. The board has no institutional nominee directors. As Table 1 below shows, the company is in compliance with the guidelines.

Non-executive directors' compensation

The non-executive directors of the company were paid a sitting fee of ₹ 20,000 per meeting for every meeting of the board and its committee thereof.

The company currently does not have a stock option programme.

Board procedures

During 2010-11, the board of directors met five times on: 12 May 2010, 9 June 2010, 22 July 2010, 19 October 2010 and 19 January 2011. The gap between any two meetings has been less than four months.

Attendance record of directors

Table 1: Composition of the board and attendance record of directors for 2010-11

Name of director	Category	Meetings attended	Whether attended last AGM on 22 July 2010
Rahul Bajaj	Chairman, non-executive	5/5	Yes
Madhur Bajaj ¹	Non- executive	3/3	Yes
Rajiv Bajaj	Non- executive	5/5	Yes
Sanjiv Bajaj	Non- executive	5/5	Yes
D J Balaji Rao	Non-executive, independent	5/5	Yes
S H Khan	Non-executive, independent	5/5	Yes
Nanoo Pamnani	Non-executive, independent	4/5	Yes
Manish Kejriwal	Non-executive	4/5	Yes
Naresh Chandra	Non-executive, independent	5/5	Yes
P Murari	Non-executive, independent	3/5	No

¹Appointed as director with effect from 22 July 2010.

Information supplied to the board

In advance of each meeting, the board is presented with relevant information on various matters related to the working of the company, especially those that require deliberation at the highest level. Presentations are also made to the board by different functional heads on important matters from time to time. Directors have separate and independent access to officers of the company. In addition to items which are required to be placed before the board for its noting and/or approval, information is provided on various significant items. In terms of quality and importance, the information supplied by management to the board of the company is far ahead of the list mandated under clause 49 of the listing agreement.

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

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

Directorships and positions board committees

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

Table 2: Directorships/committee positions of directors as on 31 March 2011

Name of director	In listed companies	In unlisted public limited companies	Committee positions	
			As Chairman	As Member
Rahul Bajaj	4	2	0	0
Madhur Bajaj	6	1	0	0
Rajiv Bajaj	4	1	0	1
Sanjiv Bajaj	6	4	1	5
D J Balaji Rao	10	0	4	6
S H Khan	5	3	5	5
Nanoo Pamnani	4	0	5	2
Manish Kejriwal	2	1	0	2
Naresh Chandra	11	1	1	9
P Murari	8	2	2	5

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

None of the directors was a member in more than 10 committees, nor a chairman in more than five committees across all companies, in which he was a director.

Review of legal compliance reports

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

Code of conduct

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

All directors and senior management personnel have affirmed compliance with the code for 2010-11. A declaration to this effect signed by the CEO is given in this annual report.

Audit committee

Constitution and composition

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

The audit committee consisted of the following members as on 31 March 2011:

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

In compliance with clause 49, three members of the committee viz. Nanoo Pamnani, S H Khan and Naresh Chandra are

independent directors and all the members of the audit committee are 'financially literate'. Moreover, the audit committee has members who have 'accounting or related financial management expertise'.

Meetings, attendance and topics discussed

During 2010-11, the audit committee met four times on: 12 May 2010, 22 July 2010, 19 October 2010 and 19 January 2011. The meetings were scheduled well in advance. In addition to the members of the audit committee, these meetings were attended by the heads of finance and internal audit functions and the statutory auditors of the company, and those executives who were considered necessary for providing inputs to the committee. The company secretary acted as the secretary to the audit committee.

Table 3: Composition of the audit committee and attendance record of members for 2010-11

Sr. No.	Name of director	Category	Meetings attended
1.	Nanoo Pamnani	Chairman (Non-executive & independent)	4/4
2.	S H Khan	Non-executive & independent	4/4
3.	Manish Kejriwal	Non-executive	4/4
4.	Naresh Chandra	Non-executive & independent	4/4

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

Subsidiary companies

During the year, the audit committee reviewed the financial statements (in particular, the investments made) of its unlisted subsidiary company - Bajaj Auto Holdings Ltd. (BAHL). Minutes of the board meetings of this subsidiary company were regularly placed before the board of BHIL. So too was a statement of the significant transactions and arrangements entered into by this subsidiary company.

Disclosures

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

At its meeting of 16 July 2005, the board laid down procedures to inform it of the company's risk assessment and minimisation procedures. These would be periodically reviewed to ensure that management identifies and controls risk through a properly defined framework.

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

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

In the year 2009-10, 10,110,000 warrants were issued to promoters/promoter group on a preferential basis at the issue price of ₹ 449.58 per equity share giving right to warrant-holders to apply for an equivalent number of equity shares during the period of 18 months from the date of allotment of warrants. 25% of issue price was paid at the time of allotment of warrants. Out of 10,110,000 warrants, promoters converted 4,859,000 warrants into an equivalent number of equity shares by paying balance 75% of the issue price per share and were allotted 4,859,000 equity shares of ₹ 10/- each in March 2010.

During the year under review, promoters converted balance 5,251,000 warrants into an equivalent number of equity shares by paying balance 75% of the issue price per share and were allotted 5,251,000 equity shares of ₹ 10/- each in January 2011.

Remuneration & Nomination Committee

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

Subsequently, at the meeting of the board of directors held on 16 January 2009, the board has extended the terms of reference of the existing remuneration committee, so as to include the duties to assist the board for having a formal and transparent procedure in making board appointments. Accordingly, the existing remuneration committee was restyled as 'remuneration and nomination committee'.

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

The remuneration & nomination committee consisted of the following members as on 31 March 2011:

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

During the year, the committee met on 26 March 2011. The committee noted that Madhur Bajaj, Rajiv Bajaj and S H Khan were due for retirement by rotation at the ensuing Annual General Meeting. The committee recommended for the consideration of the board the reappointment of these directors, who are due for reappointment at the ensuing annual general meeting of the company & ensured their 'Fit & Proper' status. All the members of this committee attended this meeting.

Remuneration of directors

Pecuniary relationship or transactions of non-executive directors

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

The register of contracts maintained by the company under section 301 of the Companies Act, 1956, contains record of the transactions entered into with the above companies. The register is signed by all the directors present at the respective board meetings.

A statement showing the disclosure of transactions with related parties as required under Accounting Standard – 18 is set out separately in this Annual Report.

Criteria of making payments to non-executive directors

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

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

Non-executive directors

Non-executive directors are paid sitting fees as separately stated in this report.

In terms of resolution passed by the board at its meeting held on 19 January 2011, with effect from 1 April 2011, non-executive directors shall be paid commission at the rate of ₹ 50,000 per meeting of board and committee thereof attended by them within the overall ceiling of 1% of net profit of the company in the aggregate, subject to approval of shareholders by way of special resolution at the ensuing annual general meeting. For the year under review, however, no commission was paid/payable to any of the directors.

BHIL has no stock option plans and hence it does not form a part of the remuneration package payable to any non-executive director. In 2010-11, the company did not advance any loans to any of the non-executive directors. Table 4 gives details of the remuneration paid or payable to directors during 2010-11.

Table 4: Remuneration paid/payable to Directors during 2010-11

Name of director	Relationship with other directors	Sitting fees	Salary & perquisites	Commission	Amount in ₹
					Total
Rahul Bajaj	Father of Rajiv Bajaj, Sanjiv Bajaj, father-in-law of Manish Kejriwal	120,000	—	—	120,000
Madhur Bajaj ¹	—	60,000	—	—	60,000
Rajiv Bajaj	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	100,000	—	—	100,000
Sanjiv Bajaj	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	100,000	—	—	100,000
D J Balaji Rao	—	120,000	—	—	120,000
S H Khan	—	220,000	—	—	220,000
Nanoo Pamnani	—	200,000	—	—	200,000
Manish Kejriwal	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	180,000	—	—	180,000
Naresh Chandra	—	200,000	—	—	200,000
P Murari	—	60,000	—	—	60,000

¹Appointed as director in the casual vacancy with effect from 22 July 2010.

Note: No bonus, pension or incentive is paid to any of the directors. The Company has not issued any stock options to any of the directors.

Shares held by non-executive directors

The non-executive directors as on 31 March 2011, who held shares in BHIL, are as under:

Table 5: Shares held by non-executive directors

Name of director	Number of shares held as on 31 March 2011
Rahul Bajaj	4,487,452
Madhur Bajaj	1,863,616
Rajiv Bajaj	1,323,050
Sanjiv Bajaj	1,362,724
Manish Kejriwal	100

Management

Management discussion and analysis

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

Disclosure of material transactions

Senior management made periodical disclosures to the board relating to all material financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the company.

Compliances regarding insider trading

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

Shareholders

Appointment and/or re-appointment of directors

According to the statutes, at least two-third of the board should consist of retiring directors. Of these, one third are required to retire every year and, if eligible, may seek re-appointment by the shareholders. 8 of the 10 directors of BHIL as on 31 March 2011 were directors, liable to retire by rotation. This year, the retiring directors are Madhur Bajaj, Rajiv Bajaj and S H Khan who being eligible, have offered their candidature for re-appointment.

Profiles of Madhur Bajaj, Rajiv Bajaj and S H Khan have been given in the notice convening the sixty sixth annual general meeting of the company.

During the year under review, Madhur Bajaj was appointed as non-executive director to fill-up the casual vacancy caused by his resignation last year.

Communication to shareholders

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

BHIL has its own website, www.bhil.in, which contains all important public domain information, including presentations made to the media, analysts and institutional investors.

The website also contains information on matters such as dividend and bonus history, answers to Frequently Asked Queries (FAQs) by the various shareholder categories and details of the corporate contact persons. All financial and other vital official news releases are also communicated to the concerned stock exchanges, besides being placed on the company's website.

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

The company is accordingly proposing to send documents, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report etc in electronic form at the email ids provided by the shareholders & made available by them to the company through the depositories. Shareholders desiring to receive the said documents in physical form will continue to get the same in physical form.

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

- Full version of the annual report including the balance sheet, profit and loss account, directors' report and auditors' report, cash flow statements, half-yearly financial statements and quarterly financial statements.
- Corporate governance report.
- Shareholding pattern.

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

Information on general body meetings

The last three annual general meetings of the company were held at the registered office of the company at Mumbai-Pune Road, Akurdi, Pune 411 035 on the following dates and time:

63 AGM	10 July 2008	at 4.00 p m
64 AGM	16 July 2009	at 4.00 p m
65 AGM	22 July 2010	at 4.00 p m

Details of Special Resolution(s) passed at General Meetings during the last three years' Annual General Meetings (AGM)

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

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

At the 63rd AGM held on 10 July 2008, one special resolution was passed, pertaining to the appointment of V S Raghavan as Manager and Chief Executive Officer and approval of remuneration payable to him.

Extraordinary General Meetings (EGM) & Postal Ballot

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

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

Material disclosure of related party transactions

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

Details of capital market non-compliance, if any

There has been no non-compliance by the company of any legal requirements; nor has there been any penalty, stricture imposed on the company by any stock exchange, SEBI or any statutory

authority on any matter related to capital markets during the last three years, except in the following case:

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

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

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

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

Shareholders' and investors' grievance committee

The board of directors of BHIL, as erstwhile Bajaj Auto Limited, constituted its shareholders' and investors' grievance committee in 2000. This committee specifically looks into shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend etc. In addition, the committee also looks into matters that can facilitate better investor services and relations.

The committee consisted of three non-executive independent directors and one non-independent non-executive director as on 31 March 2011, as mentioned below:

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

During the year under review, the committee met on 26 March 2011, to review the status of investors' services rendered. All members, except P Murari were present at the meeting. The secretarial auditor as well as the company secretary (who is also the compliance officer) were also present. The committee expressed its whole-hearted satisfaction on the overall status of compliances and actions taken on various matters.

SEBI vide its circular no. CIR/CFD/DIL/10/2010 dated December 16, 2010 amended Clause 5A by inserting a para prescribing a uniform procedure for dealing with physical unclaimed shares pursuant to public issue or any other issue. Accordingly, the company has sent the first reminder to its concerned shareholders on 31 March 2011 by Registered Post.

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

CEO/CFO certification

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

Report on corporate governance

This chapter, read together with the information given in the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on corporate governance during 2010-11.

Auditors' certificate on corporate governance

The company has obtained the certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the listing agreement. This report is annexed to the directors' report, and will be sent to the stock exchanges along with the annual return to be filed by the company.

Compliance of mandatory and non-mandatory requirements under clause 49

Mandatory

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

Non-mandatory

The company has also complied with the non-mandatory requirements as follows:

1. The Board

The non-executive chairman has an office at the company's premises.

All independent directors of the company, except D J Balaji Rao and S H Khan have tenures not exceeding a period of nine years on the board. The board believes that their continuation on the board is in the company's interest.

2. Remuneration Committee

The company has a remuneration committee known as 'Remuneration & Nomination Committee'. A detailed note on this committee is provided in the annual report.

3. Shareholder rights

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

4. Audit qualifications

There are no qualifications in the financial statements of the company for the year 2010-11.

5. Whistle Blower Policy

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

General Shareholder Information

Annual general meeting

Date : 14 July 2011
Time : 4.00 p.m.
Venue : Registered office at Mumbai-Pune Road,
Akurdi, Pune 411 035

Financial calendar

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

Dividend

The board of directors of BHIL has proposed a dividend of ₹ 35 per equity share (350 per cent) for the financial year 2010-11, subject to approval by the shareholders at the annual general meeting. Dividend paid in the previous year was ₹ 30 per equity share (300 per cent).

Dates of book closure

The register of members and share transfer books of the Company will remain closed from Friday, 1 July 2011 to Thursday, 14 July 2011, both days inclusive.

Date of dividend payment

Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 18 July 2011 to 20 July 2011:

- to all those beneficial owners holding shares in electronic form, as per the ownership data made available to the company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end-of-the-day on Thursday, 30 June 2011; and
- to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the company on or before the closing hours on Thursday, 30 June 2011.

Payment of dividend

Dividend will be paid by account payee/non-negotiable instruments or through the National Electronic Clearing Service

(NECS), as notified by the SEBI through the stock exchanges. In view of the significant advantages and the convenience, the company will continue to pay dividend through NECS in all major cities to cover maximum number of shareholders, as per applicable guidelines. Shareholders are advised to refer to the notice of the annual general meeting for details of action required to be taken by them in this regard. For additional details or clarifications, shareholders are welcome to contact the share transfer agent or registered office of the company.

Unclaimed dividends

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

As per Section 205-C of the Companies Act, 1956, any money transferred by the company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the Investor Education and Protection Fund set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1995-96 to 2002-03 were transferred by the company to the said fund in the years 2003 to 2010. No claims shall lie against the fund or the company in respect of amounts so transferred.

Unpaid/unclaimed dividend for 2003-04 shall become transferable to the fund in September 2011. Shareholders are requested to verify their records and send claims, if any, for 2003-04, before the amount becomes due for transfer to the fund.

Share transfer agent

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

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

Share transfer system

Share transfers received by the share transfer agent/company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. Total number of shares transferred in physical category during 2010-11 was 167,667 shares versus 224,800 shares during 2009-10.

Dematerialisation of shares

During 2010-11, 5,194,621 shares were dematerialised, compared to 7,517,601 shares during 2009-10. Distribution of shares as on 31 March 2011 and 2010 is given in Table 1.

Table 1: Shares held in physical and electronic mode

	Position as on 31 March 2011		Position as on 31 March 2010		Net change during 2010-11	
	No. of Shares	% to total share holding	No. of shares	% to total share holding	No. of shares	% to total share holding
Physical	16,543,200	14.86	16,486,705	15.55	56,495	0.05
Demat:						
NSDL	90,847,939	81.63	85,779,551	80.89	5,068,388	4.55
CDSL	3,902,371	3.51	3,776,254	3.56	126,117	0.11
Sub Total	94,750,310	85.14	89,555,805	84.45	5,194,505	4.66
Total	111,293,510	100.00	106,042,510	100.00	5,251,000	4.71

Global depository receipts (GDRs)

BHIL issued Global Depository Receipts (GDRs) in 1994 and the underlying shares against each GDR were issued in the name of the overseas depository i.e. Deutsche Bank Trust Company Americas. As on 31 March 2011, 313,713 GDRs were outstanding, and represented an equal number of underlying equity shares.

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

Stock code

1. BSE, Mumbai	500490
2. National Stock Exchange	BAJAJHLDNG
3. Reuters	BJAT.BO
4. Bloomberg	BJA.IN
5. ISIN for Depositories (NSDL and CDSL)	INE118A01012

Listing on stock exchanges

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

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

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

During 2010-11, the listing fees payable to these stock exchanges have been paid in full.

Market price data

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

Table 2: Monthly highs and lows of Bajaj Holdings & Investment Ltd. (erstwhile Bajaj Auto Ltd.) shares during 2010-11 (₹) vis-à-vis BSE Sensex

Month	BSE		NSE		London SE		Closing BSE Sensex
	High	Low	High	Low	High	Low	
Apr-10	680.00	602.00	684.70	584.30	647.40	573.47	17,558.71
May-10	728.00	619.55	728.00	605.80	715.44	619.05	16,944.63
Jun-10	747.00	649.60	748.30	650.00	725.69	674.74	17,700.90
Jul-10	749.90	674.50	751.80	666.20	719.58	672.79	17,868.29
Aug-10	775.00	711.30	775.00	711.00	844.49	692.60	17,971.12
Sep-10	900.00	742.05	899.75	741.25	889.16	752.30	20,069.12
Oct-10	910.00	815.10	912.20	817.20	884.96	823.58	20,032.34
Nov-10	952.00	827.00	972.00	827.00	958.58	858.05	19,521.25
Dec-10	901.00	805.50	912.00	786.75	865.04	834.86	20,509.09
Jan-11	890.95	713.15	892.00	713.10	882.61	739.52	18,327.76
Feb-11	783.00	680.00	785.00	680.00	750.56	706.84	17,823.40
Mar-11	842.70	716.25	841.50	725.05	789.04	718.26	19,445.22

Distribution of shareholdings

Table 3 gives details about the pattern of shareholdings among various categories as on 31 March 2011, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholdings across categories

Categories	31 March 2011		31 March 2010	
	No. of shares	% to total Capital	No. of shares	% to total Capital
Promoters	42,415,855 ¹	38.11	36,590,276	34.51
Friends and associates of promoters	1,519,368	13.65	16,604,072	15.66
GDRs	313,713 ²	0.28	314,297	0.30
Foreign Institutional Investors	12,758,594	11.46	8,666,625	8.17
Public Financial Institutions	8,411,842	7.56	8,114,802	7.65
Mutual Funds	3,267,819	2.94	3,783,118	3.57
Nationalised & other banks	246,546	0.22	326,320	0.30
NRIs & OCBs	862,205	0.77	1,112,268	1.05
Others	27,823,254	25.01	30,530,732	28.79
Total	111,293,510	100.00	106,042,510	100.00

¹ During the year under review, 5,251,000 equity shares were issued to promoters/promoter group on conversion of warrants issued to them on a preferential basis.

² Under the deposit agreement, the depository exercises the voting rights on the shares underlying the GDRs as directed by the promoters of the Company.

Table 4: Distribution of shareholding according to size class as on 31 March 2011

No of shares	No of shareholders		Shares held in each class	
	Number	%	Number	%
1 TO 500	60,638	92.77	3,344,806	3.01
501 TO 1000	1,729	2.65	1,271,460	1.15
1001 TO 2000	1,101	1.68	1,580,009	1.42
2001 TO 3000	509	0.78	1,281,775	1.15
3001 TO 4000	265	0.41	927,063	0.83
4001 TO 5000	181	0.28	827,045	0.74
5001 TO 10000	406	0.62	2,849,949	2.56
10001 AND ABOVE	538	0.81	99,211,403	89.14
Total	65,367	100.00	111,293,510	100.00

Shareholders' and investors' grievances

The board of directors of BHIL currently has a shareholders'/ investors' grievance committee consisting of three non-executive independent directors and one non-executive director to specifically look into the shareholders'/ investors' complaints on various matters. Routine queries/complaints received from shareholders are promptly attended to and replied.

Queries/complaints received during the period under review related to non-receipt of dividend by warrants as well as through electronic clearing service, non-receipt of annual report, non-receipt of transferred shares and change of address and/or bank particulars. There were no pending issues to be addressed or resolved.

During the year, letters were received from SEBI/ROC/Stock Exchanges/Investors concerning 7 complaints filed by the shareholders on various matters. In respect of each of these complaints, replies were sent to SEBI/ROC/Stock Exchanges/ Investors in the prescribed format, and no action remained to be taken at the Company's end.

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of the registered shareholder(s). The prescribed nomination form is routinely sent by the company upon such request and is also available on the company's website. Nomination facility for shares held in electronic form is also available with depository participant as per the bye-laws and business rules applicable to NSDL and CDSL.

Address for correspondence

Investors and shareholders can correspond with the registered office of the company at the following address:

Karvy Computershare Private Limited

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

Contact persons:

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

Bajaj Holdings & Investment Limited

Mumbai-Pune Road
Akurdi, Pune 411 035.
Tel : (020) 27472851(Extn 6063), 27406063
Fax : (020) 27407380
e-mail : investors@bhil.in
Website : www.bhil.in

Report on Corporate Social Responsibility (CSR)

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

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

Bajaj Group generally implements the above initiatives through its Employees' Welfare Funds and Group NGOs/Trusts/Charitable Bodies operating at various locations in the country. It also enlists the help of non-Group NGOs, Local Authorities, Business Associations, Social & Philanthropic Organisations of repute and Civil Society, wherever deemed necessary.

Some of the major initiatives continued during the year under review are summarised below:-

A. Through Group Trusts

1. Jamnalal Bajaj Foundation (JBF – Foundation)

Awards:

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

Financial Assistance:

During the year, financial assistance was provided to wives and families of farmers, who committed suicide in Wardha District for their subsistence and also for educational assistance to their children.

Rural Development:

The Foundation has been undertaking rural development work in select villages of Wardha District, Maharashtra (since 1987) and in Shikohabad, Dist. Firozabad, U.P. (since 1992). The activities are undertaken on the basis of the need of the local people. Special emphasis is given on health, family welfare, immunisation, supply of potable drinking water, sanitation and alternative source of renewable energy. Having worked for more than 17 years and reaching a satisfactory level of development, the activities have been discontinued here from December 2010.

Employment Generation Programmes

Programmes of employment generation in the rural area have helped the women-folk and scheduled castes and the poorer sections to develop self-confidence in themselves.

Schools under National Child Labour Project

Schools running with the financial support of National Child Labour Project (GOI), are monitored and controlled by JBF. 200 students and 20 staff members are part of these 4 schools.

Balwadi (Child Training Centre)

Balwadi is a pre-school, where under-privileged children are taught by trained teachers. The Foundation continued running 24 Balwadis i.e. Bal Sanskar Kendra in rural areas for poor children below six years of age.

Community Awareness Campaign & Health Camp

The Foundation carried out people-to-people base awareness programmes about population control, usage of toilet, health hygiene etc. and organised health camps for women and handicapped persons.

2. Jankidevi Bajaj Gram Vikas Sanstha (JBGVS)

Rural and Community Development Activities and Empowerment of Women

The company continued with its rural development activities in Pune, Aurangabad & Wardha districts of Maharashtra & Sikar District of Rajasthan through JBGVS. JBGVS aims at helping integrated development of 61 selected villages, to be carried out by the villagers under their own leadership and catalysing the unified efforts of Government, local organisations and other NGOs.

During the year, JBGVS undertook a number of development initiatives for improving education, specially primary education, primary healthcare, economic condition by promoting self-employment, environment and social development with special emphasis on women empowerment.

Education

This year, the focus was on improving infrastructure of the primary schools like building school rooms, providing furniture, providing clean drinking water, sanitary units and learning equipments. In addition to this, informal education was imparted to primary school students as also young girls and boys identified with leadership potential. Computer education was started for

youth. The activities of Rural Education and Information Network (REIN) project supported by the World Bank are being continued to generate interest in education in a non-formal way amongst tribal children and youth.

Primary Health Care (PHC)

Reproductive Child Health (RCH) programmes, tackling malnourishment amongst children, specialised check-up camps (gynaec, eye, pediatric, etc.), providing health services through mobile clinics, promoting low cost latrines, educating adults and children in hygiene and sanitation practices were taken up in the project villages to improve the health condition of the villagers in general and women and children in particular. The programmes were implemented through socially trained village health workers and local PHCs.

Economic development

The focus of this programme was to generate self-employment through a set of activities like vocational training, i.e. tailoring, dairy, goatery, backyard poultry, agro and food processing and two wheeler repairing and maintenance. Small enterprises were promoted by providing seed capital. Assistance was provided to farmers in preparing bank proposals and getting bank loans in association with Govt. and other local agencies. Three training programmes were organised on dairy, poultry and two wheeler maintenance for the SC/ST youth. Assistance was provided to women self-help groups to get loans for income generation activities from the banks and marketing their produce in various places including exhibitions.

Environmental development

In all JBGVS programmes, environmental upgradation is given special importance. The farmers as well as school children were encouraged to plant fruit trees. The Aamrai Project, which was started at the hands of Chairman, Bajaj Auto in August 2009 has covered 340 acres of fruits and forestry tree plantation (more than 50,000 plants). 340 tribal families have got livelihood from this programme. This programme will cover more than 1000 tribal families.

Social development

Under social development, women self-help groups, traditional social and cultural activities, sports amongst school children and youth are promoted. Village level leadership trainings are organised for youth to create the future leaders in the villages.

Samaj Seva Kendra (SSK) (as part of JBGVS) provides facilities for social development of the residents of Akurdi, Nigdi and adjoining townships, with the aim of improving their quality of life, through skill development training, hobby centre, nursery education, health care, sports, music, dance and cultural programmes. Programmes are also organised for senior citizens. Events like making of Christmas craft, earthen forts, summer camps and trekking were conducted during the year.

JBGVS started activities in Sikar, Rajasthan, during the year by providing assistance for fodder to 5 gaushalas to see through the drought period. Science Branch has been started in Jamnalal Bajaj Government School in village Kashi ka bas. Self Help Groups

(SHGs) have been formed in all select villages. Goats were distributed to 48 Below Poverty Line (BPL) families. Other activities like tailoring classes, beautician training, drawing competitions, adolescent girls training, medical camps, eye check up camps were organised regularly.

JBGVS has started the planning process to initiate activities in a big way in Wardha district. Administrative machinery has been put in place at Wardha to start work in 10 villages starting with formation of SHGs, veterinary services, agricultural programmes, dairy development and sustainable agricultural practices to generate livelihood. Two projects through Magan Sangrahalay as NGO have been shortlisted for funding.

3. Group Trusts for Colleges

Shiksha Mandal, Wardha founded in 1914 by Late Shri Jamnalal Bajaj runs seven colleges with around 10,000 students on its rolls. These include colleges for commerce, science, agriculture, engineering polytechnic and rural services. Its mission is to provide high quality education at an affordable cost & to inculcate socially desirable values in its students.

All its Colleges are undergoing major upgradation in terms of infrastructure and work culture. During the year, a new girl's hostel and 30,000 sq. ft. of classrooms were built. Over 300 computers have been installed in it in the last 2 years and students have unlimited internet access.

Jankidevi Bajaj College of Science received a ₹ 1.4 crore grant from UGC for upgrading its laboratories. 3 of Shiksha Mandal teachers received UGC funding for Major Research projects. Over 20 proposals for research have been submitted by its teachers during 2010-11. M.Sc.(Biotech) was started in its Science College and an MBA program in its Commerce College at Wardha. Guidance for CA exam was started in its Commerce College at Nagpur which achieved 50% passing rate compared to the 20% rate nationally.

Its students continue to do well. Besides 15 students in University/ Board exam merit lists, 3 of the top 20 positions in Maharashtra Engineering Entrance exams were taken by its students. One of its students was adjudged as the best National Social Service (NSS) volunteer in Maharashtra. Another student captained the University Ball Badminton team and 4 of its students represented Maharashtra at the national games.

A booklet "Vichardhan" containing inspiring ideas in Hindi, Marathi and English was produced for distribution to all students. The students built water harvesting structures in 2 villages near Wardha, under its NSS program.

Bajaj Trusts have donated ₹ 8 crore in the last 3 years to Shiksha Mandal.

Bajaj Science Centre has been functioning in Wardha for the last four years. The culture of learning science by doing experiments is developing roots in Schools of Wardha and towns around it. Its students are consistently getting recognition in national competitions. It is also reflected in the increasing number of students appearing for its entrance examination. This year, 830 students appeared for 250 vacancies. Students are coming to it from as far as Hinganghat, which is 50 kms away. Bajaj Science

Centre is adding a scholar batch of 5th standard students from this academic year. This year, it functioned from its new campus, which has become a landmark in Wardha.

Gandhi Vichar Parishad, Wardha, organised a number of programmes during the year 2010-11. Important among them were its 8 month Post Graduate Diploma Course in Gandhian Thought, which had 7 students from different parts of India, 2 from Sudan and 1 from Brazil; orientation Camp Classes on Gandhian Thought for Medical Students, University Students' Camps at the regional and national level, Seminar on Gandhi's Concept of Swadeshi, Inter Religious Study Course on Ecological insights in Religions and a workshop on Peace and Conflict Resolution.

4. Marathwada Medical & Research Institute (MMRI)

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

Kamalnayan Bajaj Hospital

MMRI has established Kamalnayan Bajaj Hospital, located at Aurangabad in Marathwada region of Maharashtra and is providing super speciality and tertiary care medical facilities not available elsewhere in this region. The hospital has expanded its capacity to 250 beds and major part of the expansion has been for general category patients. It has cancer treatment facilities, including Linac Accelerator & Brachy therapy, facility for CT Scan and MRI of 1.5 Tesla, new generation Siemens Cath Lab for heart patients, latest ophthalmology equipment and other advanced facilities including for open heart surgeries and organ transplantation (Kidney). The hospital has been providing relief annually for close to 55,000 patients on OPD basis and close to 7,000 patients, who are admitted to hospital for various treatments. It also provides intensive care unit and cardiac care unit, with a capacity of 22 beds and generally with an occupancy rate of more than 95%.

The hospital also runs a programme of providing relief to Below Poverty Line (BPL) and Economically Weaker Section (EWS) of the society with free/subsidised treatment. Hospital with the help of NGO (JBGVS) has conducted 50 camps in the villages of the district of Aurangabad. where more than 2282 patients have been checked and given treatment and medicines free and out of these, 851 patients needing hospital treatment at the hospital were treated totally free, as in-patients at the hospital, at a cost of ₹ 59.45 lakh.

Kamalnayan Bajaj Nursing College

First batch of students joined in 2010 and second batch will join in July-August 2011. College has intake capacity of 50 students. A best in class college with all laboratories, library and class rooms and hostel for girls and boys with all facilities with investment of over ₹10 crore is coming up and would be ready for occupation by the end of 2011.

5. Fuji Guruji Memorial Trust

Fuji Guruji Memorial Trust has established Bauddha Mandir, Vishwa Shanti Stupa at Wardha for promotion of thoughts and

teachings of Lord Buddha, Mahatma Gandhi and other preachers preaching same or similar ideology and to propagate the message of world peace, love, non-violence and equality of all religions. It has also established Bal Sanskar Kendras for the benefit and upliftment of poor children below the age of six years from small villages of Wardha District.

6. Kamalnayan Bajaj Charitable Trust

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

7. Jamnalal Bajaj Seva Trust

It conducted free computer training classes, tailoring classes and stitching classes for poor and needy people. It also carried out activities for promoting Indian art and culture.

B. Through Group Companies

1. Bajaj Auto Limited (BAL)

Code of conduct and affirmative action

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

During the year under review, BAL recruited 1410 new employees, of which 179 numbers (12.70%) belong to weaker sections, in line with the affirmative action. At the end of the previous year, this percentage was 7.14%.

Support to weaker sections for IIT JEE entrance

Economically weaker, underprivileged children belonging to SC/ST category are encouraged to avail financial assistance to undertake coaching for Joint Entrance Examination to enable them to qualify for admission to India's premier engineering education centre i.e. Indian Institute of Technology.

Education

Under Public Private Partnership, BAL has undertaken to upgrade 3 Industrial Training Institutes (ITI) - two in Pune and one in Pantnagar. During the year, one more ITI - at Aurangabad was added.

BAL took actions to ensure better quality of output from the Institutes and also followed up with concerned agencies for approval of Institute Development Plan. For ITI Mulshi, BAL transferred used machinery (current selling price) of ₹ 34.05 lakh for better training and job orientation. This ITI has relocated to a new premise. BAL also took actions to ensure better quality of output from the Institutes and also followed up with the concerned agencies for approval of Institute Development Plan for ITI Haveli. At Ramgarh in Pantnagar, the new structure is ready and will be available for use in the current year.

Health

Government of India – Ministry of Health and Family Welfare – National AIDS Control Organisation (NACO) and CII have initiated Public Private Partnership (PPP) in order to provide better healthcare to AIDS patients. From Aug 2008, the Bajaj YCMH ART Centre at YCM hospital has registered 5096 patients with 2707 cases for Anti Retroviral Therapy. This centre is a benchmark for new centers and is the largest one run by industries. In view of the increased patient flow, with the YCM hospital giving additional space, BAL expanded the facility further during the year by providing the required infrastructure to handle increased ART patients.

Others

Chakan plant employees of BAL organised a blood donation camp, in which 425 employees donated blood through Pimpri Serological Institute blood bank.

2. Bajaj Allianz Insurance Companies

Bajaj Allianz Life Insurance Co. Ltd. (BALIC) launched a unique initiative through its Child Plan campaign to support education requirements for Class 8 students through a known child welfare NGO, namely ASEEMA Foundation.

With a combined effort, BALIC and Bajaj Allianz General Insurance Co Limited (BAGIC) introduced Ability Insurance Plan', a customised solution kit comprising of a Life, Health and Motor

plan; along with the regular product literature, the kit adds ease of understanding with an audio-visual presentation (created for those with hearing/speech disability) & a Braille document (for the visually challenged) that explain the product offering/ benefits.

BAGIC has recently brought forth a unique idea for a greener environment, wherein any Bajaj Allianz motor insurance claimant would be rewarded for getting his damaged vehicular plastic part repaired rather than replaced thus reducing the carbon footprint. Further for every claimant who practices this philosophy, the tie-up partner World Vision will have a tree-planted in return.

General

The Group has some other Trusts, which are also engaged in topical and socially relevant activities. Thus what is listed above is not exhaustive, but only illustrative to give a glimpse of the importance being given by the Company and the Group towards CSR.

BHIL has been participating actively in the Ministry of Corporate Affairs' Green Initiative in Corporate Governance for paper less compliances.

A publication of the Group "Beyond Profits – Philanthropic Activities of the Bajaj Group", setting out in greater detail the CSR activities of the Group can be made available to any shareholder on request.

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

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) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

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

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



Standalone Financial Statements

Report of the Auditors to the Members

1. We have audited the attached Balance Sheet of BAJAJ HOLDINGS AND INVESTMENT LIMITED (the "Company") as at 31 March 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31 March 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31 March 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Anish P Amin
Partner
Membership Number : 40451
Pune :18 May 2011

Annexure to the Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Bajaj Holdings & Investment Limited on the financial statements for the year ended 31 March 2011

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
4. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have

been entered in the register required to be maintained under that section.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ 5 lakh in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
5. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
7. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
8. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at 31 March 2011 which have not been deposited on account of a dispute, are shown in Table 1:
9. The Company has no accumulated losses as at 31 March 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

Table 1:

Name of the statute	Nature of dues	Amount (₹ In Lakh)	Period to which the amount relates	Forum where the dispute is pending
Sales tax	—	—	—	—
Income Tax	Matters arising out of assessment orders .	884	AYs (1991-92, 1992-93)	High Court
	Matters arising out of assessment orders.	4,137	AYs (2001-02, 2005-06)	ITAT (Income Tax Appellate Tribunal)
	Matters arising out of assessment orders.	9,909	AYs (2006-07, 2007-08)	CIT (Commissioner, Income Tax)
Wealth Tax	—	—	—	—
Service Tax	—	—	—	—
Customs Duty	—	—	—	—
Excise	—	—	—	—

Annexure to the Auditors' Report (Contd.)

10. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein.
13. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
14. The Company has not obtained any term loans.
15. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
16. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. However, during the year company has allotted shares in respect of warrants issued to promoters and promoter group in earlier years. The terms and conditions are in accordance with SEBI (Investor and Protection Guidelines 2000) and hence the price at which shares have been issued are not prejudicial to the interest of the company.
17. The Company has not issued any debentures.
18. The Company has not raised any money by public issues during the year.
19. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
20. Considering the nature of the business conducted by the Company, the other clauses viz (ii), (xiii) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, as they do not relate to the business carried on by the company.

For **Dalal and Shah**

Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin

Partner
Membership Number : 40451
Pune :18 May 2011

Balance Sheet As at 31 March

	Schedule	(₹ In Lakh)	
		2011	2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	11,129	10,604
b) Reserves & Surplus	2	449,187	371,367
		460,316	381,971
2. Preferential warrant application money		—	5,902
3. Deferred Tax Adjustments [See note 8]			
a) Deferred Tax Liabilities		733	—
b) Deferred Tax Assets		(315)	—
		418	—
Total		460,734	387,873
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block		10,240	10,242
b) Less: Depreciation		9,031	9,007
c) Net Block	3	1,209	1,235
d) Lease Adjustment Account-Plant and Machinery		1,750	1,750
		2,959	2,985
2. Investments	4	457,347	401,844
3. Deferred Tax Adjustments [See note 8]			
a) Deferred Tax Liabilities		—	(756)
b) Deferred Tax Assets		—	1,815
		—	1,059
4. Current Assets, Loans and Advances	5		
a) Cash and Bank Balances		17,663	672
b) Other Current Assets		137	99
c) Loans and Advances		30,491	21,206
		48,291	21,977
Less: Current Liabilities and Provisions	6		
a) Liabilities		2,547	2,856
b) Provisions		45,316	37,136
		47,863	39,992
Net Current Assets		428	(18,015)
Total		460,734	387,873
Notes forming part of the Financial Statements	10		

As per our attached report of even date
For and on behalf of Dalal and Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune : 18 May 2011

V S Raghavan
CEO
Mandar Velankar
Company Secretary

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

Chairman
Directors

Profit and Loss Account For the year ended 31 March

	Schedule	(₹ In Lakh)	
		2011	2010
Income			
From operations and Other Income	7	107,645	81,348
Expenditure			
Other Expenses	8	709	627
Interest	9	—	—
Depreciation		24	22
		733	649
Profit for the year before tax		106,912	80,699
Tax			
Current Tax [including ₹ Nil for Wealth tax (Previous Year ₹ Nil)]		17,000	10,700
MAT credit		(11,336)	(9,785)
Deferred Tax [See note 8]		1,477	2,651
		7,141	3,566
Profit for the year after tax		99,771	77,133
Tax credits pertaining to earlier years		238	—
Profit for the year		100,009	77,133
Balance brought forward from previous year		16,371	—
Adjustments on revaluation of deferred tax assets		—	(526)
Profit available for appropriation		116,380	76,607
Appropriations :			
Transferred to Reserve Fund in terms of Section 45IC(1) of the Reserve Bank of India Act, 1934		20,002	15,427
Transfer to General Reserve		10,001	7,713
Proposed Dividend		38,953	31,813
Corporate Dividend Tax thereon		6,319	5,283
Balance Carried to Balance Sheet		41,105	16,371
Notes forming part of the Financial Statements	10		
Basic Earnings Per Share (₹)		93.4	76.2
Diluted Earnings Per Share (₹)		91.9	75.4
Nominal value per share (₹)		10.0	10.0
Net Profit (₹ In Lakh)		100,009	77,133
Number of Shares (In Lakh)		1,071	1,013
Number of Shares (In Lakh)-Diluted		1,088	1,024

As per our attached report of even date
For and on behalf of Dalal and Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune : 18 May 2011

V S Raghavan
CEO
Mandar Velankar
Company Secretary

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

Chairman
Directors

Schedules No 1-10 annexed to and forming part of the Balance Sheet as at and the Profit and Loss Account for the year ended 31 March

Schedule 1 Share Capital

	(₹ In Lakh)	
	2011	2010
Authorised		
150,000,000 Shares of ₹ 10 each	15,000	15,000
Issued, Subscribed and Paid up		
*111,293,510 (106,042,510) Equity Shares of ₹ 10 each	11,129	10,604
Total	11,129	10,604

Notes

*A. Includes prior to buy back of 18,207,304 Equity Shares of ₹ 10 each in 2000:

1. **114,174,388** Equity Shares allotted as fully paid Bonus Shares by way of Capitalisation of Share Premium Account and Reserves
2. **4,342,676** Equity Shares issued by way of Euro Equity Issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares excluding 2,171,388 Equity Shares allotted as Bonus Shares thereon. GDRs outstanding at the close of the year were 313,713 (314,297)
- B. **5,251,000** (4,859,000) Equity Shares of ₹ 10 each were issued and allotted to Promoters on 21 January 2011 on conversion of 5,251,000 (4,859,000) warrants at a premium of ₹ 439.58 per share

Schedule 2 Reserves and Surplus

	(₹ In Lakh)	
	2011	2010
Reserve Fund in terms of Section 45IC(1) of the Reserve Bank of India Act, 1934		
As per last Account	19,348	3,921
Set aside this year	20,002	15,427
	39,350	19,348
Securities Premium Account		
As per last Account	21,359	—
Additions during this year	23,083	21,359
	44,442	21,359
General Reserve		
As per last Account	314,289	306,576
Set aside this year	10,001	7,713
	324,290	314,289
Balance in Profit & Loss Account	41,105	16,371
Total	449,187	371,367

Schedule 3 Fixed Assets

(₹ In Lakh)

Particulars	Gross Block (a)			As at 31 March 2011	Depreciation			Net Block		
	As at 31 March 2010	Additions	Deductions/ Adjustments		Up to 31 March 2010	Deductions/ Adjustments	For the Year (c)	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Land Freehold (d)	—	—	—	—	—	—	—	—	—	—
Land Leasehold (f)	131	—	2 (e)	129	—	—	—	—	129	131
Buildings (b)	1,351	—	—	1,351	254	—	23	277	1,074	1,097
Vehicles	10	—	—	10	3	—	1	4	6	7
Leased Assets :- Plant & Machinery	8,750	—	—	8,750	8,750	—	—	8,750	—	—
Total	10,242	—	2	10,240	9,007	—	24	9,031	1,209	1,235
Previous Year Total	10,166	78	2	10,242	8,985	—	22	9,007	1,235	

(a) At cost, except leasehold land which is at cost, less amounts written off.

(b) i Includes Premises on ownership basis in Co-operative Society ₹ 734 lakh and cost of shares therein ₹ 1,000/-

ii Includes Premises on ownership basis ₹ 538 lakh represented by 66 equity shares and 182 debentures of the face value of ₹ 660 and ₹ 18,900,000/- respectively.

(c) Refer Para 3(A) & (B) of Statement on Significant Accounting Policies annexed to the Accounts.

(d) Includes land at cost of ₹ 47,782/-.

(e) Represents amount amortised over lease period.

(f) Titles pending transfer in the name of the company post change in the name of the company consequent to demerger of erstwhile Bajaj Auto Limited (now, Bajaj Holdings & Investment Limited).

Schedule 4 Investments, at Cost (Unless otherwise stated)

(₹ In Lakh)

	2011	2010
Long Term Investments :		
In Government and Trust Securities :		
Quoted :		
— 6.05% Government of India Stock 2019 (Maturity Date 12.06.2019) of face value of ₹ Nil (Previous Year ₹ 800,000,000)	—	6,906
— 6.07% Government of India Stock 2014 (Maturity Date 15.05.2014) of face value of ₹ Nil (Previous Year ₹ 250,000,000)	—	2,476
— 7.46% Government of India Stock 2017 (Maturity Date 28.08.2017) of face value of ₹ Nil (Previous Year ₹ 50,000,000)	—	527
— 7.94% Government of India Stock 2021 (Maturity Date 24.05.2021) of face value of ₹ Nil (Previous Year ₹ 50,000,000)	—	572
— 8.20% Government of India Stock 2022 (Maturity Date 15.02.2022) of face value of ₹ Nil (Previous Year ₹ 50,000,000)	—	545
— 8.23% Government of India Stock 2027 (Maturity Date 12.02.2027) of face value of ₹ Nil (Previous Year ₹ 50,000,000)	—	479
— 10.03% Government of India Stock 2019 (Maturity Date 09.08.2019) of face value of ₹ 650,000,000 (Previous Year ₹ 1,300,000,000)	8,939	17,878
— 10.18% Government of India Stock 2026 (Maturity Date 11.09.2026) of face value of ₹ Nil (Previous Year ₹ 100,000,000)	—	1,231
— 10.45% Government of India Stock 2018 (Maturity Date 30.04.2018) of face value of ₹ Nil (Previous Year ₹ 700,000,000)	—	10,133
	8,939	40,747
Less: Amortisation of Premium/Discount on acquisition	489	1,383
	8,450	39,364
In Fully Paid Preference Shares :		
Unquoted :		
250,000 12% Cumulative Redeemable Preference Shares of ₹ 100 each in Himachal Futuristic Communications Limited	250	250
2,000,000 9% Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each in Kopran Limited	200	200
196,169 0.01% Cumulative Redeemable Preference Shares of ₹ 10 each in Mukand Limited	20	20
300,000 14.50% Redeemable Cumulative Non Convertible Preference Shares of ₹ 100 each in Southern Petrochemical Industries Corporation Limited	300	300
	770	770
Carried over	9,220	40,134

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
Brought over		9,220	40,134
In Fully Paid Equity Shares :			
Trade:			
Quoted :			
91,119,000	(45,559,500) Shares of ₹ 10 each in Bajaj Auto Limited (45,559,500 Bonus Shares received during the year) (An Associate Company)	28,622	28,622
—	(732,000) Shares of ₹ 10 each in Bajaj Finance Limited (formerly, Bajaj Auto Finance Limited) (Group Company)	—	298
16,697,840	(16,497,840) Shares of ₹ 2 each in Bajaj Electricals Limited (Group Company)	11,177	10,575
55,976,658	(51,565,341) Shares of ₹ 5 each in Bajaj Finserv Limited (An Associate Company)	34,613	13,576
2,742,848	Shares of ₹ 10 each in Maharashtra Scooters Limited (Joint Venture)	24	24
54,000	Shares of ₹ 10 each in Mukand Engineering Limited	10	10
4,056,422	Shares of ₹ 10 each in Mukand Limited	2,437	2,437
		76,883	55,542
Unquoted :			
24,500	Shares of ₹ 100 each in Bajaj Auto Holdings Limited (a wholly owned subsidiary)	25	25
1	Shares of ₹ 100 each in The Poona District Motor Transport Co-operative Co. Limited	—	—
		25	25
In Fully Paid Equity Shares :			
Other :			
Quoted :			
13,068,511	Shares of ₹ 1 each in Bajaj Hindustan Limited	8,718	8,718
218,117	(93,123) Shares of ₹ 10 each in Bharat Heavy Electricals Limited	4,881	1,994
923,000	(700,000) Shares of ₹ 5 each in Bharti Airtel Limited	3,093	2,460
—	(107,479) Shares of ₹ 2 each in Bharat Forge Limited	—	285
786,695	(-) Shares of ₹ 10 each in Coal India Limited	2,123	—
—	(1,016,000) Shares of ₹ 10 each in Chambal Fertilisers and Chemicals Limited	—	223
123,631	(83,631) Shares of ₹ 10 each in Container Corporation of India Limited	1,506	1,013
142,793	(-) Shares of ₹ 10 each in Financial Technologies Limited	1,341	—
2,566,661	Shares of ₹ 10 each in Force Motors Limited	6,047	6,047
—	(110,195) Shares of ₹ 10 each in GTL Limited	—	318
—	(150,000) Shares of ₹ 10 each in GTL Infrastructures Limited	—	224
1,099,160	Shares of ₹ 10 each in Gujarat Heavy Chemicals Limited	1,434	1,434
994,271	(-) Shares of ₹ 10 each in Gujarat Pipavav Limited	550	—
Carried over		29,693	22,716
Carried over		86,128	95,701

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
Brought over		86,128	95,701
In Fully Paid Equity Shares : (Contd.)			
Other: (Contd.)			
Quoted: (Contd.)			
Brought over		29,693	22,716
3,125,520	(-) Shares of ₹ 1 each in Hercules Hoists Limited	1,234	—
508,409	(1,195,597) Shares of ₹ 1 each in Hindalco Industries Limited	742	1,752
298,870	(89,032) Shares of ₹ 10 each in Housing Development Finance Corporation Limited	1,418	2,104
346,190	(-) Shares of ₹ 10 each in IL&FS Transportation Limited	885	—
12,176,662	(20,295,999) Shares of ₹ 10 each in ICICI Bank Limited	44,600	74,339
—	(1,149,555) Shares of ₹ 10 each in Industrial Finance Corporation of India Limited	—	671
764,533	Shares of ₹ 10 each in Karnataka Bank Limited	1,000	1,000
235,059	(164,746) Shares of ₹ 2 each in Larsen & Toubro Limited	3,541	2,362
38,023	(-) Shares of ₹ 10 each in MOIL Limited	143	—
1,807,638	(1,552,638) Shares of ₹ 10 each in National Thermal Power Corporation Limited	3,774	3,273
223,536	Shares of ₹ 10 each in Oil India Limited	2,554	2,554
424,500	(102,000) Shares of ₹ 10 each in Reliance Industries Limited	4,177	1,005
1,258,752	(521,876) Shares of ₹ 10 each in Sintex Industries Limited	1,564	1,263
40,559	(54,079) Shares of ₹ 10 each in State Bank of India	715	953
501,526	(143,074) Shares of ₹ 10 each in Tata Steels Limited	2,712	816
211,695	(123,595) Shares of ₹ 10 each in Ultra Tech Cement Company Limited	1,866	955
818,973	(743,973) Shares of ₹ 2 each in United Phosphorous Limited	1,300	1,180
—	Others	80	227
		101,998	117,170
In Fully Paid Equity Shares :			
Unquoted :			
3,006,796	Shares of ₹ 1 each in Bombay Stock Exchange Limited	12,162	12,162
569,205	Shares of ₹ 1 each in Credit Analysis & Research Limited	9,573	—
1	Shares of ₹ 2 each Hero Motors Limited	—	—
2,450,000	Shares of ₹ 1 each in National Multi-Commodity Exchange of India Limited	2,499	—
		24,234	12,162
In Debentures :			
Fully Paid :			
Other :			
Quoted :			
150	(50) 10.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Limited	1,709	566
150	(100) 8.01% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Limited	1,503	1,000
Carried over		3,212	1,566
Carried over		212,360	225,033

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
Brought over		212,360	225,033
In Debentures: (Contd.)			
Fully Paid: (Contd.)			
Other: (Contd.)			
Quoted: (Contd.)			
Brought over		3,212	1,566
250	Zero Percent Secured Redeemable Non Convertible Debentures of HDFC Limited	2,558	2,558
250	(-) 9.90% Secured Redeemable Non Convertible Debentures of HDFC Limited	2,500	—
—	(200) Zero Percent Secured Redeemable Non Convertible Debentures of HDFC Limited	—	2,061
—	(200) 8.60% Secured Non Convertible Redeemable Debentures of ₹ 1,000,000 each of Industrial Development Finance Corporation Limited	—	2,000
—	(300) 7.24% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Limited	—	3,000
100	7.60% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Limited	1,016	1,016
—	(100) 7.45% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Limited	—	1,000
350	(150) 11.45% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Industries Limited	4,107	1,762
350	(-) 10.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Gas Transportation Infrastructure Limited	4,000	—
* 361,485	12% Secured Partly Convertible Debentures of ₹ 150 each of Saurashtra Cement Limited - balance Non Convertible Portion of ₹ 100 each (Balance after part redemption)	307	323
* 148,905	12% Secured Partly Convertible Debentures of ₹ 250 each of Saurashtra Cement Limited - balance Non Convertible Portion of ₹ 200 each (Balance after part redemption)	205	215
100	9.90% Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,000,000 each of Tata Sons Limited	1,098	1,098
100	(-) 7.45% Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,000,000 each of Tata Sons Limited	1,005	—
		20,008	16,599
Less: Amortisation of Premium/Discount on acquisition		(61)	(99)
		20,069	16,698
In Bonds :			
Fully Paid :			
Other :			
Quoted :			
350	9.50% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of Export-Import Bank of India Limited	3,700	3,700
Carried over		3,700	3,700
Carried over		232,429	241,731

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		2011	2010
		(₹ In Lakh)	
	Brought over	232,429	241,731
In Bonds: (Contd.)			
Fully Paid: (Contd.)			
Other: (Contd.)			
Quoted: (Contd.)			
	Brought over	3,700	3,700
250	(-) 8.45% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of Export-Import Bank of India Limited Series -N-11	2,526	—
200	7.50% Unsecured Redeemable Subordinated Bonds in the nature of Debentures of ₹ 1,000,000 each of HDFC Bank Limited - Series 1/2005	2,000	2,000
—	(500) 7% Secured Non Convertible Redeemable Bonds in the nature of Debentures (Series X) of ₹ 1,000,000 each of Indian Oil Corporation Limited	—	5,025
100	8.20% Secured Taxable Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 1,000,000 each of Indian Railway Finance Corporation Limited	1,023	1,023
—	(250) 8.55% Secured Taxable Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of promissory notes of ₹ 1,000,000 each of Indian Railway Finance Corporation Limited	—	2,497
—	(250) 8.55% Secured Taxable Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 1,000,000 each of Indian Railway Finance Corporation Limited	—	2,504
500	8.46% Secured Taxable Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 1,000,000 each of Indian Railway Finance Corporation Limited	5,177	5,177
6,600	6.70% Secured Taxfree Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 100,000 each of Indian Railway Finance Corporation Limited	6,600	6,600
50	(-) 8.80% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of L&T Limited	513	—
*1,000	15% Bonds of ₹ 100,000 each of Madhya Pradesh Electricity Board	1,000	1,000
—	(250) 6.55% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of National Housing Bank	—	2,500
—	(250) 6.90% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of National Housing Bank	—	2,500
100	9.40% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of National Housing Bank	1,141	1,141
	Carried over	23,680	35,667
	Carried over	232,429	241,731

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
Brought over		232,429	241,731
In Bonds: (Contd.)			
Fully Paid: (Contd.)			
Other: (Contd.)			
Quoted: (Contd.)			
Brought over		23,680	35,667
150	8.78% Secured Non Convertible Redeemable Taxable Bonds in the nature of Debentures (Series-XXXI) of ₹ 1,000,000 each of National Thermal Power Corporation Limited	1,500	1,500
50	(-) 7.19% Secured Non Convertible Redeemable Taxable Bonds of ₹ 1,000,000 each of NABARD. Series NPSB XI-A	504	—
900	(500) 8.40% Non Convertible Redeemable Bonds in the nature of Debentures (Series I) of ₹ 1,000,000 each of ONGC Videsh Limited	9,242	5,028
150	(-) 8.70% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures (Series -65-I) of ₹ 1,000,000 of Power Finance Corporation Limited	1,538	—
500	11.25% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 52-C of ₹ 1,000,000 of Power Finance Corporation Limited	5,830	5,830
50	(100) 11.40% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 52-A of ₹ 1,000,000 of Power Finance Corporation Limited	560	1,120
50	(-) 8.95% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series -64-I of ₹ 1,000,000 of Power Finance Corporation Limited	509	—
—	(100) 9.55% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series XLVII-Series A of ₹ 1,000,000 each of Power Finance Corporation Limited	—	1,048
200	8.80% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Limited	2,573	2,573
120	(-) 8.80% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Limited	1,560	—
384	(-) 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Limited (Series-XXXII ST -D)	5,076	—
184	(-) 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Limited (Series-XXXII ST -E)	2,436	—
160	(-) 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Limited (Series-XXXIV-STP-A)	2,028	—
40	8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series A of ₹ 1,250,000 each of Power Grid Corporation of India Limited	500	500
Carried over		57,536	53,266
Carried over		232,429	241,731

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
Brought over		232,429	241,731
In Bonds: (Contd.)			
Fully Paid: (Contd.)			
Other: (Contd.)			
Quoted: (Contd.)			
Brought over		57,536	53,266
40	8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series B of ₹ 1,250,000 each of Power Grid Corporation of India Limited	500	500
—	(40) 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series C of ₹ 1,250,000 each of Power Grid Corporation of India Limited	—	500
40	8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series D of ₹ 1,250,000 each of Power Grid Corporation of India Limited	500	500
40	8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series E of ₹ 1,250,000 each of Power Grid Corporation of India Limited	500	500
—	(40) 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series F of ₹ 1,250,000 each of Power Grid Corporation of India Limited	—	500
—	(40) 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series G of ₹ 1,250,000 each of Power Grid Corporation of India Limited	—	500
—	(40) 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series H of ₹ 1,250,000 each of Power Grid Corporation of India Limited	—	500
—	(40) 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series I of ₹ 1,250,000 each of Power Grid Corporation of India Limited	—	500
—	(40) 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series J of ₹ 1,250,000 each of Power Grid Corporation of India Limited	—	500
—	(40) 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series K of ₹ 1,250,000 each of Power Grid Corporation of India Limited	—	500
—	(40) 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series L of ₹ 1,250,000 each of Power Grid Corporation of India Limited	—	500
Carried over		59,036	58,766
Carried over		232,429	241,731

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
	Brought over	232,429	241,731
In Bonds: (Contd.)			
Fully Paid: (Contd.)			
Other: (Contd.)			
Quoted: (Contd.)			
	Brought over	59,036	58,766
40	9.20% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series C of ₹ 1,250,000 each of Power Grid Corporation of India Limited	529	529
40	9.33% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series B of ₹ 1,250,000 each of Power Grid Corporation of India Limited	547	547
—	(250) 7% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series 89 of ₹ 1,000,000 each of Rural Electrification Corporation Limited	—	2,531
—	(300) 7.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series 90C of ₹ 1,000,000 each of Rural Electrification Corporation Limited	—	3,070
—	(250) 8% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series 90A of ₹ 1,000,000 each of Rural Electrification Corporation Limited	—	2,500
—	(100) 8.65% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series 88 of ₹ 1,000,000 each of Rural Electrification Corporation Limited	—	1,010
—	(50) 10.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series 86B of ₹ 1,000,000 each of Rural Electrification Corporation Limited	—	546
—	(50) 11.45% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series 87C of ₹ 1,000,000 each of Rural Electrification Corporation Limited	—	500
600	11.50% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series 87C of ₹ 1,000,000 each of Rural Electrification Corporation Limited	6,716	6,716
600	(-) 6.60% Subordinated Non Convertible Bonds of ₹ 1,000,000 each of SIDBI Limited Series -III	6,281	—
100	9.85% Subordinated Non Convertible Bonds of ₹ 1,000,000 each of State Bank of India	1,000	1,000
250	(-) 8.85% Subordinated Non Convertible Bonds of ₹ 1,000,000 each of State Bank of India	2,657	—
	Carried over	76,766	77,715
	Carried over	232,429	241,731

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
Brought over		232,429	241,731
In Bonds: (Contd.)			
Fully Paid: (Contd.)			
Other: (Contd.)			
Quoted: (Contd.)			
Brought over		76,766	77,715
50	(50) 8.90% Unsecured Redeemable Non Convertible Subordinated Upper Tier -II Bonds (Series I) in the nature of Promissory Notes of ₹ 1,000,000 each of State Bank of India	528	511
150	9.05% Unsecured Non Convertible Sub-ordinated Perpetual Tier-I Bonds (Innovative Perpetual Debt Instruments) (Series-II) in the nature of Promissory Notes ("Bonds") of ₹ 1,000,000 each of State Bank of India	1,503	1,503
14,852	(-) 9.50% Subordinated Non Convertible Bonds of ₹ 10,000 each of State Bank of India	1,563	—
5,000	(-) 9.95% Subordinated Non Convertible Bonds of ₹ 10,000 each of State Bank of India	515	—
		<u>80,875</u>	<u>79,729</u>
Less: Amortisation of Premium/Discount on acquisition		611	30
		<u>80,264</u>	<u>79,699</u>
In Mutual Fund Units:			
Fully Paid:			
Unquoted:			
5,000,000	Units of ₹ 10 each of Quantum Mutual Fund under Quantum Long Term Equity Fund - Growth Plan	500	500
200	Masterplus Shares of ₹ 10 each of Unit Trust of India Under Mastershare Plus Unit Scheme 1991 (Masterplus)		
2,320	Urban Infrastructure Opportunities Fund-Face Value ₹ 1 lakh each	2,384	2,384
10,000	J M Financial Property Fund - I of Face Value of ₹ 10,000 each, fully paid up (previous year ₹ 8,000 paid up)	1,000	800
		<u>3,884</u>	<u>3,684</u>
Current Investments :			
In Commercial Paper :			
Unquoted :			
—	(2,000) Commercial Paper of ₹ 500,000 each of EXIM Bank Limited -25.06.2010	—	9,876
—	(200) Commercial Paper of ₹ 500,000 each of Indian Oil Corporation Limited - 01.09.2010	—	943
—	(500) Commercial Paper of ₹ 500,000 each of ONGC Videsh Limited-14.09.2010	—	2,408
500	(-) Commercial Paper of ₹ 500,000 each of Edelweiss Capital Limited - 08.04.2011	2,438	—
500	(-) Commercial Paper of ₹ 500,000 each of India Infoline Limited - 04.05.2011	2,430	—
		<u>4,868</u>	<u>13,227</u>
Carried over		316,577	325,114
Carried over			

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
Brought over		316,577	325,114
In Commercial Paper : (Contd.)			
Unquoted: (Contd.)			
Brought over		4,868	13,227
500	(-) Commercial Paper of ₹ 500,000 each of J M Financial Products Limited - 05.05.2011	2,433	—
500	(-) Commercial Paper of ₹ 500,000 each of India Infoline Limited - 08.06.2011	2,428	—
500	(-) Commercial Paper of ₹ 500,000 each of J M Financial Products Limited - 10.06.2011	2,430	—
		12,159	13,227
Add: Amortisation of Premium/Discount on acquisition		175	65
		12,334	13,292
In Certificate of Deposit :			
Unquoted:			
—	(1,000) Certificate of Deposit of ₹ 100,000 each of Corporation Bank-07.06.2010	—	944
—	(2,500) Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce - 09.06.2010	—	2,399
—	(7,500) Certificate of Deposit of ₹ 100,000 each of Corporation Bank-29.06.2010	—	7,403
—	(2,500) Certificate of Deposit of ₹ 100,000 each of Axis Bank Limited- 02.07.2010	—	2,367
—	(2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad-02.07.2010	—	2,393
—	(7,500) Certificate of Deposit of ₹ 100,000 each of Punjab National Bank--15.07.2010	—	7,282
—	(5,000) Certificate of Deposit of ₹ 100,000 each of Punjab National Bank--12.08.2010	—	4,848
—	(2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore-03.09.2010	—	2,401
—	(5,000) Certificate of Deposit of ₹ 100,000 each of Canara Bank-03.09.2010	—	4,842
—	(2,500) Certificate of Deposit of ₹ 100,000 each of Punjab National Bank -10.09.2010	—	2,420
—	(5,000) Certificate of Deposit of ₹ 100,000 each of Corporation Bank -15.09.2010	—	4,840
—	(1,500) Certificate of Deposit of ₹ 100,000 each of IDBI Bank Limited -17.09.2010	—	1,413
—	(2,500) Certificate of Deposit of ₹ 100,000 each of Corporation Bank-22.09.2010	—	2,388
—	(2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala-23.09.2010	—	2,386
Carried over		—	48,326
Carried over		328,911	338,406

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
	Brought over	328,911	338,406
In Certificate of Deposit : (Contd.)			
Unquoted: (Contd.)			
	Brought over	—	48,326
—	(2,500) Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce-23.09.2010	—	2,393
—	(2,500) Certificate of Deposit of ₹ 100,000 each of Axis Bank Limited -21.10.2010	—	2,381
—	(2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala -15.11.2010	—	2,380
—	(2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala -10.12.2010	—	2,366
—	(2,500) Certificate of Deposit of ₹ 100,000 each of HDFC Bank Limited - 15.12.2010	—	2,375
—	(2,500) Certificate of Deposit of ₹ 100,000 each of IDBI Bank Limited - 14.01.2011	—	2,355
—	(2,500) Certificate of Deposit of ₹ 100,000 each of IDBI Bank Limited - 17.02.2011	—	2,343
—	(2,500) Certificate of Deposit of ₹ 100,000 each of HDFC Bank Limited - 08.03.2011	—	2,356
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Corporation Bank - 26.03.2012	2,271	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Punjab National Bank - 07.03.2012	2,281	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 28.04.2011	2,357	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 07.03.2012	2,270	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 16.05.2011	2,425	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 18.05.2011	2,418	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 30.05.2011	2,403	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 09.03.2012	2,276	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 19.03.2012	2,275	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of India - 01.06.2011	2,398	—
5,000	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 02.06.2011	4,720	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Bank of Baroda - 03.06.2011	2,423	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 03.06.2011	2,360	—
	Carried over	32,877	67,275
	Carried over	328,911	338,406

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		2011	2010
		(₹ In Lakh)	
	Brought over	328,911	338,406
In Certificate of Deposit : (Contd.)			
Unquoted: (Contd.)			
	Brought over	32,877	67,275
2,500	(-) Certificate of Deposit of ₹ 100,000 each of UCO Bank - 08.06.2011	2,424	—
5,000	(-) Certificate of Deposit of ₹ 100,000 each of UCO Bank - 04.07.2011	4,856	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of UCO Bank - 15.06.2011	2,451	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of UCO Bank - 23.06.2011	2,442	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Indian Overseas Bank - 08.06.2011	2,429	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 10.06.2011	2,354	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 14.06.2011	2,401	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of IDBI Bank Limited - 15.06.2011	2,402	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Central Bank of India - 15.06.2011	2,411	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Canara Bank - 06.06.2011	2,439	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Central Bank of India - 20.06.2011	2,444	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Punjab National Bank - 06.06.2011	2,439	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Central Bank of India - 24.06.2011	2,445	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of HDFC Bank Ltd. - 15.06.2011	2,414	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Bank of India - 15.03.2012	2,275	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 20.06.2011	2,379	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 21.06.2011	2,397	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Bank of India - 24.06.2011	2,359	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 24.06.2011	2,366	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 27.06.2011	2,350	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of India - 28.06.2011	2,398	—
	Carried over	85,752	67,275
	Carried over	328,911	338,406

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
Brought over		328,911	338,406
In Certificate of Deposit : (Contd.)			
Unquoted: (Contd.)			
Brought over		85,752	67,275
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Canara Bank - 04.07.2011	2,407	—
5,000	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 11.07.2011	4,778	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 11.07.2011	2,390	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 14.07.2011	2,391	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 18.07.2011	2,393	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 20.07.2011	2,336	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore - 17.08.2011	2,322	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 29.08.2011	2,320	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 21.09.2011	2,322	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Canara Bank - 23.09.2011	2,315	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Bank of India - 23.09.2011	2,314	—
7,500	(-) Certificate of Deposit of ₹ 100,000 each of Bank of India - 28.09.2011	6,951	—
5,000	(-) Certificate of Deposit of ₹ 100,000 each of Bank of India - 08.11.2011	4,610	—
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Corporation Bank - 20.02.2012	2,272	—
		127,873	67,275
Add: Amortisation of Premium/Discount on acquisition		2,898	969
		130,771	68,244
Carried over		459,682	406,650

Schedule 4 Investments, at Cost (Unless otherwise stated) (Contd.)

		(₹ In Lakh)	
		2011	2010
Brought over		459,682	406,650
In Bonds- AFS:			
Fully Paid:			
Other :			
Quoted:			
5,000	(-) 9.95% Subordinated Non Convertible Bonds of ₹ 10,000 each of State Bank of India	514	—
In Mutual Fund Units:			
Unquoted:			
—	(881,991.07) ICICI Prudential Institutional Liquid Plan-Super Institutional Growth	—	1,200
3,186,479.132	Units of ₹ 10 each of Birla Sun Life Income Plus - Growth	500	—
		500	1,200
		460,696	407,850
Less: Provision for diminution in value of Investments		3,609	6,006
		457,087	401,844
Application Money for Investment in Shares Bonds & Mutual Fund Units		260	—
		457,347	401,844

		Book Value as at		Market Value as at	
		31 March 2011	31 March 2010	31 March 2011	31 March 2010
Quoted		285,320	303,218	*1,998,987	*1,523,657
Unquoted		171,767	98,626		
Total		457,087	401,844		

Notes to Investment Schedule :

- * Quoted Investments for which quotations are not available have been included in market value at the face value/paid up value, whichever is lower, except in case of Debentures, Bonds and Government Securities, where the Net Present value at current yield to Maturity have been considered.
- See Note 6 in Schedule 10 to the Accounts.

Schedule 5 Current Assets, Loans and Advances

	(₹ In Lakh)	
	2011	2010
(a) Cash and Bank Balances		
Bank Balances :		
With Scheduled Banks:		
In current account	663	672
In fixed deposits	17,000	—
	17,663	672
(b) Other Current Assets		
(good, unless otherwise stated)		
Dividend and Interest receivable on Investments	—	99
Interest accrued but not due on fixed deposits	137	—
	137	99
(c) Loans and Advances		
(unsecured, good unless otherwise stated)		
Advances Recoverable in Cash or in kind or for value to be received	2,796	2,805
CENVAT credit receivable	26	—
Sundry Deposits	16	19
Tax paid in Advance	268,263	241,992
Less: Provision for tax adjusted as per contra	240,610	223,610
	27,653	18,382
	30,491	21,206
Total	48,291	21,977

Schedule 6 Current Liabilities and Provisions

	(₹ In Lakh)	
	2011	2010
(a) Liabilities		
Sundry Creditors:		
Other than dues to Micro and Small scale enterprises [See note 9]	149	387
Deposits received	1,780	1,828
Unclaimed Dividends	618	641
Unclaimed amount of Sale proceeds of Fractional coupons of Bonus Shares (₹ 5,595 - Previous Year ₹ 5,595)		
	2,547	2,856
(b) Provisions		
Provision for Employee Benefits [See note 7]	44	40
Provision for tax	240,610	223,610
Less: Tax paid in advance adjusted as per contra	240,610	223,610
	—	—
Proposed Dividend	38,953	31,813
Provision for Corporate Dividend Tax on Proposed Dividend	6,319	5,283
	45,316	37,136
Total	47,863	39,992

Schedule 7 Income from Operations and Other Income

	(₹ In Lakh)	
	2011	2010
Income from Operations:		
Dividends		
From Associates and Joint ventures	18,899	10,422
Other	3,602	3,660
	<u>22,501</u>	<u>14,082</u>
Interest [Gross-Tax Deducted ₹ 19 lakh (Previous Year ₹ 26 lakh)]		
On Government Securities	2,694	4,303
On Debentures and Bonds	8,652	2,296
Other	176	9
	<u>11,522</u>	<u>6,608</u>
Less : Amortisation of premium/(discount) on acquisition of fixed income securities	(2,446)	(893)
	<u>13,968</u>	<u>7,501</u>
Leasing Business		
Lease Rent (₹ 1,000 - Previous Year ₹ 1,000)		
Profit on Sale of Investments, net *	70,652	59,013
Surplus on redemption of Securities *	311	—
Provision for Diminution in value of Investments written back, net	—	2,873
Less: Write backs on account of amounts written off during the year, as per contra	—	2,429
	<u>—</u>	<u>444</u>
Provisions for Doubtful Advances written back	—	1,631
Less: Write backs on account of amounts written off during the year, as per contra	—	1,458
	<u>—</u>	<u>173</u>
Investments earlier written off, recovered	24	—
Other Income:		
Rent	15	35
Miscellaneous receipts	174	100
Total	<u>107,645</u>	<u>81,348</u>

* Including on Current Investments ₹ 3,928 lakh (Previous Year ₹ 3,980 lakh)

Schedule 8 Other Expenses

	(₹ In Lakh)	
	2011	2010
Repairs & Maintenance		
Buildings and Roads	42	11
Computers	2	—
	<u>44</u>	<u>11</u>
Employees' Emoluments (including remuneration to CEO)		
Salaries, wages, bonus etc.	170	110
Contribution to Provident and other funds and schemes	18	10
Welfare expenses	4	4
	<u>192</u>	<u>124</u>
Rent	1	1
Rates and taxes	2	2
Insurance	7	—
Auditors' Remuneration		
Audit Fees	5	3
Tax Audit Fees	1	1
Limited Review	2	1
Certification	1	1
Out of Pocket expenses (₹ 19,924 - Previous Year ₹ 9,490)	—	—
	<u>9</u>	<u>6</u>
Directors' fees and travelling expenses	15	15
Miscellaneous expenses	437	465
Loss on redemption of securities	—	1
Investments written off	—	2,429
Less: Provisions made in earlier years in respect of amounts written off during the year, adjusted as per contra	—	2,429
	<u>—</u>	<u>—</u>
Bad debts written off	—	1,458
Less: Provisions made in earlier years in respect of amounts written off during the year, adjusted as per contra	—	1,458
	<u>—</u>	<u>—</u>
Amount written off against leasehold land	2	2
Total	<u>709</u>	<u>627</u>

Schedule 9 Interest

	(₹ In Lakh)	
	2011	2010
Interest:		
Other than Fixed Loans (₹ 48,197- Previous Year ₹ 401)	—	—
Total	<u>—</u>	<u>—</u>

Schedule 10 Notes forming part of financial statements

1. The company operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution (non-deposit taking) with Reserve Bank of India.
2. Significant Accounting Policies followed by the Company are as stated in the Statement annexed to this schedule.
3. Contingent Liability, not provided for:

	(₹ In Lakh)	
	2011	2010
Income Tax Matters under dispute:		
i. Appeal by the Company	9,091	9,091
ii. Appeal by the Department	19,572	19,572
	28,663	28,663

	(₹ In Lakh)	
	2011	2010
4. (a) Estimated amounts of contracts remaining to be executed on Capital account and not provided for, net of advances	—	—
(b) Uncalled portion of Investment partly paid	—	200

	(₹ In Lakh)	
	2011	2010
5. a) Managerial remuneration:		
(i) Salary	119	86
(ii) Commission	—	—
(iii) Privilege Leave Entitlement	4	2
(iv) Contribution to Provident Fund, Superannuation & Gratuity	11	9
(v) Other perquisites	—	—
	134	97

- b) There are no transactions during the year, the information of which is required to be disclosed under para 4D of Part II of Schedule VI of the Companies Act, 1956.
6. Investments:
 - a. Investments made by the Company other than those with a maturity of less than one year, are intended to be held for a long-term, hence diminution in the value of quoted investments are not considered to be of a permanent nature. On an assessment of the non-performing investments (quoted and unquoted) and keeping in mind the relevant provisioning norms applicable to the company as a NBFC and the guidelines adopted by the management, no further provision has been determined during the year ended 31 March 2011.
 - b. Disclosure of details of Investments in Schedule 4 annexed to the Accounts is made in accordance with the approval of Department of Company Affairs, Ministry of Law, Justice & Company Affairs, Government of India, under Section 211(4) of the Companies Act, 1956, vide its letter dated 24.01.2011.

Schedule 10 Notes forming part of financial statements (Contd.)

7. Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the accounting standard 15 (Revised) the details of which are as hereunder.

Funded Scheme		(₹ In Lakh)		
	2011			2010
	Gratuity			Gratuity
Amount To Be Recognised in Balance Sheet				
Present Value of Funded Obligations	67			56
Fair Value of Plan Assets	(33)			(28)
Net Liability	34			28
Amounts in Balance Sheet				
Liability	34			28
Assets	—			—
Net Liability	34			28
Expense To Be Recognized in the Statement of P&L				
Current Service Cost	2			2
Interest on Defined Benefit Obligation	4			4
Expected Return on Plan Assets	(2)			(2)
Net Actuarial Losses / (Gains) Recognised in Year	5			(1)
Total, Included in "Employee Benefit Expense"	9			3
Actual Return on Plan Assets	3			2
Reconciliation of Benefit Obligations & Plan Assets For the Period				
Change in Defined Benefit Obligation				
Opening Defined Benefit Obligation	56			51
Current Service Cost	2			2
Interest Cost	4			4
Actuarial Losses/(Gain)	5			(1)
Closing Defined Benefit Obligation	67			56
Change in Fair Value of Assets				
Opening Fair Value of Plan Assets	28			23
Expected Return on Plan Assets	2			3
Contributions by Employer	3			2
Closing Fair Value of Plan Assets	33			28
Assets information				
	2011	2011	2010	
Insurer Managed Funds	33	100.00%	100.00%	
Experience Adjustments				
	2007	2008	2009	2010
Defined Benefit Obligation	29	36	51	56
Plan Assets	18	19	23	28
Surplus/(Deficit)	(12)	(16)	(27)	(28)
Exp. Adj. on Plan Liabilities	—	2	9	(1)
Exp. Adj. on Plan Assets	—	(3)	—	1
Principal Actuarial Assumptions (Expressed as Weighted Averages)				
	2011		2010	
Discount Rate (p.a.)	8.30%		8.20%	
Expected Rate of Return on Assets (p.a.)	7.50%		7.50%	
Salary Escalation Rate (p.a.) - Senior Staff	8.00%		8.00%	
Salary Escalation Rate (p.a.) - Junior Staff	9.00%		9.00%	
Unfunded Scheme		(₹ In Lakh)		
	2011		2010	
Particulars	Compensated Absences		Compensated Absences	
Present Value of Unfunded Obligations	10		12	
Expense recognised in the Statement of P&L	2		2	
Discount Rate (p.a.)	8.30%		8.20%	
Salary Escalation Rate (p.a.) - Senior Staff	8.00%		8.00%	
Salary Escalation Rate (p.a.) - Junior Staff	9.00%		9.00%	

Schedule 10 Notes forming part of financial statements (Contd.)

8. Deferred Tax adjustments recognised in the financial statements are as under:

Particulars	(₹ In Lakh)		
	Balance carried as at 31 March 2010	Arising during the year ended 31 March 2011	Balance carried as at 31 March 2011
Deferred Tax Liabilities:			
On account of timing difference in			
a) Depreciation and Amortisation	756	(23)	733
Total	756	(23)	733
Deferred Tax Assets:			
On account of timing difference in			
a) Diminution in the value of investments	277	(6)	271
b) Provision for bad and doubtful debts, ICDs etc.	209	(5)	204
c) Provision for privilege leave etc.	4	(1)	3
d) Taxes, duties etc.	4	—	4
e) Amortisation of premium/discount on acquisition of fixed income securities	(30)	(764)	(794)
f) Adjustments on account of gratuity provisions	9	2	11
g) Demerger expenses under Section 35D	539	(192)	347
h) Provision for diminution in value of investments in terms of scheme of arrangement	803	(534)	269
Total	1,815	(1,500)	315
Net	(1,059)	1,477	418

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

10. Future minimum lease rental in respect of assets

(i) given on operating lease in the form of office premises after April 1, 2001

Minimum future lease payments as on March 31, 2011:

Receivable within one year - ₹ 17 lakh (₹ 17 lakh)

Receivable between one year and five years - ₹ Nil (₹ 15 lakh)

Receivable after five years - ₹ Nil (₹ Nil)

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

11. The disclosures required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are given in the Annexure forming part of these Financial Statements.

12. Disclosure of transactions with Related Parties, as required by Accounting Standard 18 'Related Party Disclosures' has been set out in a separate statement annexed to this Schedule. Related parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by key managerial personnel and information available with the Company.

Schedule 10 Notes forming part of financial statements (Contd.)

13. Computation of Earnings Per Share

	2011	2010
	(₹ In Lakh)	
[A] Basic:		
Net profit attributable to shareholders	100,009	77,133
Number of shares outstanding at the beginning of the year (Nos)	106,042,510	101,183,510
Weighted average number of shares issued during the year (on conversion of warrants) (Nos)	1,007,041	66,562
Weighted average number of shares outstanding at the end of the year (Nos)	107,049,551	101,250,072
Basic EPS (₹)	93.4	76.2
[B] Diluted:		
Net profit attributable to shareholders	100,009	77,133
Number of shares outstanding at the beginning of the year (Nos)	106,042,510	101,183,510
Weighted average number of shares issued during the year (on conversion of warrants) (Nos)	1,007,041	66,562
Dilutive element of warrants outstanding at the end of the year (Nos)	—	585,105
Dilutive element of warrants converted during the year (upto date of conversion) (Nos)	1,765,065	524,000
Weighted average number of shares outstanding at the end of the year (Nos)	108,814,616	102,359,177
Diluted EPS (₹)	91.9	75.4

14. a) The consolidated financial information/ statements of the company and its group are attached to these independent financial statements. The details of the group regarding the nature of relationship and the basis of consolidation can be referred to in Note No. 1 to the said consolidated financial statements.

b) The Company's business activity, including its subsidiaries and joint ventures, falls within a single business segment i.e. investment and therefore, segment reporting in terms of Accounting Standard 17 on Segment Reporting is not applicable.

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

16. Previous years figures have been regrouped in the balance sheet wherever necessary to make them comparable with those of the current year.

Signature to Schedules "1" to "10"

As per our attached report of even date
For and on behalf of Dalal and Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune : 18 May 2011

V S Raghavan
CEO
Mandar Velankar
Company Secretary

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

Annexure referred to in Note No.2 in Schedule 10 to the financial statement

Statement of Significant Accounting Policies

1) System of Accounting

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

2) Revenue recognition:

Income:

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

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

3) Fixed Assets and Depreciation

(A) Fixed Assets

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

(B) Depreciation and Amortisation:

- (a) Leasehold land:

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

- (b) On other Fixed Assets

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

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

4) Investments

- a) Fixed income securities remaining with the company after transfer of demerged undertakings are carried at their fair market values as at 1 April 2007 where the carrying costs of such investments were higher on that date, less amortisation of premium/discount thereafter, as the case may be.

Annexure referred to in Note No.2 in Schedule 10 to the financial statement (contd.)

- b) Current investments representing fixed income securities with a maturity less than 1 year and those intended to be held for a period less than 1 year from the date on which the investment is made are stated at cost adjusted for amortisation and diminution with reference to realisable value, as necessary.
- c) Other Fixed income securities, other than current, are carried at cost, less amortisation of premium/discount, as the case may be, and provision for diminution, if any, as considered necessary.
- d) Investments other than fixed income securities are valued at cost of acquisition, less provision for diminution as necessary.
- e) Investments other than current investments, made by the Company are intended to be held for long-term, hence diminutions in value of quoted investments are generally not considered to be of a permanent nature.
- f) The management has laid out guidelines for the purpose of assessing likely impairments in investments and for making provisions based on given criteria. Appropriate provisions are accordingly made, which in the opinion of the management are considered adequate and also considering the prudential norms specified by the Reserve Bank of India, applicable to the company in this behalf.

5) Employee Benefits

a) Privilege Leave entitlements

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

b) Gratuity

Payment for present liability of future payment of gratuity is being made to approved Gratuity Fund, which fully covers the same under Cash Accumulation Policy of the Life Insurance Corporation of India. However, any deficit in Plan Assets managed by LIC as compared to the actuarial liability is recognised as a liability immediately.

c) Superannuation

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

d) Provident Fund Contributions are made to Company's Provident Fund Trust. Deficits, if any, of the fund as compared to aggregate liability is additionally contributed by the company and recognised as an expense.

e) Defined Contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority.

6) Tax

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

7) Provisions and Contingent Liabilities

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

Schedule to Balance Sheet as on 31 March 2011 (Contd.)

2. Unquoted:		
(i) Shares:		
(a) Equity		Nil
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		500
(iv) Government Securities		Nil
(v) Others:		
(a) Certificate of Deposit		130,771
(b) Commercial Paper		12,334
Long Term Investments		
1. Quoted		
(i) Shares:		
(a) Equity		178,880
(b) Preference		Nil
(ii) Debentures and Bonds		98,602
(iii) Units of mutual funds		Nil
(iv) Government Securities		7,323
(v) Others (Please specify)		Nil
2. Unquoted:		
(i) Shares:		
(a) Equity		24,259
(b) Preference		19
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		3,884
(iv) Government Securities		Nil
(v) Others (Please specify)		Nil
Total		457,347

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

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	30,491	30,491
Total	Nil	30,491	30,491

Schedule to Balance Sheet as on 31 March 2011 (Contd.)

- (6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)
Please see Note 3 below.

Category	Market value/break up or fair value or NAV	Book value (Net of provisions)
1. Related Parties **		
(a) Subsidiaries (Unquoted, hence disclosed at break up value)	5,236	25
(b) Companies in the same group (disclosed at market value) #	1,626,785	63,235
(c) Other related parties		
- Unquoted (disclosed at face value)	19	19
- Quoted	49,943	13,648
2. Other than related parties		
- Unquoted @	155,168	171,723
- Quoted (disclosed at market value)	323,019	208,697
Total	2,160,170	457,347

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

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

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

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

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

- (7) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	2,890
(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	9
(iii) Assets acquired in satisfaction of debt	Nil

Notes :

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

- (8) CRAR

Items	Current Year	Previous Year
(i) CRAR %	164%	137%
(ii) CRAR - Tier I capital (%)	164%	137%
(iii) CRAR - Tier II capital (%)	0%	0%

Schedule to Balance Sheet as on 31 March 2011 (Contd.)

(9) Exposures

Exposures to Real Estate Sector

Category	Current Year	Previous Year
(a) Direct Exposure	—	—
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans upto ₹15 lakh may be shown separately)	—	—
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multitenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits	—	—
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised Exposures -		
(a) Residential	—	—
(b) Commercial Real Estate	—	—
(b) Indirect Exposure	14,757	21,181
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	14,757	21,181

(10) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

	1 day to 30/31 (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to one year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities	—	—	—	—	—	—	—	—	—
Borrowings from Banks	—	—	—	—	—	—	—	—	—
Market Borrowings	—	—	—	—	—	—	—	—	—
Assets	2,989	17,295	61,366	41,213	20,743	45,234	28,548	239,959	457,347
Advances	—	—	—	—	—	—	—	—	—
Investments	2,989	17,295	61,366	41,213	20,743	45,234	28,548	239,959	457,347

Disclosure of Transactions with Related Parties as required by the Accounting Standard -18

(₹ In Lakh)

Name of related party and Nature of relationship	Nature of transaction	2011		2010	
		Transaction Value	Outstanding amounts carried in the Balance Sheet	Transaction Value	Outstanding amounts carried in the Balance Sheet
A Holding company, subsidiaries and fellow subsidiary:					
Bajaj Auto Holdings Ltd.	Contribution to Equity (24,500 shares of ₹ 100 each)	—	25	—	25
(Fully owned subsidiary)	Purchase of part equity portfolio	1,767	—	1,191	—
B Associates, joint ventures and investing parties:					
Maharashtra Scooters Ltd.	Contribution to Equity (2,742,848 shares of ₹ 10 each)	—	24	—	24
(A Joint venture - 24 % shares held by Bajaj Holdings & Investment Ltd.)	Dividend Received	151	—	151	—
Bajaj Auto Ltd.*	Contribution to Equity (91,119,000 shares of ₹ 10 each)	—	28,622	20,109	28,622
(An associate - 31.49% shares held by Bajaj Holdings & Investment Ltd.)	(Previous year 45,559,500 shares of ₹ 10 each)				
	Dividend received	18,224	—	9,768	—
	Business Support Services rendered	111	—	50	—
* During the year, 45,559,000 shares were received as bonus shares	Business Support Services received	33	—	16	—
	Aviation Charges paid	7	—	—	—
	Purchase of 8.01% NCDS of Ultra Tech Cement Ltd.	503	—	—	—
	Purchase of Certificate of Deposit of State Bank of Bikaner & Jaipur	2,366	—	—	—
Bajaj Finserv Ltd.	Contribution to Equity (55,976,658 shares of ₹ 5 each)	21,037	34,613	4,207	13,576
(An associate - 38.69% shares held by Bajaj Holdings & Investment Ltd.)	(Previous year 51,565,341 shares of ₹ 5 each)				
	Dividend received	524	—	503	—
	Business Support Services rendered	60	—	49	—
	Business Support Services received	96	—	92	—
	Purchase of 9.90% debentures of Tata Sons Ltd.	—	—	1,098	—
C Individuals controlling voting power/exercising significant influence and their Relatives:					
Rahul Bajaj (Chairman)	Sitting Fees	1	—	1	—
	Purchase of Bajaj Auto's equity shares by BHIL (250,000 equity shares)*	—	—	4,313	—
	Purchase of Bajaj Electricals' equity shares by BHIL (342,000 equity shares)*	—	—	719	—
Shekhar Bajaj	Purchase of Bajaj Auto's equity shares by BHIL (333,000 equity shares)*	—	—	5,804	—
	Purchase of Bajaj Finserv's equity shares by BHIL (45,000 equity shares)*	—	—	149	—
Madhur Bajaj	Sitting Fees	1	—	1	—
	Purchase of Bajaj Electricals' equity shares by BHIL (760,000 equity shares)*	—	—	1,597	—
Niraj Bajaj	Purchase of Bajaj Electricals' equity shares by BHIL (1,305,000 equity shares)*	—	—	2,743	—
Rajiv Bajaj	Sitting Fees	1	—	1	—
	Purchase of Bajaj Finserv's equity shares by BHIL (370,000 equity shares)*	—	—	1,249	—
Sanjiv Bajaj	Sitting Fees	1	—	1	—
	Purchase of Bajaj Electricals' equity shares by BHIL (742,000 equity shares)*	—	—	1,559	—
Ruparani Bajaj	Purchase of Bajaj Auto's equity shares by BHIL (61,000 equity shares)*	—	—	1,052	—
	Purchase of Bajaj Electricals' equity shares by BHIL (19,000 equity shares)*	—	—	40	—
Kiran Bajaj	Purchase of Bajaj Auto's equity shares by BHIL (192,000 equity shares)*	—	—	3,324	—
Anant Bajaj	Purchase of Bajaj Auto's equity shares by BHIL (122,000 equity shares)*	—	—	2,116	—
Geetika Bajaj	Purchase of Bajaj Auto's equity shares by BHIL (201,500 equity shares)*	—	—	3,500	—
Kumud Bajaj	Purchase of Bajaj Electricals' equity shares by BHIL (520,000 equity shares)*	—	—	1,093	—
Niravnayan Bajaj	Purchase of Bajaj Electricals' equity shares by BHIL (149,000 equity shares)*	—	—	313	—

Disclosure of Transactions with Related Parties as required by the Accounting Standard -18

(₹ In Lakh)

Name of related party and Nature of relationship	Nature of transaction	2011		2010	
		Transaction Value	Outstanding amounts carried in the Balance Sheet	Transaction Value	Outstanding amounts carried in the Balance Sheet
D Key Management Personnel & their Relatives:					
V S Raghavan (Chief Executive officer)	Remuneration	134	—	97	—
E Enterprises over which anyone in (c) & (d) exercises significant influence:					
Bajaj Allianz General Insurance Company Ltd.	Insurance Premiums Paid	8	—	9	8
	Sale of investments	1,018	—	—	—
Bajaj Allianz Life Insurance Company Ltd.	Purchase of investments	1,061	—	—	—
Bajaj Electricals Ltd.	Contribution to Equity [16,697,840 shares of ₹ 2 each (Previous year 16,497,840 shares of ₹ 10 each)]	602	11,177	9,687	10,575
	Dividend Received	396	—	231	—
Hindustan Housing Co. Ltd.	Maintenance charges paid	71	—	50	—
Mukand Ltd.	Contribution to Equity (4,056,422 shares of ₹ 10 each)	—	2,437	—	2,437
	0.01% 196,169 Redeemable Preference Shares of ₹ 10 each	—	20	—	20
	Dividend received on Preference Shares (₹ 196) (Previous year ₹ 197)	—	—	—	—
	Dividend received on Equity Shares	41	—	—	—
Mukand Engineers Ltd.	Contribution to Equity (54,000 shares of ₹ 10 each)	—	10	10	10
	Dividend Received on Equity Shares	1	—	—	—
Hercules Hoists Ltd.	Contribution to Equity 3,125,520 shares of ₹ 10 each	1,234	1,234	—	—
Anant Trading Co.	Purchase of Force Motors' equity shares by BHIL (204,682 equity shares)*	—	—	719	—
Rishab Trading Co.	Purchase of Force Motors' equity shares by BHIL (200,318 equity shares)*	—	—	704	—

* These are open market transactions through registered share broker. However, shown by way of abundant caution.

Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.

Cash Flow Statement

	2011	2010
		(₹ In Lakh)
I. OPERATING ACTIVITIES		
Profit before tax	106,912	80,699
Adjustments:		
Add:		
i) Depreciation	24	22
ii) Amount written off against leasehold land	2	2
iii) Amortisation of premium/discount on acquisition of fixed income securities	(2,446)	(893)
	(2,420)	(869)
Less:		
i) Provision for Diminution in value of Investments written back	—	444
ii) Provision for doubtful advances written back	—	173
	—	617
(Increase)/Decrease in Current Assets		
Other Current Assets	(38)	89
Loans and Advances	(14)	406
Increase/(Decrease) in Current Liabilities		
Liabilities	(282)	285
	(334)	780
	104,158	79,993
(Increase)/Decrease in Investment in subsidiaries, joint ventures and associates, etc.	(21,037)	(24,316)
(Increase)/Decrease in other investments, net	(32,020)	(61,044)
(Increase)/Decrease in fixed deposits	(17,000)	—
	(70,057)	(85,360)
CASH FROM OPERATING ACTIVITIES	34,101	(5,367)
Income tax refund for earlier years	2,344	880
Income Tax, Wealth Tax paid	(17,041)	(11,399)
NET CASH FROM OPERATING ACTIVITIES	19,404	(15,886)
II. INVESTMENT ACTIVITIES		
Capital Expenditure	—	(78)
NET CASH FROM INVESTMENT ACTIVITIES	—	(78)
Carried Forward	19,404	(15,964)

Cash Flow Statement (Contd.)

	2011	2010
Brought forward	19,404	(15,964)
III. FINANCING ACTIVITIES		
i) Warrant application money received	—	5,902
ii) Equity shares issued during the year	17,706	21,845
iii) Dividend Paid	(31,836)	(10,135)
iv) Corporate Dividend Tax Paid	(5,283)	(1,720)
NET CASH FROM FINANCING ACTIVITIES	<u>(19,413)</u>	<u>15,892</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	<u>(9)</u>	<u>(72)</u>
Cash and Cash Equivalents as at 01.04.2010 [Opening Balance]	672	744
Cash and Cash Equivalents as at 31.03.2011 [Closing Balance]	663	672
Reconciliation of Cash and Cash Equivalents as at 31.03.2011		
Closing Balance as per Balance Sheet	17,663	672
Less: Fixed deposits (shown separately)	17,000	—
Cash and Cash Equivalents as at 31.03.2011	<u>663</u>	<u>672</u>

As per our attached report of even date
For and on behalf of Dalal and Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune : 18 May 2011

V S Raghavan
CEO
Mandar Velankar
Company Secretary

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

Statement showing particulars as prescribed in the amendment to Schedule VI to the Companies Act, 1956 vide Notification No.G.S.R.388 (E) dated May 15, 1995:

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (PART IV)

I REGISTRATION DETAILS		
Registration No.		L35911PN1945PLC004656
State Code		11
Balance Sheet date		31 March 2011
II CAPITAL RAISED DURING THE YEAR ENDED 31 March 2011		₹ In Thousand
Public Issue		—
Rights Issue		—
Bonus Issue		—
Private Placement		—
Others		52,510
		<u>52,510</u>
III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS AS AT		31 March 2011
Total liabilities		46,073,281
Total assets		46,073,281
SOURCES OF FUNDS:		
Paid-up capital		1,112,935
Reserves and surplus		44,918,532
Deferred Tax Adjustments		41,814
		<u>46,073,281</u>
APPLICATION OF FUNDS:		
Net Fixed Assets		295,846
Investments		45,734,714
Net Current Assets		42,721
		<u>46,073,281</u>
IV PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED March 31, 2011		₹ In Thousand
i) Turnover (sale of products and other income)		10,764,472
ii) Total Expenditure		73,286
iii) Profit before tax		10,691,186
iv) Profit after tax		9,977,081
v) Expenses / (Income) for earlier years		(23,809)
vi) Net Profit		10,000,890
vii) Earnings per share ₹(See Note 2)(Face Value ₹ 10/-)		93.4
viii) Dividend Rate (%)		350%
V PRODUCTS OF THE COMPANY		
Item Code No.: Product Description: Investment		
(ITC Code)----->	Not applicable	

Notes:

- The above particulars should be read along with the balance sheet as at 31 March 2011, the profit and loss account for the year ended on that date and the schedules forming part thereof.
- Earnings per share is arrived at by dividing the Net Profit by total number of shares issued and subscribed as at the end of the year.

	Rahul Bajaj	Chairman
	Madhur Bajaj	} Directors
	Rajiv Bajaj	
	Sanjiv Bajaj	
	D J Balaji Rao	
	S H Khan	
	Nanoo Pamnani	
	Naresh Chandra	
	Manish Kejriwal	
	P Murari	
V S Raghavan		
CEO		
Mandar Velankar		
Company Secretary		

Pune : 18 May 2011

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

1	Name of the Subsidiary	Bajaj Auto Holdings Ltd.
2	Financial year of the Subsidiary ended on	31 March 2011
3	Holding Company's interest : Equity Share Capital	100%
4	Profit or Loss for the current financial year so far as concern the Members of the Holding Company, not dealt with or provided for in the Accounts of the holding company	Profit ₹ 221 lakh
5	Net aggregate Profits or Losses for the previous financial years since becoming subsidiary so far as concern the Members of the Holding Company, not dealt with or provided for in the Accounts of the Holding Company	Profit ₹ 4,990 lakh
6	Net aggregate amounts received as dividends for previous financial years since becoming subsidiary dealt with in the accounts of the Holding Company in relevent years	₹ 1,062 lakh

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

V S Raghavan
CEO

Mandar Velankar
Company Secretary

Pune : 18 May 2011



Consolidated Financial Statements

Report of the Auditors on the Consolidated Financial Statements

The Board of Directors of
BAJAJ HOLDINGS & INVESTMENT LTD

1. We have audited the attached consolidated balance sheet of BAJAJ HOLDINGS & INVESTMENT LTD (the "Company") and its subsidiary, its jointly controlled entity and associate companies; hereinafter referred to as the "Group" (refer Note 1 on Schedule 11 to the attached consolidated financial statements) as at 31 March 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one jointly controlled entity included in the consolidated financial statements, which constitute total assets of ₹ 5,717 lakh and net assets of ₹ 5,335 lakh as at 31 March 2011, total revenue of ₹ 986 lakh, net profit of ₹ 521 lakh and net cash flows amounting to ₹ 29 lakh for the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditor on separate financial statements and on the other financial information of the component of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2011;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Anish P Amin
Partner
Membership Number 40451
Pune : 18 May 2011

Consolidated Balance Sheet as at 31 March

	Schedule	(₹ In Lakh)	
		2011	2010
I Sources of Funds			
1. Shareholders' Funds			
a) Share Capital	1	11,129	10,604
b) Reserves & Surplus	2	733,954	539,049
		745,083	549,653
2. Preferential warrant application money		—	5,902
3. Deferred Tax Adjustments			
a) Deferred Tax Liabilities		733	—
b) Deferred Tax Assets		(315)	—
		418	—
Total		745,501	555,555
II Application of Funds			
1. Fixed Assets			
a) Gross Block		10,904	10,910
b) Less: Depreciation		9,491	9,449
c) Net Block	3	1,413	1,461
d) Lease Adjustment Account-Plant and Machinery		1,750	1,750
		3,163	3,211
2. Goodwill on investments in associates		34,185	21,309
3. Investments	4	706,994	547,266
4. Deferred Tax Adjustments			
a) Deferred Tax Liabilities		—	(756)
b) Deferred Tax Assets		—	1,815
		—	1,059
5. Current Assets, Loans and Advances	5		
a) Inventories		13	14
b) Sundry Debtors		31	22
c) Cash and Bank Balances		17,749	788
d) Other Current Assets		159	121
e) Loans and Advances		31,500	22,191
		49,452	23,136
Less: Current Liabilities and Provisions	6		
a) Liabilities		2,977	3,290
b) Provisions		45,316	37,136
		48,293	40,426
Net Current Assets		1,159	(17,290)
Total		745,501	555,555
Notes forming part of the Financial Statements	11		

As per our attached report of even date
For and on behalf of Dalal and Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune : 18 May 2011

V S Raghavan
CEO
Mandar Velankar
Company Secretary

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

Chairman
Directors

Consolidated Profit and Loss Account for the year ended 31 March

	Schedule	2011	2010
(₹ In Lakh)			
Income			
Sales including excise duty (share of joint venture)		164	108
Less: Excise Duty (share of joint venture)		16	8
Net Sales		148	100
From operations and Other Income	7	89,898	71,842
		90,046	71,942
Expenditure			
Material	8	64	37
Other Expenses	9	1,107	999
Interest	10	—	—
Depreciation		24	23
Share of depreciation of joint venture		24	25
		1,219	1,084
Profit for the year before income from associates and tax		88,827	70,858
Income from associates after tax		150,423	69,023
Profit before tax		239,250	139,881
Tax			
Current Tax [including ₹ Nil (Previous Year ₹ Nil) for Wealth tax]		17,086	10,803
MAT credit		(11,336)	(9,785)
Deferred Tax		1,477	2,651
		7,227	3,669
Profit after tax		232,023	136,212
Share of (Debits)/Credits relating to earlier years tax of joint venture		15	48
Tax credits pertaining to earlier years		238	—
		232,276	136,260
Balance brought forward from previous year		16,480	—
Adjustments on revaluation of deferred tax assets		—	(526)
Profit available for appropriation		248,756	135,734
Appropriations:			
Transfer to Reserve fund in terms of Section 45 IC(1) of Reserve Bank of India Act, 1934		20,047	15,492
Transfer to General Reserve		142,198	66,666
Proposed Dividend		38,953	31,813
Corporate Dividend Tax thereon		6,319	5,283
Balance Carried to Balance Sheet		41,239	16,480
Notes forming part of the Financial Statements	11		
Basic Earnings Per Share (₹)		217.0	134.6
Diluted Earnings Per Share (₹)		213.5	133.1
Nominal value per share (₹)		10.0	10.0
Net Profit (₹ In Lakh)		232,276	136,260
Number of Shares (In Lakh)		1,071	1,013
Number of Shares (In Lakh) - Diluted		1,088	1,024

As per our attached report of even date
For and on behalf of Dalal and Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune : 18 May 2011

V S Raghavan
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P Murari

Chairman
Directors

Schedules No 1-11 annexed to and forming part of the Balance Sheet as at and the Profit and Loss Account for the year ended 31 March

Schedule 1 Share Capital

	(₹ In Lakh)	
	2011	2010
Authorised		
150,000,000 Shares of ₹10 each	15,000	15,000
Issued,Subscribed and Paid up		
* 111,293,510 (106,042,510) Equity Shares of ₹ 10 each	11,129	10,604
Total	11,129	10,604

Notes

* A. Includes prior to buy back of 18,207,304 Equity Shares of ₹ 10 each in 2000:

- 114,174,388** Equity Shares allotted as fully paid Bonus Shares by way of Capitalisation of Share Premium Account and Reserves
- 4,342,676** Equity Shares issued by way of Euro Equity Issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares excluding 2,171,388 Equity Shares allotted as Bonus Shares thereon. GDRs outstanding at the close of the year were 313,713 (314,297)
- 5,251,000** (4,859,000) Equity Shares of ₹ 10 each were issued and allotted to Promoters on 21 January 2011 on conversion of 5,251,000 (4,859,000) warrants at a premium of ₹ 439.58 per share

Schedule 2 Reserves and Surplus

	(₹ In Lakh)	
	2011	2010
Reserve Fund in terms of Section 45 IC (1) of Reserve Bank of India Act, 1934		
As per last account	20,027	4,535
Set Aside this Year	20,047	15,492
	40,074	20,027
Securities Premium Account		
As per last account	21,359	—
Additions during this year	23,083	21,359
	44,442	21,359
General Reserve		
As per last Account	480,933	436,624
Add: Share of accumulated reserves of associate	(15,156)	(22,331)
Add: Reserve utilised by joint venture towards distribution of dividend	(26)	(26)
	465,751	414,267
Set aside this year	141,676	66,464
Share of profit/(loss) of joint venture for the year	522	202
	142,198	66,666
	607,949	480,933
Balance in Profit & Loss Account	41,239	16,480
Capital reserve arising on consolidation of joint venture	250	250
Total	733,954	539,049

Schedule 3 Fixed Assets

(₹ In Lakh)

Particulars	Gross Block			Depreciation				Net Block		
	As at 31 March 2010	Additions	Deductions/ Adjustments	As at 31 March 2011	As at 31 March 2010	Deductions/ Adjustments	For the Year	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Land Freehold	4	—	—	4	—	—	—	—	4	4
Land Leasehold	132	—	2	130	—	—	—	—	130	132
Buildings	1,498	—	—	1,498	346	—	27	373	1,125	1,152
Plant & Machinery	500	1	6	495	341	5	19	355	140	159
Furniture, Fixtures, Office equipment etc	10	—	—	10	7	—	—	7	3	3
Vehicles	16	2	1	17	5	1	2	6	11	11
Leased Assets :- Plant & Machinery	8,750	—	—	8,750	8,750	—	—	8,750	—	—
Total	10,910	3	9	10,904	9,449	6	48	9,491	1,413	1,461
Share of fixed assets of joint ventures	654	3	7	650	436	6	24	454	196	218
Previous Year Total	10,835	81	6	10,910	9,403	2	48	9,449	1,461	
Share of fixed assets of joint ventures - Previous Year	655	3	4	654	413	2	25	436	218	

Schedule 4 Investments, at Cost (Unless otherwise stated)

(₹ In Lakh)

	2011	2010
In Government and Trust Securities	8,451	39,364
In fully Paid Preference Shares	770	770
In Equity Shares		
Long Term: Associate Companies	304,344	179,664
Others	138,807	143,415
Share of joint venture	2,511	2,511
	445,662	325,590
In Debentures, Bonds and Secured Premium Notes	20,069	17,724
Share of joint venture	2,342	2,221
	22,411	19,945
In Bonds	81,799	79,700
In Mutual Fund Units	7,864	6,345
Share of joint venture	43	23
	7,907	6,368
In Certificate of Deposits	130,771	68,243
Share of joint venture	238	—
	131,009	68,243
In Commercial Paper	12,334	13,292
TOTAL	710,343	553,272
Less: Provision for diminution in value of Investments	3,609	6,006
	706,734	547,266
Add: Application Money for investment in Shares and Bonds	260	—
	706,994	547,266

Schedule 5 Current Assets, Loans and Advances

	2011	2010
		(₹ In Lakh)
(a) Inventories		
Stores, at cost (share of joint venture)	1	1
Stock-in-trade, at cost or market value whichever is lower :		
Raw Materials and Components (share of joint venture)	2	2
Work-in-progress (including factory made components ₹ Nil) (share of joint venture)	10	11
As valued and certified by Management	13	14
Goods in transit, at cost to date	—	—
As valued and certified by Management	13	14
(b) Sundry Debtors, Unsecured		
Outstanding for a period exceeding six months :		
Others, Good (share of joint venture)	31	22
	31	22
(c) Cash and Bank Balances		
Cash on hand (including cheques on hand ₹ Nil)	—	—
Bank Balances :		
With Scheduled Banks:		
In current account	713	674
Share of current accounts of joint venture	—	18
In fixed deposits	17,036	—
Share of fixed deposits of joint venture	—	96
	17,749	788
Carried over	17,793	824

Schedule 5 Current Assets, Loans and Advances (Contd.)

	(₹ In Lakh)	
	2011	2010
Brought over	17,793	824
(d) Other Current Assets		
(good, unless otherwise stated)		
Dividend and Interest receivable on Investments	22	121
Interest accrued but not due on fixed deposits	137	—
	159	121
(e) Loans and Advances		
(unsecured, good, unless otherwise stated)		
Deposits with Joint Stock Companies: (Including ₹ Nil, (previous year ₹ Nil) secured against pledge of Securities)		
Good	504	504
Doubtful	—	216
Less : Provision	—	216
	—	—
	504	504
Advances Recoverable in Cash or in kind or for value to be received:		
@ Others, Good	2,931	2,854
Share of advances recoverable of joint venture	151	138
	3,082	2,992
Share of Balances with Customs and Central Excise Departments of joint venture	1	1
CENVAT credit receivable	26	—
Sundry Deposits	16	30
Deposit with IDBI under Investment Deposit scheme, 1986	11	—
Tax paid in Advance	268,782	242,569
Share of Tax paid in Advance of joint venture	112	103
Less: Provision for tax adjusted as per contra	241,026	223,998
Less: Share of provision for tax adjusted as per contra	8	10
	27,860	18,664
	31,500	22,191
Total	49,452	23,136

Schedule 6 Current Liabilities and Provisions

	(₹ In Lakh)	
	2011	2010
(a) Liabilities		
Sundry Creditors:		
Other than dues to Micro and Small scale enterprises	198	454
Share of other creditors of joint venture	90	78
Share of Advances against Orders of joint venture	273	274
Deposit from Dealers and others	1,780	1,828
Unclaimed Dividends	618	641
Share of Unclaimed Dividends of joint venture	18	15
Unclaimed amount of Sale proceeds of Fractional coupons of Bonus Shares (₹ 5,595 - Previous Year ₹ 5,595)		
	2,977	3,290
(b) Provisions		
Provision for Employee Benefits	44	40
Provision for tax	241,026	223,998
Share of Provision for tax of joint venture	8	10
Less: Tax paid in advance adjusted as per contra	241,026	223,998
Less: Share of tax paid in advance of joint venture adjusted as per contra	8	10
	—	—
Proposed Dividend	38,953	31,813
Provision for Corporate Dividend Tax on Proposed Dividend	6,319	5,283
	45,316	37,136
Total	48,293	40,426

Schedule 7 Income from Operations & Other Income

(₹ In Lakh)

	2011	2010
Income from Operations:		
Dividends		
Other	3,665	3,786
Other - Share of joint venture	603	278
	4,268	4,064
Interest		
On Government Securities	2,694	4,303
On Debentures and Bonds	8,739	2,317
On Debentures and Bonds - Share of joint venture	222	200
Other	272	103
	11,927	6,923
Less: Amortisation of premium/discount on acquisition of fixed income securities	(2,446)	(893)
	14,373	7,816
Leasing Business		
Lease Rent (₹ 1,000 - Previous Year ₹ 1,000)		
Profit on Sale of Investments, net	70,682	59,064
Share of Profit on Sale of Investments, net of joint venture	11	6
Surplus on redemption of Securities	311	
Provision for Diminution in value of Investments written back, net	1	2,897
Less: Write backs on account of amounts written off during the year, as per contra	—	2,429
	1	468
Provisions for Doubtful Advances written back	—	1,631
Less: Write backs on account of amounts written off during the year, as per contra	—	1,458
	—	173
Investments earlier written off, recovered	24	—
Other Income:		
Rent	15	35
Share of surplus on sale of assets of joint venture	1	—
Miscellaneous receipts	212	216
Total	89,898	71,842

Schedule 8 Materials (Share of joint venture)

	2011	2010
	(₹ In Lakh)	
(a) Raw materials and components consumed	63	33
(b) Finished Goods purchases	—	—
(c) Excise duty on increase/(decrease) in stocks of finished goods, at Plant	—	—
(d) (Increase)/Decrease in Stocks		
Stocks at close		
Work in progress		
(including factory made components ₹ Nil - Opening ₹ Nil)	10	11
	<u>10</u>	<u>11</u>
Less: Stocks at commencement		
Work in progress		
(including factory made components ₹ Nil)	11	15
	<u>11</u>	<u>15</u>
	1	4
Total	<u>64</u>	<u>37</u>

Schedule 9 Other Expenses

	(₹ In Lakh)	
	2011	2010
Share of stores & tools consumed of joint venture	5	5
Share of Power, fuel and water of joint venture	10	8
Repairs & Maintenance		
Buildings and Roads	42	11
Share of Buildings repairs of joint venture	4	6
Computers	2	—
Share of Machinery repairs of joint venture	5	5
Share of Other repairs of joint venture	3	3
	56	25
Employees' Emoluments (including remuneration to CEO)		
Salaries,wages,bonus etc.	170	110
Share of Salaries,wages,bonus etc. of joint venture	279	258
Contribution to Provident and other funds and schemes	18	10
Share of Contribution to Provident and other funds and schemes of joint venture	53	45
Welfare expenses	4	4
Share of Welfare expenses of joint venture	18	17
	542	444
Rent	1	1
Rates and taxes	2	2
Share of Rates and taxes of joint venture	1	1
Insurance	7	—
Auditors' Remuneration		
Audit Fees	5	3
Share of Audit Fees of joint venture	1	1
Tax Audit Fees	1	1
Limited Review	2	1
Certification	1	1
	10	7
Directors' fees and travelling expenses	15	16
Miscellaneous expenses	445	469
Share of Miscellaneous expenses of joint venture	11	18
Bad debts written off	—	1,458
Less : Provisions made in earlier years in respect of amounts written off during the year, adjusted as per contra	—	1,458
	—	—
Investments written off	—	2,429
Less : Provisions made in earlier years in respect of amounts written off during the year, adjusted as per contra	—	2,429
	—	—
Loss on redemption of securities	—	1
Amount written off against leasehold land	2	2
Total	1,107	999

Schedule 10 Interest

	(₹ In Lakh)	
	2011	2010
Interest:		
On Fixed Loans	—	—
Others	—	—
Total	—	—

Schedule 11 Notes forming part of consolidated financial statements

1. The Consolidated Financial Statements include results of the Subsidiary, Associates and Joint Venture of Bajaj Holdings & Investment Ltd., consolidated in accordance with AS-21 "Consolidated Financial Statements", AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements" & AS-27 "Financial Reporting of Interests in Joint Ventures".

Name of the Company	Country of incorporation	% Shareholding of Bajaj Holdings & Investment Ltd.	Consolidated as
Bajaj Auto Limited	India	31.49%	Associate
Bajaj Finserv Limited	India	38.69%	Associate
Bajaj Auto Holdings Limited	India	100%	Subsidiary
Maharashtra Scooters Limited	India	24%	Joint venture

2. Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures.
3. The accounting policies of the parent are best viewed in its independent financial statements, Note 2 of schedule 10. Differences in accounting policies followed by the other entities consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not significant.
4. Notes pertaining to Subsidiary, joint ventures and associates, to the extent required to fairly present the needed disclosures. The figures disclosed in this note are at full value and not the proportionate share of the parent company.

A) Maharashtra Scooters Limited

1. In view of the uncertainty in utilising the carried forward business loss as per Income Tax Act 1961, as a prudent measure, the Company has not recognised net deferred tax asset arising on this account.
2. Pursuant to amicable settlement reached with workmen, a productivity-linked settlement was signed on 4 May 2011. Under this settlement, ₹ 50 lakh is payable to the workmen for the period 1 October 2010 to 31 March 2011. The Employees Costs as shown in stand-alone account includes this amount.

5. Consolidated Contingent Liability

Particulars	(₹ In Lakh)	
	As at 31 March 2011	As at 31 March 2010
(i) Claims against the Company not acknowledged as debts (being share of Joint Venture and Associates)	13,892	13,417
(ii) Guarantees given by the associate to banks, on behalf of subsidiary of associate (being share of Associates)	730	735
(iii) Guarantees given by the Company to HDFC - for loans to Employees (being share of Associates)	7	14
(iv) Taxes, duties and other sums due (including ₹ 15,591 lakh (Previous Year ₹ 20,936 lakh) being share of Joint Venture and Associates)	44,444	49,789
(v) Claims made by temporary workmen (of Associate)	Liability unascertained	Liability unascertained
(vi) Claims, under policies, not acknowledged as debts (being share of Associate)	356	202
(vii) Uncalled liability on Partly Paid Investments	—	200

6. Capital commitments

Particulars	(₹ In Lakh)	
	As at 31 March 2011	As at 31 March 2010
Capital Commitments to the extent not provided for, net of advances (being share of Associates)	6,842	2,668

7. Deferred Taxes

Particulars	(₹ In Lakh)	
	As at 31 March 2011	As at 31 March 2010
Liabilities	733	756
Assets	315	1815
Net	418	(1059)

Schedule 11 Notes forming part of consolidated financial statements

8. Due to different methods of computing cash flow adopted by two of the subsidiaries of the associate carrying on business of insurance, consolidated cash flows for the year could be better viewed when summarised as follows:

Particulars	2011	2010
From Operating Activities	19,109	(16,159)
From Investment Activities	438	467
From Financing Activities	(19,586)	15,719
Net Change	(39)	27
Cash & Cash Flow Equivalents at the beginning of the year	788	761
Cash & Cash Flow Equivalents at the end of the year	749	788
Cash & bank balance as per Schedule 5	17,749	788
Less: Fixed Deposits having maturity more than 3 months	17,000	—
Cash & Cash Flow Equivalents at the end of the year	749	788

9. Consolidated related party transactions are same as related party transactions of stand alone Bajaj Holdings & Investment Limited.
10. Statement of additional financial information, directed to be disclosed as a condition put forth by the ministry of company affairs for grant of exemption from the applicability of section 212(1) of the Companies Act, 1956, is attached hereto.
11. Previous year figures have been regrouped, wherever necessary, to make them comparable with those of the current year.

Signature to Schedules "1" to "11"

As per our attached report of even date
For and on behalf of Dalal and Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune : 18 May 2011

V S Raghavan
CEO
Mandar Velankar
Company Secretary

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

Chairman
Directors

Financial information of Subsidiaries for the year ended 31 March 2011

Particulars	(₹ In Lakh)
	Bajaj Auto Holdings Ltd.
(a) Paid -Up Share Capital	25
(b) Share Premium	—
Other reserves	5,211
(c) Total Assets	5,236
(d) Total Liabilities	5,236
(e) Investments*	4,500
(f) Turnover/Operating result	314
(g) Profit before tax	307
(h) Provision for tax	86
(i) Profit after tax	221
(j) Proposed Dividend	—

* For details of investments refer schedule 4 of the consolidated financial statements.



BAJAJ

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