

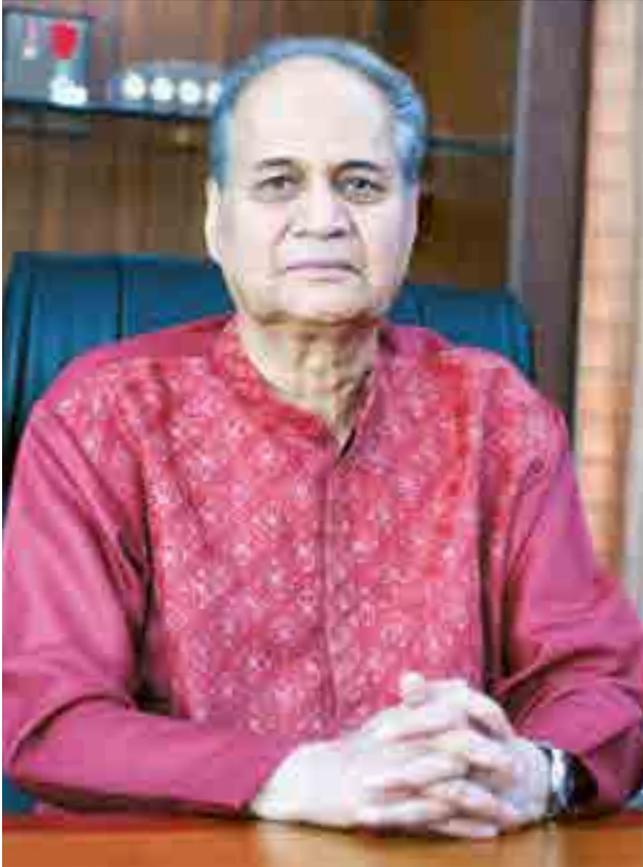
69th
ANNUAL
REPORT 2013-14

BAJAJ

Bajaj Holdings & Investment Limited

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Rahul Bajaj
Chairman



Sanjiv Bajaj
Managing Director

Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Madhur Bajaj

Rajiv Bajaj

D J Balaji Rao

S H Khan

Nanoo Pamnani

Manish Kejriwal

Naresh Chandra

P. Murari

Dr. Gita Piramal
(w.e.f. 28 March 2014)

Company Secretary

Vallari Gupte

Auditors

Dalal & Shah
Chartered Accountants

Bankers

Citibank NA
HDFC Bank

**Registered under Indian
Companies Act, 1913
CIN: L35911PN1945PLC004656**

Registered Office

Mumbai-Pune Road,
Akurdi, Pune - 411 035

Directors' Report

Introduction

The directors present their Sixty Ninth Annual Report and the audited statements of accounts for the year ended 31 March 2014. Since this Report pertains to financial year that commenced prior to 1 April 2014 the contents therein are governed by the relevant provisions/schedules/rules of the Companies Act, 1956, in compliance with General Circular No. 08/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs.

Operations

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

Financial results (Standalone)

Particulars	(₹ In Crore)	
	FY2014	FY2013
Total revenue	839.47	745.15
Total expenses	25.70	14.70
Profit before tax	813.77	730.45
Tax expense	85.14	67.12
Profit after tax	728.63	663.33
Profit for the year	733.35	663.33
Add: Balance brought forward from previous year	625.40	486.09
Profit available for appropriation	1,358.75	1,149.42
Transfer to Reserve fund u/s 45-IC(1) of Reserve Bank of India Act, 1934	146.67	132.67
Transfer to General reserve	73.34	66.33
Proposed dividend (inclusive of dividend tax)	390.47	325.02
Balance carried to Balance Sheet	748.27	625.40
Earnings per share (₹)	65.9	59.6

Financial results (Consolidated)

Particulars	(₹ In Crore)	
	FY2014	FY2013
Total revenue	427.72	339.46
Profit before tax	399.57	322.02
Income from associates after tax	1,669.11	1,602.69
Profit for the year	1,987.56	1,856.38
Earnings per share (₹)	178.6	166.8

Dividend

The directors recommend for consideration of the shareholders at the ensuing annual general meeting, payment of dividend of ₹ 30 per share (300 per cent) for the year ended 31 March 2014. The amount of dividend and the tax thereon aggregates to ₹ 390.47 crore.

Dividend paid for the year ended 31 March 2013 was ₹ 25 per share (250 per cent) and the amount of dividend and the tax thereon aggregated to ₹ 325.02 crore.

Registration as a Systemically Important Non-Deposit taking NBFC

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

De-notification of Special Economic Zone (SEZ)

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

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

Subsidiary/joint venture/associates

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

Name of the company	% Shareholding of Bajaj Holdings & Investment Ltd. as on 31 March 2014	Status
Bajaj Auto Ltd.	31.49%	Associate
Bajaj Finserv Ltd.	39.16%	Associate
Bajaj Auto Holdings Ltd.	100%	Subsidiary
Maharashtra Scooters Ltd.	24%	Joint venture

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

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

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

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

Corporate Social Responsibility

The Companies Act, 2013 notified section 135 of the Act concerning Corporate Social Responsibility (CSR) alongwith the Rules thereunder and revised Schedule VII to the Act on 27 February 2014 to come into effect from 1 April 2014.

The Company being covered under the provisions of the said section, has taken necessary initial steps in this regard. A Committee of the directors, titled 'Corporate Social Responsibility Committee', has been formed by the Board in its meeting held on 28 March 2014, consisting of the following Directors -

1. Rahul Bajaj, Chairman
2. Sanjiv Bajaj
3. Nanoo Pamnani

The Committee has formulated its CSR policy for the Company and is in the process of its implementation.

The said section being enacted with effect from 1 April 2014, necessary details as prescribed thereunder shall be presented to the members in the Annual Report for the year 2014-15.

Even when the said provisions were not mandated by the Ministry of Corporate Affairs, the Bajaj group continued its CSR initiatives in various fields, during the year 2013-14. Activities in this area are set out in detail in the annexed CSR Report.

Directors

During the year under review, Dr. Gita Piramal was appointed as an Additional Director in the category of non-executive, independent director of the Company, in the meeting of the Board held on 28 March 2014, to hold office upto the date of the ensuing Annual General Meeting (AGM) of the Company. Resolution for appointment of Dr. Gita Piramal is put up for the approval of shareholders in the Notice of AGM.

Pursuant to the provisions of the Companies Act, 2013 which have been enacted with effect from 1 April 2014, Dr. Gita Piramal, if appointed at the forthcoming AGM shall be an 'independent director' under the said Act for a period of 5 years with effect from the date of the AGM.

On appointment of Dr. Gita Piramal, the provisions of section 149(1) of the Companies Act, 2013 of having at least one woman director on the Board of the Company, stand complied.

In light of the provisions of the Companies Act, 2013, Rahul Bajaj has now become a retiring director, thus Rahul Bajaj retires from the Board by rotation this year and being eligible, offers himself for re-appointment. The information as required to be disclosed under clause 49 of the listing agreement in case of re-appointment of director is provided in the Notice of the ensuing AGM.

Pursuant to section 149(4) of the Companies Act, 2013, every listed company is required to appoint at least one third of its directors as independent directors. The Board already has one half of its directors in the category of independent directors in terms of the provisions of clause 49 of the listing agreement. The Board therefore, in its meeting held on 28 March 2014 appointed the existing independent directors under clause 49 as 'independent directors' pursuant to Companies Act, 2013, subject to approval of shareholders.

As required under the said Act and the Rules made thereunder, the same is now put up for approval of shareholders at the ensuing annual general meeting. Necessary details have been annexed to the Notice of the meeting in terms of section 102(1) of the Companies Act, 2013.

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6).

With the appointment of independent directors, the conditions specified in the Act and the Rules made thereunder as also under new clause 49 of the listing agreement stand complied.

Directors' responsibility statement

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

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

Presentation of financial results

The financial results of the Company for the year ended 31 March 2014 as in the previous year have been disclosed as per the revised Schedule VI to the Companies Act, 1956, pursuant to notification dated 28 February 2011 and General Circular No. 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs.

Consolidated financial statements

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

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

Statutory disclosures

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

The summary of key financials of the Company's subsidiary company is included in this Annual Report.

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

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

The Company has no particulars to report regarding technology absorption, conservation of energy as required under section 217(1)(e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. During the year under review, the Company did not have any foreign exchange earnings, whereas the foreign exchange outgo amounted to ₹ 54,712.

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 2013-14 is attached to the Balance Sheet.

Corporate governance

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

SEBI vide its Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17 April 2014 has notified the revised clause 49 of the listing agreement to be applicable with effect from 1 October 2014. This Report therefore stands complied against the previous clause 49 of the listing agreement.

All Board members and senior management personnel have affirmed compliance with the code of conduct for the year 2013-14. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report.

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

Secretarial Standards of ICSI

Companies Act, 2013 has now mandated certain Secretarial Standards specified by the Institute of Company Secretaries of India (ICSI) from time to time. The Company is, however, complying with the Secretarial Standards for many years now.

Auditors' report

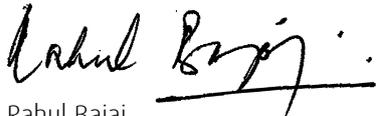
The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under section 217 of the Companies Act, 1956.

Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current auditors of the Company, Dalal & Shah, Chartered Accountants are eligible to hold the office for a period of three years, upto 2017.

The members are therefore requested to appoint Dalal & Shah, Chartered Accountants as auditors for three years from the conclusion of the ensuing annual general meeting till the conclusion of the 72nd annual general meeting, to be scheduled in 2017 and to fix their remuneration for the year 2014-15.

On behalf of the Board of Directors,



Rahul Bajaj
Chairman
15 May 2014

Annexure 1

Auditors' certificate regarding compliance of conditions of Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by Bajaj Holdings & Investment Ltd. , for the year ended 31 March 2014 as stipulated in clause 49 of the listing agreements of the said Company with stock exchanges in India.

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

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

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

For Dalal & Shah
Firm Registration No: 102021W
Chartered Accountants

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Annexure 2

Declaration by Chief Executive Officer (CEO)

I, Sanjiv Bajaj, Managing Director of Bajaj Holdings & Investment Ltd. hereby declare that all the Board members and senior management personnel have affirmed for the year ended 31 March 2014 compliance with the code of conduct as laid down by the Company.

Sanjiv Bajaj
Managing Director
Pune: 15 May 2014

Annexure 3

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

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

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31 March 2014 and that to the best of our knowledge and belief;
 - these statements do not contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and
 - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. That we have informed the auditors and the Audit Committee of:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Sanjiv Bajaj
Managing Director
Pune: 15 May 2014

Kevin D'sa
Chief Financial Officer

Management Discussion and Analysis

Background

The erstwhile Bajaj Auto Ltd. was demerged into three entities in 2007-08 viz. Bajaj Auto Ltd., Bajaj Finserv Ltd. and erstwhile Bajaj Auto Ltd. which was rechristened as Bajaj Holdings & Investment Ltd. ('BHIL' or 'the Company'). Until then, the erstwhile Bajaj Auto Ltd. was successfully engaged in diverse businesses in the auto, insurance and finance sectors and in the process accumulated a sizeable cash pool of resources. The significant amount of cash and cash equivalents on its Balance Sheet was putting pressure on its return of capital employed and return on equity.

The main objective of the demerger was to unlock shareholder value. At the same time it retained the freedom and flexibility for the two new companies (Bajaj Auto Ltd. and Bajaj Finserv Ltd.) to tap on an arm's length basis into the cash pool of BHIL to support future growth initiatives, as and when required.

In addition, the demerger enabled focused attention on each of the segments and a more transparent benchmarking of the companies with their peers in their respective industries, thereby enabling the investors to hold separate focused stocks.

Over the last 7 years, the demerger has achieved the objectives it had set out for itself as is evident from the increase in the combined market capitalisation of three entities - ₹ 84,009 crore as on 31 March 2014 compared to ₹ 24,542 crore as on 31 March 2007 of erstwhile Bajaj Auto Ltd., a CAGR of 19%.

Currently, Bajaj Holdings & Investment Ltd. ('BHIL' or 'the Company'), is registered as a Systemically Important Non Deposit taking Non Banking Financial Company. BHIL, with a sizeable pool of cash and cash equivalents, is essentially an investment company, holding as on 31 March 2014, strategic stakes of 31.49% in Bajaj Auto Ltd., 39.16% in Bajaj Finserv Ltd. and 24% in Maharashtra Scooters Ltd., the results of which are consolidated with BHIL.

Economy and markets

FY2014 ended on a good note for Indian equities but that was only half the story. The year started with emerging markets falling sharply with the Fed announcing a plan to taper its quantitative easing program. FII outflows gathered pace as India's GDP growth continued to weaken, external deficits and inflation remained high and the currency weakened to a record low. The RBI raised rates sharply and tightened liquidity. It then aided FCNR deposits while clamping down on gold imports to curb the current account deficit. Both these measures helped India to increase its foreign exchange reserves to over USD 300bn, arrest the rapid depreciation of the rupee and also stabilise markets with FII inflows in equities resuming in the H2 FY2014. The Fed also announced a gradual tapering plan of USD 10bn per meeting which helped market participants align with an anticipated path.

While GDP growth in India remained below 5% and asset quality continued to deteriorate in the banking system, hopes of a stable government in the upcoming general election aided the rally in equities.

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

Standalone results

Particulars	(₹ In Crore)		
	FY2014	FY2013	%
• Total revenue	839.47	745.15	↑ 12.66%
• Profit for the year	733.35	663.33	↑ 10.56%

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

Table 1: Summary of Total revenue

Particulars	(₹ In Crore)	
	FY2014	FY2013
Interest	204.84	161.04
Dividend		
From associates, subsidiary and joint venture	427.81	426.16
From others	51.83	48.97
Profit on sale of investments, net		
From equity investments	64.38	55.15
From fixed income investments	39.38	37.20
Rent from investment property	9.69	0.22
Others	1.68	15.16
Revenue from operations	799.61	743.90
Interest on income tax refund	36.37	-
Other income	3.49	1.25
Total revenue	839.47	745.15

Investments

The Company is a Systemically Important Non Deposit taking Non Banking Financial Company. It has to adhere to the prudential norms prescribed by RBI. Within the above framework, the funds are deployed judiciously by keeping a right mix between debt and equity segment, based on market conditions. The investment strategy of the Company is guided by the basic principles of adequate security, safety and prudence, with the prime aim to generate long-term capital appreciation.

All investments made are subject to the detailed investment policy guidelines laid down by the Board. The investment portfolio is managed by an Investment Committee comprising members of the Management and approved by the Board. The Investment Committee is responsible for formulating investment strategy based on market conditions. It meets at the least every month to decide on the asset allocation between debt and equity segments within the broad mix prescribed by the Board and to monitor the investments made. The Committee also lays down benchmarking and other operating guidelines. The detailed minutes of discussions at these meetings are circulated to the Board on a quarterly basis for review.

Being an investment company, the investment portfolio apart from the group and strategic investments includes equity and fixed income securities with various maturity buckets to maximise returns and yet maintain an optimum balance between yield, safety and liquidity.

As per the current Board approved investment policy guidelines of the Company, a minimum of 40 % of surplus funds (defined as total funds available at cost for investment excluding exposure to strategic/group investments) are to be invested in fixed income securities and a maximum of 60 % of the surplus funds into equity and equity linked products.

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

Table 2: Position of investments held by the Company

(₹ In Crore)

Particulars	As at 31 March 2014			As at 31 March 2013		
	Cost	Market value	% to Total investments (At cost)	Cost	Market value	% to Total investments (At cost)
Equity investments						
Strategic/group investments	1,188	24,598	21.97	1,179	21,676	23.29
Other listed equities	1,271	2,174	23.51	1,485	2,136	29.32
Unlisted equities	357	357	6.61	357	357	7.05
Mutual funds - equity based	28	28	0.52	35	35	0.70
Total (A)	2,844	27,157	52.61	3,056	24,204	60.36
Fixed income securities						
Government securities	143	143	2.65	-	-	-
Taxable and tax free bonds	1,859	1,877	34.38	1,277	1,298	25.23
Mutual funds	203	203	3.75	122	122	2.40
Certificate of Deposit	117	117	2.17	283	283	5.59
Commercial Paper	-	-	-	24	24	0.48
Fixed deposits with banks	240	240	4.44	300	300	5.94
Total (B)	2,562	2,580	47.39	2,006	2,027	39.64
Grand total (A+B)	5,406	29,737	100.00	5,062	26,231	100.00

Equity investments

Strategic/group investments

BHIL subsequent to the demerger in 2007-08, is holding strategic/group investments, the position of which as on 31 March 2014 is set out in Table 3.

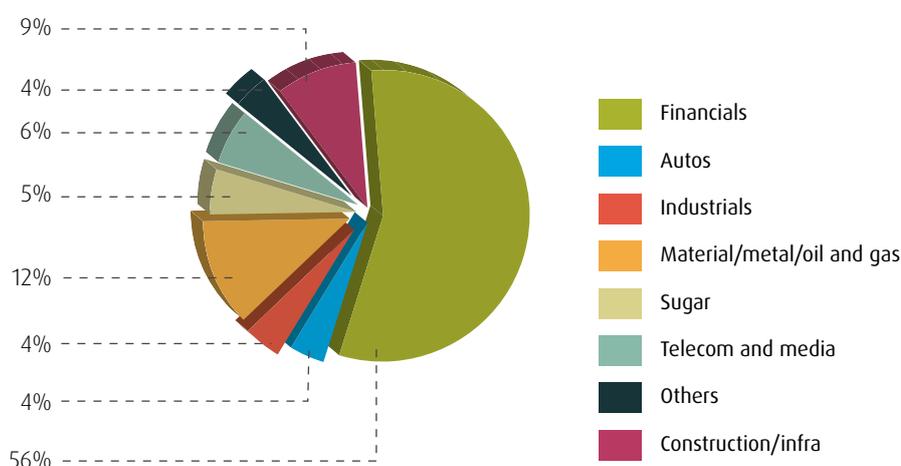
Table 3: Position of strategic/group investments held by the Company as on 31 March 2014

Equity shares held in	(₹ In Crore)	
	Cost	Market value
Bajaj Auto Ltd.	286.22	18,985.55
Bajaj Finserv Ltd.	743.82	4,910.67
Bajaj Auto Holdings Ltd.	0.25	0.25
Maharashtra Scooters Ltd.	0.24	124.92
Bajaj Electricals Ltd.	111.77	485.24
Mukand Ltd.	32.89	19.08
Hercules Hoists Ltd.	12.34	72.17
Mukand Engineers Ltd.	0.10	0.14
Total	1,187.63	24,598.02

Other equities

The investment policy deals with investments other than strategic ones. It limits 'Other equities' to 60% at cost, with fixed income investments being at least 40%. This allows for a fair balance of liquidity and return. The Company invests in equities with a 3-5 year holding horizon though it has held some stocks for more than 10 years where it believes there is still value remaining. The Chart A below shows the sector specific stock allocation as on 31 March 2014.

Chart A: Sectoral allocation of other equities (at cost)



BHIL equities portfolio (excluding group investments) is a combination of listed and unlisted investments. Listed investments dominate the pie with a 76.8% share as BHIL believes in managing its liquidity risk while generating returns from growth investments. The Company selectively invests in a few high quality PE opportunities. These are companies which have

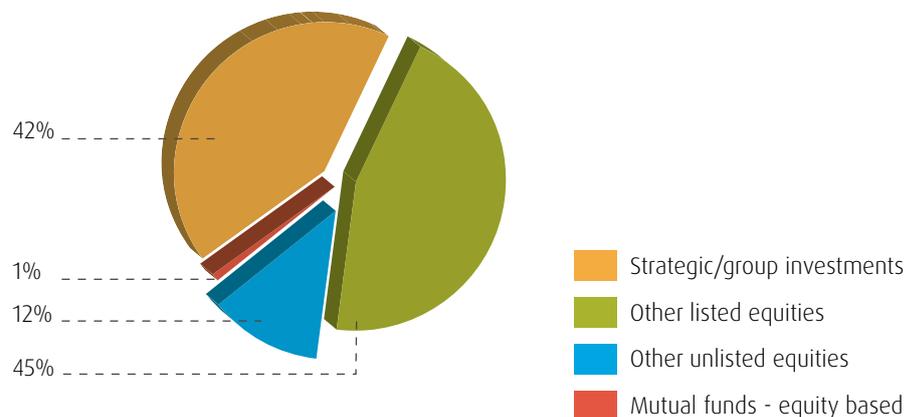
reached a profitable stage in their growth and are 3-4 years away from listing. While the Company evaluated a few deals in the year, no investments were made. The significant PE investments so far are in NSE, BSE, NMCE and CARE (listed subsequently).

By end FY2013 it was amply clear that the RBI would tighten monetary policy and the Fed would move towards tapering. Given the poor economic performance and high interest rates, BHIL used the market rallies to book gains especially in Q1 FY2014 and Q3 FY2014 as it believed that some of its investments were trading above medium term fair market value. BHIL reduced its exposure to equities to 39.3% at cost by end FY2014 from 48.3% as of end FY2013 thus raising cash balances in light of an uncertain economic recovery as the country faced challenges from current account deficit and also fiscal deficit. BHIL booked profits by part selling its investments like ICICI Bank, Axis Bank, L&T, AIA Engineering. Overall profit on sale of investments was ₹ 80.50 crore during the year. The Company also reduced its holding of some core sector companies and booked losses of ₹ 16.12 crore. The Company parked its cash balances in fixed income securities and has the flexibility to draw upon to re-invest the same in equities.

BHIL equities portfolio (excluding group) generated returns of 15.9% for FY2014 underperforming the SENSEX but outperforming the BSE Midcap Indices. BHIL equities portfolio has a high weight in financials (56% of equities portfolio) as a proxy for growth in the domestic economy. Various investments like ICICI Bank, L&T, Container Corporation, AIA Engineering outperformed the markets during the year. The Company's investments in CARE and IL&FS Transportation underperformed the markets due to lack of policy impetus.

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

Chart B: Composition of equity investments (at cost)



Total non-strategic equity investments (at cost), as on 31 March 2014 stands at ₹ 1,656 crore which is 39.3% against the Board mandate of maximum upto 60%.

Fixed income investments

Fixed income market witnessed high level of volatility during the year with wild swings in benchmark 10 year government bond yields. The 10 year bond started the year at a yield of 7.95%, saw a low of 7.15% and high of 9.53%, before closing the year at 8.84%. In the first quarter, bond market rallied as inflation (WPI) cooled off and the RBI reduced repo rate by 25 bps to 7.25%. Global market especially emerging markets turned negative post the Fed chairman indicating reversal in quantitative easing in May 2013. In July 2013, RBI took aggressive liquidity tightening measures effectively increasing short-term rates by 3% which spooked bond

market. In November 2013, RBI announced measures to increase dollar inflow through FCNR deposits which stabilised our currency over the months. The major structural change that RBI brought in was a shift towards CPI from WPI for its monetary policy assessment and inflation targeting. In addition RBI hiked repo rate by 75 bps to 8.00% to curb inflationary expectation.

The movement in bond markets is given in Table 4.

Table 4: Movement in bond markets

Particulars	31 March 2014	31 March 2013	Change
10 year Government security	8.84%	7.95%	+0.89%
5 year Corporate bond	9.56%	8.82%	+0.74%
5 year credit spread (bps)	52	70	-18
1 year Certificate of Deposit	9.30%	8.80%	+0.50%

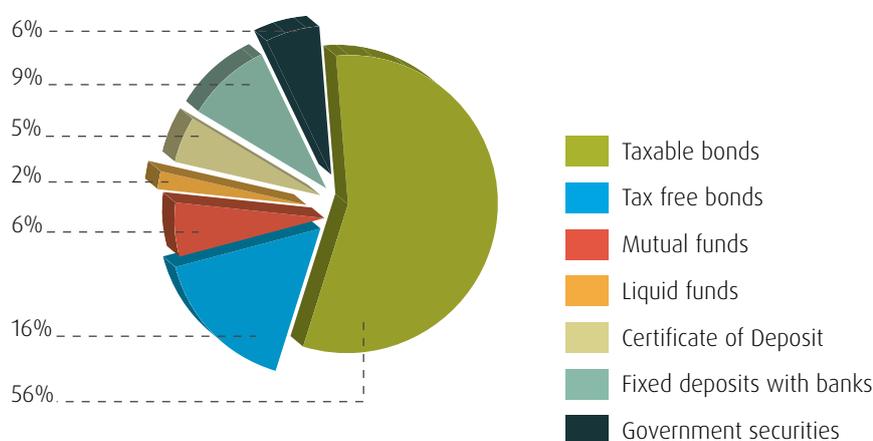
For BHIL, the highlight for the year was sizeable increase in investment in corporate bonds, government securities and tax free bonds. In Q1 FY2014, as the bond market rallied beyond our expectations and yields became unattractive, the Company largely remained in cash and reduced duration. Post July 2013 as bond yields hardened due to measures taken by RBI to curb liquidity and currency movement, BHIL deployed cash aggressively. Most of the investments in bonds, government securities and tax free bonds were done in Q2 and Q3 FY2014. As a result, short-term portfolio reduced and average maturity of portfolio increased from 2.5 years to 4.0 years. At the year end, portfolio's yield to maturity was 9.68%.

The results of above strategy were evident by year end. BHIL fixed income portfolio for FY2014 delivered a total return of 9.40% against the benchmark CRISIL bond fund index of 4.34%.

Fixed income portfolio was concentrated at 56% in highly liquid corporate bonds of credit rating of AA+ and above.

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

Chart C: Composition of fixed income portfolio (at cost)



As on 31 March 2014, the allocation of investments in fixed income securities (at cost) stood at ₹ 2,562 crore, i.e. 60.7% of the surplus funds.

Consolidated results

Consolidated financial results include results of companies shown in Table 5.

Table 5: Consolidated entity – Bajaj Holdings & Investment Ltd.

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

With the underlying group companies, especially Bajaj Auto Ltd., delivering good results, the consolidated results of Bajaj Holdings & Investment Ltd. have also been good. The consolidated financials of BHIL, including its subsidiary, associates and joint venture are given in Table 6:

Table 6: Summarised consolidated financials of Bajaj Holdings & Investment Ltd.

Particulars	₹ In Crore)	
	FY2014	FY2013
Total revenue	427.72	339.46
Income from associates after tax	1,669.11	1,602.69
Profit before tax	2,068.68	1,924.71
Profit for the year	1,987.56	1,856.38

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 7: Summary financial results

Particulars	₹ In Crore)	
	FY2014	FY2013
Total revenue	2.25	6.08
Profit before tax	2.19	6.00
Profit for the year	1.49	4.79
Profit attributable to BHIL (100%)	1.49	4.79

Associates

Bajaj Auto Ltd. (BAL)

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

Table 8: Summary consolidated financial results

Particulars	₹ In Crore	
	FY2014	FY2013
Total revenue	20,840.10	20,839.12
Profit before tax	4,800.39	4,361.04
Profit for the year	3,380.28	3,132.69
Profit attributable to BHIL (31.49%)	1,064.43	986.46

Bajaj Finserv Ltd. (BFS)

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

Table 9: Summary consolidated financial results

Particulars	₹ In Crore	
	FY2014	FY2013
Total revenue	6,024.99	5,073.18
Profit before tax	2,901.61	2,708.11
Profit for the year	1,544.08	1,573.64
Profit attributable to BHIL (39.16%)	604.68	616.23

Joint venture

Maharashtra Scooters Ltd. (MSL)

The summary of financial results of MSL is given below:

Table 10: Summary of financial results

Particulars	₹ In Crore	
	FY2014	FY2013
Total revenue	57.53	59.92
Profit before tax	47.60	48.84
Profit for the year	47.60	48.84
Profit attributable to BHIL (24%)	11.42	11.72

Cautionary statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global economy, political stability, stock performance on stock markets, changes in government regulations, tax regimes, economic developments and other incidental factors. Except as required by law, the Company does not undertake to update any forward-looking statements to reflect future events or circumstances. Investors are advised to exercise due care and caution while interpreting these statements.

Corporate Governance

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

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

Given below are the Company's corporate governance policies and practices for the year 2013-14.

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

SEBI vide its Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17 April 2014 has notified the revised clause 49 of the listing agreement to be applicable with effect from 1 October 2014. This Report therefore states compliance against the previous clause 49 of the listing agreement, applicable for the year 2013-14.

Board of Directors

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

Composition

As on 31 March 2014, the Board of the Company consisted of eleven directors, of whom one was executive (Managing Director), four were non-executive non-independent directors and six were non-executive independent directors including one woman director. The Board had no institutional nominee director.

The Company has a Non-executive Chairman.

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

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for 2013-14

Name of director	Category	Meetings attended	Whether attended last AGM on 19 July 2013
Rahul Bajaj	Chairman, non-executive	6/6	Yes
Madhur Bajaj	Non-executive	6/6	Yes
Rajiv Bajaj	Non-executive	6/6	Yes
Sanjiv Bajaj	Managing Director, executive	6/6	Yes
D J Balaji Rao	Non-executive, independent	5/6	Yes
S H Khan	Non-executive, independent	5/6	Yes
Nanoo Pamnani	Non-executive, independent	6/6	Yes
Manish Kejriwal	Non-executive	6/6	Yes
Naresh Chandra	Non-executive, independent	6/6	Yes
P Murari	Non-executive, independent	5/6	No

Note: Dr. Gita Piramal was appointed w.e.f. 28 March 2014 as non-executive, independent director.

Non-executive directors' compensation

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

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

The meeting of the Board held on 28 March 2014 approved revision in the sitting fees payable to the directors as ₹ 50,000 per meeting of the Board and its Committees attended by the non-executive directors as members, to be effective from 1 April 2014 or from the effective date of the Rules in this regard, whichever is later.

Board procedures

During 2013-14, the Board met six times: 16 May 2013, 19 July 2013, 24 September 2013, 16 October 2013, 16 January 2014 and 28 March 2014. The gap between any two meetings has been less than four months.

Information supplied to the Board

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

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

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

Directorships and memberships of Board Committees

Details of directorships and memberships in the various committees as held by the directors of the Company are given in Table 2 below.

Table 2: Number of directorships/committee positions of directors as on 31 March 2014

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

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

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

Review of legal compliance reports

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

Code of conduct

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

All directors and senior management personnel have affirmed compliance with the code for the year 2013-14. A declaration to this effect signed by the Managing Director is given in this Annual Report.

Audit Committee

Constitution and composition

BHIL, as erstwhile Bajaj Auto Ltd., set up its Audit Committee way back 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 in order to comply with various requirements under the Companies Act, 1956, clause 49 of the listing agreement and NBFC regulations.

The Audit Committee consisted of the following members as on 31 March 2014:

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 2013-14, the Audit Committee met four times: 16 May 2013, 19 July 2013, 16 October 2013 and 16 January 2014. The meetings were scheduled well in advance. In addition to the members of the Audit Committee, these meetings were attended by the heads of finance and internal audit functions, the statutory auditors of the Company and those executives who were considered necessary for providing inputs to the Committee.

The Company Secretary acted as the secretary to the Audit Committee.

Table 3: Composition of the Audit Committee and attendance record of members for 2013-14

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

Disclosures

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

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

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

Remuneration and Nomination Committee

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

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

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

The Remuneration and Nomination Committee consisted of the following members as on 31 March 2014:

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

During the year under review, the Committee met on 16 May 2013 and 28 March 2014. All the members of the Committee attended these meetings, except that S H Khan sought leave of absence from attending the meeting held on 28 March 2014.

At the meeting held on 28 March 2014, the Committee recommended appointment of Dr. Gita Piramal as an additional director, in the capacity of non-executive independent director. The Committee also considered and recommended the appointment of the existing independent directors under clause 49 as 'independent directors' pursuant to Companies Act, 2013, subject to approval of shareholders. The Committee also recommended induction of Board members for constituting the Corporate Social Responsibility Committee of the Company.

The Committee further noted that pursuant to the provisions of the Companies Act, 2013, the status of Rahul Bajaj and Rajiv Bajaj has now become as retiring director and that Rahul Bajaj is due for retirement by rotation at the ensuing annual general meeting. The Committee recommended for the consideration of the Board the re-appointment of Rahul Bajaj having ascertained and ensured his 'Fit and Proper' status.

Remuneration of directors

Pecuniary relationship or transactions of non-executive directors

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

The register of contracts is maintained by the Company under section 301 of the Companies Act, 1956 and which 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 and as updated in the meeting held on 28 March 2014 have been put on the Company's website www.bhil.in

Managing Director

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

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

Non-executive directors

Non-executive directors are paid sitting fees and commission as stated earlier in this Report. Details of the remuneration paid or payable to directors during the year 2013-14 is stated in Table 4.

Remuneration to directors during the year

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

In 2013-14, the Company did not advance any loans to any of the non-executive directors and/or Managing Director. Table 4 gives details of the remuneration paid or payable to the directors during the year 2013-14.

Table 4: Remuneration paid/payable to directors for 2013-14

(Amount In ₹)

Name of director	Relationship with other directors	Sitting fees	Salary and perquisites	Commission	Total
Rahul Bajaj	Father of Rajiv Bajaj and Sanjiv Bajaj, father-in-law of Manish Kejriwal	160,000	—	400,000	560,000
Madhur Bajaj	—	120,000	—	300,000	420,000
Rajiv Bajaj	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	120,000	—	300,000	420,000
Sanjiv Bajaj	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	—	16,825,355	33,300,000	50,125,355
D J Balaji Rao	—	140,000	—	350,000	490,000
S H Khan	—	200,000	—	500,000	700,000
Nanoo Pamnani	—	260,000	—	650,000	910,000
Manish Kejriwal	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	220,000	—	550,000	770,000
P Murari	—	120,000	—	300,000	420,000
Naresh Chandra	—	240,000	—	600,000	840,000

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

Shares held by non-executive directors

The non-executive directors as on 31 March 2014, who held shares in the Company, are as under:

Table 5: Shares held by non-executive directors

Name of director	Number of shares held as on 31 March 2014
Rahul Bajaj	5,130,285
Madhur Bajaj	1,863,616
Rajiv Bajaj	1,323,050
Manish Kejriwal	100

Management

Management discussion and analysis

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

Disclosure of material transactions

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

Compliances regarding insider trading

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

Shareholders

Appointment and/or re-appointment of directors

During the year under review, Dr. Gita Piramal was appointed as an Additional Director in the category of non-executive, independent director of the Company, in the meeting of the Board held on 28 March 2014, to hold office upto the date of the ensuing Annual General Meeting (AGM) of the Company. Resolution for appointment of Dr. Gita Piramal is put up for the approval of shareholders in the Notice of AGM.

Pursuant to the provisions of the Companies Act, 2013 which have been enacted with effect from 1 April 2014, Dr. Gita Piramal, if appointed at the forthcoming AGM shall be an 'independent director' under the said Act for a period of 5 years with effect from the date of the AGM.

In light of the provisions of the Companies Act, 2013, Rahul Bajaj has now become a retiring director, thus Rahul Bajaj retires from the Board by rotation this year and being eligible, offers himself for re-appointment.

Pursuant to section 149(4) of the Companies Act, 2013, every listed company is required to appoint at least one third of its directors as independent directors. The Board already has one half of its directors in the category of independent directors in terms of the provisions of clause 49 of the listing agreement. The Board therefore, in its meeting held on 28 March 2014 appointed the existing independent directors under clause 49 as 'independent directors' pursuant to Companies Act, 2013, subject to approval of shareholders.

As required under the said Act and the Rules made thereunder, the same is now put up for approval of shareholders at the ensuing annual general meeting. Necessary details have been annexed to the Notice of the meeting in terms of section 102(1) of the Companies Act, 2013.

The information as required to be disclosed under clause 49 of the listing agreement in case of appointment/re-appointment of directors is provided in the Notice of the ensuing annual general meeting.

More details on the same have been furnished in the Directors' Report.

Communication to shareholders

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

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

Ministry of Corporate Affairs as a 'Green Initiative in the Corporate Governance' issued 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 during the year under review sent documents, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form at the email addresses provided by the shareholders and made available to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continue to get the same in physical form, upon request.

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

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

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

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

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

Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the Annual General Meetings, if any
66th AGM	14 July 2011 at 4.00 p.m	Approving payment of commission to non-executive directors, which will be valid upto 31 March 2016
67th AGM	18 July 2012 at 4.15 p.m.	Approving appointment of Sanjiv Bajaj as Managing Director of the Company for a term of five years commencing from 1 April 2012 till 31 March 2017 and fixing his remuneration, based on the recommendation made by the Remuneration and Nomination Committee.
68th AGM	19 July 2013 at 4.15 p.m.	No special resolutions were passed

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

Material disclosure of related party transactions

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

Details of capital market non-compliance, if any

There was no non-compliance by the Company of any legal requirements; nor has there been any penalty, stricture imposed on the Company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets during the last three years.

Shareholders' and Investors' Grievance Committee

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

The Committee consisted of three non-executive independent directors and one non-independent non-executive director as on 31 March 2014, as mentioned below:

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

During the year under review, the Committee met on 28 March 2014 to review the status of investors' services rendered. All members, except S H Khan were present at the meeting. The secretarial auditor as well as the Company Secretary (who is also the compliance officer) were also present at the meeting. The Committee expressed its whole-hearted satisfaction on the overall status of compliances and actions taken on various matters.

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

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

CEO/CFO certification

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

Report on corporate governance

This chapter, read together with the information given in the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on corporate governance during 2013-14. The Company has been regularly forwarding the quarterly compliance report to the stock exchanges as required under clause 49 of the listing agreement.

Auditors' certificate on corporate governance

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

Compliance of mandatory and non-mandatory requirements under clause 49

Mandatory

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

Non-mandatory

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

1. The Board

A Chairman's office has been made available for the Non-executive Chairman.

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

2. Remuneration Committee

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

3. Shareholder rights

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

4. Audit qualifications

There are no qualifications in the financial statements of the Company for the year 2013-14.

5. Whistle blower policy

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

General Shareholder Information

Annual General Meeting

Date	17 July 2014
Time	4.15 p.m.
Venue	Registered office at Mumbai-Pune Road, Akurdi, Pune 411 035

Financial calendar

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

Dividend

The Board of Directors of the Company has proposed a dividend of ₹ 30 per equity share (300 per cent) for the financial year 2013-14, subject to approval by the shareholders at the ensuing annual general meeting. Dividend paid in the previous year was ₹ 25 per equity share (250 per cent).

Dates of book closure

The register of members and share transfer books of the Company will remain closed from Saturday, 5 July 2014 to Thursday, 17 July 2014, both days inclusive.

Date of dividend payment

Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 21 July 2014 and 22 July 2014:

- to all those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Friday, 4 July 2014; 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 close of business hours on Friday, 4 July 2014.

Payment of dividend

Dividend will be paid by account payee/non-negotiable instruments or through the National Electronic Clearing Service (NECS), as notified by the SEBI through the stock exchanges.

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

Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated 21 March 2013 has stipulated that all listed companies shall use approved electronic mode of payment viz., ECS, NECS, NEFT etc., for the purpose of making payments to the shareholders. **All the shareholders are requested to immediately update their Bank Account No. with 9-digit MICR Code (either Bank Account No. or 9-digit MICR No. or both), if the same has not been updated with the Company's share transfer agent or the depository participant, as the case may be.**

Unclaimed dividends

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

As per section 205-C of the Companies Act, 1956, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the Investor Education and Protection Fund (Fund) set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1995-96 to 2005-06 were transferred by the Company to the said Fund in the years 2003 to 2013. No claims shall lie against the Fund or the Company in respect of amounts so transferred.

Unpaid/unclaimed dividend for 2006-07 shall become transferable to the Fund in September 2014. A separate reminder letter is sent to such shareholders for whom the dividend is unpaid for the financial year 2006-07. Shareholders are requested to verify their records and send claims, if any, before the amount becomes due for transfer to the Fund.

Further, the Ministry of Corporate Affairs (MCA) vide its notification dated 10 May 2012 prescribed the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 which mandates all the companies to file the particulars of all the unclaimed and unpaid amounts through eForm 5 INV on the web portal of Ministry of Corporate Affairs (<http://www.iepf.gov.in/IEPF/index.html>) and subsequently also upload the data on the website of the Company. During the year under review, the Company has accordingly filed the necessary Forms on 16 September 2013 for the financial year ended 31 March 2013. The details of unclaimed dividends for the financial years 2005-06 to 2011-12 have been uploaded on the Company's website www.bhil.in

Share transfer agent

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

All physical transfers, transmission, transposition, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants etc. as well as requests for dematerialisation/rematerialisation are being processed in periodical cycles at Karvy. The work related to dematerialisation/rematerialisation is handled by Karvy 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 2013-14 was 11,822 shares versus 1,048,304 shares during 2012-13.

Dematerialisation of shares

During 2013-14, 353,183 shares were dematerialised, compared to 1,545,160 shares during 2012-13. Shares held in physical and electronic mode as on 31 March 2014 are as given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2014		Position as on 31 March 2013		Net change during 2013-14	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	9,091,979	8.17	9,444,522	8.49	(352,543)	(0.32)
Demat						
NSDL	99,510,952	89.41	99,220,054	89.15	290,898	0.26
CDSL	2,690,579	2.42	2,628,934	2.36	61,645	0.06
Sub total	102,201,531	91.83	101,848,988	91.51	352,543	0.32
Total	111,293,510	100.00	111,293,510	100.00	-	-

Global Depository Receipts (GDRs)

The Company issued Global Depository Receipts (GDRs) in 1994 and the underlying shares against each GDR were issued in the name of the overseas depository i.e. Deutsche Bank Trust Company Americas. As on 31 March 2014, 280,420 GDRs were outstanding and represented an equal number of underlying equity shares.

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

Stock code

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

Listing on stock exchanges

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

Name	Address
1. BSE Ltd., Mumbai	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 2013-14, the listing fees payable to these stock exchanges were paid in full.

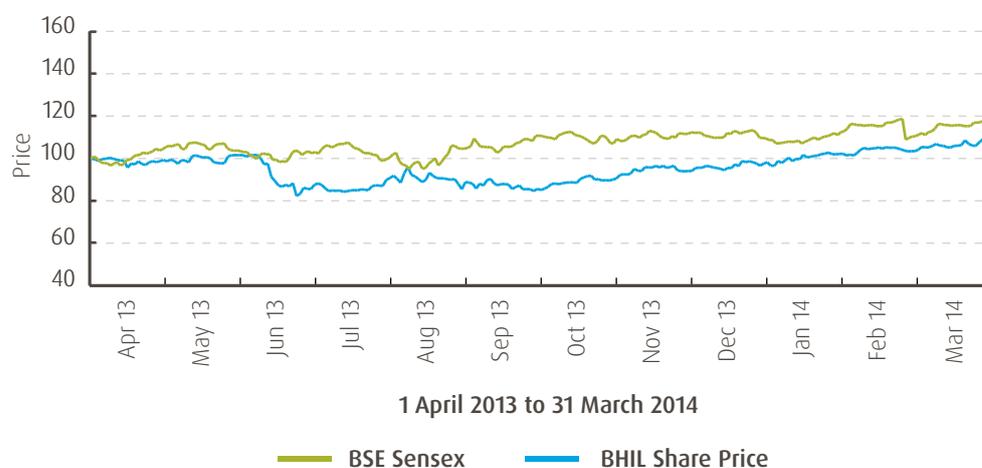
Market price data

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

Table 2: Monthly highs and lows of equity shares of Bajaj Holdings & Investment Ltd. during 2013-14 (₹) vis-à-vis BSE Sensex

Month	BSE		NSE		LONDON SE (GDRs)		Closing BSE Sensex
	High	Low	High	Low	High	Low	
Apr 13	924.50	841.00	927.90	865.00	1,255.60	811.92	19,504.18
May 13	939.00	883.00	938.45	880.85	836.16	811.92	19,760.30
Jun 13	936.90	745.00	936.50	748.00	892.67	829.80	19,395.81
Jul 13	842.00	743.75	844.00	748.00	846.79	775.19	19,345.70
Aug 13	884.75	768.00	898.80	781.00	963.55	846.21	18,619.72
Sep 13	835.00	767.55	942.00	770.00	948.22	864.85	19,379.77
Oct 13	840.80	771.00	839.00	773.00	899.84	847.87	21,164.52
Nov 13	905.00	778.70	904.80	821.05	926.76	896.64	20,791.93
Dec 13	910.00	845.30	919.95	850.15	907.41	802.75	21,170.68
Jan 14	950.00	870.00	950.00	865.00	820.32	799.70	20,513.85
Feb 14	967.00	910.25	966.00	901.35	838.76	804.15	21,120.12
Mar 14	1,040.00	936.05	1,045.00	935.00	919.99	834.31	22,386.27

Bajaj Holdings & Investment Ltd. Vs BSE Sensex, indexed to 100 to 1 April 2013



Distribution of shareholding

Table 3 gives details about the pattern of shareholding among various categories as on 31 March 2014, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholding across categories

Categories	31 March 2014		31 March 2013	
	No. of Shares	% to total capital	No. of Shares	% to total capital
Promoters	44,705,440	40.17	44,705,440	40.17
Friends and associates of promoters	14,615,882	13.13	14,795,362	13.29
GDR*	280,420	0.25	304,675	0.27
Foreign institutional investors	17,816,683	16.01	14,967,553	13.45
Public financial institutions	8,321,757	7.48	8,321,433	7.48
Mutual funds	2,079,757	1.87	2,935,356	2.64
Nationalised and other Banks	98,700	0.09	111,547	0.10
NRIs and OCBs	591,505	0.53	640,239	0.58
Others	22,783,366	20.47	24,511,905	22.02
Total	111,293,510	100.00	111,293,510	100.00

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

Table 4: Distribution of shareholding according to size class as on 31 March 2014

No. of equity shares	Number of shareholders	% to total shareholders	Number of shares	% to total shares
1 to 500	44,261	91.44	2,505,698	2.25
501 to 1000	1,469	3.04	1,075,413	0.97
1001 to 2000	979	2.02	1,405,106	1.26
2001 to 3000	464	0.96	1,165,536	1.04
3001 to 4000	244	0.50	858,023	0.77
4001 to 5000	164	0.34	753,334	0.68
5001 to 10000	361	0.75	2,513,932	2.26
10001 and above	460	0.95	101,016,468	90.77
Total	48,402	100.00	111,293,510	100.00

Shareholders' and investors' grievances

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

During the year, letters were received from SEBI/ROC/Stock Exchanges/Investors concerning 18 complaints filed by the shareholders on various matters. In respect of each of these complaints, replies were sent to SEBI/ROC/Stock Exchanges/Investors in the prescribed format, as the case may be and no action remained to be taken at the Company's end.

Demat suspense account with HDFC Bank

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

Accordingly, during the year 2011-12, Company had sent three reminders to these shareholders, followed by opening of the said suspense account with HDFC Bank. After completing the necessary formalities 17,947 shares held by 100 shareholders were transferred to the said suspense account in April 2012.

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in clause 5A of the listing agreement. The summary of this account for the year 2013-14 is as follows:

Sr.No.	Particulars	No. of shareholders	Outstanding shares
i.	Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 April 2013	100	17,947
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2013-14	5	640
iii.	No. of shareholders whom shares were transferred from the Unclaimed Suspense Account during the year 2013-14	5	640
iv.	Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 March 2014	95	17,307

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 (SH-13) will be sent by the share transfer agent of 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.

Voting through electronic means

Pursuant to section 108 of the Companies Act, 2013 and the Rules made thereunder, every listed company is required to provide its members facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with Karvy Computershare Pvt. Ltd., the authorised agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of annual general meeting, through such e-voting method.

E-voting shall be open for a period of three (3) days, from 11 July 2014 (9.00 a.m.) till 13 July 2014 (6.00 p.m.). The Board has appointed Shyamprasad Limaye, Practising Company Secretary as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice of the Sixty Ninth annual general meeting and also placed on the website of the Company.

Shareholders may get in touch with the Company Secretary for further assistance.

Address for correspondence

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

Karvy Computershare Pvt. Ltd.

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

Contact persons

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

Bajaj Holdings & Investment Ltd.

Bajaj Auto Ltd. Complex
Mumbai-Pune Road
Akurdi
Pune - 411 035

Compliance Officer

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

Report on Corporate Social Responsibility (CSR)

Preamble

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

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

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

Companies Act, 2013

Section 135(1) of the Companies Act, 2013 stipulates that every company having net worth of ₹ 500 crore or more or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Since the Company is covered under this provision, the Board at its meeting held on 28 March 2014 has constituted 'Corporate Social Responsibility Committee' (CSR Committee).

Further, as stipulated under section 135(3) of the Act, the terms of reference of the CSR Committee shall be, inter alia, to -

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

As per section 135(5), the Company needs to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The CSR Committee, in its functioning, will take into account the provisions of Companies Act, 2013 and Companies (CSR Policy) Rules, 2014, which have come into force from 1 April 2014.

Since the mandatory CSR expenditure and other relevant provisions become effective only from the year 2014-15, the Report for the year 2013-14 is made as per practice followed in the previous years.

Report

Some of the major initiatives that continued and/or that were taken up anew by the Bajaj Group through its Trusts/Group NGOs/Social and Charitable Organisations during the year under review are summarised here:

1. Jamnalal Bajaj Seva Trust

Soon after the demise of Jamnalalji in 1942, as per his wishes, the first charitable Trust, Jamnalal Bajaj Seva Trust was established, with an initial corpus of ₹ 500,000, which was Jamnalalji's share of the family wealth.

International Sarvodaya Centre – Vishwaneedam

In 1960, at the suggestion of Acharya Vinoba Bhave, the Trust purchased about 400 acres of land on the outskirts of Bangalore to establish the International Sarvodaya Centre – Vishwaneedam to promote agriculture, dairy development and rural development and to train local women and youth for self-employment by providing them training in Tailoring, Computers and Knitting. The Trust continued to run Balwadis, Gaushalas and English speaking courses.

Kamalnayan Bajaj Hall and Art Gallery

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

Balwadi

A 'Balwadi' is a pre-school, where underprivileged children are taught by trained teachers. The Trust continued to run nine Balwadis, i.e. Bal Sanskar Kendras, in rural areas for poor children below six years of age.

Hamaara Sapna project

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

- To transform the lives of women beneficiaries residing in the slums of South Mumbai, through the application of the three 'Es': Education, Empowerment and Entrepreneurship
- To create an effective and valuable attitudinal change
- To foster the aspirations of women
- To encourage and implement skill enhancement, livelihood and intervention programmes
- To provide a platform to conduct small scale enterprises
- To emphasise equal access for one and all

2. Jannalal Bajaj Foundation (JBF – Foundation)

In 1976, the Jannalal Bajaj Foundation was established to promote Gandhian constructive programmes and assist constructive workers who have devoted themselves to the national cause.

Awards

The Foundation gives four awards annually – each of the value of ₹ 5 lakh. Of these, three are given to individuals in India:

- For outstanding contribution in the field of constructive work on Gandhian lines
- For application of science and technology for rural development
- For upliftment and welfare of women and children

The fourth one is an international award given to individuals other than Indian citizens from foreign countries for their contribution to the promotion of Gandhian values outside India.

Other charitable activities

The Foundation has given donations to various Institutions/NGOs from time to time for strengthening their various community welfare activities and charitable objects of welfare of general public utility based on Gandhian philosophy and ideals.

3. Jankidevi Bajaj Gram Vikas Sanstha (JBGVS)

Rural and urban development activities of JBGVS

Introduction

The Group continued its rural and urban development activities through Jankidevi Bajaj Gram Vikas Sanstha (JBGVS) in 75 villages -41 villages in Pune, 13 villages in Aurangabad and 10 in Wardha district, all in Maharashtra and 11 villages in Sikar district of Rajasthan. Those activities have touched the lives of 60,000 people living in rural areas, most from economically weaker sections of society comprising scheduled castes, scheduled tribes and other backward classes. The first Samaj Seva Kendra (SSK) was formed by the Company in 1975, in Pune. It is now a part of JBGVS. It provides self-development facilities to the people, particularly women and children, of Akurdi, Chinchwad and Nigdi areas in Pune. In view of the positive response received by it, JBGVS has opened two more Samaj Seva Kendras, one each at Aurangabad in Maharashtra and other at the village of Kashi ka Bas in Sikar district of Rajasthan.

Rural development

Coverage

Improving the quality of life and economic well-being of people living in relatively isolated and sparsely populated areas has been the focus of JBGVS. JBGVS centres its implementation of integrated rural development broadly in five areas, viz,

- Primary education,
- Primary health care,
- Economic development,
- Environment, and
- Social development.

The implementation of these activities is through partnership with villagers, gram panchayats and other village level institutions like co-operative dairy, women's self help groups, etc.

JBGVS plays a catalyst's role. The outsider may not fully understand the setting, culture and other things prevalent in the local area. To that extent, the villagers themselves participate in sustainable rural development which helps successful implementation. In order to maximise the flow of funds in the project villages, JBGVS brings together the villagers, local institutions and Government agencies. During the year, JBGVS co-partnered with 26,000 BPL and poor families and 20,000 SC/ST/NT/OBC families.

Primary education

Non-formal education: JBGVS observed that even after near 100% enrolment in primary schools, there was a clear lack of engagement in schooling. Hence it felt the need for programmes of non-formal education. JBGVS used senior students in the villages for this purpose. As a result, it undertook such non-formal education activities that would generate sufficient interest among the students about schooling, as well as result in improvement in their IQ.

School sanitation complex: JBGVS constructed 11 school sanitation complexes, separate for boys and girls. This was done in partnership with the Government and other NGOs. Hearteningly, this has resulted in significant improvement in attendance, particularly by female students. Besides, a school child educated about the benefits of sanitation and good hygiene behaviour is a conduit for carrying those messages far beyond the school walls, bringing lasting improvement to a community's hygiene practices.

E-learning: E-Learning is referred to as teaching and learning by using electronic media. This methodology supports the use of communications technology in teaching and learning. While conventional training has more immediate benefits, e-learning has its own positive impact and makes education pictorial, informative, elaborate, easier and hence more interesting for the students. JBGVS formulated a project to establish e-learning in 1,000 schools.

Inaugurated by Rahul Bajaj, Chairman, Bajaj Auto Ltd, on 25 February 2014, e-learning has already been introduced and installed in 50 schools in Pune, Aurangabad and Wardha until end of March 2014. These schools are provided with CDs of the entire school syllabus from 1st to 10th standard, a laptop and television projector. All concerned teachers have been trained in its operation. Expected to reduce absenteeism and/or the number of dropouts and heighten interest in schooling, the e-learning project has broad scope in the near future. JBGVS believes that it will definitely help fill the gap between educated developed cities and rural undeveloped areas.

Ongoing activities: JBGVS also undertook activities like debates, group discussions, drawing competitions, various sports competitions and outdoor camps. These activities reinforce JBGVS's belief in placing the child and its personality at the centre of the entire edifice of education.

Primary health care

Polio-free India: JBGVS believes that 'prevention is better than cure' and to that end it has been operating all its health care programmes in order to allow people access to better primary health care. JBGVS, through its Multi Purpose Workers (MPW) in the villages, actively assisted the Government health machinery in administering pulse polio doses. By visiting each household these MPWs ensured that every eligible child received the pulse polio dose. No polio case has been recorded in any of the villages where JBGVS operates.

Mother and child health (MCH): Health care of mothers and children needs major consideration. JBGVS undertook various activities like health check-up camps, mobile clinic services, hygiene and sanitation programmes, awareness and training programmes on malnutrition and use of nutritious food (using local materials), that supported the Village Child Development Centre (VCDC). JBGVS conducted 116 health camps that benefitted 4,550 patients. The activities, which ranged from training for adolescent girls, registration and regular check-up of pregnant mothers, to delivery at hospitals, immunisation of infants and post-delivery care of the mother and the baby, resulted in zero malnourishment. (IMR- 1:1,000, CMR- Nil, MMR- 1:1 lakh)

Training and subsidised treatment support to poor: In Pune area (surrounding villages in Maval and Khed taluka), JBGVS provides mobile clinic services at the doorstep, once a week. Patients are also referred to hospitals for further treatment.

JBGVS works closely with Vinoba Bhave Hospital at Wardha; 35 HIV/AIDS awareness programmes were organised in which 1,035 women participated. First Aid Training was also organised for 70 Multi Purpose Workers (MPWs) at Aditya Birla Hospital in Pune.

Linkages have also been established with local PHs, Grameen Rugnalayas and hospitals like Acharya Vinoba Bhave Hospital, Kamalnayan Bajaj Hospital, Aurangabad and Aditya Birla Hospital, Pune for subsidised treatment for poor patients.

Economic development

NABARD Aamrai: In order to promote sustainable rural and agricultural practices, JBGVS, in partnership with National Bank for Agriculture and Rural Development (NABARD), has been implementing a Tribal Development Project for 1,000 tribal families in Pune district. Nine hundred families have developed orchards (mango and aonla) on one acre of wasteland, each. The first lot of mango trees on 340 acres has started yielding fruits. The remaining 100 landless families have been given goats, cows and buffaloes to enhance their family income.

Natural farming – Saving Mother Earth: Natural farming, which can also be described as ecological farming, is an important initiative of JBGVS executed in partnership with Magan

Sangrahalaya Samittee, Wardha, it aims at saving Mother Earth from the uncontrolled use of chemical fertilisers and pesticides. As many as 2,100 farmers in 15 villages in Wardha have taken to natural farming. This project has created a positive impact on the health of the farmland as well as on the economic status of the farmers.

Non-farm agro based activities: Erratic rainfall and drought push farmers to non-farm agro based activities, which often turn out to be a supplementary source of income. JBGVS promoted modern agricultural and horticultural practices, small irrigation systems, new types of seed and fertilisers, organic agriculture, dairy, goatery, etc. A total of 5,000 people have been benefitted. JBGVS has given 97 goats to very poor families and under the Kamdhenu project 11 high yielding cows were given to 11 farmers. 45 persons have been given seed money to start their own business.

Vocational skill development training: Vocational skill development training is an important instrument for improving productivity and working conditions and can provide better employment and self-employment opportunities. JBGVS organised 36 vocational training programmes in many areas, particularly in dairy, poultry, goatery and non-farm areas like tailoring, fashion designing, etc. A total of 520 youth participated in these training programmes.

Environment

Water conservation for drinking as well as irrigation: It is important to seek out, find and start using all the innovative conservation solutions and methods that are available today and practice water conservation. JBGVS solved the drinking water problem of 1,650 families in six villages of Wardha. It undertook a project, dug ponds in the nullahs and created additional water storage capacity that helped increase water storage in the drinking water wells downstream. A total of 29 TCM of water storage capacity has been created.

JBGVS also undertook de-silting work in two Aurangabad village tanks to increase water storage capacity for irrigation; 4,400 tractor loads of silt was lifted and used in their farms.

Tree plantation: 70,000 forest and 19,000 fruit plants were planted.

Social development

A receptive and participative community becomes fertile ground for implementation of development programmes. JBGVS conducted 75 training programmes in leadership training of the youth, panchayat members, members of daily co-operatives, school committees and members of self help groups. Mahila melavas (get-togethers of women) were organised to raise social issues and make them aware of the possible side effects of those issues. Twenty-three new self help groups consisting of 280 women were formed. As one of the income generation activities, 40 women in Sikar district of Rajasthan took loans from the Self Help Group Revolving Fund created by JBGVS.

Urban development

Established in 1975, Samaj Seva Kendra (SSK) in Akurdi, Pune is a part of JBGVS. It continued to conduct various self-development programmes, for women and children in particular, in Pimpri-Chinchwad, Nigdi and adjoining areas (all in Pune district). With a total membership of 1,140 families, SSK programmes cover education and training, social awareness and programmes for senior citizens.

Education and training programmes: Education and training are lifetime investments. Realising this, JBGVS conducted scores of programmes such as literacy classes, nursery classes and balbhavan; and courses in tailoring, yoga, karate, tabla and harmonium, classical as well as western dance, beauty parlour, etc. The summer camp was attended by over 200 children. JBGVS also started a well-equipped library for children, youth and women.

Social awareness programmes: Social awareness generates empathy, care and concern for others and develops better group dynamics. To encourage this, JBGVS conducted various programmes covering areas like women empowerment and their rights, environment, family health, some local cultural activities, medical check-up camps for children and senior citizens, annual day (of Samaj Seva Kendra) cultural programmes, processions and street plays by women and school children and celebrations for International Women's Day and Environment Day.

Senior citizen programmes: With the aim of enabling senior citizens to continue being an integral part of the community, while keeping their dignity and sense of well-being, JBGVS organised five programmes for senior citizens (over 100 attended). The programmes included bhajan and kirtan singing, regular medical check-ups, study tours, lectures on daily issues and even appropriate sports.

4. Group trusts for colleges

Shiksha Mandal

Shiksha Mandal was founded in 1914 by Shri Jamnalal Bajaj, who believed that sound education was essential for our nation's development. Initially a school, from the 1940s, it transformed itself into an institution for higher education. Presently, it consists of seven institutions with a student strength of 8,750 and 287 teachers, of which 45 hold doctorates. At Wardha, it has a commerce college, a science college, an engineering polytechnic, a degree and diploma institution in agriculture and a college of rural services. It also runs a commerce college in Nagpur. Shiksha Mandal's mission is to provide high quality education at a low cost and to instil nationalistic and humane values in its students.

Its Agriculture College, Engineering Polytechnic and Science College are rated 'A' by external agencies. During the year, its Science College was rated as an 'A' grade college by NAAC, a government body, with a NAAC score better than Pune University's. Its Agriculture Diploma course achieved a 100% result during 2012-13.

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

Thirteen of its students appeared in merit lists of the University. Its students also excel at sports; where 23 represented the state and 28 represented the University and three won medals at the national level. Its students are very active in extra-curricular activities.

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

Shiksha Mandal not only focuses on the academic and personal development of students, but also works on making them employable. It runs successful guidance programmes for Chartered Accountancy, Company Secretaryship (CS) and competitive exams for jobs in banks. One of its CS students ranked 24th at national level in the CS Foundation Examination.

It has started a major skills upgrade programme for commerce students in Nagpur, in consultation with Jaydeep Shah, ex-president of ICAI and an alumnus. Students are being provided 300 hours of classroom input, after which they will undergo a year of internship in CA firms and Company offices. This programme will be started in Wardha from 2015-16.

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

A new building for its MBA programme at Nagpur, designed by Christopher Charles Benninger Architects, is under construction and will be ready by March 2015. It is expected to cost ₹ 9 crore.

Shiksha Mandal will celebrate its centenary during 2014. A centennial lecture series is planned, culminating in a centennial function in November 2014.

From 2014-15, it will provide increased support to CSR programmes of the Bajaj group in Wardha District.

Its non-recurring expenditure in 2014-15 will exceed ₹ 12 crore. This will be funded by Bajaj group trusts, external agencies and internal accruals. The Bajaj group trusts have contributed ₹ 26 crore in the last six years. (Refer weblink www.shikshamandal.org)

Bajaj Science Centre

Started in 2007, Bajaj Science Centre nurtures a culture amongst school children of learning science through experiments. For its annual intake of 199 students, 770 students from 27 schools appeared for an entrance test. Admissions are merit based and inclusive, with access given to students from all mediums of instruction and income groups. Students come from places as far as 60 km away. It has 550 regular students.

Its students have been competing at the national level and winning accolades. During 2013-14:

1. Shraddha Burkunde was awarded the Kishor Vaidnyanik Protsahan Yojana Scholarship of 2013-14. Three other students of the Centre have been awarded this prestigious scholarship so far.
2. Students of the 9th standard won one Gold, two Silver and one Bronze medal at the Dr. Homi Bhabha Balvaidnyanik Competition. One student of the 6th standard, Prit Mhala, was awarded a Silver medal. Of the 19 students selected for the second level of the said competition, five students won medals.

3. Of the 303 students selected at the National Level for the second level examination of the Junior Science Olympiad, two were from Bajaj Science Centre.
4. Five students of the Centre appeared in the merit list of the National Mathematics Talent Search Examination.

The Centre conducted various activities to benefit students and teachers:

1. It conducted a crash course in science practicals for 69, mainly from rural area. 10th standard students.
2. A Teacher Learning Workshop was organised for 28 teachers.
3. It jointly arranged a summer workshop for 27 students from suicide affected families
4. It jointly arranged a district level workshop for the top 35 students of Wardha District.

Fee income is ₹ 2,000 per student per year and covers only 20% of its expenses. For 25% students, this fee is waived/reduced. Access to its services is merit based and income blind. Bajaj Trusts spent ₹ 30 lakh on the Centre during 2013-14.

Institute of Gandhian Studies

Institute of Gandhian Studies (Gandhi Vichar Parishad), founded in memory of Late Shri Jarnalal Bajaj, was established in Wardha in 1987. The programmes organised by the Institute during the academic year 2013-14 include (a) Post Graduate Diploma Course in Gandhian Thought (recognised by Yashwantrao Chavan Maharashtra Open University, Nashik), which attracts students from all parts of India (b) Workshop on Gandhi: The Consummate Field for Interdisciplinary and Integrative Studies led by Prof. M. J. Lunine, of California State University, San Francisco (c) Special Meet on Shanti Sena in the context of growing violence against women as evidenced in the rape cases of Delhi and Mumbai and the violent incidents in Muzaffarnagar (d) Orientation Classes on Gandhian Thought for Medical Students of Mahatma Gandhi Institute of Medical Sciences, Sevagram, Wardha (e) University Students' Camp for students of various universities in India (f) Ravindra Varma Memorial Lecture on the theme 'Journey towards Antodaya: Some Realisations' (g) Inter Religious Study Course on the Concept, Principles and Practice of Non-violence at the Individual and the Societal Level in Five Main Religions, viz. Hinduism, Jainism, Islam, Buddhism and Christianity (h) National Seminar on Deliberative Democracy, Public Sphere and the Politics of Alternatives in India sponsored by University Grants Commission, New Delhi (i) National Level Workshop on Social Service (j) Publications of books and research articles in journals of repute.

5. Marathwada Medical and Research Institute (MMRI) – a Trust

The Bajaj group gives substantial support to this Trust that runs the Kamalnayan Bajaj Hospital and Kamalnayan Bajaj Nursing College for B.Sc. Nursing degree course.

Kamalnayan Bajaj Hospital

Kamalnayan Bajaj Hospital is located in the city of Aurangabad in the Marathwada region of the state of Maharashtra. With its 250-bed capacity, it provides super specialty and tertiary care medical facilities; which are not available elsewhere in this region.

Earlier people had to travel all the way to Pune/Mumbai, at great cost and inconvenience, to avail such high-end facilities. The Hospital is well-equipped and has up-to-date medical facilities, particularly in Cardiology (highest number of angioplasties and bypass surgeries in Marathwada), Cardiac Surgery (only centre for minimally invasive cardiac surgery in the region), LASIK (most advanced laser technology in the world, first in India), Nuclear Medicine (first and only PET centre in Marathwada, equipped with latest generation machine), Radiation Oncology (120 Cancer

patients treated daily), Urology (1,000 kidney transplants), Laparoscopy (advanced laparoscopic and thoracoscopic cancer surgery), Colorectal Surgery (100 cases a day), Joint Replacement and Trauma and ICU (recognised by ISCCM).

The Hospital has been providing relief annually to 81,912 patients on OPD basis and close to 12,114 inpatients, who were admitted for various treatments in the year 2013-14. It also has an intensive care unit and cardiac care unit with a capacity of 30 beds and an occupancy rate of more than 95%. The entire region has benefitted from treatment related to heart, cancer, kidney, urology, trauma and newer technology based super specialties.

The Hospital also runs a programme to provide relief to Below Poverty Line (BPL) and Economically Weaker Section (EWS) of society. While the treatment for BPL patients is free, for EWS, it is subsidised to the extent of 50%. Till date, the benefits of this scheme have been extended to 7,312 patients and ₹ 4 crore (approx.) has been spent on it.

The Kamalnayan Bajaj Hospital is collaborating with JBGVS (Jankidevi Bajaj Gram Vikas Sanstha) and Government authorities to hold camps in the villages of the district of Aurangabad for BPL patients who need treatment and would not otherwise come to the Hospital. This programme fulfils the need of the poor and deprived sections of society and does justice to the charity initiatives of donors and trustees by providing highest quality medical care in super specialties.

Apart from the above activities, the Hospital also organised 19 free camps involving 60 surgeries (58 in Cataract and 2 in Lasik) and 1,382 patients, viz., 5 Cataract camps (329 patients), 2 Lasik camps (195 patients), 3 Orthopaedic and Physiotherapy camps (311 patients), 1 Dermatology camp (111 patients), 4 ECG camps (Medtronic -121 patients), 4 Rajiv Gandhi Jivandayee Arogya Yojana (RGJAY) camps (315 patients).

The Hospital is also enrolled with the Central Government RGJAY scheme for BPL and Lower Middle Class (EWS) patients. The Hospital takes care of all additional expenses. So far, the Trust has treated 3,488 patients and incurred expenditure of ₹ 23.22 lakh under the RGJAY scheme.

Engineering excellence has been the forte of Kamalnayan Bajaj Hospital. It was awarded the National Energy Conservation Award in the year 2012 in the category of Best Hospital.

Kamalnayyan Bajaj Nursing College

Kamalnayyan Bajaj Hospital has been facing the paucity of nursing staff both in terms of quality and quantity and has therefore sought permission to start the Kamalnayan Bajaj Nursing College under MMRI Trust. The process of taking in the fourth batch will commence from August 2014 onwards. The aim of the Nursing College will be to help underprivileged children get high quality nursing education and provide services to the society. It is hoped that students coming out from this institution will set an example in the field of Nursing in the days to come. The present number of students is 106, against the total capacity being 160 as sanctioned by the Indian Nursing Council. The MMRI Trust extends scholarships to poor and needy students, who are meritorious and deserving.

6. Fuji Guruji Memorial Trust

Fuji Guruji Memorial Trust has established Bauddha Mandir, Vishwa Shanti Stupa at Wardha for promotion of the thoughts and teachings of Lord Buddha, Mahatma Gandhi and other preachers preaching a similar ideology and to propagate the message of world peace, love, non-violence and equality of all religions. The Trust continued running nine Balwadis (Bal Sanskar Kendras) in rural areas for poor children below six years of age.

7. Kamalnayan Bajaj Charitable Trust

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

The Gitai Mandir was inaugurated by Vinobaji on 7 October 1980, the 50th anniversary of the completion of the writing of Gitai. It stands on 36 acres of land at the site of Jamnalalji's Samadhi in Gopuri, Wardha. A unique monument, it has no idol, sanctum sanctorum or even a roof. It is enclosed by granite slabs. Each slab has a shloka inscribed on it, covering all the 18 chapters of the Gitai.

8. Gita Pratisthan

Gita Pratisthan was established for propagating the message of the Gita and its marathi version, Gitai, which was rendered by Vinobaji in the year 1930 and published for the first time by Jamnalalji. Since then, the Pratisthan has been conducting a scheme of examinations on different chapters of the Gita and Gitai, for primary and high school students.

General

The Bajaj Group has over 40 public charitable trusts, which are also engaged in many topical and socially relevant CSR activities and initiatives. This Report is only illustrative; it gives a brief idea of the importance given by the Company and the Group towards its Social Responsibilities.

Refer web links

<http://www.bajajauto.com/csr.asp>
<http://www.bajajelectricals.com/beyond-profits.aspx>
<http://www.jamnalalbajajfoundation.org/>
<http://www.narishakti.org/>
<http://www.shikshamandal.org/>

For more information, please contact: csr@bajajauto.co.in



Standalone Financial Statements

Independent Auditors' Report

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

Report on the financial statements

1. We have audited the accompanying financial statements of Bajaj Holdings & Investment Ltd. (the "Company"), which comprise the Balance Sheet as at 31 March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's responsibility for the financial statements

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

Auditors' responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

Independent Auditors' Report (Contd.)

8. As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- (e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Annexure to Independent Auditors' Report

Referred to in paragraph 7. of the Independent Auditors' Report of even date to the members of Bajaj Holdings & Investment Ltd. on the financial statements as of and for the year ended 31 March 2014

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. The Company is an investment company, and consequently, does not hold any inventory. Therefore, the provisions of clause 4(ii) of the said Order are not applicable to the Company.
3. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4(iii)[(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹5 lakh in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax as at 31 March 2014 which have not been deposited on account of a dispute, are as follows;

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Matters arising out of assesment orders received	0.58	AY1990-91, AY 1991-92	ITAT (Income Tax Appellate Tribunal)
Income Tax	Matters arising out of assesment orders received	277.84	AY1995-96 to AY 2001-02	ITAT (Income Tax Appellate Tribunal)
Income Tax	Matters arising out of assesment orders received	33.38	AY 2003-04 to AY 2007-08	ITAT (Income Tax Appellate Tribunal)
	Total	311.80		

Annexure to Independent Auditors' Report (Contd.)

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the Balance Sheet date, the provisions of clause 4(xi) of the Order are not applicable to the Company.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. As the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
14. In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name or are in the process of transfer in its name, except to the extent of the exemption granted under section 49 of the Act.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company
16. The Company has not raised any term loans. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
17. The Company has not raised any funds on short-term basis. Accordingly, the provisions of clause 4(xvii) of the Order are not applicable to the Company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year. Accordingly, the provisions of clause 4 (xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of clause 4 (xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) of the Order are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Balance Sheet

(₹ In Crore)

As at 31 March

Particulars	Note No.	2014	2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	111.29	111.29
Reserves and surplus	4	5,418.34	5,075.46
		5,529.63	5,186.75
Non-current liabilities			
Deferred tax liabilities (net)	5	4.69	4.05
Other long-term liabilities	6	25.58	17.50
Long-term provisions	7	0.04	-
		30.31	21.55
Current liabilities			
Trade payables	8	1.05	0.29
Other current liabilities	8	11.42	8.69
Short-term provisions	7	399.25	391.35
		411.72	400.33
Total		5,971.66	5,608.63
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	7.34	7.55
Lease adjustment account - plant and machinery		17.50	17.50
		24.84	25.05
Non-current investments	10	5,029.33	4,033.17
Long-term loans and advances	11	226.76	306.74
Other non-current assets	12	52.40	200.00
		5,333.33	4,564.96
Current assets			
Current investments	10	336.27	899.19
Cash and bank balances	13	265.00	138.96
Short-term loans and advances	11	0.07	0.58
Other current assets	12	36.99	4.94
		638.33	1,043.67
Total		5,971.66	5,608.63

Summary of significant accounting policies followed by the Company

2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

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

Rahul Bajaj
Chairman

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Kevin D'sa
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Vallari Gupte
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Statement of Profit and Loss

(₹ In Crore)

For the year ended 31 March

Particulars	Note No.	2014	2013
Revenue from operations	14	799.61	743.90
Other income	15	39.86	1.25
Total revenue		839.47	745.15
Expenses:			
Employee benefits expense	16	5.14	2.69
Finance costs	17	-	0.01
Depreciation and amortisation	18	4.57	2.12
Other expenses	19	15.99	9.88
Total expenses		25.70	14.70
Profit before tax		813.77	730.45
Tax expense			
Current tax		84.50	66.80
Deferred tax		0.64	0.32
Total tax expense		85.14	67.12
Profit after tax		728.63	663.33
Tax (debits)/credits pertaining to earlier years		4.72	-
Profit for the year		733.35	663.33
Basic and diluted Earnings per share (In ₹) (Nominal value per share ₹ 10)	20	65.9	59.6

Summary of significant accounting policies followed by the Company

2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

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

Rahul Bajaj
Chairman

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Kevin D'sa
Chief Financial Officer

Sanjiv Bajaj
Managing Director

Vallari Gupte
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Cash Flow Statement

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013
I. Operating activities		
Profit before tax	813.77	730.45
Adjustments:		
Add:		
i) Depreciation and amortisation	4.57	2.12
ii) Provision for diminution in value of current investments	3.00	-
iii) Amortisation of premium/discount on acquisition of fixed income securities	(7.58)	(18.87)
iv) Tax (debits)/credits pertaining to earlier years	4.72	-
v) Interest expense	-	0.01
	4.71	(16.74)
Less:		
i) Provision for diminution in value of investments written back	1.23	11.15
ii) Provision for doubtful interest written back	-	3.00
	1.23	14.15
	817.25	699.56
Change in assets and liabilities		
i) Loans and advances	18.95	1.34
ii) Other assets	115.55	(101.22)
iii) Other bank balances	(98.96)	50.90
iv) Liabilities and provisions	12.75	(0.45)
	48.29	(49.43)
(Increase)/decrease in investments, net*	240.27	(142.04)
	240.27	(142.04)
Net cash from operating activities before income tax	1,105.81	508.09
Income tax refund/paid for earlier years (net)	(10.15)	3.60
Income tax paid	(70.46)	(52.58)
Net cash from operating activities	1,025.20	459.11
Carried forward	1,025.20	459.11

Cash Flow Statement (Contd.)

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013
Brought forward	1,025.20	459.11
II. Investing activities		
i) Capital expenditure	-	(0.44)
ii) (Increase)/decrease in investment in associates*	-	(368.22)
iii) (Increase)/decrease in other investments, net*	(672.06)	20.06
Net cash from investing activities	(672.06)	(348.60)
III. Financing activities		
i) Interest expense	-	(0.01)
ii) Dividend paid	(279.27)	(279.13)
iii) Corporate dividend tax paid	(46.79)	(43.95)
Net cash from financing activities	(326.06)	(323.09)
Net change in cash and cash equivalents	27.08	(212.58)
Cash and cash equivalents as at 1 April 2013 [Opening balance]	33.15	245.73
Cash and cash equivalents as at 31 March 2014 [Closing balance]	60.23	33.15
	-	-

* As Company is an investment company, interest earned and dividend received are considered as part of cash flow from operating activities. Purchase and sale of investment has been classified into operating and investing activity based on the intention of Management at the time of purchase of securities or subsequent reassessment of intention and transfers made inter se between long-term and current investments, in accordance with the prudential norms specified by RBI.

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Kevin D'sa
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Notes to financial statements for the year ended 31 March 2014

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

2 Summary of significant accounting policies followed by the Company

Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Consequent to the clarification from the Ministry of Corporate Affairs, vide General Circular 08/2014 dated 4 April 2014, these financial statements have been prepared in accordance with the relevant provisions/Schedules/Rules of the Companies Act, 1956. Accordingly, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 and the RBI guidelines/regulations to the extent applicable.

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

1) System of accounting

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

2) Revenue recognition:

Income:

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

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

3) Fixed assets and depreciation

(A) Fixed assets

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

Notes to financial statements for the year ended 31 March 2014 (Contd.)

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

- ii) Land and buildings acquired/constructed, not intended to be used in the operations of the Company are categorised as investment property under Investments and not as Fixed assets.

(B) Depreciation and amortisation:

(a) Leasehold land

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

(b) On other Fixed assets

Depreciation is provided at the rates specified in Schedule XIV of the Companies Act, 1956 or at rates computed with reference to the economic life of the assets where the estimated economic life is shorter than the life inferred by the Schedule XIV rates such as miscellaneous assets given on lease in relation to investment property which are written off over the period of lease generally five years i.e. depreciation rate of 20% vis a vis Schedule XIV rate of 6.33%.

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

4) Investments

- a) Fixed income securities remaining with the Company after transfer of demerged undertakings are carried at their fair market values as at 1 April 2007 where the carrying costs of such investments were higher on that date, less amortisation of premium/discount thereafter, as the case may be.
- b) Current investments representing fixed income securities with a maturity less than 1 year and those intended to be held for a period less than 1 year from the date on which the investment is made are stated at cost adjusted for amortisation and diminution with reference to realisable value, as necessary.
- c) Where the Management reassesses its intention of holding a security for long-term or short-term, necessary transfers are made inter se between long-term and current investments, in accordance with the prudential norms specified by RBI, applicable to the Company in this behalf.
- d) 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.
- e) Investments other than fixed income securities (Eg. equity, mutual funds etc.) are valued at cost of acquisition, less provision for diminution as considered necessary where they are intended to be held for a long-term, else current investments are valued at lower of cost or realisable value.
- f) Investments with maturity of less than 3 months from the date of acquisition are classified as cash and cash equivalents.
- g) 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.
- h) 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 RBI, applicable to the Company in this behalf.
- i) Investment property is carried at cost, less depreciation computed in the manner prescribed for Fixed assets.

Notes to financial statements for the year ended 31 March 2014 (Contd.)

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

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 and Debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficit in plan assets managed by LIC and BALIC as compared to the actuarial liability is recognised as a liability.

c) Superannuation

Defined contribution to superannuation fund is being made as per the scheme of the Company.

d) Defined provident fund contribution is made to Government Provident Fund Authority.

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

6) Taxation

- a) Provision for tax is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income Tax Act, 1961. Excess/short provisions and interest thereon are recognised only on completion of assessment or where adjustments made by the Assessing Officer are disputed, on receiving the "Order Giving Effect" to the tax determined by the CIT (Appeals) and thereafter on final settlement of further disputes.
- b) Deferred tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystallise with reasonable certainty. However, in case of deferred tax assets (representing unabsorbed depreciation or carried forward losses) are recognised, if and only if there is virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised. Deferred tax is recognised on adjustments to revenue reserves to the extent the adjustments are allowable as deductions in determination of taxable income and they would reverse out in future periods.

7) Provisions and contingent liabilities

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

Notes to financial statements for the year ended 31 March 2014 (Contd.)

3 Share capital

(₹ In Crore)

Particulars	As at 31 March	
	2014	2013
Authorised:		
150,000,000 equity shares of ₹ 10 each	150.00	150.00
Issued, subscribed and fully paid-up shares:		
111,293,510 equity shares of ₹ 10 each	111.29	111.29
	111.29	111.29

a. Of the above:-

4,342,676 equity shares issued by way of Euro equity issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares, excluding 2,171,388 equity shares allotted as bonus shares thereon. Outstanding GDRs at the close of the year were 280,420 (304,675).

b. Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March		As at 31 March	
	2014		2013	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnallal Sons Pvt. Ltd.	16,480,155	14.81%	15,565,590	13.99%
Life Insurance Corporation of India	7,520,173	6.76%	7,519,849	6.76%
Jaya Hind Investments Pvt. Ltd.	5,805,256	5.22%	5,805,256	5.22%

Notes to financial statements for the year ended 31 March 2014 (Contd.)

4 Reserves and surplus

Particulars	As at 31 March	
	2014	2013
(₹ In Crore)		
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as per the last financial statements	639.66	506.99
Add: Transferred from surplus in Statement of Profit and Loss	146.67	132.67
Closing balance	786.33	639.66
Securities premium account		
Balance as per the last financial statements	444.42	444.42
General reserve		
Balance as per the last financial statements	3,365.98	3,299.65
Add: Transferred from surplus in Statement of Profit and Loss	73.34	66.33
Closing balance	3,439.32	3,365.98
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	625.40	486.09
Profit for the year	733.35	663.33
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	146.67	132.67
Transfer to General reserve	73.34	66.33
Proposed dividend	333.88	278.23
Tax on proposed dividend	56.59	46.79
Total appropriations	610.48	524.02
Balance in the Statement of Profit and Loss	748.27	625.40
	5,418.34	5,075.46

Notes to financial statements for the year ended 31 March 2014 (Contd.)

5 Deferred tax liabilities (net)

Particulars	(₹ In Crore)	
	As at 31 March	
	2014	2013
Deferred tax liability		
On account of timing difference in		
Depreciation	7.38	7.78
Amortisation of discount on acquisition of fixed income securities	0.14	0.71
Long-term capital gain	5.65	-
Gross deferred tax liability	13.17	8.49
Deferred tax asset		
On account of timing difference in		
Diminution in value of investments	1.36	0.85
Provision for bad and doubtful debts, ICDs etc.	1.12	1.12
Provision for privilege leave etc. (previous year ₹ 959)	0.03	
Taxes, duties etc.	0.03	0.03
Amortisation of premium/discount on acquisition of fixed income securities	0.02	2.18
Adjustments on account of gratuity provisions (previous year ₹ - 15,439)	0.01	
Provision for diminution in value of investments in terms of scheme of arrangement	0.26	0.26
Long-term capital loss	5.65	-
Gross deferred tax asset	8.48	4.44
	4.69	4.05

6 Other long-term liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2014	2013
Lease security deposit	17.50	17.50
Other security deposit	8.08	-
	25.58	17.50

Notes to financial statements for the year ended 31 March 2014 (Contd.)

7 Provisions

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Provision for employee benefits [See note 24]				
Provision for gratuity (previous year ₹ -45,423)	0.04	-	-	-
Provision for compensated absences (previous year ₹ 2,821)	-	-	0.10	-
	0.04	-	0.10	-
Other provisions				
Provision for tax (net of tax paid in advance)	-	-	8.68	66.33
Proposed dividend*	-	-	333.88	278.23
Tax on proposed dividend	-	-	56.59	46.79
	-	-	399.15	391.35
	0.04	-	399.25	391.35

* During the year ended 31 March 2014, the amount of per share dividend proposed and recognised as distributions to equity shareholders is ₹ 30 (previous year ₹ 25).

8 Current liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2014	2013
Trade payables		
Other than dues to micro and small enterprises*	1.05	0.29
	1.05	0.29
Other current liabilities		
Security deposit	-	0.20
Unclaimed dividend	4.77	5.81
Directors' remuneration and commission payable	3.73	2.16
Employee benefits payable	0.03	-
Taxes payable	2.78	0.44
Other payables	0.11	0.08
	11.42	8.69
	12.47	8.98

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

Notes to financial statements for the year ended 31 March 2014 (Contd.)

9 Fixed assets (tangible assets)

(₹ In Crore)

Particulars	Gross block (a) (c)				Depreciation				Net block	
	As at 31 Mar 13	Additions	Deductions/ adjustments	As at 31 Mar 14	As at 31 Mar 13	Deductions/ adjustments	For the year (c)	As at 31 Mar 14	As at 31 Mar 14	As at 31 Mar 13
Land freehold (d)	-	-	-	-	-	-	-	-	-	-
Land leasehold (f)	1.25	-	0.02 (e)	1.23	-	-	-	-	1.23	1.25
Buildings (b)	8.18	-	-	8.18	2.28	-	0.15	2.43	5.75	5.90
Vehicles	0.44	-	-	0.44	0.04	-	0.04	0.08	0.36	0.40
Leased assets: Plant and machinery	87.50	-	-	87.50	87.50	-	-	87.50	-	-
Total	97.37	-	0.02	97.35	89.82	-	0.19	90.01	7.34	7.55
Previous year total	96.95	0.44	0.02	97.37	89.63	-	0.19	89.82	7.55	

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

(b) i Includes premises on ownership basis in Co-operative Society ₹7.34 crore and cost of shares therein ₹1,000/-

ii Excludes premises held as investment properties and given on lease disclosed as an investment. Cost of investment property includes premises on ownership basis ₹5.61 crore represented by 1,770 equity shares and 182 debentures of the face value of ₹17,700 and ₹18,900,000/- respectively. Correspondingly Depreciation for the year on investment property amounting to ₹4.36 crore (previous year ₹1.91 crore) has been reduced from the same Investments under note 10. Accordingly previous year figures have been regrouped as necessary. See note 10.

(c) Refer note 2 clause 3(A) and (B) of summary of significant accounting policies.

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

(e) Represents amount amortised over lease period.

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

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
(A) Long Term Investments:#				
In Investment Property:				
Unquoted:				
Cost of premises to be given on operating lease	197.43	197.43	-	-
Add: Additions during the year	9.03	-	-	-
Less: Accumulated depreciation	7.15	2.79	-	-
	199.31	194.64	-	-
In Government and Trust Securities:				
Quoted:				
7.16% Government of India Stock 2023 of face value of ₹ 250,000,000	23.07	-	-	-
7.28% Government of India Stock 2019 of face value of ₹ 350,000,000	33.17	-	-	-
8.12% Government of India Stock 2020 of face value of ₹ 500,000,000	49.27	-	-	-
8.20% Government of India Stock 2025 of face value of ₹ 200,000,000	18.50	-	-	-
8.33% Government of India Stock 2026 of face value of ₹ 200,000,000	19.02	-	-	-
	143.03	-	-	-
Less: Amortisation of premium/(discount) on acquisition	(0.08)	-	-	-
	143.11	-	-	-
In Fully Paid Preference Shares:				
Unquoted:				
196,169 0.01% Cumulative Redeemable Preference Shares of ₹10 each in Mukand Ltd.	0.19	0.19	-	-
300,000 14.50% Redeemable Cumulative Non Convertible Preference Shares of ₹100 each in Southern Petrochemical Industries Corporation Ltd. (net of provision for diminution amounting to ₹ 2.99 crore - previous year ₹ 2.99 crore)	-	-	-	-
	0.19	0.19	-	-
In Fully Paid Equity Shares:				
Associate Company				
Trade:				
Quoted:				
91,119,000 Shares of ₹ 10 each in Bajaj Auto Ltd.	286.22	286.22	-	-
62,314,214 Shares of ₹ 5 each in Bajaj Finserv Ltd.	743.82	743.82	-	-
	1,030.04	1,030.04	-	-
Carried over	1,372.65	1,224.87	-	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,372.65	1,224.87	-	-
Joint Venture:				
Trade:				
Quoted:				
2,742,848 Shares of ₹ 10 each in Maharashtra Scooters Ltd.	0.24	0.24	-	-
Subsidiary Company				
Trade:				
Unquoted:				
24,500 Shares of ₹ 100 each in Bajaj Auto Holdings Ltd.	0.25	0.25	-	-
Others				
Trade:				
Quoted:				
16,697,840 Shares of ₹ 2 each in Bajaj Electricals Ltd. (Group Company)	111.77	111.77	-	-
54,000 Shares of ₹ 10 each in Mukand Engineers Ltd. (Group Company)	0.10	0.10	-	-
8,113,204 (4,056,422) Shares of ₹ 10 each in Mukand Ltd. (Group Company) (Rights issue @ 1:1 during the year)	32.89	24.37	-	-
	144.76	136.24	-	-
Others:				
Unquoted:				
1 Shares of ₹ 100 each in The Poona District Motor Transport Co-operative Co Ltd. (₹ 100)	-	-	-	-
Quoted:				
422,795 (896,035) Shares of ₹ 2 each in AIA Engineering Ltd.	13.06	27.67	-	-
329,828 (482,400) Shares of ₹ 10 each in Axis Bank Ltd.	34.15	49.95	-	-
13,068,511 Shares of ₹ 1 each in Bajaj Hindustan Ltd.	87.18	87.18	-	-
1,645,390 (2,057,230) Shares of ₹ 2 each in Bharat Heavy Electricals Ltd.	63.94	79.94	-	-
801,672 (984,636) Shares of ₹ 5 each in Bharti Airtel Ltd.	26.52	32.57	-	-
3,095,789 Shares of ₹ 10 each in Bharti Infratel Ltd.	67.40	67.40	-	-
1,707,615 Shares of ₹ 10 each in Credit Analysis & Research Ltd.	95.73	95.73	-	-
Carried over	387.98	440.44	-	-
Carried over	1,517.90	1,361.60	-	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,517.90	1,361.60	-	-
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	387.98	440.44	-	-
708,025 (786,695) Shares of ₹ 10 each in Coal India Ltd.	19.10	21.23	-	-
396,575 (371,134) Shares of ₹ 10 each in Container Corporation of India Ltd. (Bonus issue @ 1:2 during the year)	28.66	40.23	-	-
2,566,661 Shares of ₹ 10 each in Force Motors Ltd.	60.47	60.47	-	-
6,251,040 Shares of ₹ 1 each in Hercules Hoists Ltd.	12.34	12.34	-	-
1,634,183 (2,292,548) Shares of ₹ 10 each in IL&FS Transportation Networks Ltd.	32.61	45.75	-	-
10,801,662 (11,476,662) Shares of ₹ 10 each in ICICI Bank Ltd.	395.64	420.36	-	-
271,150 Shares of ₹ 1 each in Innovision E-Commerce Ltd. (net of provision for diminution amounting to ₹ 0.22 crore - previous year ₹ 0.22 crore)	-	-	-	-
- (1,465,521) Shares of ₹ 10 each in Karnataka Bank Ltd.	-	14.75	-	-
484,832 (507,527) Shares of ₹ 2 each in Larsen & Toubro Ltd. (Bonus issue @ 1:2 during the year)	47.22	74.14	-	-
1,516,492 (1,807,638) Shares of ₹ 10 each in National Thermal Power Corporation Ltd.	31.66	37.74	-	-
1,565,000 Shares of ₹ 1 each in National Mineral Development Corporation Ltd.	24.99	24.99	-	-
415,494 (712,957) Shares of ₹ 10 each in Oil India Ltd.	19.02	32.64	-	-
1,200 Shares of ₹ 10 each in Pilani Investment & Industries Corporation Ltd.	0.14	0.14	-	-
71,104 (-) Shares of ₹ 1 each in Pidilite Industries Ltd.	1.57	-	-	-
1,932,729 (2,709,360) Shares of ₹ 10 each in Power Finance Corporation Ltd.	39.23	55.00	-	-
705,828 (843,000) Shares of ₹ 10 each in Reliance Industries Ltd.	63.02	75.27	-	-
4,432,289 Shares of ₹ 1 each in Sintex Industries Ltd.	49.72	49.72	-	-
934,005 (1,119,764) Shares of ₹ 10 each in Tata Steels Ltd.	45.29	54.30	-	-
1,737,212 (2,633,973) Shares of ₹ 2 each in UPL Ltd.	24.42	37.01	-	-
	1,283.08	1,496.52	-	-
Carried over	2,800.98	2,858.12	-	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	2,800.98	2,858.12	-	-
In Fully Paid Equity Shares:				
Others:				
Unquoted:				
3,006,796 Shares of ₹ 1 each in BSE Ltd.	121.62	121.62	-	-
1 Share of ₹ 10 each Hero Motors Ltd.	-	-	-	-
562,000 Shares of ₹ 10 each in National Stock Exchange of India Ltd.	210.18	210.18	-	-
2,450,000 Shares of ₹ 10 each in National Multi-Commodity Exchange of India Ltd.	24.99	24.99	-	-
	356.79	356.79	-	-
In Bonds and Debentures:				
Fully paid:				
Others:				
Quoted:				
- (400) 10.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Ltd. - S-1	-	-	-	43.51
50 (-)10.25% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of BMW Financial Services Private Ltd.	5.12	-	-	-
150 8.01% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Ltd. Series S-III	15.03	15.03	-	-
400 (150) Zero Percent Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.	45.62	16.80	-	-
200 Zero Percent Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.	22.32	22.32	-	-
100 (-) Zero Percent Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.	10.71	-	-	-
250 (-) 9.18% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.	25.44	-	-	-
150 9.75% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.	15.88	15.88	-	-
- (600) 9.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd.	-	-	-	62.40
250 (-) 9.14% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of IDFC Ltd.	26.00	-	-	-
Carried over	166.12	70.03	-	105.91
Carried over	3,157.77	3,214.91	-	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	3,157.77	3,214.91	-	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	166.12	70.03	-	105.91
- (100) 9.96% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of L&T Finance Ltd.	-	-	-	10.00
- (150) 10.15% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of L&T Finance Ltd.	-	-	-	15.00
354 (-) Zero Percent Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 of Kotak Mahindra Prime Ltd.	29.92	-	-	-
500 (-) 8.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of L&T Finance Ltd.	50.00	-	-	-
100 9.10% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	10.00	10.00	-	-
400 9.55% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	42.00	42.00	-	-
100 (-) 9.56% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	10.42	-	-	-
150 9.75% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	15.49	15.49	-	-
400 9.70% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	42.93	42.93	-	-
200 (-) 9.20% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Mahindra & Mahindra Financial Services Ltd.	20.27	-	-	-
200 (50) 9.57% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	21.42	5.28	-	-
- (100) 9.85% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	-	-	-	10.76
* 361,485 12% Secured Partly Convertible Debentures of ₹ 150 each of Saurashtra Cement Ltd. - balance Non Convertible Portion of ₹ 100 each (Balance after part redemption) (net of provision for diminution amounting to ₹ 0.94 crore - previous year ₹ 1.68 crore)	-	-	-	-
Carried over	408.57	185.73	-	141.67
Carried over	3,157.77	3,214.91	-	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	3,157.77	3,214.91	-	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	408.57	185.73	-	141.67
* 148,905 12% Secured Partly Convertible Debentures of ₹ 250 each of Saurashtra Cement Ltd. - balance Non Convertible Portion of ₹ 200 each (Balance after part redemption) (net of provision for diminution amounting to ₹ 0.63 crore - previous year ₹ 1.12 crore)	-	-	-	-
- (350) 10.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Gas Transportation Infrastructure Ltd.	-	-	-	40.00
300 (-) 9.10% Secured Non Convertible Non Cumulative Redeemable Debenture of ₹ 1,000,000 each of Sterlite Industries (India) Ltd.	30.25	-	-	-
250 10.00% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Sundaram Finance Ltd.	-	25.16	25.16	-
500 (-) 8.90% Secured Redeemable Non Convertible Debenture. Series M - 11 of ₹ 1,000,000 each of Sundaram Finance Ltd.	50.00	-	-	-
250 (100) 8.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	25.99	10.22	-	-
250 (-) 9.66% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	27.52	-	-	-
300 (100) 9.78% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	32.48	10.63	-	-
150 (-) 9.78% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	-	-	15.45	-
100 9.30% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	10.12	10.12	-	-
100 (-) 9.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	10.47	-	-	-
150 (-) 9.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	15.59	-	-	-
250 (-) 9.30% Secured Redeemable Non Convertible Debentures. Series J-033 of ₹ 1,000,000 each of Housing Development Finance Corporation Ltd.	26.25	-	-	-
Carried over	637.24	241.86	40.61	181.67
Carried over	3,157.77	3,214.91	-	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	3,157.77	3,214.91	-	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	637.24	241.86	40.61	181.67
500 (-) 10.57% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	50.00	-	-	-
- (100) 9.35% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of Export-Import Bank of India Ltd.	-	-	-	10.07
250 8.45% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of Export-Import Bank of India Ltd. Series -N-11	25.26	25.26	-	-
200 7.50% Unsecured Redeemable Subordinated Bonds in the nature of Debentures of ₹ 1,000,000 each of HDFC Bank Ltd. - Series 1/2005 (net of provision for diminution amounting to ₹ 2.29 crore - previous year ₹ 2.29 crore)	17.71	17.71	-	-
100 8.20% Secured Taxable Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 1,000,000 each of Indian Railway Finance Corporation Ltd.	10.23	10.23	-	-
6,600 6.70% Secured Taxfree Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 100,000 each of India Railway Finance Corporation Ltd.	66.00	66.00	-	-
50 8.80% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of L&T Ltd.	5.13	5.13	-	-
- (100) 9.40% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of National Housing Bank	-	-	-	11.41
150 8.78% Secured Non Convertible Redeemable Taxable Bonds in the nature of Debentures (Series-XXXI) of ₹ 1,000,000 each of National Thermal Power Corporation Ltd.	15.00	15.00	-	-
- (50) 7.19% Secured Non Convertible Redeemable Taxable Bonds of ₹ 1,000,000 each of National Bank For Agriculture And Rural Development. Series NPSB XI-A	-	-	-	5.04
- (150) 9.40% Secured Non Convertible Redeemable Taxable Bonds of ₹ 1,000,000 each of National Bank For Agriculture And Rural Development. Series NPSB XI-A	-	-	-	15.40
Carried over	826.57	381.19	40.61	223.59
Carried over	3,157.77	3,214.91	-	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	3,157.77	3,214.91	-	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	826.57	381.19	40.61	223.59
350 (-) 8.95% Secured Non-Convertible Bonds 2016 Series - XIII Z of ₹ 1,000,000 each of National Bank for Agriculture and Rural Development	35.61	-	-	-
900 8.40% Non Convertible Redeemable Bonds in the nature of Debentures (Series I) of ₹ 1,000,000 each of ONGC Videsh Ltd.	-	92.42	92.42	-
150 8.70% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures (Series -65-I) of ₹ 1,000,000 of Power Finance Corporation Ltd.	15.38	15.38	-	-
500 11.25% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 52-C of ₹ 1,000,000 of Power Finance Corporation Ltd.	58.30	58.30	-	-
- (50) 11.40% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 52-A of ₹ 1,000,000 of Power Finance Corporation Ltd.	-	-	-	5.60
50 8.95% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series -64-I of ₹ 1,000,000 of Power Finance Corporation Ltd.	-	5.09	5.09	-
120 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	15.60	15.60	-	-
384 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. (Series-XXXII ST -D)	50.76	50.76	-	-
184 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. (Series-XXXII ST -E)	24.36	24.36	-	-
160 8.84% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. (Series-XXXIV-STP-A)	-	20.28	20.28	-
Carried over	1,026.58	663.38	158.40	229.19
Carried over	3,157.77	3,214.91	-	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	3,157.77	3,214.91	-	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	1,026.58	663.38	158.40	229.19
- (40) 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series A of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	-	-	-	5.00
40 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series B of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	-	5.00	5.00	-
40 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series D of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	5.00	5.00	-	-
40 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series E of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	5.00	5.00	-	-
40 9.20% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series C of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	-	5.29	5.29	-
- (40) 9.33% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series B of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	-	-	-	5.47
100 8.70% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Rural Electrification Corporation Ltd.	10.01	10.01	-	-
700 (150) 9.25% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Rural Electrification Corporation Ltd.	74.81	15.83	-	-
250 (-) 9.28% Unsecured Non-Convertible, Non-Cumulative Taxable Bond Series- 106 of ₹ 1,000,000 each of Rural Electrification Corporation Ltd.	25.76	-	-	-
- (600) 11.50% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series 87C of ₹ 1,000,000 each of Rural Electrification Corporation Ltd.	-	-	-	67.16
Carried over	1,147.16	709.51	168.69	306.82
Carried over	3,157.77	3,214.91	-	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	3,157.77	3,214.91	-	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	1,147.16	709.51	168.69	306.82
100 9.85% Subordinated Non Convertible Bonds of ₹ 1,000,000 each of State Bank of India	10.00	10.00	-	-
250 8.85% Subordinated Non Convertible Bonds of ₹ 1,000,000 each of State Bank of India	26.57	26.57	-	-
50 8.90% Unsecured Redeemable Non Convertible Subordinated Upper Tier -II Bonds (Series I) in the nature of Promissory Notes of ₹ 1,000,000 each of State Bank of India	5.28	5.28	-	-
150 9.05% Unsecured Non Convertible Sub-ordinated Perpetual Tier-I Bonds (Innovative Perpetual Debt Instruments) (Series-II) in the nature of Promissory Notes ("Bonds") of ₹ 1,000,000 each of State Bank of India	15.03	15.03	-	-
14,852 9.50% Subordinated Non Convertible Bonds of ₹ 10,000 each of State Bank of India	15.64	15.64	-	-
5,000 9.95% Subordinated Non Convertible Bonds of ₹ 10,000 each of State Bank of India	5.15	5.15	-	-
700 (-) 8.95% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds In The Nature Of Debentures. Series 101-A. of ₹ 1,000,000 each of Power Finance Corporation Ltd.	70.68	-	-	-
100 (-) Zero Percent Secured Non Convertible Debenture. Series- I-031 of ₹ 1,000,000 each of Housing Development Finance Corporation Ltd.	11.36	-	-	-
120 (-) 8.85% Secured Non Convertible Non Cumulative Redeemable Taxable Power Grid Bonds XLI-Issue 2012-13 of ₹ 1,250,000 each of Power Grid Corporation of India Ltd.	15.64	-	-	-
100 (-) 8.70% Secured Non Convertible Non Cumulative Redeemable Taxable Power Grid Bonds XLIV-Issue 2013-14 of ₹ 1,000,000 each of Power Grid Corporation of India Ltd. (net of provision for diminution amounting to ₹ 0.19 crore)	9.82	-	-	-
750 (-) 8.35% Tax Free Secured Non Cumulative Non Convertible Redeemable Bonds 89th Series of ₹ 1,000,000 each of Indian Railway Finance Corporation Ltd.	75.05	-	-	-
Carried over	1,407.38	787.18	168.69	306.82
Carried over	3,157.77	3,214.91	-	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	3,157.77	3,214.91	-	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	1,407.38	787.18	168.69	306.82
250 (-) 8.48% Tax Free Secured Non Cumulative Non Convertible Redeemable Bonds. 89th A Series of ₹ 1,000,000 each of Indian Railway Finance Corporation Ltd.	25.02	-	-	-
50 (-) 8.46% Secured Redeemable Non-Convertible Tax Free Bonds in the nature fo Debentures. Series 3B. of ₹ 1,000,000 each of Rural Electrification Corporation Ltd.	5.01	-	-	-
100 (-) 8.46% Secured Redeemable Non Convertible Non Cumulative Tax Free Bonds in nature of Debentures Series 107-B of ₹ 1,000,000 each of Power Finance Corporation Ltd.	10.00	-	-	-
750,000 (-) 8.50% (For Category I, II & III) Secured Non Convertible Tranche I Series IIA Bonds of ₹ 1,000 each of National Highways Authority of India	75.00	-	-	-
250,000 (-) 8.27% (For Category I, II & III) Secured Non Convertible Tranche I Series 1A Bonds of ₹ 1,000 each of National Highways Authority of India	25.00	-	-	-
500 (-) 8.35% Secured Non Convertible NHAI Tax Free Bonds 2023 of ₹ 1,000,000 each of National Highways Authority of India	50.01	-	-	-
250 (-) 8.48% Secured Non Convertible NHAI Tax Free Bonds 2028. of ₹ 1,000,000 each of National Highways Authority of India	25.00	-	-	-
79,162 (-) 8.41% Secured Non Convertible Redeemable Tax Free Bonds in the nature of Debentures Series 1A of ₹ 1,000 each of NTPC Ltd.	7.92	-	-	-
90,246 (-) 8.63% Tax Free Bonds In The Nature of Secured Redeemable Non Convertible Debentures Tranche - I Series 2A of ₹ 5,000 each of National Housing Bank	45.12	-	-	-
150 (-) 8.90% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 102-A (I) of ₹ 1,000,000 each of Power Finance Corporation Ltd.	15.10	-	-	-
	1,690.56	787.18	168.69	306.82
Less: Amortisation of premium/(discount) on acquisition	(2.22)	4.41	2.58	14.78
	1,692.78	782.77	166.11	292.04
Carried over	4,850.55	3,997.68	166.11	292.04

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	4,850.55	3,997.68	166.11	292.04
In Mutual Fund Unit:				
Fully paid:				
Unquoted:				
- (5,000,000) Units of ₹10 each of Quantum Mutual Fund under Quantum Long Term Equity Fund - Growth Plan	-	5.00	-	-
200 Masterplus Shares of ₹10 each of Unit Trust of India Under Mastershare Plus Unit Scheme 1991 (Masperplus)	-	-	-	-
2,320 Urban Infrastructure Opportunities Fund-Face Value ₹100,000 each (Balance after Part Redemption)	20.77	20.94	-	-
10,000 J M Financial Property Fund - I of Face Value of ₹10,000 each, fully paid up (Balance after Part Redemption)	7.55	9.55	-	-
- (20,000,000) Units of Birla Sunlife FTP Series EV-Growth	-	-	-	20.00
- (20,000,000) Units of HDFC FMP 400D March 2012(1) - G	-	-	-	20.00
- (10,000,000) Units of ICICI FMP Series 63-384 Days Plan A Cum	-	-	-	10.00
- (15,000,000) Units of IDFC FMP TMS7 - Growth	-	-	-	15.00
- (20,000,000) Units of SBI Debt Fund Series 15 Months Fund- Series 7 - Growth	-	-	-	20.00
- (15,000,000) Units of Kotak FMP Series 76 - Growth	-	-	-	15.00
10,000,000 (-) Units of Birla Sun Life FTP Series KP (405 Days) Direct	10.00	-	-	-
10,000,000 (-) Units of Birla Sun Life FTP Series KT (380 Days) Direct	10.00	-	-	-
10,000,000 (-) Units of DWS FMP Series 53 - Direct Growth	10.00	-	-	-
10,000,000 (-) Units of HDFC FMP 400D March 2014 (1) Series 29 Direct	10.00	-	-	-
10,000,000 (-) Units of HDFC FMP 435 D March 2014 (1) Series 29 Direct Growth	10.00	-	-	-
10,000,000 (-) Units of L&T FMP Series 10 - Plan M - Direct Growth	10.00	-	-	-
15,000,000 (-) Units of Reliance Fixed Horizon Fund XXV Series 27 Direct Growth	15.00	-	-	-
51,035,586 (-) Units of Sundaram Flexi Fund ST Plan Direct Pl Bonus	49.87	-	-	-
10,000,000 (-) Units of Tata FMP Series 46 Scheme R Direct	10.00	-	-	-
15,000,000 (-) Units of IDFC FTP Series 77 Direct Growth	15.00	-	-	-
	178.19	35.49	-	100.00
Other Alternative Investment Fund				
Unquoted:				
587,277 (-) Units of Kedaara Capital AIF	0.59	-	-	-
Total (A)	5,029.33	4,033.17	166.11	392.04

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
(B) Current Investments:				
In Certificate of Deposit:				
Unquoted:				
- (2,500)Certificate of Deposit of ₹ 100,000 each of Syndicate Bank - 19.06.2013	-	-	-	23.96
- (5,000)Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore - 26.06.2013	-	-	-	47.92
- (5,000)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 18.09.2013	-	-	-	47.95
- (2,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 17.12.2013	-	-	-	23.49
- (2,500)Certificate of Deposit of ₹ 100,000 each of Indian Overseas Bank - 25.02.2014	-	-	-	23.12
- (2,500)Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce - 26.02.2014	-	-	-	23.12
- (7,500)Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce - 05.03.2014	-	-	-	68.60
- (2,500)Certificate of Deposit of ₹ 100,000 each of UCO Bank of India - 10.03.2014	-	-	-	22.89
2,500 (-) Certificate of Deposit of ₹ 100,000 each of Bank of India - 06.03.2015	-	-	22.79	-
2,500 (-) Certificate of Deposit of ₹ 100,000 each of Bank of India - 15.09.2014	-	-	23.94	-
2,500 (-) Certificate of Deposit of ₹ 100,000 each of Canara Bank - 25.06.2014	-	-	24.42	-
5,000 (-) Certificate of Deposit of ₹ 100,000 each of Corporation Bank - 13.03.2015	-	-	45.58	-
	-	-	116.73	281.05
Add: Amortisation of premium/(discount) on acquisition	-	-	0.43	2.08
	-	-	117.16	283.13
In Bonds and Debentures:				
Fully paid:				
Others:				
Quoted:				
- (100) 8.93% Secured Non Convertible Redeemable Taxable Bonds of ₹ 1,000,000 each of Oriental Bank of Commerce	-	-	-	10.26
- (200) 8.80% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Power Grid Corporation of India Ltd.	-	-	-	20.00
Carried over	-	-	-	30.26
Carried over	-	-	117.16	283.13

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	-	-	117.16	283.13
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	-	-	-	30.26
- (100) 8.90% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures of ₹1,000,000 of Power Finance Corporation Ltd.	-	-	-	9.98
- (50) 9.46% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures of ₹1,000,000 of Power Finance Corporation Ltd.	-	-	-	5.47
- (100) 8.87% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹1,000,000 each of Rural Electrification Corporation Ltd.	-	-	-	9.99
- (100) 10.25% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each of BMW Financial Services Private Ltd.	-	-	-	10.23
- (250) 9.30% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each of HDFC Ltd.	-	-	-	25.00
- (250) 9.55% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each of Hindalco Industries Ltd.	-	-	-	27.00
- (200) 9.15% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each of IDFC Ltd.	-	-	-	20.00
- (100) 9.20% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each of IDFC Ltd.	-	-	-	10.07
- (100) 10.25% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each of Reliance Gas Transportation Infrastructure Ltd.	-	-	-	10.85
- (70) 9.57% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each of LIC Housing Finance Ltd.	-	-	-	7.38
- (100) 9.70% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each of LIC Housing Finance Ltd.	-	-	-	10.79
- (150) 9.24% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each of Sterlite Industries Ltd.	-	-	-	15.29
- (100) 9.40% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each of Sterlite Industries Ltd.	-	-	-	10.21
	-	-	-	202.52
Less: Amortisation of premium/(discount) on acquisition	-	-	-	-
	-	-	-	202.52
Carried over	-	-	117.16	485.65

Notes to financial statements for the year ended 31 March 2014 (Contd.)

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	-	-	117.16	485.65
In Mutual Fund Units:				
Unquoted:				
- (75,309,685) Reliance Liquid Fund Treasury Plan-Direct Plan Growth	-	-	-	21.50
2,794,471 (-) ICICI Prudential Liquid-Direct Plan- Growth	-	-	53.00	-
	-	-	53.00	21.50
Total (B)	-	-	170.16	507.15
Total (A+B)	5,029.33	4,033.17	336.27	899.19
Aggregate provision for diminution in value of investments	10.07	8.31	-	-

(₹ In Crore)

Particulars	Book value		Market value	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Quoted*	4,460.12	3,940.37	28,791.07	25,109.25
Unquoted	905.48	991.99		
Total	5,365.60	4,932.36		

Notes to Investments

- *Quoted investments for which quotations are not available have been included in market value at the face value/paid up value, whichever is lower, except in case of Debentures, Bonds and Government securities, where the Net Present Value at current yield to maturity have been considered.
- Investments made by the Company other than those with a maturity of less than one year, are intended to be held for long-term, hence diminution in the value of quoted investments are not considered to be of a permanent nature. On an assessment of the non-performing investments (quoted and unquoted) and keeping in mind the relevant provisioning norms applicable to the Company as a NBFC and the guidelines adopted by the Management, no provision has been determined during the year ended 31 March 2014.
- # Includes ₹ 297 crore net of provision for diminution transferred from Current Investments to Long-term Investments, in accordance with the prudential norms specified by RBI.
- Refer note 2 clause 4 for accounting policy and valuation principles for investments.

Notes to financial statements for the year ended 31 March 2014 (Contd.)

11 Loans and advances

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Capital advances	-	0.50	-	-
Security deposits	1.69	0.66	-	-
Loan and advances to related parties [See note 25]	-	-	0.05	0.01
Other loans and advances				
CENVAT credit receivable	-	0.52	0.01	-
Advance income-tax (net of provision for tax)	87.49	115.53	-	-
MAT credit entitlement*	143.65	161.65	-	-
Less: Provision for possible unutilisation	15.50	-	-	-
	128.15	161.65	-	-
Others	9.43	27.88	0.01	0.57
	225.07	305.58	0.02	0.57
	226.76	306.74	0.07	0.58

* On an assessment of its ability to utilise the available MAT credit within the prescribed limits under the Income Tax Act, 1961, the Management has determined MAT credit of ₹ 15.50 crore may be unlikely to be set off/adjusted due to possible inadequacy of tax payable in the available future periods. Hence the MAT credit of a similar amount has been provided for under Tax (debits)/credits pertaining to earlier years.

12 Other assets

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Non-current bank balances [See note 13]	40.00	200.00	-	-
Others				
Investments redemption proceeds receivable	-	-	15.00	-
Interest accrued but not due on fixed deposit	2.89	-	20.58	2.67
Interest receivable on investments	9.51	-	1.41	2.27
Interest receivable on investments/loans, doubtful	3.29	3.29	-	-
Less: Provision for doubtful receivable	3.29	3.29	-	-
	-	-	-	-
	52.40	200.00	36.99	4.94

Notes to financial statements for the year ended 31 March 2014 (Contd.)

13 Cash and bank balances

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Cash and cash equivalents				
Balances with banks:				
In current accounts	-	-	9.97	8.70
Cash equivalents				
Cheques/drafts on hand	-	-	50.26	-
Commercial Paper with maturity of less than three months from date of acquisition	-	-	-	24.45
	-	-	60.23	33.15
Other bank balances				
In unclaimed dividend accounts	-	-	4.77	5.81
Deposits with residual maturity for less than 12 months	-	-	200.00	100.00
Deposits with residual maturity for more than 12 months	40.00	200.00	-	-
	40.00	200.00	204.77	105.81
Amount disclosed under non-current assets [See note 12]	(40.00)	(200.00)		
	-	-	265.00	138.96

Notes to financial statements for the year ended 31 March 2014 (Contd.)

14 Revenue from operations

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Interest:		
Interest income on		
Bank deposits	25.77	24.64
Long-term investments	164.93	113.39
Current investments	6.56	4.14
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	(2.34)	(8.38)
Current investments	9.92	27.25
	204.84	161.04
Other financial services:		
Dividend income on		
Long-term investments in subsidiary, associates and joint venture	427.81	426.16
Long-term investments	51.83	48.97
Profit on sale of investments, net*	103.76	92.35
Surplus on redemption of securities, net*	0.09	0.08
Provision for diminution in value of investments written back	1.23	11.15
Sundry credit balances appropriated (previous year ₹ 7,358)	-	
Investments/balances earlier written off, recovered (previous year ₹ 42,000)	0.07	
Income from units of mutual fund	0.29	0.93
Provision for doubtful interest written back	-	3.00
	789.92	743.68
Other revenue from operations:		
Rent from investment property	9.69	0.22
	799.61	743.90

* Including on current investments ₹ 20.50 crore (previous year ₹ 35.25 crore)

15 Other income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Interest on income tax refunds	36.37	-
Miscellaneous receipts	3.48	1.24
Provision no longer required	0.01	0.01
	39.86	1.25

Notes to financial statements for the year ended 31 March 2014 (Contd.)

16 Employee benefits expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Salaries, wages and bonus to employees	0.25	0.08
Remuneration to whole-time director	4.44	2.40
Contribution to provident and other funds	0.45	0.21
Staff welfare expenses (₹ 48,150 - previous year ₹ 14,959)	5.14	2.69

17 Finance costs

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Interest expense	-	0.01
	-	0.01

18 Depreciation and amortisation

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Depreciation on tangible assets	0.19	0.19
Depreciation on investment property	4.36	1.91
Amount written off against leasehold land	0.02	0.02
	4.57	2.12

Notes to financial statements for the year ended 31 March 2014 (Contd.)

19 Other expenses

Particulars	For the year ended 31 March	
	2014	2013
Repairs to buildings	0.88	0.81
Repairs to machinery (₹ 5,388 - previous year ₹ 3,333)		
Rent	0.01	0.01
Rates and taxes	3.10	2.70
Insurance	0.01	0.01
Payment to auditor	0.11	0.08
Directors' fees and travelling expenses	0.16	0.14
Commission to non-executive directors	0.40	0.36
Brokerage on letting of investment property	2.30	-
Miscellaneous expenses	6.02	5.77
Provision for diminution in value of current investments	3.00	-
	15.99	9.88

Particulars	For the year ended 31 March	
	2014	2013
Payment to auditor		
As auditor:		
Audit fee	0.06	0.05
Tax audit fee	0.02	0.01
Limited review	0.02	0.02
In other capacity:		
Other services (certification fees)	0.01	-
Reimbursement of expenses (₹ 38,022 - previous year ₹ 17,830)		
	0.11	0.08

20 Earnings Per Share (EPS)

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

Particulars	For the year ended 31 March	
	2014	2013
Profit for the year (₹ In Crore)	733.35	663.33
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	65.9	59.6
Face value per share ₹	10.0	10.0

Notes to financial statements for the year ended 31 March 2014 (Contd.)

21 Contingent liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2014	2013
a Claims against the Company not acknowledged as debts	0.02	-
b Income Tax matters under dispute		
Appeal by Company	45.75	93.25
Appeal by the Department	311.80	195.72

22 Capital and other commitments

Particulars	(₹ In Crore)	
	As at 31 March	
	2014	2013
Capital commitments, net of capital advances (₹ 27,775)		0.57

23 Expenditure in foreign currency (accrual basis)

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Other matters (₹ 54,712 - previous year ₹ 38,500)		

24 Employee benefits

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

Funded scheme

Particulars	(₹ In Crore)	
	Gratuity	
	As at 31 March	
	2014	2013
Amount to be recognised in Balance Sheet		
Present value of funded obligations	0.20	0.05
Fair value of plan assets	(0.16)	(0.05)
Net liability (previous year ₹ -45,423)	0.04	-
Amounts in Balance Sheet		
Liability	0.04	-
Assets (previous year ₹ 45,423)		
Net liability (previous year ₹ -45,423)	0.04	

Notes to financial statements for the year ended 31 March 2014 (Contd.)

24 Employee benefits (Contd.)

Funded scheme (Contd.)

Particulars	(₹ In Crore)	
	Gratuity	
	As at 31 March	
	2014	2013
Expense to be recognised in the Statement of Profit and Loss		
Current service cost	0.05	0.05
Interest on defined benefit obligation	0.01	-
Expected return on plan assets	(0.01)	-
Net actuarial losses/(gains) recognised in year	0.09	-
Total, included in "Employee benefits expense"	0.14	0.05
Actual return on plan assets	-	-
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	0.05	0.01
Current service cost	0.05	0.05
Interest cost	0.01	-
Actuarial losses/(gains)	0.09	-
Benefits paid	-	(0.01)
Closing defined benefit obligation	0.20	0.05
Change in fair value of assets		
Opening fair value of plan assets	0.05	0.01
Expected return on plan assets	0.01	-
Contributions by employer	0.10	0.05
Benefits paid	-	(0.01)
Closing fair value of plan assets	0.16	0.05

Particulars	(₹ In Crore)		
	As at 31 March		
	2014	2014	2013
Assets information			
Insurer managed funds	0.16	100.00%	100.00%

Notes to financial statements for the year ended 31 March 2014 (Contd.)

24 Employee benefits (Contd.)

Funded scheme (Contd.)

(₹ In Crore)

Particulars	Year ended 31 March				
	2010	2011	2012	2013	2014
Experience adjustments					
Defined benefit obligation	0.56	0.67	0.01	0.05	0.20
Plan assets	0.28	0.33	0.01	0.05	0.16
Surplus/(deficit)	(0.28)	(0.34)	-	-	(0.04)
Exp. adj. on plan liabilities	(0.01)	0.05	0.10	-	0.07
Exp. adj. on plan assets	-	0.01	-	-	-

As at 31 March

Particulars	2014	2013
Principal actuarial assumptions (expressed as weighted averages)		
Discount rate (p.a.)	9.35%	8.05%
Expected rate of return on assets (p.a.)	7.50%	7.50%
Salary escalation rate (p.a.) - senior staff	10.00%	8.00%
Salary escalation rate (p.a.) - junior staff	10.00%	9.00%

Unfunded scheme

(₹ In Crore)

Compensated absences

As at 31 March

Particulars	2014	2013
Present value of unfunded obligations (previous year ₹ 2,821)	0.10	
Expense recognised in the Statement of Profit and Loss	0.10	-
Discount rate (p.a.)	9.35%	8.05%
Salary escalation rate (p.a.) - senior staff	10.00%	8.00%
Salary escalation rate (p.a.) - junior staff	10.00%	9.00%

Notes to financial statements for the year ended 31 March 2014 (Contd.)

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

(₹ In Crore)

Name of related party and Nature of relationship	Nature of transaction	2013-14		2012-13	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Holding company, subsidiaries and fellow subsidiary:					
Bajaj Auto Holdings Ltd.	Contribution to equity (24,500 shares of ₹ 100 each)	-	0.25	-	0.25
(Fully owned subsidiary)	Dividend received	2.94	-	7.35	-
B Associates, joint ventures and investing parties:					
Maharashtra Scooters Ltd.	Contribution to equity (2,742,848 shares of ₹ 10 each)	-	0.24	-	0.24
(A joint venture - 24 % shares held by Bajaj Holdings & Investment Ltd.)	Dividend received	5.49	-	0.27	-
Bajaj Auto Ltd.	Contribution to equity (91,119,000 shares of ₹ 10 each)	-	286.22	-	286.22
(An associate - 31.49% shares held by Bajaj Holdings & Investment Ltd.)	Dividend received	410.04	-	410.04	-
	Business support services rendered	0.33	-	0.30	-
	Business support services received	1.02	-	0.66	-
	Income tax cross-adjustment paid to BAL (net)	32.60	-	-	-
	Interest paid on income tax cross-adjustment (net)	5.87	-	-	-
	Revenue expenses reimbursed	-	-	2.55	-
Bajaj Finserv Ltd.	Contribution to equity (62,314,214 shares of ₹ 5 each)	-	743.82	368.23	743.82
(An associate - 39.16% shares held by Bajaj Holdings & Investment Ltd.)	Dividend received	9.35	-	8.50	-
	Business support services rendered	0.11	-	0.18	-
	Business support services received	1.57	-	1.42	-
	Income tax cross-adjustment received from BFS	7.24	-	-	-
	Interest received on income tax cross-adjustment	1.25	-	-	-
C Individuals controlling voting power/exercising significant influence and their relatives:					
Rahul Bajaj (Chairman)	Sitting fees	0.02	-	0.01	-
	Commission	0.04	(0.04)	0.03	(0.03)
Madhur Bajaj	Sitting fees	0.01	-	0.01	-
	Commission	0.03	(0.03)	0.03	(0.03)
Rajiv Bajaj	Sitting fees	0.01	-	0.01	-
	Commission	0.03	(0.03)	0.03	(0.03)
Sanjiv Bajaj (Managing Director)	Remuneration	1.68	-	0.84	-
	Commission	3.33	(3.33)	1.80	(1.80)
Shekhar Bajaj	Nil	-	-	-	-
Niraj Bajaj	Nil	-	-	-	-
D Enterprises over which anyone in (c) exercises significant influence:					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	0.02	0.05	0.01	0.01
	Sale of investments	5.18	-	5.09	-
Bajaj Finance Ltd.	Business support services rendered	2.36	-	0.09	-
Bajaj Electricals Ltd.	Contribution to equity (16,697,840 shares of ₹ 2 each)	-	111.77	-	111.77
	Dividend received	3.34	-	4.68	-
Hindustan Housing Co. Ltd.	Maintenance charges paid	0.94	-	0.85	-
	Security deposit paid	-	0.23	-	0.23
Mukand Ltd.	Contribution to equity (8,113,204 shares of ₹ 10 each) (Previous year 4,056,422 shares of ₹ 10 each)	8.52	32.88	-	24.37
	0.01% 196,169 redeemable preference shares of ₹ 10 each	-	0.20	-	0.20
	Dividend received on preference shares (₹ 196, Previous year - ₹ 196)	-	-	-	-
Mukand Engineers Ltd.	Contribution to equity (54,000 shares of ₹ 10 each)	-	0.10	-	0.10
	Dividend received on equity shares	0.01	-	0.01	-
Bajaj International Pvt. Ltd.	Other credits (₹ 34,662, Previous year - ₹ Nil)	-	-	-	-
Hercules Hoists Ltd.	Contribution to equity (6,251,040 shares of ₹ 1 each)	-	12.34	-	12.34
	Dividend received on equity shares	1.09	-	1.09	-

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

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

Notes to financial statements for the year ended 31 March 2014 (Contd.)

26 Lease

Future minimum lease rental in respect of assets. Given on operating lease in the form of office premises after 1 April 2001.
Minimum future lease payments as on 31 March 2014:

(₹ In Crore)

Particulars	As at 31 March	
	2014	2013
Receivable		
Within one year	16.19	0.33
After one year but not more than five years	54.31	0.27
More than five years	-	-
	70.50	0.60

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

27 Schedule to Balance Sheet as at 31 March 2014

Balance sheet of a Non Deposit taking Non-Banking Financial Company

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

(₹ In Lakh)

Liabilities side	Amount outstanding	Amount overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	-	-
: Unsecured	-	-
(Other than falling within the meaning of public deposit*)	-	-
(b) Deferred credits	-	-
(c) Term loans	-	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial paper	-	-
(f) Other loans (specify nature)	-	-

* Please see Note 1 below

Asset side	Amount outstanding
(2) Break-up of loans and advances including bills receivables (other than those included in (4) below)	
(a) Secured	-
(b) Unsecured (Comprises advance income tax paid, interest receivable and miscellaneous receivables)	22,683
(3) Break up of leased assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors	
a) Financial lease	-
b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors	
a) Assets on hire	-
b) Repossessed assets	-

Notes to financial statements for the year ended 31 March 2014 (Contd.)

27 Schedule to Balance Sheet as at 31 March 2014 (Contd.)

Asset side (Contd.)	(₹ In Lakh)
	Amount overdue
(iii) Other loans counting towards AFC activities	
a) Loans where assets have been repossessed	-
b) Loans other than (a) above	-
(4) Break up of investments	
Current investments	
1. Quoted:	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others	-
2. Unquoted:	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	5,300
(iv) Government securities	-
(v) Others: (a) Certificate of deposit	11,716
(b) Commercial paper	-
Long-term investments	
1. Quoted:	
(i) Shares: (a) Equity	245,811
(b) Preference	-
(ii) Debentures and bonds	185,889
(iii) Units of mutual funds	-
(iv) Government securities	14,311
(v) Others (please specify)	-
2. Unquoted:	
(i) Shares: (a) Equity	35,704
(b) Preference	19
(ii) Debentures and bonds	-
(iii) Units of mutual funds	17,879
(iv) Government securities	-
(v) Others (please specify): Investment property	19,931
Total	536,560

Notes to financial statements for the year ended 31 March 2014 (Contd.)

27 Schedule to Balance Sheet as at 31 March 2014 (Contd.)

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	28	28
2. Other than related parties	-	22,655	22,655
Total	-	22,683	22,683

(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	(₹ In Lakh)	
	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)	5,214	25
(b) Companies in the same group (disclosed at market value) #	2,389,622	103,004
(c) Other related parties		
- Unquoted (disclosed at face value)	19	19
- Quoted	62,937	14,499
2. Other than related parties		
- Unquoted @	69,541	90,505
- Quoted (disclosed at market value)	426,548	328,508
Total	2,953,881	536,560

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

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

@ Investment in preference shares are disclosed at face value. Investments in equity shares are disclosed at break up value and investments in mutual funds are disclosed at fund value. The break up values are computed based on latest available consolidated financial statements/reports.

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

Notes to financial statements for the year ended 31 March 2014 (Contd.)

27 Schedule to Balance Sheet as at 31 March 2014 (Contd.)

(7) Other information

Particulars	(₹ In Lakh)	
	Amount	
(i) Gross non-performing assets		
(a) Related parties		-
(b) Other than related parties		807
(ii) Net non-performing assets		
(a) Related parties		-
(b) Other than related parties		-
(iii) Assets acquired in satisfaction of debt		-

Notes:

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

(8) CRAR

Items	2014	2013
(i) CRAR %	105%	109%
(ii) CRAR – Tier I capital (%)	105%	109%
(iii) CRAR – Tier II capital (%)	0%	0%

(9) Exposures: Exposures to real estate sector

Category	(₹ In Lakh)	
	2014	2013
(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	38,407	32,655
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	38,407	32,655

Notes to financial statements for the year ended 31 March 2014 (Contd.)

27 Schedule to Balance Sheet as at 31 March 2014 (Contd.)

(10) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(₹ In Lakh)

Particulars	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities	-	-	-	-	-	-	-	-	-
Borrowings from Banks	-	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-	-
Assets	5,300	-	2,447	2,398	23,482	93,325	41,193	368,415	536,560
Advances	-	-	-	-	-	-	-	-	-
Investments	5,300	-	2,447	2,398	23,482	93,325	41,193	368,415	536,560

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- The consolidated financial statements of the Company and its group are attached to these independent financial statements. The details of the group regarding the nature of relationship and the basis of consolidation can be referred to in note 1 to the said consolidated financial statements
- 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.

29 Previous year figures

Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year.

30 Miscellaneous

₹ 1 crore is equal to ₹ 10 million.

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

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Kevin D'sa
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

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 2014
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 ₹ 1.49 crore
5. Net aggregate profits or losses for the previous financial years since becoming subsidiary so far as concern the members of the holding company, not dealt with or provided for in the accounts of the holding company	Profit ₹ 51.43 crore
6. Net aggregate amounts received as dividends for previous financial years since becoming subsidiary dealt with in the accounts of the holding company in relevant years	₹ 20.91 crore

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Kevin D'sa
Chief Financial Officer

Vallari Gupte
Company Secretary

Pune: 15 May 2014



Consolidated Financial Statements

Independent Auditors' Report on the Consolidated Financial Statements

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

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Bajaj Holdings & Investment Ltd. ("the Company") and its subsidiary, its jointly controlled entity and associate companies; hereinafter referred to as the "Group" (refer Note [1] to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at 31 March 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's responsibility for the consolidated financial statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditor on separate financial statements and on the other financial information of the component of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Other matter

8. We did not audit the financial statements of one jointly controlled entity included in the consolidated financial statements, which constitute total assets of ₹ 72.07 crore and net assets of ₹ 65.32 crore as at 31 March 2014, total revenue of ₹ 13.82 crore, net profit of ₹ 11.42 crore and net cash flows amounting to ₹ 0.05 crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Consolidated Balance Sheet

(₹ In Crore)

As at 31 March

Particulars	Note No.	2014	2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	111.29	111.29
Reserves and surplus	3	11,887.69	10,233.80
		11,998.98	10,345.09
Non-current liabilities			
Deferred tax liabilities (net)		4.69	4.05
Other long-term liabilities	4	30.98	23.87
Long-term provisions	5	0.11	0.02
		35.78	27.94
Current liabilities			
Trade payables	6	1.32	0.52
Other current liabilities	6	12.76	9.96
Short-term provisions	5	399.40	391.96
		413.48	402.44
Total		12,448.24	10,775.47
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	9.19	9.39
Lease adjustment account - plant and machinery		17.50	17.50
Capital work-in-progress		-	-
		26.69	26.89
Goodwill on investments in associates		505.11	505.11
Non-current investments	8	10,932.02	8,657.43
Long-term loans and advances	9	231.36	311.39
Other non-current assets	10	52.42	200.02
		11,747.60	9,700.84
Current assets			
Current investments	8	392.91	919.92
Inventories	11	0.12	0.14
Trade receivables	12	0.31	0.61
Cash and bank balances	13	268.53	146.62
Short-term loans and advances	9	0.58	1.13
Other current assets	10	38.19	6.21
		700.64	1,074.63
Total		12,448.24	10,775.47

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Kevin D'sa
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Consolidated Statement of Profit and Loss

(₹ In Crore)

For the year ended 31 March

Particulars	Note No.	2014	2013
Sales		1.13	1.80
Less: Excise duty		0.12	0.19
Net Sales		1.01	1.61
Other operating revenue		385.69	335.49
Revenue from operations (net)	14	386.70	337.10
Other income	15	41.02	2.36
Total revenue		427.72	339.46
Expenses:			
Cost of raw material and components consumed	16	0.43	0.73
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	17	0.03	(0.07)
Employee benefits expense	18	6.43	4.03
Finance costs	19	-	0.01
Depreciation and amortisation	20	4.78	2.36
Other expenses	21	16.48	10.38
Total expenses		28.15	17.44
Profit before tax		399.57	322.02
Tax expense			
Current tax		85.20	68.01
Share of current tax of joint venture		0.25	0.36
Share of MAT credit of joint venture		(0.25)	(0.36)
Deferred tax		0.64	0.32
Total tax expense		85.84	68.33
Profit after tax		313.73	253.69
Tax (debits)/credits pertaining to earlier years		4.72	-
Income from associates after tax		1,669.11	1,602.69
Profit for the year		1,987.56	1,856.38
Basic and diluted Earnings per share (In ₹) (Nominal value per share ₹ 10)		178.6	166.8

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Kevin D'sa
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Notes to consolidated financial statements for the year ended 31 March 2014

- 1 a) 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" and 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 Ltd.	India	31.49%	Associate
Bajaj Finserv Ltd.	India	39.16%	Associate
Bajaj Auto Holdings Ltd.	India	100.00%	Subsidiary
Maharashtra Scooters Ltd.	India	24.00%	Joint venture

- b) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Consequent to the clarification from the Ministry of Corporate Affairs, vide General Circular 08/2014 dated 4 April 2014, these financial statements have been prepared in accordance with the relevant provisions/Schedules/Rules of the Companies Act, 1956. Accordingly, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 and the RBI guidelines/regulations to the extent applicable.

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

2 Share capital

(₹ In Crore)

Particulars	As at 31 March	
	2014	2013
Authorised:		
150,000,000 equity shares of ₹ 10 each	150.00	150.00
Issued, subscribed and fully paid-up shares:		
111,293,510 equity shares of ₹ 10 each	111.29	111.29
	111.29	111.29

a. Further, of the above:

4,342,676 equity shares issued by way of Euro equity issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares, excluding 2,171,388 equity shares allotted as bonus shares thereon. Outstanding GDRs at the close of the year were 280,420 (304,675).

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31 March 2014		As at 31 March 2013	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	16,480,155	14.81%	15,565,590	13.99%
Life Insurance Corporation of India	7,520,173	6.76%	7,519,849	6.76%
Jaya Hind Investments Pvt. Ltd.	5,805,256	5.22%	5,805,256	5.22%

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

3 Reserves and surplus

Particulars	(₹ In Crore)	
	As at 31 March	
	2014	2013
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as per the last financial statements	649.17	515.54
Add: Transferred from surplus in Statement of Profit and Loss	146.96	133.63
Closing balance	796.13	649.17
Securities premium account		
Balance as per the last financial statements	444.42	444.42
General reserve		
Balance as per the last financial statements	8,513.27	7,116.87
Add: Share of accumulated reserves of associate	58.23	134.94
Add: Reserve utilised by subsidiary and joint venture towards distribution of dividend	(1.43)	(1.23)
Add: Transferred from surplus in Statement of Profit and Loss	1,323.21	1,250.97
Add: Share of profit/(loss) of joint venture	11.42	11.72
Closing balance	9,904.70	8,513.27
Capital reserve arising on consolidation of joint venture	2.50	2.50
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	624.44	489.40
Profit for the year	1,987.56	1,856.38
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	146.96	133.63
Transfer to General reserve	1,323.21	1,250.97
Transfer to General reserve (share of joint venture)	11.42	11.72
Proposed dividend	333.88	278.23
Tax on proposed dividend	56.59	46.79
Total appropriations	1,872.06	1,721.34
Balance in the Statement of Profit and Loss	739.94	624.44
	11,887.69	10,233.80

4 Other long-term liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2014	2013
Share of annuity payable to VRS optees of joint venture	4.92	5.89
Lease security deposits	17.50	17.50
Other security deposits	8.08	-
Other payables	0.48	0.48
	30.98	23.87

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

5 Provisions

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Provision for employee benefits				
Provision for gratuity (previous year ₹ -45,423)	0.04		-	-
Share of provision for gratuity of joint venture	0.04	-	-	-
Provision for compensated absences (previous year ₹ 2,821)	-	-	0.10	
Share of provision for compensated absences of joint venture	-	-	0.15	0.14
Share of provision for welfare scheme of joint venture	0.03	0.02	-	-
	0.11	0.02	0.25	0.14
Other provisions				
Provision for tax (net of tax paid in advance)	-	-	8.68	66.80
Proposed dividend	-	-	333.88	278.23
Tax on proposed dividend	-	-	56.59	46.79
	-	-	399.15	391.82
	0.11	0.02	399.40	391.96

6 Current liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2014	2013
Trade payables		
Other than dues to micro and small enterprises	1.05	0.33
Share of other than dues to micro and small enterprises of joint venture	0.27	0.19
	1.32	0.52
Other current liabilities		
Security deposits	-	0.20
Unclaimed dividend	4.77	5.81
Share of unclaimed dividend of joint venture	0.36	0.23
Directors' remuneration and commission payable	3.73	2.16
Employee benefits payable	0.03	-
Taxes payable	2.78	0.45
Other payables	0.11	0.08
Share of annuity payable to VRS optees of joint venture	0.98	1.03
	12.76	9.96
	14.08	10.48

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

7 Fixed assets (tangible assets)

(₹ In Crore)

Particulars	Gross block			As at 31 Mar 14	Depreciation			Net block		
	As at 31 Mar 13	Additions	Deductions/ adjustments		As at 31 Mar 13	Deductions/ adjustments	For the year	As at 31 Mar 14	As at 31 Mar 14	As at 31 Mar 13
Land freehold	0.04	-	-	0.04	-	-	-	-	0.04	0.04
Land leasehold	1.26	-	0.02	1.24	-	-	-	-	1.24	1.26
Buildings	9.65	-	-	9.65	3.30	-	0.19	3.49	6.16	6.35
Plant and machinery	4.98	0.22	0.19	5.01	3.70	0.18	0.17	3.69	1.32	1.28
Furniture and fixtures	0.07	-	-	0.07	0.06	-	-	0.06	0.01	0.01
Office equipments	0.02	-	-	0.02	0.01	-	-	0.01	0.01	0.01
Vehicles	0.51	0.03	0.03	0.51	0.07	0.01	0.04	0.10	0.41	0.44
Leased assets: Plant and machinery	87.50	-	-	87.50	87.50	-	-	87.50	-	-
Total	104.03	0.25	0.24	104.04	94.64	0.19	0.40	94.85	9.19	9.39
Share of fixed assets of joint venture	6.52	0.25	0.22	6.55	4.76	0.19	0.21	4.78	1.77	1.76
Previous year total	103.50	0.76	0.23	104.03	94.37	0.16	0.43	94.64	9.39	
Share of fixed assets of joint venture previous year	6.41	0.32	0.21	6.52	4.68	0.16	0.24	4.76	1.76	

8 Investments

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
In Investment property	199.31	194.64	-	-
In Government and trust securities	143.11	-	-	-
In Fully paid preference shares	0.19	0.19	-	-
In Equity shares				
Long term: associate company	6,886.75	5,578.80	-	-
Others	1,774.15	1,979.07	-	-
Share of joint venture	37.22	37.22	-	-
	8,698.12	7,595.09	-	-
In Debentures, bonds and secured premium notes	1,692.78	787.80	171.12	499.62
Share of joint venture	19.73	16.22	-	-
In Mutual fund units	178.19	63.49	99.08	137.06
Share of joint venture	-	-	-	0.11
In Other alternative investment fund	0.59	-	-	-
In Certificate of deposits	-	-	117.16	283.13
Share of joint venture	-	-	5.55	-
	10,932.02	8,657.43	392.91	919.92

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

9 Loans and advances

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Capital advances	-	0.50	-	-
Security deposits	1.69	0.66	-	-
Share of security deposits of joint venture	0.01	0.01	-	-
Loan and advances to related parties	-	-	-	0.01
Advances recoverable in cash or kind	1.35	1.35	-	-
Share of advances recoverable in cash or kind of joint venture	-	-	0.03	0.03
Other loans and advances				
Share of VAT refund receivable of joint venture	0.07	0.07	-	-
CENVAT credit receivable	-	0.52	0.01	-
Advance income-tax (net of provision for tax)	88.46	116.39	-	-
Share of Advance income-tax (net of provision for tax) of joint venture	1.54	1.26	-	-
MAT credit entitlement	143.65	161.65	-	-
Less: Provision for possible unutilisation	15.50	-	-	-
	128.15	161.65	-	-
Share of loans to former employees of joint venture	0.55	0.99	0.44	0.48
Others	9.54	27.99	0.06	0.57
Share of others of joint venture	-	-	0.04	0.04
	228.31	308.87	0.55	1.09
	231.36	311.39	0.58	1.13

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

10 Other assets

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Non-current bank balances [See note 13]	40.00	200.00	-	-
Others				
Investments redemption proceeds receivable	-	-	15.00	-
Interest accrued but not due on fixed deposits	2.89	-	20.58	2.67
Share of interest accrued but not due on fixed deposits of joint venture	-	-	0.02	0.29
Interest receivable on investments/loans	12.82	3.31	1.41	2.27
Share of interest receivable on investments/loans of joint venture	-	-	1.18	0.98
Less: Provision for doubtful receivable	3.29	3.29	-	-
	9.53	0.02	2.59	3.25
	52.42	200.02	38.19	6.21

11 Inventories

(₹ In Crore)

Particulars	As at 31 March	
	2014	2013
Raw materials and components (share of joint venture)	0.03	0.02
Work-in-progress (share of joint venture)	0.08	0.11
Stores (share of joint venture)	0.01	0.01
	0.12	0.14

12 Trade receivables

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Outstanding for a period exceeding six months from the date they are due for payment (share of joint venture)	-	-	0.01	-
Share of others, good of joint venture	-	-	0.30	0.61
	-	-	0.31	0.61
Amount disclosed under the head "other non-current assets"	-	-	-	-
	-	-	0.31	0.61

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

13 Cash and bank balances

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Cash and cash equivalents				
Balances with banks:				
In current accounts	-	-	10.01	8.75
Share of current accounts of joint venture	-	-	0.01	(0.04)
Cash equivalents				
Cheques/drafts on hand			50.26	-
Commercial paper with maturity of less than three months from date of acquisition	-	-	-	24.45
	-	-	60.28	33.16
Other bank balances				
In unclaimed dividend account	-	-	4.77	5.81
Share of unclaimed dividend account of joint venture	-	-	0.36	0.23
Deposits with residual maturity for less than 12 months	-	-	200.00	100.00
Deposits with residual maturity for less than 12 months (share of joint venture)	-	-	3.12	7.42
Deposits with residual maturity for more than 12 months	40.00	200.00	-	-
	40.00	200.00	208.25	113.46
Amount disclosed under non-current assets [See note 10]	(40.00)	(200.00)	-	-
	-	-	268.53	146.62

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

14 Revenue from operations

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Sale of products (share of joint venture)	1.13	1.80
Less: Excise duty on sale of products (share of joint venture)	0.12	0.19
Net sales (share of joint venture)	1.01	1.61
Interest:		
Interest income on		
Bank deposits	25.77	25.19
Share of bank deposits of joint venture	0.39	0.40
Long-term investments	165.91	114.26
Share of long-term investments of joint venture	1.67	1.47
Others	6.56	4.14
Share of others of joint venture	0.06	0.08
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	(2.35)	(8.44)
Current investments	9.92	27.25
Share of amortisation of (premium)/discount on acquisition of fixed income securities of joint venture	0.03	(0.01)
	207.96	164.34
Other financial services:		
Dividend income on		
Long-term investments	51.83	48.98
Share of long-term investments of joint venture	10.17	9.95
Profit on sale of investments, net	103.94	96.04
Profit on sale of investments, net (share of joint venture)	0.38	0.66
Surplus on redemption of securities, net	0.09	0.08
Surplus on redemption of securities, net (share of joint venture)	0.04	0.14
Provision for diminution in value of investments write back	1.23	11.15
Income from units of mutual fund	0.29	0.93
Provision for doubtful interest written back	-	3.00
Investments/balances earlier written off, recovered	0.07	-
	376.00	335.27
Other revenue from operations:		
Rent from investment property	9.69	0.22
	385.69	335.49
	386.70	337.10

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

15 Other income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Interest on income tax refunds	36.37	-
Miscellaneous receipts	4.57	2.27
Share of miscellaneous receipts of joint venture	0.01	-
Provision no longer required	0.01	0.01
Share of provision no longer required of joint venture	0.01	-
Share of surplus on sale of assets of joint venture	0.04	0.08
Share of sundry credit balances appropriated of joint venture	0.01	-
	41.02	2.36

16 Cost of raw material and components consumed

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Raw materials and boughtout items (share of joint venture)	0.43	0.73
	0.43	0.73

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

Particulars	(₹ In Crore)		
	For the year ended 31 March		
	2014	2013	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	0.08	0.11	0.03
Finished goods	-	-	-
	0.08	0.11	0.03
Inventories at the beginning of the year			
Work-in-progress	0.11	0.04	(0.07)
Finished goods	-	-	-
	0.11	0.04	(0.07)
	0.03	(0.07)	

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

18 Employee benefits expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Salaries, wages and bonus to employees	0.25	0.08
Share of salaries, wages and bonus to employees of joint venture	1.01	0.97
Remuneration to whole-time director	4.44	2.40
Contribution to provident and other funds	0.45	0.21
Share of contribution to provident and other funds of joint venture	0.15	0.12
Share of staff welfare expenses of joint venture	0.13	0.25
	6.43	4.03

19 Finance costs

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Interest expense	-	0.01
	-	0.01

20 Depreciation and amortisation

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Depreciation on tangible assets	0.19	0.19
Share of depreciation on tangible assets of joint venture	0.21	0.24
Depreciation on investment property	4.36	1.91
Amount written off against leasehold land	0.02	0.02
	4.78	2.36

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

21 Other expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2014	2013
Share of stores and tools consumed of joint venture	0.05	0.05
Share of power, fuel and water of joint venture	0.08	0.10
Repairs to buildings	0.89	0.81
Share of repairs to buildings of joint venture	0.04	-
Repairs to machinery (₹ 5,388 - previous year ₹ 3,333)		
Share of repairs to machinery of joint venture	0.03	0.04
Share of repairs to others of joint venture	0.05	0.03
Rent	0.01	0.01
Rates and taxes	3.11	2.70
Share of rates and taxes of joint venture	0.01	0.01
Insurance	0.01	0.01
Share of insurance of joint venture	0.01	0.01
Payment to auditor	0.11	0.08
Share of payment to auditor of joint venture	0.03	0.02
Directors' fees and travelling expenses	0.16	0.14
Share of directors' fees and travelling expenses of joint venture	0.01	0.01
Commission to non-executive directors	0.40	0.36
Brokerage on letting of investment property	2.30	-
Miscellaneous expenses	6.05	5.85
Share of miscellaneous expenses of joint venture	0.12	0.14
Provision for diminution in value of current investments	3.00	-
Share of loss on sale of assets of joint venture	0.01	0.01
	16.48	10.38

22 Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

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

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

24 Consolidated contingent liability

(₹ In Crore)

Particulars	As at 31 March	
	2014	2013
i. Claims against the Company not acknowledged as debts (including ₹ 147.98 crore (previous year ₹ 137.73 crore) being share of joint venture and associate)	148.00	137.73
ii. Guarantees given by the associate to banks, on behalf of subsidiary of associate (being share of associates)	-	8.55
iii. Guarantees given by the Company to HDFC - for loans to Employees (being share of associates)	0.01	0.01
iv. Taxes, duties and other sums due (including ₹ 224.70 crore (previous year ₹ 248.08 crore) being share of joint venture and associates)	584.15	538.95
v. Claims made by temporary workmen (of associate)	Liability unascertained	Liability unascertained
vi. Claims, under policies, not acknowledged as debts (being share of associate)	7.66	7.43

25 Capital and other commitments

(₹ In Crore)

Particulars	As at 31 March	
	2014	2013
Capital commitments to the extent not provided for, net of capital advances (including ₹ 102.40 crore (previous year ₹ 118.76 crore) being share of joint venture and associates)	102.40	119.33

26 Cash flow statement

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

(₹ In Crore)

Particulars	For the year ended 31 March	
	2014	2013
From operating activities	1,026.37	473.00
From investing activities	(663.46)	(368.64)
From financing activities	(335.79)	(331.96)
Net change	27.12	(227.60)
Cash and cash flow equivalents at the beginning of the year	33.16	260.76
Cash and cash flow equivalents at the end of the year	60.28	33.16

27 Consolidated related party transactions are same as related party transactions of standalone Bajaj Holdings & Investment Ltd.

Notes to consolidated financial statements for the year ended 31 March 2014 (Contd.)

28 Additional financial information

Statement of additional financial information, directed to be disclosed as a condition put forth by the Ministry of Corporate Affairs for grant of exemption from the applicability of section 121(1) of the Companies Act, 1956, is given below:

Financial information of subsidiaries for the year ended 31 March 2014

Particulars	(₹ In Crore)
	Bajaj Auto Holdings Ltd.
a Paid up share capital	0.25
b Share premium	-
Other reserves	51.89
c Total assets	53.66
d Total liabilities	53.66
e Investments*	51.10
f Turnover/Operating result	2.25
g Profit before tax	2.19
h Provision for tax	0.70
i Profit after tax	1.49
j Proposed Dividend	0.88

* For details of investments refer note 8.

29 Previous year figures

Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year.

30 Miscellaneous

₹ 1 crore is equal to ₹ 10 million.

In terms of our report of even date

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

Russell I Parera
Partner
Membership Number: 42190
Pune: 15 May 2014

Kevin D'sa
Chief Financial Officer

Vallari Gupte
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

BAJAJ

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

Registered office:

Mumbai-Pune Road, Akurdi, Pune 411035

Email: investors@bhil.in

Website: www.bhil.in

Phone: (020) 27472851, Fax : (020) 27407380

NOTICE

Notice is hereby given that the Sixty Ninth annual general meeting of the shareholders of Bajaj Holdings & Investment Ltd. will be held on Thursday, 17 July 2014 at 4.15 p.m. at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss for the year ended 31 March 2014 and the Directors' and Auditors' Reports thereon.
2. To declare a dividend.
3. To appoint a director in place of Rahul Bajaj (DIN 00014529), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, the retiring auditors, Dalal & Shah, Chartered Accountants (Firm Registration No. 102021W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the 72nd annual general meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, on a remuneration of ₹ 550,000 (Rupees Five lakh Fifty thousand only) plus service tax thereon and reimbursement of travelling and other out-of-pocket expenses for the year 2014-15."

SPECIAL BUSINESS:

5. Appointment of Dr. Gita Piramal as an independent director

To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT Dr. Gita Piramal (DIN 01080602) who was appointed by the Board of Directors as an additional director under section 161(1) of the Companies Act, 2013 and who vacates her office at this annual general meeting and in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as an independent director of the Company pursuant to section 149 of the Companies Act, 2013 and Rules made thereunder, for a period of five years with effect from 17 July 2014 upto 16 July 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Dr. Gita Piramal be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

6. Appointment of S H Khan as an independent director

To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of S H Khan (DIN 00006170), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an independent director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, S H Khan be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

7. Appointment of Nanoo Pamnani as an independent director

To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Nanoo Pamnani (DIN 00053673), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an independent director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Nanoo Pamnani be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

8. Appointment of Naresh Chandra as an independent director

To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Naresh Chandra (DIN 00015833), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an independent director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Naresh Chandra be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

9. Appointment of D J Balaji Rao as an independent director

To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of D J Balaji Rao (DIN 00025254), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an independent director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, D J Balaji Rao be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

10. Appointment of P Murari as an independent director

To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of P Murari (DIN 00020437), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an independent director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019.”

“RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, P Murari be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

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



Vallari Gupte
Company Secretary
Date: 15 May 2014

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
- 2 During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.
- 3 Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
- 4 Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of clause 49 of the listing agreement.
- 5 Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current auditors of the Company, Dalal & Shah, Chartered Accountants are eligible to hold the office for a period of three years, upto 2017. The appointment of Dalal & Shah, Chartered Accountants as auditors for three years from the conclusion of the ensuing annual general meeting till the conclusion of the 72nd annual general meeting, to be scheduled in 2017 and to fix their remuneration for the year 2014-15 has been put up for the approval of shareholders.
- 6 Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from **Saturday, 5 July 2014** to **Thursday, 17 July 2014**, both days inclusive.
- 7 Subject to the provisions of section 126 of the Companies Act, 2013 dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between **21 July 2014** and **22 July 2014** as under:
 - a) to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on **Friday, 4 July 2014**; and
 - b) to all those members holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/Share transfer agent (i.e. Karvy Computershare Pvt. Ltd.) on or before the close of business hours on **Friday, 4 July 2014**.
- 8 Dividend will be preferably paid through National Electronic Clearing Service (NECS), wherever the facility is available. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the members. In cases where the dividends cannot be paid through NECS, the same will be paid by account payee/not negotiable instruments.
- 9 To ensure timely delivery of shareholders' communications and also credit of dividend through NECS or dividend warrants/ payment instruments, members are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR/NECS details, to the respective depository participant in case of shares held in demat/share transfer agent of the Company in case of shares held in physical, on or before **4 July 2014**.
- 10 To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Karvy Computershare Pvt. Ltd). Members are requested to keep the same updated.
- 11 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Karvy.

- 12 In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
- 13 To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their email address with Karvy Computershare Private Ltd. on mohsin.mohd@karvy.com**
- 14 Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the meeting.
- 15 The Company has been maintaining, inter alia, the following statutory registers at its registered office at Akurdi, Pune, which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others as specified below:
- i) Register of contracts or arrangements in which directors are interested under section 301 of the Companies Act, 1956 and section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of the annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
 - ii) Register of directors' shareholdings under section 307 of the Companies Act, 1956 and Register of directors and key managerial personnel and their shareholding under section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person attending the meeting.
- 16 Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the website of the Company) with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
- 17 Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend the annual general meeting.
- 18 Members/Proxies are requested to bring the copies of Annual Reports to the meeting.
- 19 Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.

20 Voting through electronic means

In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on **30 May 2014** (End of Day) being the Cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Karvy Computershare Pvt. Ltd. (Karvy).

The instructions for e-voting are as under:

A. For members who receive notice of annual general meeting through email:

- i. Use the following URL for e-voting:
<https://evoting.karvy.com>
- ii. Enter the login credentials i.e. user id and password mentioned in your email. Your Folio No/DP ID/Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
- iii. After entering the details appropriately, click on "LOGIN".

- iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e. **Bajaj Holdings & Investment Ltd.**
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the member as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the Cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser on his email id cssdlimaye@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No.".
- xi. The Portal will remain open for voting from: **11 July 2014 (9.00 a.m.)** till **13 July 2014 (6.00 p.m.)**
- xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual available in the "Download" section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).
- xiii. Members may alternatively cast their votes using the Ballot Form which is sent along with this Notice and is also available on the website of the Company. Please refer instructions under heading C below for more details.

B. For members who receive the notice of annual general meeting in physical form:

- i. Members holding shares either in demat or physical mode who are in receipt of the Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice. Please refer instructions under heading C below for more details.
- ii. Members may alternatively opt for e-voting, for which the USER ID and initial password are provided at the bottom of the Ballot Form. Please follow steps from Sl. No.(i) to (xii) under heading A above to vote through the e-voting platform.

C. For members who wish to vote using Ballot Form:

Pursuant to clause 35B of the listing agreement, members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutiniser, Shyamprasad D. Limaye, Practising Company Secretary, Unit: Bajaj Holdings & Investment Ltd. C/o. Karvy Computershare Pvt. Ltd., Plot No.17-24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500081, so as to reach by **6.00 p.m. on 13 July 2014**. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.

In the event, a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

D. General instructions:

- i. The E-voting period commences from 9.00 a.m. on 11 July 2014 and ends on 6.00 p.m. on 13 July 2014. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of 30 May 2014 may cast their votes electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- ii. The Company has appointed Shyamprasad D. Limaye, Practising Company Secretary (FCS No. 1587 CP No.572) having address as 32, Navketan Society, Kothrud, Pune – 411038 as the Scrutiniser to the e-voting process, (including voting through Ballot Form received from the members) in a fair and transparent manner.
- iii. The Scrutiniser shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- iv. In the event of a poll, please note that the members who have exercised their right to vote by electronic means/ through ballot form as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).
- v. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the Sixty Ninth annual general meeting of the Company scheduled to be held on Thursday, 17 July 2014. At the said annual general meeting, the Chairman shall declare the results of voting on the resolutions set out in the Notice. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.bhil.in and on the website of Karvy - www.evoting.karvy.com, within two (2) days of the passing of the resolutions at the Sixty Ninth annual general meeting of the Company and shall also be communicated to the Stock Exchanges.

ANNEXURE TO THE NOTICE

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

Item No. 3 of the Notice

Rahul Bajaj (DIN 00014529)

Rahul Bajaj, Chairman, in the past, was a non-retiring director. However, in terms of the provisions of the Companies Act, 2013, the Board at its meeting held on 28 March 2014 categorised him as a director liable to retire by rotation and he is now due for re-appointment at this annual general meeting. Being eligible, he offers himself for re-appointment.

As regards re-appointment of Rahul Bajaj referred to in Item No. 3 of the Notice, following necessary disclosures are made for the information of the members:

Brief profile of Rahul Bajaj is given below:

Rahul Bajaj, (b. June 10, 1938), holds an Honours Degree in Economics from Delhi University, a degree in Law from Bombay University and MBA from Harvard Business School, USA. He has been associated with the Company as its Chairman since inception. He is the Chairman of the board of many companies. He was elected to the Upper House of Parliament (Rajya Sabha) in June 2006.

He has received numerous prestigious awards and recognitions, notable being the award of 'Padma-Bhushan' by the Government of India in 2001, Alumni Achievement Award by the Harvard Business School and Life Time Achievement Awards from Economic Times, Ernst & Young and CNBC TV18. He has been conferred Honorary Doctorates by six Universities including IIT Roorkee. He was the President of Confederation of Indian Industry (CII-1979-80/1999-2000). He was President of Society of Indian Automobile Manufacturers (SIAM) and Maharashtra Chamber of Commerce Industry and Agriculture (MCCIA) and Chairman of the Development Council for Automobiles and Allied Industries.

He was appointed by the Government of India the Chairman (1986-89) of the Government owned domestic carrier, Indian Airlines. He was nominated by the President of India the Chairman of the Board of Governors of the Indian Institute of Technology, Bombay during 2003-06. He is a Member & former Chairman of the International Business Council of the World Economic Forum, Geneva, a Member of

Harvard Business School's Global Advisory Board and the International Advisory Committee of NYSE Euronext. He is also a Member of the International Advisory Council of the Brookings Institution, Washington DC and a Member of the Executive Board of Indian School of Business.

He spearheads the CSR initiatives of the Bajaj Group which include Jamnalal Bajaj Foundation and Shiksha Mandal and a number of social organisations including Bharatiya Yuva Shakti Trust and Ruby Hall Clinic, a large hospital in Pune as their Chairman.

Directorships

Bajaj Holdings & Investment Ltd.
Bajaj Auto Ltd.
Bajaj Finserv Ltd.
Bajaj Finance Ltd.
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Kamalnayan Investment & Trading Pvt. Ltd.
Rahul Securities Pvt. Ltd.
Rupa Equities Pvt. Ltd.
Bajaj Electoral Trust
Bhoopati Shikshan Pratishthan
Mahakalp Arogya Pratishthan
Indian School of Business

Committee Chairmanships: Nil

Committee position: Nil

Rahul Bajaj is not disqualified from being appointed as a Director in terms of section 164 of the Act. He holds 5,130,285 Equity Shares of Rs.10/- each in the Company as on 31 March 2014.

None of the Directors, except Rahul Bajaj and his relatives Rajiv Bajaj and Sanjiv Bajaj, is concerned or interested in the said resolution.

The Board commends the ordinary resolution set out at Item No. 3 of the Notice for approval by shareholders.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND DISCLOSURE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Item No.5 of the Notice

Dr. Gita Piramal (DIN 01080602) was appointed by the Board of Directors of the Company as an Additional Director on 28 March 2014. She holds office until the ensuing annual general meeting under section 161(1) of the Companies Act, 2013.

She has submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that she meets the criteria of independence as provided in sub-section (6). Dr. Piramal is not disqualified from being appointed as a Director in terms of section 164 of the Act.

In respect of the appointment of Dr. Piramal, a notice in writing in the prescribed manner as required by section 160 of the Companies Act, 2013 and Rules made thereunder has been received by the Company, regarding her candidature for the office of the director.

According to section 152 of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, in the opinion of the Board, the proposed appointment of Dr. Gita Piramal as an independent director, fulfills the conditions specified in the Act and the Rules made thereunder as also the new clause 49 of the listing agreement and that the proposed appointment of Dr. Gita Piramal is independent of the management.

Brief Profile and particulars of Dr. Gita Piramal are given below:

Dr. Gita Piramal, (b. September 4, 1954), is currently engaged in academic research at the University of Oxford. An entrepreneur and businesswoman, author and journalist, she has a PhD in business history from Bombay University. For two decades, she contributed to several Piramal family companies in India in various positions. She launched a publishing company and a real estate company. In 2012, she retired and gave up board responsibilities and management roles. An award-winning author, she has written best seller books, cases studies, articles in international and Indian publications and commissioned and edited over 1,000 articles for The Smart

Manager. She has also scripted, edited, featured and anchored television documentaries for international and Indian channels. She conceptualised and created content for three best-selling, award-winning programmes for CNBC-TV18. She is associated with several trade and industry organisations, non-profit organisations and educational institutions.

Directorships:

Bajaj Holdings & Investment Ltd.
Bajaj Finance Ltd.
Bajaj Finserv Ltd.
Piramal Properties Pvt. Ltd.
Prism Management Consultancy Pvt. Ltd.
Trimode Properties Pvt. Ltd.

Shareholding in the Company: Nil

This Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

None of the Directors/key managerial personnel and/or their relatives, except Dr. Gita Piramal, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company, in the resolution set out in Item No. 5 of the Notice.

The Board recommends the ordinary resolution set out in Item No. 5 of the Notice for approval by the shareholders.

Item No. 6 to 10 of the Notice

Section 149 of the Companies Act, 2013, which came into effect from 1 April 2014, requires every listed Company to have one-third of the total number of directors as independent directors. As on 31 March 2014, the Board of Directors of the Company comprised S H Khan, Nanoo Pamnani, D J Balaji Rao, Naresh Chandra, P Murari and Dr. Gita Piramal, as independent directors pursuant to erstwhile clause 49 of the listing agreement.

Accordingly, with the recommendations of the Remuneration and Nomination Committee, the Board of Directors at its meeting held on 28 March 2014, appointed S H Khan, Nanoo Pamnani, D J Balaji Rao, Naresh Chandra and P Murari, directors, as independent directors of the Company pursuant to section 149, Schedule IV and other applicable provisions, of the Companies Act, 2013, for a consecutive period of 5 years from 1 April 2014 to 31 March 2019, subject to the approval of shareholders.

Therefore, as required under Schedule IV, appointment of these independent directors is set out in Item No. 6 to 10 of the Notice for approval of shareholders. Dr. Gita Piramal being appointed as an additional director under section 161(1) of the Act, her appointment as an independent director is set out in Item No. 5 of the Notice.

In respect of the appointments of the aforesaid directors, a notice in writing in the prescribed manner as required by section 160 of the Companies Act, 2013 and Rules made thereunder has been received by the Company, regarding candidature of the aforesaid directors for the office of the director.

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6). The respective appointee is not disqualified from being appointed as a director in terms of section 164 of the Act.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the Company by any member during normal business hours and the same shall also be available at the Company's website.

The Board is of the opinion that the aforesaid directors possess requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to continue to have their association with the Company as directors.

Further, in the opinion of the Board, the proposed appointment of independent directors, fulfills the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of independent directors is independent of the management.

Detailed profiles of independent directors are given below:

1. S H Khan (DIN 00006170)

S H Khan, (b. July 1, 1938), is the former Chairman and Managing Director of Industrial Development Bank of India (IDBI). He holds a Master's Degree in Commerce and is a university Gold Medalist.

His professional career spanning over 37 years includes initial five years with the Reserve Bank of India (RBI) and the remaining with IDBI, which he served in various positions, including as its Chairman and Managing Director for five years. By virtue of his association with IDBI, he possesses deep knowledge of Indian industry and finance. During his tenure as Chairman, IDBI recorded impressive growth in its operations and profits. He was instrumental in setting up a commercial bank (IDBI Bank Ltd.) with which IDBI got later merged. He was also associated with the promotion of institutions like National Stock Exchange of India Ltd., National Securities Depository Ltd. and Credit Analysis and Research Ltd. and guided their operations as their non-executive Chairman in the initial years.

During his official career he served on the Boards of a number of important institutions, including Unit Trust of India, Life Insurance Corporation of India, General Insurance Corporation, Industrial Finance Corporation of India, Exim Bank, Small Industries Development Bank of India, Air India and Indian Airlines. He also served as a member on several Committees set up by the Government of India/Reserve Bank of India to study issues relating to the financial sector in the country. Currently he serves as an independent Director on the Boards of several Indian companies, including ITC Ltd., Bajaj Auto Ltd. and IDFC Ltd.

His directorships/committee positions are as under:-

Directorships:

Bajaj Holdings & Investment Ltd. (since 22 March 1999)
Bajaj Auto Ltd.
Bajaj Finserv Ltd.
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Infrastructure Development Finance Company Ltd.
ITC Ltd.
JM Financial Asset Reconstruction Company Private Ltd.

Committee Chairmanships:

Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Infrastructure Development Finance Company Ltd.

Committee positions:

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

Shareholding in the Company: Nil

2. Nanoo Pamnani (DIN 00053673)

Nanoo Pamnani, (b. February 26, 1945) is B A (Hons) from Bombay University (stood first in the University in Economics Major) and B Sc (Economics) from London School of Economics (Majored in Economics and Econometrics).

In his 40-year long career, he held many key positions and handled a range of senior assignments both in India and abroad, which include the following;

- Director for Citibank N.A., Asia Pacific Group, based in Singapore.
- Non-Executive Chairman of Citibank, N.A., India
- Chief Executive Officer, Citibank, N.A., India
- Vice President, Citibank, N.A., Emerging Markets, (Asia, Latin America, Central and Eastern Europe, and Middle East and Africa) based in London.
- Vice President, Citibank, N.A., Asia Pacific Private Banking Group, based in Singapore.
- Chief Executive Officer, Citibank, N.A., Philippines, based in Manila.
- Chief Executive Officer, Citibank, N.A., India

His directorships/committee positions are as under:-

Directorships:

Bajaj Holdings & Investment Ltd. (since 14 May 2003)
Bajaj Auto Ltd.
Bajaj Finserv Ltd. (Vice Chairman)
Bajaj Finance Ltd. (Vice Chairman)

Committee Chairmanships:

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

Committee positions:

Bajaj Finance Ltd.
Bajaj Holdings & Investment Ltd.

Shareholding in the Company: Nil

3. Naresh Chandra (DIN 00015833)

Ambassador Naresh Chandra (b. August 1, 1934), a former career civil servant has served as the Chief Secretary in the State of Rajasthan; Commonwealth Secretariat Adviser on Export Industrialisation and Policy in Colombo; Adviser to Government of Jammu & Kashmir; and successively Secretary to the crucial Ministries of Water Resources, Defence, Home and Justice in the Federal Indian Government.

In December 1990, he became Cabinet Secretary, the highest post in the Indian Civil Service. In August 1992, he was appointed Senior Adviser to the Prime Minister of India. He was the Governor of the State of Gujarat in 1995-96. He was the Ambassador of India to the United States in April 1996 and served there till February 2001.

Following the economic liberalisation programme in India, he led the first official delegation to the US in 1992 to promote US investments in India. He chaired the Committee on Corporate Governance and also the Committee on Private Companies and Limited Companies Partnerships in 2002-03. He worked as Chairman of the Committee on Civil Aviation Policy set up by the Government of India and submitted its Report on 2 November 2004. In 2007, he was awarded the Padma Vibhushan. He was past Chairman of the National Security Advisory Board, Govt. of India.

His directorships/committee positions are as under:-

Directorships

Bajaj Holdings & Investment Ltd. (since 23 October 2008)
Bajaj Auto Ltd.
Bajaj Finserv Ltd.
Balrampur Chini Mills Ltd.
Cairn India Ltd.
Electrosteel Castings Ltd.
EROS International Media Ltd.
Gammon Infrastructure Projects Ltd.
AVTEC Ltd.
Emergent Ventures Pvt. Ltd.
Eros International PLC. UK
G-4S Corporate Services (India) Pvt. Ltd.
Sesa Sterlite Ltd.

Committee positions:

Bajaj Auto Ltd.
Bajaj Finserv Ltd.
Cairn India Ltd.
Electrosteel Castings Ltd.

EROS International Media Ltd.
Gammon Infrastructure Projects Ltd.
Sesa Sterilite Ltd.

Shareholding in the Company: Nil

4. **D J Balaji Rao (DIN 00025254)**

D. J. Balaji Rao (b. December 15, 1939), holds a B.E. Degree in Mechanical Engineering and is an Associate Member of Indian Institution of Industrial Engineering (AMIIIE). He attended the advanced management programme at the European Institute of Business Administration (INSEAD) at Fountainbleu, France in 1990.

He pursued his career as an Industrial Engineer for about 8 years before joining erstwhile ICICI Ltd. (since merged with ICICI Bank Ltd.) in 1970. After wide ranging responsibilities in different locations, he reached the position of Deputy Managing Director. He subsequently took over as the Vice Chairman and Managing Director of SCICI Ltd. in August 1996. With the merger of SCICI Ltd. with ICICI Ltd., he moved to Infrastructure Development Finance Co. Ltd. (IDFC) as its first Managing Director, which he served till his superannuation in January 2000. He has served with distinction on the boards of many leading companies, including Bajaj Auto Ltd., Ashok Leyland, MICO, Wipro and Bharat Forge.

His directorships/committee positions are as under:-

Directorships:

Bajaj Holdings & Investment Ltd. (since 29 March 1997)
Bajaj Auto Ltd.
Bajaj Finserv Ltd.
Bajaj Finance Ltd.
3M India Ltd.
Ashok Leyland Ltd.
CMI-FPE Ltd.
Graphite India Ltd.
Hinduja Foundries Ltd.
JSW Energy Ltd.

Committee Chairmanships:

Bajaj Auto Ltd.
3M India Ltd.
Hinduja Foundries Ltd.
CMI-FPE Ltd.

Committee positions:

Bajaj Auto Ltd.
Bajaj Finserv Ltd.
Ashok Leyland Ltd.
3M India Ltd.
JSW Energy Ltd.

Shareholding in the Company: Nil

5. **P Murari (DIN 00020437)**

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

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

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

- Secretary, Ministry of Food Processing Industries, GOI
- Secretary, Ministry of Information and Broadcasting, GOI

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

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

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

Directorships:

Bajaj Holdings & Investment Ltd. (Since 23 October 2008)
 Aban Offshore Ltd.
 Aditya Birla Nuvo Ltd.
 Adayar Gate Hotel Ltd.
 Bajaj Auto Ltd.
 Fortis Malar Hospital Ltd.
 Great Eastern Energy Corporation Ltd.
 HEG Ltd.
 IDEA Cellular Ltd.
 Xpro India Ltd.
 Pantaloons Fashion & Retail Ltd.

Committee Chairmanships:

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

Committee positions:

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

Shareholding in the Company: Nil

This Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

None of the Directors/key managerial personnel and/or their relatives, except the concerned independent director, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company, in the resolutions set out in Item No. 6 to 10 of the Notice.

The Board commends the ordinary resolutions set out in Item No. 6 to 10 of the Notice for approval by the shareholders.

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



Vallari Gupte
 Company Secretary
 Date: 15 May 2014

BAJAJ HOLDINGS & INVESTMENT LTD.

(CIN: L35911PN1945PLC004656)

Registered office:

Mumbai-Pune Road, Akurdi, Pune 411035

Email: investors@bhil.inWebsite: www.bhil.in

Phone: (020) 27472851, Fax: (020) 27407380

BAJAJ**69th Annual Report 2013-14****PROXY FORM****Form No. MGT-11***[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN : L35911PN1945PLC004656
 Name of the Company : BAJAJ HOLDINGS & INVESTMENT LIMITED
 Registered office : Mumbai-Pune Road, Akurdi, Pune 411035
 Name of the member (s) : _____
 Registered address : _____
 Email ID : _____
 Folio No/Client ID/DP ID : _____

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

(1) Name : _____ Address : _____
 Email Id : _____ Signature : _____ or failing him

(2) Name : _____ Address : _____
 Email Id : _____ Signature : _____ or failing him

(3) Name : _____ Address : _____
 Email Id : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the SIXTY NINTH annual general meeting of the company, to be held on **Thursday, 17 July 2014** at **4.15 p.m.** at Mumbai-Pune road, Akurdi, Pune 411035 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

- 1 Adoption of Financial statements for the year ended 31 March 2014 and the Directors' and Auditors' Reports thereon.
- 2 To declare dividend.
- 3 Re-appointment of Rahul Bajaj, who retires by rotation.
- 4 Appointment of Dalal & Shah, Chartered Accountants, as Auditors and fixing their remuneration for the year 2014-15.

Special Business

- 5 Appointment of Dr Gita Piramal as an Independent Director.
- 6 Appointment of S H Khan as an Independent Director.
- 7 Appointment of Nanoo Pamnani as an Independent Director.
- 8 Appointment of Naresh Chandra as an Independent Director.
- 9 Appointment of D J Balaji Rao as an Independent Director.
- 10 Appointment of P Murari as an Independent Director.

Signed this _____ day of _____ 2014

Affix
revenue
stamp
of ₹ 1

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
2. **Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.**

BAJAJ HOLDINGS & INVESTMENT LIMITED

(CIN: L35911PN1945PLC004656)

Registered office:

Mumbai-Pune Road, Pune 411 035

E-mail: investors@bhil.in**Website:** www.bhil.in**Phone:** (020) 27472851; **Fax:** (020) 27407380**BALLOT FORM**

(In lieu of E-voting)

BAJAJ

69th Annual Report 2013-14

1. Name :
Registered Address :
of the sole/first named Shareholder
2. Name (s) of the Joint Shareholder (s) if any :
3. Registered Folio/DPID & Client ID No. :
4. No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of Sixty Ninth annual general meeting of the Company scheduled on 17 July 2014, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Item No.	Description	No. of equity shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Adoption of financial statements for the year ended 31 March 2014 and the Directors' and Auditors' Reports thereon.			
2	To declare dividend.			
3	Re-appointment of Rahul Bajaj, who retires by rotation.			
4	Appointment of Dalal & Shah, Chartered Accountants, as Auditors and fixing their remuneration.			
5	Appointment of Dr. Gita Piramal as an Independent Director.			
6	Appointment of S H Khan as an Independent Director.			
7	Appointment of Nanoo Pamnani as an Independent Director.			
8	Appointment of Naresh Chandra as an Independent Director.			
9	Appointment of D J Balaji Rao as an Independent Director.			
10	Appointment of P Murari as an Independent Director.			

Place: _____

Date: _____

Signature of Shareholder

NOTE: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 6.00 p.m. on 13 July 2014 shall only be considered.

E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

EVEN (E Voting Event No.)	User ID	PASSWORD
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Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to - <https://evoting.karvy.com>

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Shyamprasad D. Limaye, Practising Company Secretary, Unit: Bajaj Holdings & Investment Limited. C/o. Karvy Computershare Pvt. Ltd., Plot No.17-24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500081 or to his email id cssdlimaye@gmail.com, so as to reach by 6.00 p.m. on 13 July 2014. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Karvy Computershare Pvt. Ltd). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID - Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of annual general meeting and are also placed on the website of the Company.