

**BAJAJ AUTO HOLDINGS LIMITED**

## INDEPENDENT AUDITORS' REPORT

### To the Members of Bajaj Auto Holdings Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Bajaj Auto Holdings Limited (the "Company"), which comprise the Balance Sheet as at March 31, 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

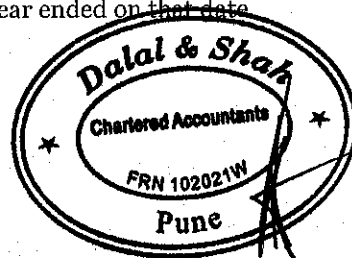
2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the 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

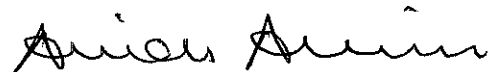
6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 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.
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 March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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



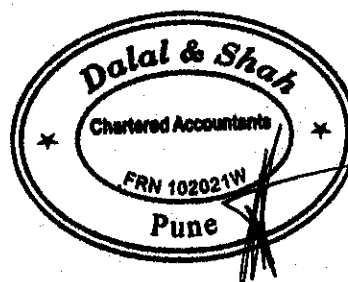
Anish P Amin  
Partner  
Membership Number : 40451

Pune  
May 15, 2014

### **Annexure to Independent Auditors' Report**

Referred to in paragraph [7] of the Independent Auditors' Report of even date to the members of Bajaj Auto Holdings Limited on the financial statements as of and for the year ended March 31, 2014

- i. (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.
- ii. The Company is in 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.
- iii. 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.
- iv. 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 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.
- v (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.  
(b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. 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.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. 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.
- ix. (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.



**Annexure to Independent Auditors' Report**

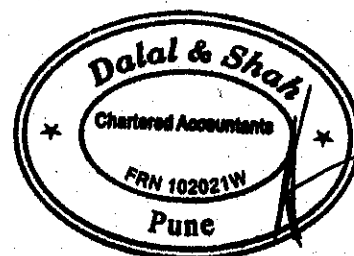
Referred to in paragraph [7] of the Independent Auditors' Report of even date to the members of Bajaj Auto Holdings Limited on the financial statements for the year ended March 31, 2014

Page 2 of 3

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.in crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Department Appeal	19,026,878	AY-1983-84 AY-1987-88 AY-1989-90 AY-1992-93 AY-2001-02	ITAT

- x. 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.
- xi. 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.
- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. 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.
- xviii. 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.
- xix. 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.



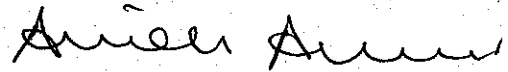
**Annexure to Independent Auditors' Report**

Referred to in paragraph [7] of the Independent Auditors' Report of even date to the members of Bajaj Auto Holdings Limited on the financial statements for the year ended March 31, 2014  
Page 3 of 3

- xx. 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.
- xxi. 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.

Pune  
May 15, 2014

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



Anish P Amin  
Partner  
Membership Number 40451

**BAJAJ AUTO HOLDINGS LIMITED**  
**BALANCE SHEET AS AT 31 MARCH 2014**

In ₹

Particulars	Note No.	As at 31 March 2014	As at 31 March 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,450,000	2,450,000
Reserves and surplus	4	518,913,626	514,285,114
		<b>521,363,626</b>	<b>516,735,114</b>
<b>Non Current liabilities</b>			
Other long-term liabilities	5	4,843,658	4,825,588
<b>Current liabilities</b>			
Trade Payables	5	10,112	402,690
Other current liabilities	5	16,596	57,205
Short-term provisions	6	10,318,959	39,070,759
		<b>10,335,555</b>	<b>39,127,964</b>
<b>TOTAL</b>		<b>536,552,951</b>	<b>561,091,356</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible Assets	7	769,852	788,137
Non-current investments	8	-	330,279,778
Long-term loans and advances	9	24,208,630	23,172,547
Other non-current assets	10	175,128	175,128
		<b>25,153,610</b>	<b>354,415,590</b>
<b>Current assets</b>			
Current investments	8	510,984,485	206,181,944
Cash and bank balances	11	414,856	493,822
Short-term loans and advances	9	-	-
		<b>511,399,341</b>	<b>206,675,766</b>
<b>TOTAL</b>		<b>536,552,951</b>	<b>561,091,356</b>

Summary of significant accounting policies followed by the company'

2

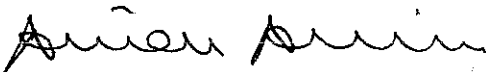
The accompanying notes are an integral part of the financial statements

In terms of our report of even date

**For Dalal & Shah**

Firm Registration No. 102021W

Chartered Accountants

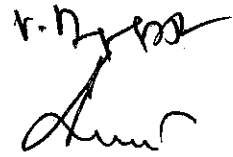


Anish P Amin

Partner

Membership No. 40451

Pune: 15 May, 2014

  
Directors

**BAJAJ AUTO HOLDINGS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014**

In ₹

Particulars	Note No.	Year Ended 31 March 2014	Year Ended 31 March 2013
Revenue from operations	12	11,516,751	50,492,139
Other income	13	10,961,131	10,339,265
<b>Total Revenue (I)</b>		<b>22,477,882</b>	<b>60,831,404</b>
<b>Expenses:</b>			
Depreciation	14	18,285	19,248
Other expenses		512,126	842,164
<b>Total expenses (II)</b>		<b>530,411</b>	<b>861,412</b>
<b>Profit before tax</b>		<b>21,947,471</b>	<b>59,969,992</b>
Tax expenses			
Current tax		7,000,000	12,090,000
<b>Total Tax Expense</b>		<b>7,000,000</b>	<b>12,090,000</b>
<b>Profit after Tax for the year</b>		<b>14,947,471</b>	<b>47,879,992</b>
Earnings per share (in ₹)	15		
Basic		610	1,954
Diluted		610	1,954
(Nominal value per share ₹ 100/-)			

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

**For Dalal & Shah**

Firm Registration No. 102021W

Chartered Accountants

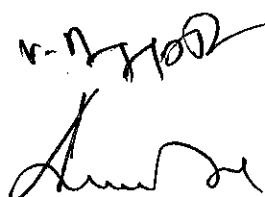


**Anish P Amin**

**Partner**

Membership No. 40451

Pune: 15 May, 2014



**Directors**



**BAJAJ AUTO HOLDINGS LTD**
**Cash Flow Statement for the year ended 31st March 2014**

Particulars	Year ended			
	March 31, 2014		March 31, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation		21,947,471		59,969,992
Adjustments for:				
Add:				
i) Depreciation	18,285		19,248	
ii) Ammortisation on fixed income securities	134,227		578,028	
		152,512		597,276
<b>Operating Profit Before Working Capital Changes</b>		<b>22,099,983</b>		<b>60,567,268</b>
<b>Changes in Assets &amp; Liabilities</b>				
i) Loans and advances & Other Assets			3,132,452	
ii) Trade Payables	(392,578)		392,580	
iii) Other Liabilities	(22,539)		3,771	
iv) Other bank balance			59,400,000	
		(415,117)		62,928,803
(Increase) / decrease in investments, net*	(25,276,256)	(25,276,256)	102,990,536	102,990,536
<b>Net cash from operating activities before income tax</b>		<b>(3,591,390)</b>		<b>226,486,607</b>
Taxes Paid (net of refunds)		(12,710,312)		(7,505,351)
<b>Net cash from operating activities</b>		<b>(16,301,703)</b>		<b>218,981,256</b>
<b>II INVESTING ACTIVITIES</b>				
(Increase) / decrease in investments, net	50,619,266		(280,000,000)	
<b>Net Cash from Investing Activities</b>		<b>50,619,266</b>		<b>(280,000,000)</b>
<b>III FINANCING ACTIVITIES</b>				
Dividend paid	(29,400,000)		(73,500,000)	
Corporate dividend tax paid	(4,996,530)		(11,923,538)	
<b>Net Cash from Financing Activities</b>		<b>(34,396,530)</b>		<b>(85,423,538)</b>
<b>Net Change in cash and cash equivalents</b>		<b>(78,966)</b>		<b>(146,442,282)</b>
<b>Cash and cash equivalents at 1.04.2013</b>		<b>493,822</b>		<b>146,936,104</b>
<b>Cash and cash equivalents as at 31.03.2014</b>		<b>414,856</b>		<b>493,822</b>

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

*Anish Amin*

Anish Amin  
Partner  
Membership, No 40451

Pune: 15 May, 2014.

*[Signature]*

*[Signature]*

Pune: 15 May, 2014.

**1 Background of the Company**

Bajaj Auto Holdings Limited (the 'Company') operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution (non-deposit taking) with Reserve Bank of India (RBI).

**2 Summary of significant accounting policies**

**Basis of preparation**

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

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

**1) System of Accounting**

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

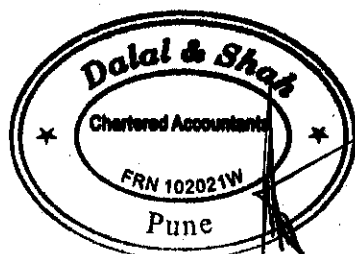
**2) Revenue recognition:**

**a) Income:**

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

- (1) a) Interest income is accrued over the period of the loan. However, where a loan is classified as a non-performing asset, as per the prudential norms prescribed by RBI to the extent applicable to the company as a NBFC and guidelines framed by the management, interest thereon is recognized only when it is actually received.
- b) Income from debentures and bonds is accrued over the maturity of the security, net of amortization of premium / discount, thereby recognizing the implicit yield to maturity, with reference to the coupon dates, where applicable. However, income is accrued only where interest is serviced regularly and is not in arrears, as per the applicable prudential norms prescribed for NBFCs by the Reserve Bank of India to the extent applicable to the company and the guidelines framed by the management.

- (2) Profit/loss on sale of investments is recognised on the contract date.



### 3) Fixed Assets and Depreciation

#### (A) Fixed Assets

- i) Fixed Assets except freehold land are carried at cost of acquisition or construction cost including pre-operative expenses, less accumulated depreciation and amortisation. Freehold land is carried at cost of acquisition.
- ii) Land and buildings acquired / constructed, not intended to be used in the operations of the company are categorized 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.

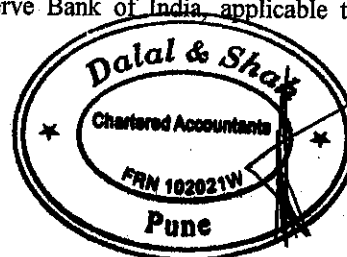
##### (b) On other Fixed Assets

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.

- 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) 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 amortization and diminution with reference to realizable value, as necessary.
- b) Other Fixed income securities, other than current, are carried at cost, less amortization of premium/discount, as the case may be, and provision for diminution, if any, as considered necessary.
- d) Investments other than fixed income securities (Eg. equity, mutual funds etc.) are valued at cost of acquisition, less provision for diminution as necessary where they are intended to be held for a long term, else current investments are valued at lower of cost or realisable value.
- e) Investments with maturity of less than 3 months from the date of acquisition are classified as cash and cash equivalents.
- f) Investments other than current investments, made by the Company are intended to be held for long-term, hence diminutions in value of quoted investments are generally not considered to be of a permanent nature.
- g) The management has laid out guidelines for the purpose of assessing likely impairments in investments and for making provisions based on given criteria. Appropriate provisions are accordingly made, which in the opinion of the management are considered adequate and also considering the prudential norms specified by the Reserve Bank of India, applicable to the company in this behalf.



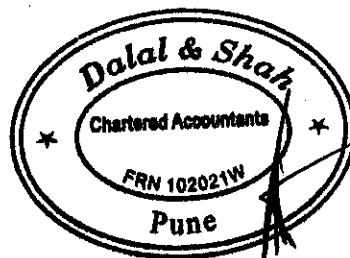
- h) Investment property is carried at cost, less depreciation computed in the manner prescribed for Fixed Assets.

**5) Taxation**

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

**6) Provisions and Contingent Liabilities**

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



**3 Share Capital**

	31 March 2014 In ₹	31 March 2013 In ₹
<b>Authorised :</b>		
50,000 Equity Shares of ₹ 100/- each	5,000,000	5,000,000
<b>Issued, subscribed and fully paid-up shares :</b>		
24,500 Equity Shares of ₹ 100/- each	2,450,000	2,450,000
	<b>2,450,000</b>	<b>2,450,000</b>

**a. Further, of the above:-**

i) Bajaj Holdings & Investment Limited is holding 100% issued capital of the Company

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 100 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**

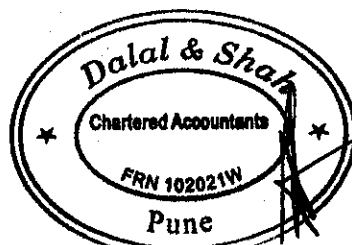
Equity shares of ₹ 100 each fully paid	31 March 2014		31 March 2013	
	Nos.	% Holding	Nos.	% Holding
Bajaj Holdings & Investment limited	24,500	100.00%	24,500	100.00%

**4 Reserves and surplus**

	31 March 2014 In ₹	31 March 2013 In ₹
<b>Reserve Fund in terms of Section 45-IC(1) of the Reserve Bank of India Act, 1934</b>		
Balance as per the last financial statements	94,996,000	85,396,000
Add: Transferred from surplus in statement of profit and loss	3,000,000	9,600,000
Closing Balance	<b>97,996,000</b>	<b>94,996,000</b>
<b>General Reserve</b>		
Balance as per the last financial statements	417,556,072	412,768,073
Add: Transferred from surplus in statement of profit and loss	1,494,747	4,787,999
Closing Balance	<b>419,050,819</b>	<b>417,556,072</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	1,733,042	2,637,579
Profit for the year	14,947,471	47,879,992
Less: Appropriations		
Transfer to Reserve Fund in terms of Section 45-IC(1) of the Reserve Bank of India Act, 1934	3,000,000	9,600,000
Transfer to general reserve	1,494,747	4,787,999
Proposed dividend	8,820,000	29,400,000
Tax on proposed dividend	1,498,959	4,996,530
Total appropriations	<b>14,813,706</b>	<b>48,784,529</b>
Balance in the statement of profit and loss	<b>1,866,807</b>	<b>1,733,042</b>
	<b>518,913,626</b>	<b>514,285,114</b>

**5 Other liabilities**

	Non Current		Current	
	31 March 2014 In ₹	31 March 2013 In ₹	31 March 2014 In ₹	31 March 2013 In ₹
<b>Trade payables</b>				
Dues to micro and small enterprises *			10,112	402,690
Other than dues to micro and small enterprises	0.00	0.00	10,112	402,690
<b>Other liabilities</b>				
Security deposits	72,000	60,000	-	-
TDS on Professional Fees	-	-	5,566	46,175
Income Tax payable	4,711,523	4,711,523	-	-
Other Payables	60,135	54,065	11,030	11,030
	<b>4,843,658</b>	<b>4,825,588</b>	<b>16,596</b>	<b>57,205</b>
	<b>4,843,658</b>	<b>4,825,588</b>	<b>26,708</b>	<b>459,895</b>



**6 Provisions**

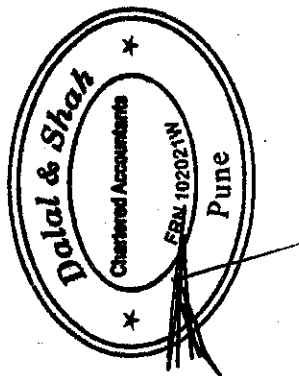
	Long-term		Short-term	
	31 March 2014 In ₹	31 March 2013 In ₹	31 March 2014 In ₹	31 March 2013 In ₹
Other provisions				
Proposed dividend	-	-	8,820,000	29,400,000
Tax on proposed dividend	-	-	1,498,959	4,996,530
Provision for Tax	-	-	-	4,674,229
	-	-	10,318,959	39,070,759



**Bajaj Auto Holdings Ltd**

**Note 7 –Fixed Assets (Tangible Assets) :**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31st March, 2013	Additions	Deductions and Adjustments	As at 31st March, 2014	Transfer	Deductions and Adjustments	For the Year	As at 31st March, 2014	As at 31st March, 2013
<b>TANGIBLE ASSETS</b>									
Land Freehold	422,435.00	-	-	422,435.00	-	-	-	422,435.00	422,435.00
Buildings	974,568.00	-	-	974,568.00	-	-	18,285.00	627,151.00	365,702.00
<b>Total</b>	<b>1,397,003.00</b>	<b>-</b>	<b>-</b>	<b>1,397,003.00</b>	<b>-</b>	<b>-</b>	<b>18,285.00</b>	<b>627,151.00</b>	<b>788,137.00</b>



**8 Investment Schedule****(A) Long Term Investments :****In Bonds:**

Fully paid:

Others

Quoted:

(50) 8.46% Taxable Secured Redeemable Non Convertible Bonds of ₹1,000,000 each of Indian Railway Finance Corporation Limited

40 8.90% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures Series C of ₹1,250,000 each of Power Grid Corporation of India Limited

Less: Amortisation of Premium/(Discount) on acquisition

**In Mutual Fund Units:****Unquoted:**

15,000,000.000 (-) Birla sunlife Fixed Term Plan- Series GB (541 days) Growth

13,000,000.000 (-) HDFC Fixed Maturity Plan 526 days December 2012(1) Series - 24 Growth

**(B) Current Investments :****In Mutual Fund Units:****Unquoted:**

371,077.547 (-) Birla Sunlife Cash Plus - Growth Regular Plan

124,616.009 (350,965,928) ICICI Prudential Liquid Regular Plan - Growth

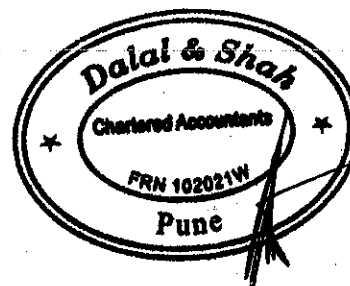
523,497.855 (183,382,951) ICICI Prudential Liquid Plan Direct - Growth

Non current portion		Current maturities	
31 March 2014	31 March 2013	31 March 2014	31 March 2013
			51,935,970
	50,620,492	50,620,492	
	50,620,492	50,620,492	51,935,970
	340,714	474,944	1,316,704
	50,279,778	50,145,548	50,619,266
	150,000,000	150,000,000	
	130,000,000	130,000,000	
	280,000,000	280,000,000	
		65,160,178	65,160,178
		20,878,759	58,802,500
		94,800,000	31,600,000
		180,838,937	155,562,678
	330,279,778	510,984,485	206,181,944

	Book Value as at		Market Value as at	
	31 March 2014	31-Mar-13	31 March 2014	31-Mar-13
Quoted	50,145,548	100,899,044 *	50,260,262	102,287,952
Unquoted	460,838,937	435,562,678		
Total	510,984,485	536,461,722		

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

Investments made by the Company other than those with a maturity of less than one year, are intended to be held for long term, hence diminution in the value of quoted investments are not considered to be of a permanent nature. On an assessment of the non-performing investments (quoted & unquoted) and keeping in mind the relevant provisioning norms applicable to the Company as a NBFC and the guidelines adopted by the management, no provision has been determined during the year ended 31 March 2014.





**Bajaj Auto Holdings Limited**

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

**9 Loans and advances**

(Unsecured, good, unless stated otherwise)

	Long-term		Short-term	
	31 March 2014 In ₹	31 March 2013 In ₹	31 March 2014 In ₹	31 March 2013 In ₹
Advances recoverable in cash or kind				
Other loans and advances				
Deposit with IDBI	1,050,000	1,050,000		
Advance income-tax (net of provision for tax ₹ 71,859,000)	9,673,813	8,637,730		
Income Tax refunds receivable	13,484,817	13,484,817		
	24,208,630	23,172,547		
<b>Total</b>	<b>24,208,630</b>	<b>23,172,547</b>	<b>-</b>	<b>-</b>

**10 Other assets**

(Unsecured, good, unless stated otherwise)

	Non-current		Current	
	31 March 2014 In ₹	31 March 2013 In ₹	31 March 2014 In ₹	31 March 2013 In ₹
Interest Receivable	175,128	175,128		
<b>Total</b>	<b>175,128</b>	<b>175,128</b>	<b>-</b>	<b>-</b>

**11 Cash and bank balances**

	Non-current		Current	
	31 March 2014 In ₹	31 March 2013 In ₹	31 March 2014 In ₹	31 March 2013 In ₹
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	414,856	493,822
Other Cash & Cash Equivalent	-	-		
Other bank balances				
Deposits with maturity for more than 3 months but less than 12 months	-	-		
	-	-	414,856	493,822

**12 Revenue from operations**

**Interest:**

Interest income on

Bank deposits

Long-term investments

Less : Amortisation of premium/(discount) on acquisition of fixed income securities

Current investments

Others

Profit on sale of investments, net \*

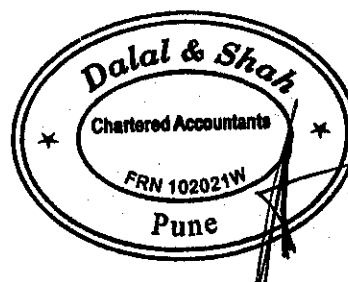
Provision for diminution in value of investments write back

Provision for Doubtful Accounts written back

Revenue from operations

\* Including on current investments ₹ 2,476,259 (previous year ₹ 33,384,814)

	31 March 2014 In ₹	31 March 2013 In ₹
Interest income on Bank deposits	-	5,501,683
Interest income on Long-term investments	9,793,987	8,680,000
Less : Amortisation of premium/(discount) on acquisition of fixed income securities	(134,228)	(578,028)
Interest income on Current investments	-	-
Interest income on Others	-	-
	9,659,759	13,603,655
Profit on sale of investments, net *	1,856,992	36,888,484
Provision for diminution in value of investments write back	-	-
Provision for Doubtful Accounts written back	-	-
<b>Revenue from operations</b>	<b>11,516,751</b>	<b>50,492,139</b>



**13 Other income**

	31 March 2014 In ₹	31 March 2013 In ₹
Rent	135,225	127,575
Miscellaneous receipts	10,825,906	10,211,690
	<b>10,961,131</b>	<b>10,339,265</b>

**14 Other expenses**

	31 March 2014 In ₹	31 March 2013 In ₹
Repairs to buildings	56,892	40,950
Administration Charges	6,000	6,000
Legal & Professional Fees	244,443	711,925
Rates and taxes	107,868	16,833
Insurance	1,805	1,949
Payment to auditor	33,708	39,119
Miscellaneous expenses	61,410	25,388
	<b>512,126</b>	<b>842,164</b>

**Payment to auditor**

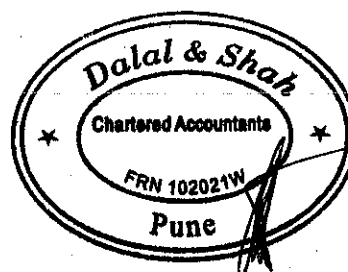
	31 March 2014 In ₹	31 March 2013 In ₹
As auditor:		
Audit fee	11,266	11,266
Tax audit fee	5,515	5,515
In other capacity:		
Other services (certification fees)	16,927	22,338
	<b>33,708</b>	<b>39,119</b>

**15 Earning per share (EPS)**

	31 March 2014	31 March 2013
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 :		
Basic & Diluted		
Profit for the year after taxation	14,947,471	47,879,992
Number of shares outstanding at the beginning of the year (Nos)	24,500	24,500
Weighted average number of shares outstanding at the end of the year (Nos)	24,500	24,500
Basic Earnings per share ( ₹ )	610	1,954

**16 Contingent liabilities**

	31 March 2014 In ₹	31 March 2013 In ₹
Income Tax matters under dispute	19,026,878	19,026,878

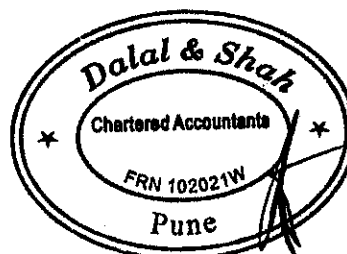


## 17 Schedule to Balance Sheet as on 31 March 2014

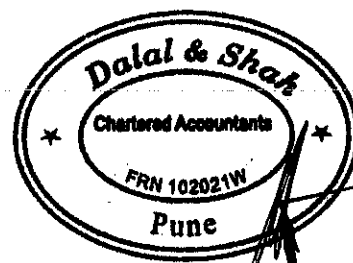
## Balance sheet of a non deposit taking non-banking financial company

(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	
Particulars			
<b>Liabilities Side :</b>			
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	Nil	Nil
	: Unsecured	Nil	Nil
	(Other than falling within the meaning of public deposit*)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter-corporate Loans and Borrowings	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Other Loans (specify nature)		
	Sale tax deferral loan	Nil	Nil
	* Please see Note 1 below		
<b>Asset Side</b>			
		Amount Outstanding	
(2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below)		
	(a) Secured		Nil
	(b) Unsecured		242
	(Comprises advance income tax paid, Deposit with IDBI & Other Receivables)		
(3)	Break up of Leased Assets and Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Financial Lease		Nil
	(b) Operating Lease		4
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire		Nil
	(b) Repossessed Assets		Nil
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		Nil
	(b) Loans other than (a) above		Nil



(4)	Break up of Investments:			
	Current Investments			
	1. Quoted:			
	(i) Shares: (a) Equity			Nil
	(b) Preference			Nil
	(ii) Debentures and Bonds			Nil
	(iii) Units of mutual funds			Nil
	(iv) Government Securities			Nil
	(v) Others: (a) Certificate of Deposit			Nil
	(b) Commercial Paper			Nil
	2. Unquoted:			
	(i) Shares: (a) Equity			Nil
	(b) Preference			Nil
	(ii) Debentures and Bonds			Nil
	(iii) Units of mutual funds		1,808	
	(iv) Government Securities			Nil
	(v) Others: (a) Certificate of Deposit			Nil
	(b) Commercial Paper			Nil
			1,808	
	Long Term Investments			
	1. Quoted			
	(i) Shares: (a) Equity			Nil
	(b) Preference			Nil
	(ii) Debentures and Bonds		501	
	(iii) Units of mutual funds			Nil
	(iv) Government Securities			Nil
	(v) Others (Please specify)			Nil
	2. Unquoted:			
	(i) Shares: (a) Equity			Nil
	(b) Preference			Nil
	(ii) Debentures and Bonds			Nil
	(iii) Units of mutual funds		2,800	
	(iv) Government Securities			Nil
	(v) Others (Please specify)			
	Total			5,109
(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	
	1. Related parties **			
	(a) Subsidiaries	Nil	Nil	
	(b) Companies in the same group	Nil	Nil	
	(c) Other related parties	Nil	Nil	
	2. Other than related parties	Nil	242	
	Total	Nil	242	



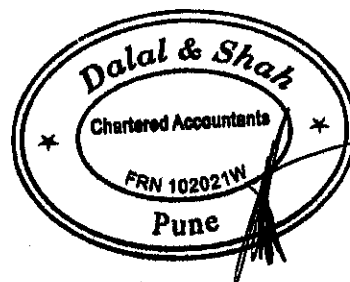
(6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
Please see Note 3 below.		
Category	Market value/break up or fair value or NAV	Book value (Net of provisions)
1. Related Parties **		
(a) Subsidiaries		
- Quoted (disclosed at market value)	Nil	Nil
- Unquoted (disclosed at break up value)	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties		
Unquoted	5,120	4,608
Quoted (disclosed at market value)	503	501
Total	5,623	5,109

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

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

**Notes :**

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



**(8) CRAR**

	<b>Items</b>	<b>Current Year</b>	<b>Previous Year</b>
(i)	CRAR %	97%	92%
(ii)	CRAR - Tier I capital (%)	97%	92%
(iii)	CRAR - Tier II capital (%)	0%	0%

**(9) Exposures****Exposures to Real Estate Sector**

	<b>Category</b>	<b>Current Year</b>	<b>Previous Year</b>
(a)	<b>Direct Exposure</b>	-	-
(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 Rs.15 lakh may be shown separately)	-	-
(ii)	Commercial Real Estate - Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc) Exposure would also include non-fund based (NFB) limits	-	-
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised Exposures - (a) Residential (b) Commercial Real Estate	- - -	- - -
(b)	<b>Indirect Exposure</b>	-	-
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

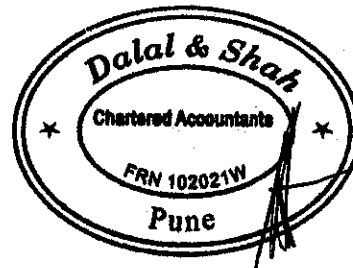


(10) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

₹ in Lakhs

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to one year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>	-	-	-	-	-	-	-	-	-
Borrowings from Banks	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-
<b>Assets</b>	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	1,808	1,300	1,500	-	501	-	-	-	5,109

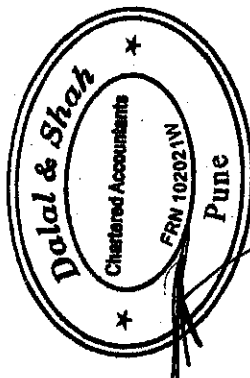


**BAJA AUTO HOLDINGS LTD**

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

Name of Related Party and Nature of Relationship	Nature of Transaction	2013-2014		2012-13	
		Transaction Value Rs	Outstanding amount carried in the balance sheet Rs	Transaction Value Rs	Outstanding amount carried in the balance sheet Rs
(a) Holding Company Bajaj Holdings & Investment Ltd	Contribution to Equity 24,500 shares of Rs 100 each Dividend paid	29,400,000	2,450,000	73,500,000	2,450,000

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 have been made only when there have been transactions with those parties.





**19 Lease**

Future minimum lease rental in respect of assets  
given on operating lease after 1 April 2001  
Minimum future lease payments as on 31 March 2014:

Receivable  
Within one year  
After one year but not more than five years  
More than five years

As at	
31 March 2014 In ₹	31 March 2013 In ₹
108,000	135,225
-	-
-	-
-	-
<b>108,000</b>	<b>135,225</b>

**20 Previous year figures**

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

In terms of our report of even date

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

*Anish P Amin*

Anish P Amin  
Partner  
Membership No. 40451

Pune: 15 May, 2014

*[Signature]*

*[Signature]*

Directors