



Bajaj Auto Limited

6th Annual Report 2012-13



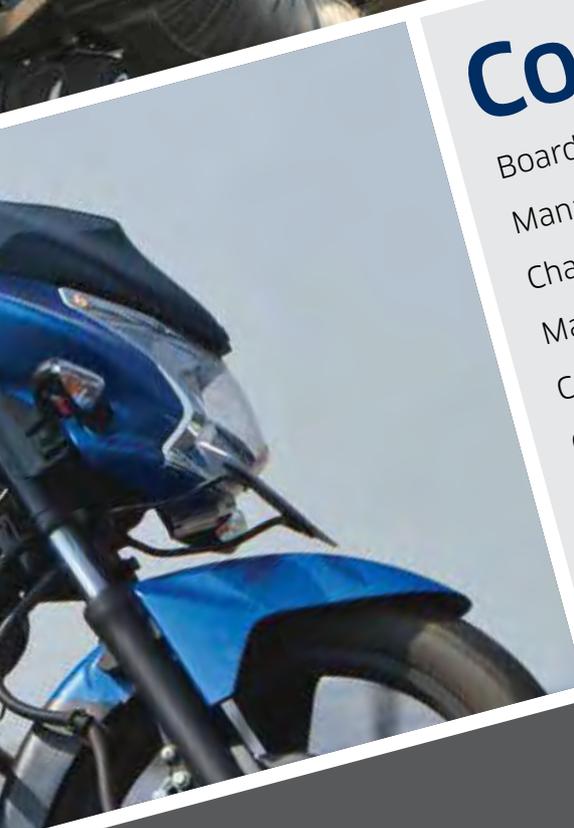
BAJAJ

Distinctly Ahead

Since 1945

6th Annual Report 2012-13
Bajaj Auto Limited





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Board of Directors

Rahul Bajaj
Chairman

Madhur Bajaj
Vice Chairman

Rajiv Bajaj
Managing Director

Sanjiv Bajaj

Kantikumar R Podar

Shekhar Bajaj

D J Balaji Rao

D S Mehta

J N Godrej

S H Khan

Ms Suman Kirloskar

Naresh Chandra

Nanoo Pamnani

Manish Kejriwal

P Murari

Niraj Bajaj

Management

Rahul Bajaj
Chairman

Madhur Bajaj
Vice Chairman

Rajiv Bajaj
Managing Director

Pradeep Shrivastava
Chief Operating Officer

Abraham Joseph
Chief Technology Officer

R C Maheshwari
President
(Commercial Vehicle Business)

Rakesh Sharma
President (International Business)

Eric Vas
President (Retail Finance)

Kevin D'sa
President (Finance)

K Srinivas
President (Motorcycle Business)

S Ravikumar
President
(Business Development and
Assurance)

Amrut Rath
Senior Vice President
(Human Resources)

C P Tripathi
Advisor (CSR)

Company Secretary

J Sridhar

Auditors

Dalal & Shah
Chartered Accountants

Cost Auditor

A P Raman
Cost Accountant

Bankers

Central Bank of India
State Bank of India
Citibank N A
Standard Chartered Bank
Bank of America
ICICI Bank
HDFC Bank

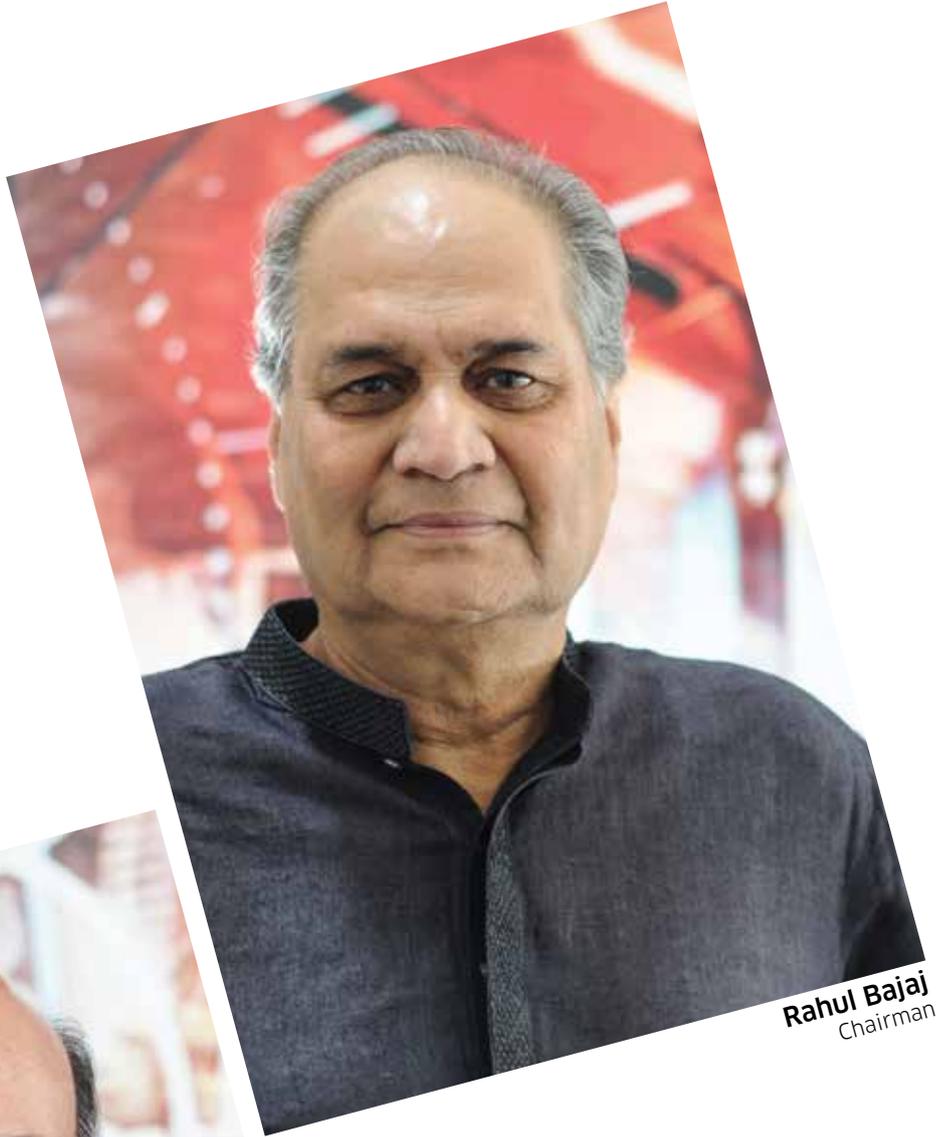
**Registered under the
Companies Act, 1956**

Registered Office

Mumbai-Pune Road
Akurdi, Pune 411 035

Works

- Mumbai-Pune Road
Akurdi, Pune 411 035
- Bajaj Nagar, Waluj
Aurangabad 431 136
- Chakan Industrial Area
Chakan, Pune 410 501
- Plot No.2, Sector 10,
IIE Pantnagar
Udhamsinghnagar,
Uttarakhand 263 531



Rahul Bajaj
Chairman



Madhur Bajaj
Vice Chairman



S Ravikumar
President (Business Development
and Assurance)



Rakesh Sharma
President (International Business)



Abraham Joseph
Chief Technology Officer



Pradeep Shrivastava
Chief Operating Officer

Amrut Rath
Senior Vice President
(Human Resources)



Management Team



K Srinivas
President (Motorcycle Business)



Kevin D'sa
President (Finance)



C P Tripathi
Advisor (CSR)



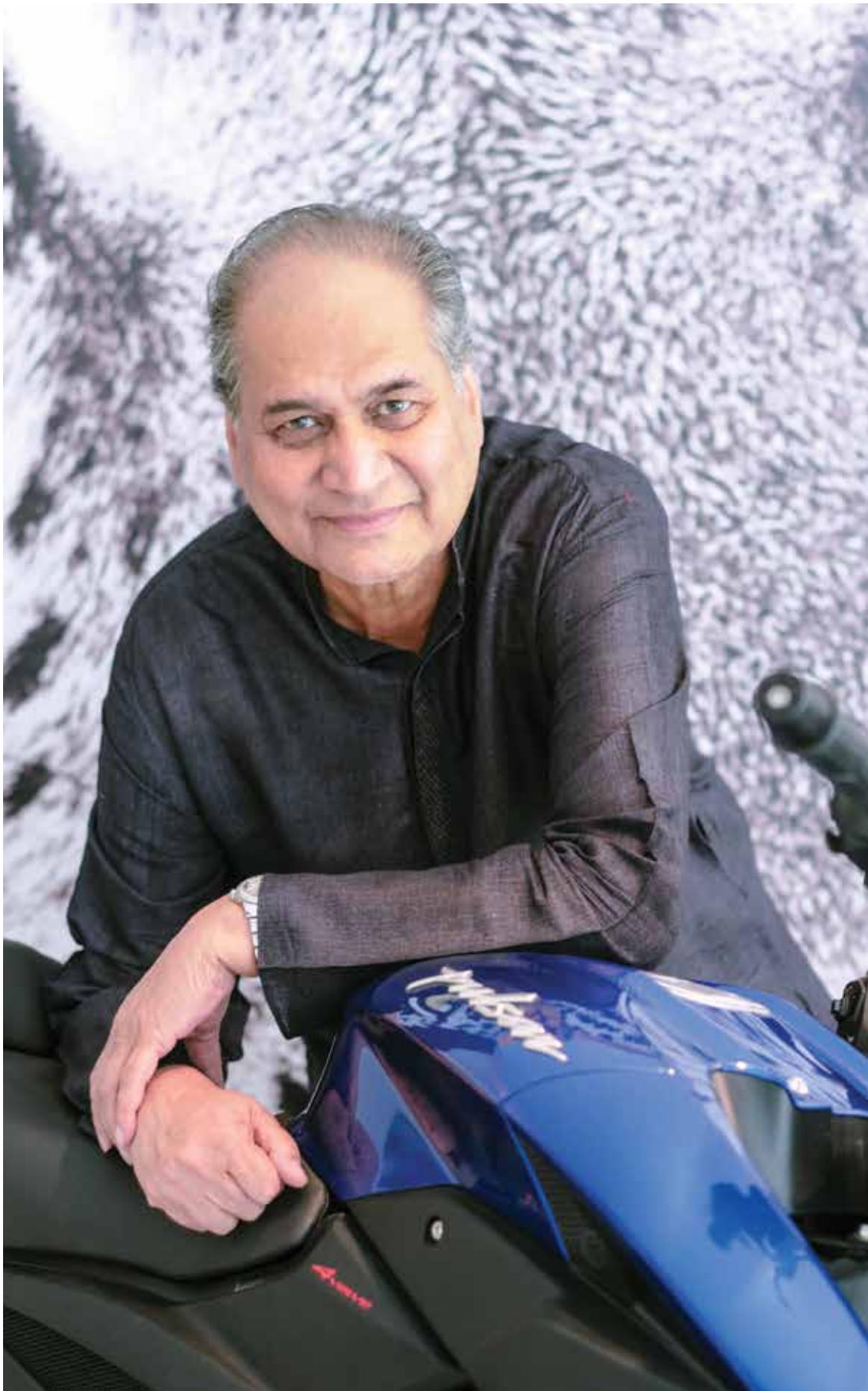
Eric Vas
President (Retail Finance)



R C Maheshwari
President
(Commercial Vehicle Business)



Rajiv Bajaj
Managing Director



Chairman's Letter

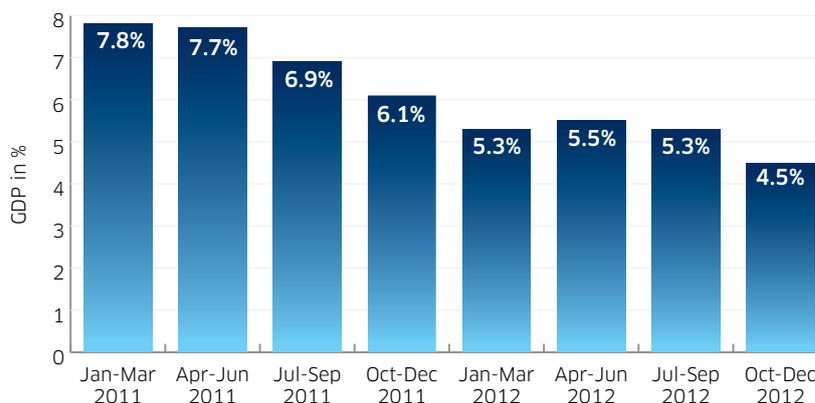
Dear Shareholder,

In my last two years' letter to you, I began with congratulatory words for the management. This time, it may be useful to start with India's difficult macroeconomic and policy landscape.

A chairman's letter to shareholders does not normally carry a graph or chart. But when you look at the steady decline in India's real (i.e. inflation adjusted) GDP growth over the last eight quarters, you will agree that a pictorial depiction is in order. As the chart shows, India's growth has declined by 3.3 percentage points over the last eight quarters.

It is all too easy, almost convenient, to pin the blame on the post-Lehman global world for this sharp fall in growth. That is only partly true. For one, India's GDP is much more driven by domestic demand than international trade. For another, China, a country with far greater exports than India, has turned around and has grown by 7.9% in October-December 2012. Even Indonesia has grown faster than us in the last five quarters, posting 6.1% growth in October-December 2012.

**India's Real GDP Growth
(over same quarter of previous year)**



Unfortunately, the hard truth is that despite growing at over 9% for three successive years under the first Congress-led United Progressive Alliance government, we failed to create the necessary infrastructure and investments to maintain healthy growth in difficult times. Instead of focusing on highways, power, rail, ports and IT networks that are critical for sustained growth, we steadily raised the nation's fiscal deficit to finance consumption-based subsidies and hand-outs; this in turn caused inflationary pressures; which led to the RBI imposing high interest rates and a tight monetary regime. Added to these were long bouts of inaction and uncertainty in governance, leading to a crisis in the power sector, lack of inter-ministerial clearances of key projects and an unfortunate reversal of a Supreme Court verdict through retrospective tax amendments.

The outcome: fall in investment and overall bearish expectations leading to steady reduction in GDP growth.

Those who produce and sell relatively high end consumer durables - such as motorcycles - can cope with falling growth over three to four quarters. Indeed, your Company successfully did so last year, and recorded its highest ever sales, exports and profits. To repeat such feats in

what has been the second successive year of quarterly de-growth would have been extremely difficult. Even so, the results have been noteworthy, and let me share these with you.

- Despite a difficult market, net sales and other operating income grew by 2.8% to an all-time high of ₹ 20,351 crore.
- Sales in volume terms reduced marginally by 2.6%. Bajaj Auto sold 4.24 million units versus 4.35 million units in the previous year. This consisted of 3.76 million motorcycles and more than 480,000 three-wheelers.
- Exports, too, were a bit lower than last year's – 1.55 million units in 2012-13 vis-à-vis 1.58 million in the earlier year. In revenue terms, however, exports grew by 4.1% to ₹ 6,713 crore.
- Your Company's operating EBITDA, at ₹ 3,990 crore in 2012-13, was almost the same as in the previous year. The operating EBITDA margin was 19.6% of net sales and other operating income. Although this is 60 basis points less than the previous year's EBITDA margin, I am proud of Bajaj Auto's management not only earning such a margin in a year as difficult as 2012-13, but also continuing to maintain its top-of-the-league position in profitability.
- Profit before tax (PBT) grew by 6% to ₹ 4,266 crore.
- Profit after tax (PAT) was at ₹ 3,044 crore – marginally higher than the previous year.

Let me touch upon exports which, in the past, have grown very strongly both in volume and revenue. This year saw a marginal volume shrinkage – 1.55 million units compared to 1.58 million in the previous period. In large measure this has to do with a key market: Sri Lanka, which substantially raised import tariffs on motorcycles and three-wheelers. Such disturbances occasionally happen in the course of international business. I am sure your Company will recover from this and grow exports more significantly in the coming years, even as the global economic environment remains one of weak growth and uncertainty.

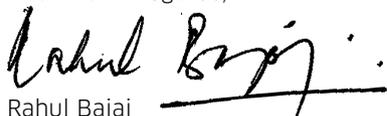
We also need to note that during 2012-13, overall, the Indian Auto Industry grew by 2% and its domestic sales by 2.6%, despite negative growth in passenger cars and heavy trucks. And the domestic two-wheeler sales grew by 2.9%. So, even as we are focused on and committed to profitable growth, we need to redouble our efforts for it.

How do I look at 2013-14? I am neither a soothsayer nor his modern day counterpart – an economist. I am a simple businessman. Despite being an optimist, I do not yet see signs of substantial recovery in the near future. The decline in the growth may have bottomed out; but incremental growth will be modest. I shall be pleasantly surprised if India can grow its real GDP by over 6% in 2013-14.

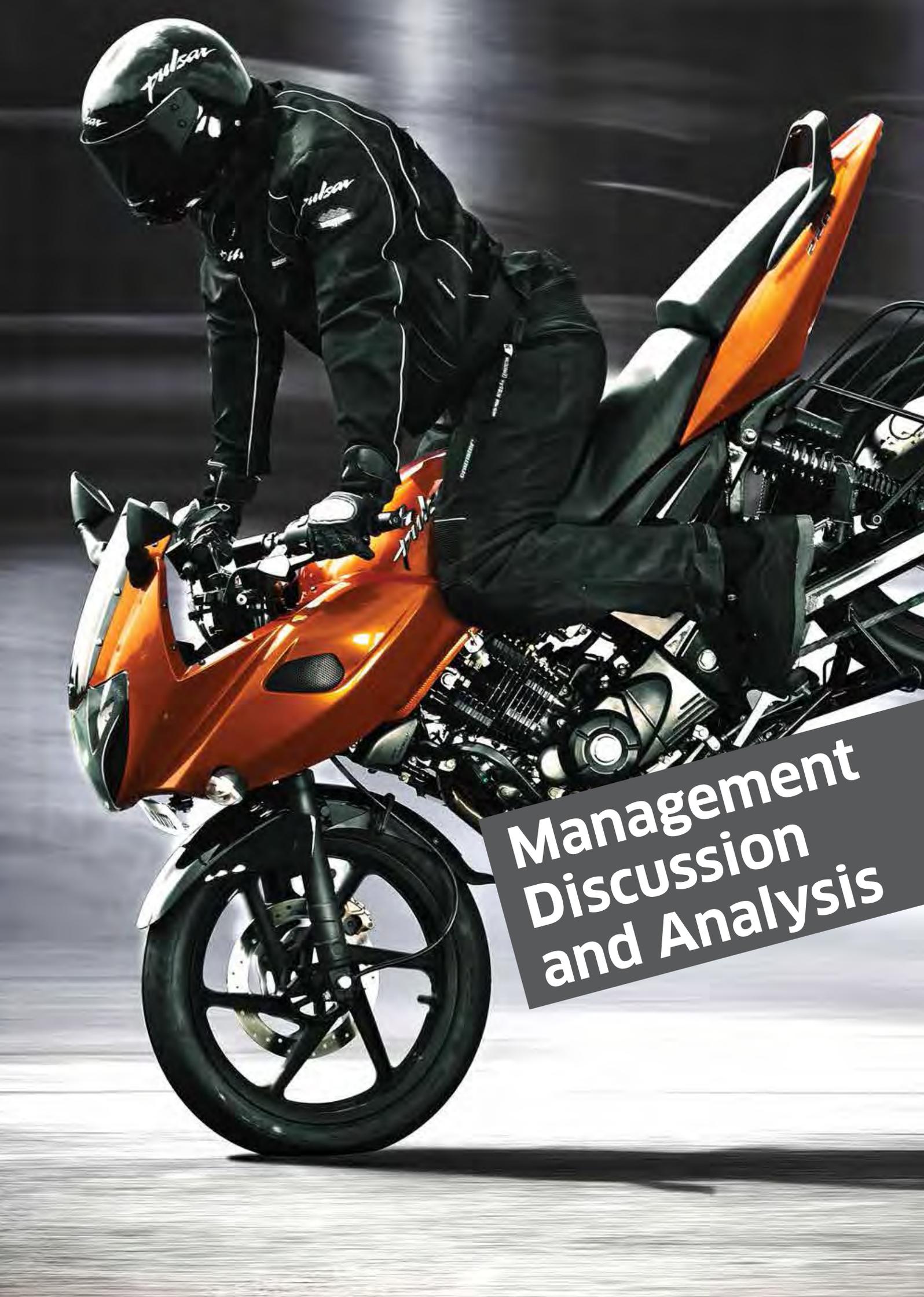
In such an environment, the domestic market for motorcycles will be very tough. Your Company will have to fight to gain market share – and yet do so in ways that do not erode its healthy EBITDA margin. It requires great ingenuity, superior tactics, huge capability and determination. The management and employees of Bajaj Auto, led by Rajiv Bajaj, the managing director, have more than enough capability to meet the challenge. I exhort them to do so, with the faith that they can achieve great feats in difficult times. All of us can race with tailwinds. The real champion races faster with headwinds. If a company can do so in our line of business, it is Bajaj Auto.

So, join me in wishing everyone in your Company 'God Speed'. May they, along with the dealers, vendors continue delighting our customers – and thus the shareholders through healthy returns.

With warm regards,



Rahul Bajaj
Chairman



**Management
Discussion
and Analysis**

Despite a very difficult year for the automotive industry, 2012-13 (FY2013) saw Bajaj Auto Ltd. post its highest ever turnover and profits**. Operating EBITDA margin stood at 19.6%, highest in the auto industry.





Performance Highlights for FY2013

- Recorded its highest ever net sales and operating income.
- In an extremely challenging year for the industry as a whole, total revenue grew by 3.3% to ₹20,793 crore.
- Exports over 1.5 million units. The value of exports was the highest ever at ₹6,713 crore.
- Operating earnings before interest, tax, depreciation and amortisation (EBITDA) was at ₹3,990 crore.
- Operating EBITDA margin was at 19.6% of net sales and other operating income – by far the highest in the industry.
- Profit before tax (PBT) increased by 6% to ₹4,266 crore.
- Profit after tax (PAT) was at ₹3,044 crore – at an all-time high.**
- Surplus cash and cash equivalents, as on 31 March 2013, was ₹5,706 crore.

** Profit after tax and before exceptional item

Chart A: Industry's Sale of Two-Wheelers (in million units)

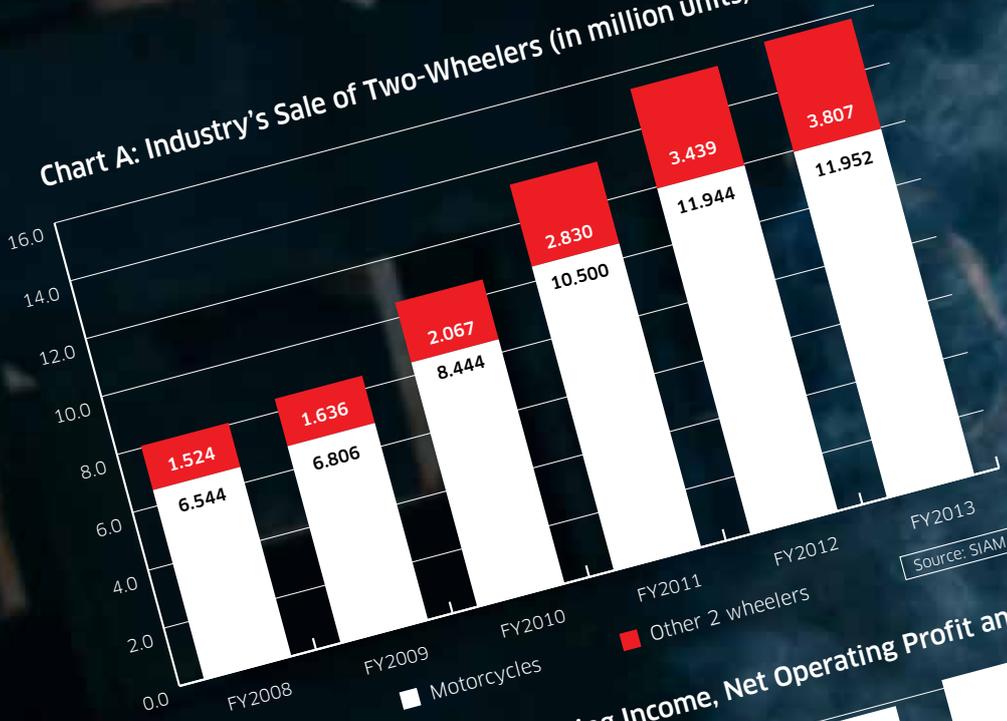


Chart B: Net Sales and Operating Income, Net Operating Profit and PAT



Chart C: EBITDA and EBITDA %

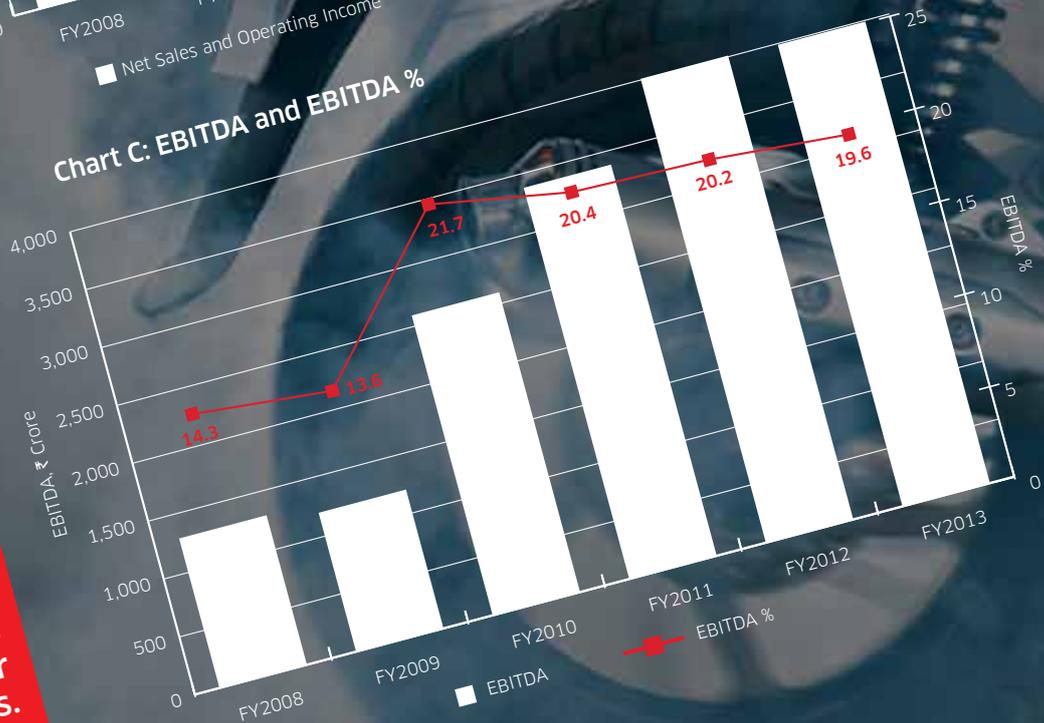


Chart A shows the two-wheeler industry's sales over the last six fiscal years.

Charts B and C depict Bajaj Auto's performance over the same years.



The results for FY2013, as in the previous year, show that Bajaj Auto is certainly among the most profitable automobile companies in the world.

As Chart A shows, motorcycle growth in India has slackened considerably. After growing at over 24% in FY2010 and FY2011, it reduced to 13.7% in FY2012, and fell to a mere 0.1% growth in FY2013. In the last 13 years, only FY2008 was worse than this - when motorcycle sales in India fell by 7.8%. In this milieu, for Bajaj Auto to continue achieving superior results, as depicted in Chart B and C, is a reflection of the Company's strategy to build strong brands and offer differentiated products in the front-end and focus on cost and productivity improvements at the back-end.



1



2



3



4



5

KTM 200 DUKE

Awards 2012-13

- 1. Autobild India Carwale **Motorcycle of the year**
- 2. CNBC TV18 **Bike of the year**
- 3. CNBC TV18 **Mid-displacement bike of the year**
- 4. CNBC TV18 **Viewers choice of the year - two wheelers**
- 5. Topgear Magazine Awards **Bike of the year**
- 6. Autocar Awards **People's choice award - Bike**
- 7. Autocar Awards **Bike of the year**



6



7



KAWASAKI NINJA 650R

Awards 2012-13

- 1. Motoring Awards **Premium bike of the year**
- 2. Autocar Awards **Premium bike of the year**
- 3. Youth Marketing Awards **Most premium youth brand (overall)**



1



2



3



PULSAR 200 NS

Awards 2012-13



1



2



4



5



3



6



7



8

1. Topgear Magazine Awards
Reader's choice Bike of the year
2. CII Design Excellence Award
Mobility design - two wheelers
3. CII Design Excellence Award
Overall category winner- mobility design
4. NDTV Car & Bike Awards
Design of the year
5. NDTV Car & Bike Awards
Motorcycle of the year upto 250cc
6. NDTV Car & Bike Awards
Two wheeler of the year
7. Zig Wheels Awards
Bike of the year
8. Zig Wheels Awards
**Enthusiast Motorcycle of the year
(180cc to 250cc)**



DISCOVER 125 ST

Awards 2012-13



1. Zig Wheels Awards
**Motorcycle of the year
(110cc to 125cc)**

Motorcycles

Table 1 gives the data of the Company's sale of motorcycles, both domestic and exports.

Table 1: Bajaj Auto's Sale of Motorcycles, Domestic + Exports (in numbers)

Year ended 31 March	Industry (nos.)	Industry's growth	Bajaj Auto (nos.)	Bajaj Auto's growth	Bajaj Auto's market share
2007	7,099,551	14.5%	2,379,499	24.4%	33.5%
2008	6,544,482	(7.8%)	2,139,783	(10.1%)	32.7%
2009	6,806,114	4.0%	1,907,853	(10.8%)	28.0%
2010	8,444,243	24.1%	2,506,791	31.4%	29.7%
2011	10,500,073	24.3%	3,387,043	35.1%	32.3%
2012	11,943,579	13.7%	3,834,405	13.2%	32.1%
2013	11,952,135	0.1%	3,757,105	(2.0%)	31.4%

Note: 'Industry' refers to domestic plus export sales of motorcycles by all manufacturers in India.

Source: SIAM and Company data

In FY2013, Bajaj Auto sold over 3.76 million motorcycles in India and abroad. This represented a decline of 2% over FY2012. Sales growth was flat for the industry as a whole. The Company's share of total motorcycles sale fell marginally to 31.4%.

Given extremely muted demand in India, the Company sold 2,463,874 motorcycles in the domestic market during FY2013, which was 4% lower than in the previous year. Share in the domestic market was 24.4% as against 25.4% in FY2012. Urban as well as rural markets were affected by relatively high interest rates on consumer loans, high inflation and a deep sense of uncertainty. Consumer durable purchase decisions were pushed back, and motorcycles were no exception. This was particularly true of models belonging to the upper end Performance segment, which represents a substantial proportion of Bajaj Auto's motorcycle business.

Even so, Bajaj Auto continues to lead at the upper end. It sold a total of ~925,000 motorcycles in the upper end Performance segment in FY2013. Share in domestic market was 47.4%.

The Company's key brand in this segment, Pulsar, is in its 11th year. To create excitement and increase momentum in the segment, Bajaj Auto launched the next generation Pulsar 200 NS in May 2012. It has clearly redefined the sports motorcycle segment in India; has brought new customers to the Pulsar portfolio; and set new benchmarks in terms of performance, style and technology. It has won as many as 12 awards for product and technology – including for the best product design across the entire automobile industry.

In FY2013, the Discover range had annual sales of ~1.5 million motorcycles. The year saw the introduction of Discover 100 T, which extends the Discover range to a smaller engine capacity. It has been designed to complement the Discover 125 ST in terms of all the enhancements, yet remain sharply focused for those who prefer more fuel efficiency. The Discover 100 T is powered by a high performance 4-valve air cooled 100 cc DTSi engine coupled with a 5-speed gear box and Nitrox twin shock absorbers for high quality ride comfort. It is the world's first 100 cc single cylinder 4-valve DTSi engine and delivers best-in-class power and fuel efficiency.

KTM is Europe's second largest motorcycle manufacturer. Bajaj Auto holds 47.96% stake in the Company. KTM, known for its racing achievements, dominates the off-road segment across the world. Bajaj Auto launched the KTM Duke 200 in January 2012, which is being retailed through exclusive KTM showrooms. With a new four-stroke single-cylinder fuel injection engine, six-speed transmission and low fuel consumption, the KTM Duke 200 gives maximum riding fun, powerful propulsion, dynamic cornering and first-class braking, with rear and front disc brakes.

Commercial Vehicles – Three-Wheelers

Bajaj Auto continues to be world's largest three-wheeler manufacturer.

The development in the three-wheelers segment is best understood by looking at the numbers given in Table 2.

Table 2: Three-Wheelers Sale, Industry and Bajaj Auto (in numbers)

	Domestic Sales		Exports		Total Three-Wheelers	
	FY2012	FY2013	FY2012	FY2013	FY2012	FY2013
Industry sales	513,251	538,291	362,876	303,088	876,127	841,379
Bajaj Auto's sales	202,979	226,131	312,176	253,926	515,155	480,057
Bajaj Auto's share	39.5%	42.0%	86.0%	83.8%	58.8%	57.1%

In FY2013, domestic sales of three-wheelers for the industry as a whole increased by 4.9% to 538,291 units. Despite relatively difficult conditions across various states in terms of securing road permits and overall market conditions, Bajaj Auto performed better than the industry. The Company's domestic sales grew by 11.4% to 226,131 units. This growth was largely driven by growth in Diesel segment where Company witnessed a growth of 25% as against the industry growth of 9%. Consequently, market share improved by 2.5 percentage points, from 39.5% in FY2012 to 42% in FY2013.

During the previous year, Bajaj Auto had taken a number of initiatives to increase sales which involved, among others, (i) network correction and expansion, (ii) increasing the share of diesel vehicles through new initiatives, (iii) generating better financing options for buyers through public sector banks and otherwise, and (iv) new three-wheeler permits coming to bear in Delhi and Jaipur. These seem to have borne results.

Exports, however, declined. As Table 2 shows, exports for three-wheelers as a whole from the country contracted by 16.5% to 303,088 units in FY2013. Since Bajaj Auto accounts for almost 84% of India's three-wheeler exports, it is not surprising that the Company's exports fell as well – by 18.7% to 253,926 units. A key reason for this fall in exports was Sri Lanka, one of the most attractive markets for the Company. In May 2012, Sri Lanka significantly raised the import tariff on three-wheelers. That seriously affected sales. In addition, during February/March 2013, another major market for exports, Egypt, witnessed difficulties in opening of Letters of Credit, largely due to short availability of US dollars in that country.







Pulsar

**A Decade of
Dominance**

India's No. 1 Sports Bike

International Business

Bajaj Auto remains India's No. 1 exporter of motorcycles and three-wheelers.

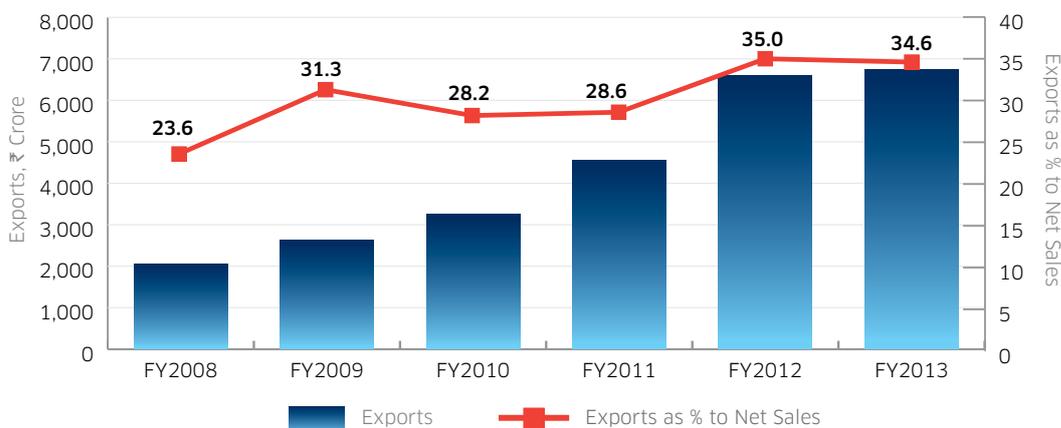
The Company exports to 57 countries, and is a market leader in 12 of these. Though the exports of motorcycles remained more or less steady—the volume falling by 2% compared to the previous year—the big crunch occurred in three-wheelers. The export data are shown in Table 3.

Table 3: Export, in Units and Revenue, for Bajaj Auto

	FY2012	FY2013	Growth %
Motorcycles (nos.)	1,267,648	1,293,231	2.0%
Three-wheelers (nos.)	312,176	253,926	(18.7%)
Total (nos.)	1,579,824	1,547,157	(2.1%)
Exports in USD (million)	1,369	1,309	(4.4%)

During FY2013, Bajaj Auto exported 1,547,157 motorcycles and three-wheelers. This represented a decline of 2.1% compared to previous year. In terms of the Indian rupee, the value of exports grew by 4.1% to ₹ 6,713 crore. Chart D plots the data over the last six years.

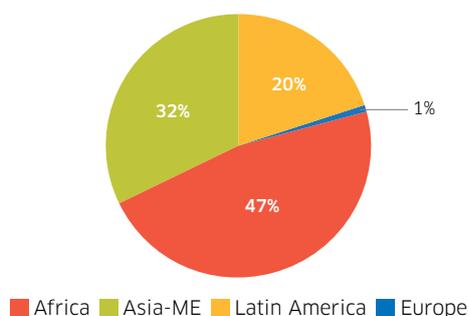
Chart D: Bajaj Auto's Export Performance



During FY2013, Bajaj Auto's exports accounted for ~35% of Net Sales. The Company enjoys a healthy geographical spread, as shown in Chart E.

At 47% of the total exports, Africa accounts for the largest share by volume, followed by Asia and Middle East at 32%. This is for both motorcycles and three-wheelers.

Chart E: Geographical Spread of Export



Product wise, the highlights of the year have been the successful launch of Discover 125 ST and the Pulsar 200 NS across Latin America and Asia. In Latin America, both these models have helped reinforce Bajaj Auto's dominant leadership position. As in the last year, Boxer is the largest selling single brand in Africa. A new 150 cc version of it, the BM150, has continued to do well in East Africa and Egypt. Within Africa, Nigeria has witnessed significant growth in volumes, and Bajaj Auto has captured market share from Chinese brands.

R&D: New Products

Pulsar 200 NS

Pulsar 200 NS was launched in May 2012. It has redefined the sports motorcycle segment in India; set new benchmarks in terms of performance, style, technology and affordability; and has been well received in domestic as well as export markets. As mentioned earlier, the Pulsar 200 NS has won 12 awards for product and technology. Of these, Bajaj Auto is truly proud of its winning the award for the best product design across the entire automobile segment.



Discover 125 ST

This completely new platform was designed to take the legacy of the Company's successful Discover brand into the future. Designed to further enhance the sporty commuter image of the brand, the Discover 125 ST is equipped with a high performance four-valve air cooled engine powered by twin spark ignition, delivering 13 Ps, and a 5 speed gear box suitably synchronised to the power characteristics of the engine. This provides the joy of a powerful drive while maintaining the high fuel efficiency for which Discover is known for. It is also equipped with state-of-the-art features like Nitrox mono shock absorber for riding comfort – which is a first for a commuter 125 cc bike. It has swing arms with high lateral rigidity for improving handling and disc brakes at front for effective braking. In addition, there is a big and stylish fuel tank to enhance its overall appeal.



Discover 100 T

This product extends the Discover range to a smaller engine capacity. It has been designed to complement the Discover 125 ST with all the enhancements that it brings to the commuter segment but with a clear focus on those who prefer more fuel efficiency. The vehicle is powered by a high performance four-valve air cooled 100 cc DTSi engine delivering 10.2 Ps, with a five- speed gear box. The Discover 100 T is the world's first 100 cc single cylinder four-valve DTSi engine and also delivers best-in-class power and fuel efficiency. Like the Discover 125 ST, it has features like Nitrox twin shock absorbers and the same big bike styling of the Discover stable.



KTM 125 Duke and KTM 200 Duke with ABS

Vehicle safety has been taken to the next level with introduction of the anti-lock braking system (ABS). Equipped with twin channel ABS offering independent control for both the wheels, this increases driver safety by not allowing the vehicle to skid even in cases of panic braking on high skid surfaces.

The KTM 200 Duke also won eight awards during the year. Between the Pulsar and the KTM, Bajaj Auto has won all the key motorbike awards across various media.



Operations and Productivity

Bajaj Auto's operations at its Waluj, Chakan and Pantnagar plants have continued to achieve superior results in productivity, product quality, cost reduction and company culture improvement. The use of optimised resources and improved efficiencies at all levels has helped the Company to continue achieving industry-leading EBITDA margins in spite of significant pricing pressures in the markets.

Despite inflation and consequent rise in input prices, the plants could control conversion cost by practicing sound operation controls and technological up-gradations. All plants have worked on reducing the consumption of power and fuel. Considering current scenario of water shortage, the plants were able to sustain business with far less consumption of water.

The Pantnagar plant produced 1.12 million vehicles. The Waluj plant, which is export hub of Bajaj Auto, produced 2.22 million motorcycles and three-wheelers – including 1.28 million for exports. It is getting geared up to produce more for exports in future. The Chakan plant produced 0.88 million vehicles, including high end sports bikes such as Pulsar 200 NS. It will soon be manufacturing the KTM Duke 390.

- The Waluj and Chakan plants won the TPM Award for 'Excellence in Consistent TPM Commitment' from the JIPM in March 2013.
- The Commercial Vehicle Division has been honored with 'Excellence in Operations' Award in large enterprises category in the Manufacturing Today Awards, 2012.
- The Green Manufacturing Excellence Award, 2012 was awarded to the Waluj plant as the 'Challenger Award – Large Business'.
- The National Energy Management Award, 2012 has been awarded to the Waluj plant as an 'Efficient Energy Unit'.

Table 4 gives the plant-wise capacities and their product range.

Table 4: Plant-wise Capacities (in numbers) and Product Range

Plant	FY2012		FY2013		Product Range
	As on 31 March 2012		As on 31 March 2013		
Waluj	Motorcycles	: 1,500,000	Motorcycles	: 1,800,000	Boxer, Platina, Discover, Pulsar and three-wheelers
	Three Wheelers	: 600,000	Three Wheelers	: 600,000	
Waluj Subtotal		2,100,000		2,400,000	
Chakan		1,200,000		1,200,000	Pulsar, Avenger, Ninja and KTM
Pantnagar		1,800,000		1,800,000	Platina, Discover, Boxer
Grand Total		5,100,000		5,400,000	

Subsidiaries

Bajaj Auto International Holdings BV (BAIH BV)

Bajaj Auto International Holdings BV is a 100% Netherlands based subsidiary of Bajaj Auto set up in FY2008. BAIH BV initially invested €98.4 million to acquire 24.45% equity stake in KTM AG (previously KTM Power Sports AG) of Austria, Europe's second largest sport motorcycle manufacturer.

As the co-operation between KTM and Bajaj Auto developed, further investments were made. During the year, the Company invested a further amount of €33.9 million. As on date BAIH BV has invested €197.9 million for a 47.96% ownership.

KTM is a sharply positioned brand that leads global off-road and motor-cross segments, with its products being distributed via 1,100 dealers across the world. It is a brand that connotes top class products using best-in-class technology – and thus enjoys great pricing power. Realising back-end synergies in development and supply chain and preserving the brand focus in the front end is the foundation of co-operation between KTM and Bajaj Auto.

In calendar year 2012, KTM sold 107,142 motorcycles, achieving a turnover of €612 million and a profit of €25.3 million. In the annual general meeting held on 26 April 2013, KTM AG has declared a dividend of €0.7 per share.

PT. Bajaj Auto Indonesia (PT BAI)

PT BAI, incorporated in FY2007, is a 98.9% subsidiary of Bajaj Auto in Indonesia. The subsidiary assembles and markets Pulsars in Indonesia. It sold 11,198 motorcycles in FY2013 versus 23,337 in FY2012. At PBT level, the loss for FY2013 was ₹ 24 crore as compared to a loss of ₹ 12 crore in FY2012.

Total investment in PT BAI stands at USD 29.5 million (₹ 137.82 crore) as on 31 March 2013. Considering the accumulated losses of PT BAI, in the current year, Bajaj Auto has further impaired its investments in PT BAI by ₹ 35.52 crore. In FY2011, an impairment provision of ₹ 102.27 crore was already done taking the total impairment provision to ₹ 137.79 crore.



Financials

At 19.6%, Bajaj Auto enjoys the highest EBITDA margin in the auto industry. It ranks among the most profitable automobile companies in the world.

Table 5 gives the summarised Profit and Loss statement of Bajaj Auto Ltd.

Table 5: Summarised Profit and Loss statement

	(₹ In Crore)	
	FY2012	FY2013
Operations		
Sales	19,827	20,618
Less : Excise duty	947	1,129
Net Sales	18,880	19,489
Other operating income	924	862
Total operating income	19,804	20,351
Cost of materials consumed, net of expenses capitalised	14,053	14,344
	71.0%	70.5%
Stores and tools	110	124
	0.6%	0.6%
Employee cost	539	639
	2.7%	3.1%
Factory and administrative expenses	459	588
	2.3%	2.9%
Sales and after sales expenses	641	666
	3.2%	3.3%
Total expenses	15,802	16,361
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,002	3,990
	20.2%	19.6%
Interest	22	1
Depreciation	146	164
Operating profit	3,834	3,825
	19.4%	18.8%
Non-operating income	333	373
Less : Non-operating expenses	7	1
Non-operating income, net	326	372
Surplus on pre-payment of sales tax deferral liability/loan		69
Profit before tax and exceptional item	4,160	4,266
Exceptional item :		
MTM loss	(134)	
Profit before tax	4,026	4,266
Tax expense	1,022	1,222
Profit after tax	3,004	3,044





Discover

**Chalta nahin
Daudta hai !**

Bajaj Auto has a lean and tightly controlled cost structure. Fixed cost form a small part of its operating income. Consequently, operating profit at 18.8% is well above any other automobile company in the country.

As on 31 March 2013, VAT refund of approximately ₹ 1,100 crore is yet to be realised from the Government of Maharashtra. Such unrealised VAT refunds extended the working capital cycle of the Company.

Surplus cash and cash equivalents, as on 31 March 2013, stood at ₹ 5,706 crore versus ₹ 5,451 crore as on 31 March 2012. The surplus funds are invested in (i) fixed income securities rated P1+ and equivalent for short term investments, (ii) AA+ and above rated securities for long term investments, and (iii) fixed deposits with banks.

Consolidation of Accounts and Segment Reporting

Table 6 gives the data.

Table 6: Segment Revenue and Segment Results

	(₹ In Crore)	
	FY2012	FY2013
Segment Revenue		
Automotive	19,868	20,466
Investment and others	333	373
Total	20,201	20,839
Segment Results		
Profit/(Loss) from each segment before tax		
Automotive	3,765	3,990
Investment and others	326	372
Total	4,091	4,362
Less : Interest	23	1
Profit before tax	4,068	4,361
Profit after tax	3,045	3,133

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.

Corporate Governance

Bajaj Group's commitment to 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 Bajaj Group. Bajaj Auto Ltd. ('BAL' or 'the Company' or 'Bajaj Auto') maintains the same tradition and commitment.

Given below are the Company's corporate governance policies and practices for 2012-13. As will be seen, Bajaj Auto's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements in accordance with the provisions of clause 49 of the listing agreement.

Board of Directors

In keeping with the commitment of the management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of 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 2013, the Board of Bajaj Auto consisted of sixteen directors, of whom three directors were executive. Nine out of thirteen non-executive directors were independent.

The Board has no institutional nominee directors.

According to clause 49, if the chairman is executive or a promoter, at least one half of the Board should consist of non-executive, independent directors. As Table 1 shows, this provision is met at Bajaj Auto.

Non-executive directors' compensation

As per the current directors' remuneration policy, 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 attended by them, commission at the rate of ₹ 100,000 per meeting of the Board and its committees attended by them, subject to the overall ceiling of one percent of net profits. In terms of the approvals given by the Board of Directors and shareholders, Nanoo Pamnani will be paid ₹ 1,500,000 as additional commission for the year 2012-13 in consideration of the extra services rendered by him at the request of the management during the year 2012-13.

The Company did not have a stock option programme for the non-executive directors during the year under review.

Board procedures

During 2012-13, the Board of Directors met six times: on 17 May 2012, 18 July 2012, 18 September 2012, 20 October 2012, 16 January 2013 and 21 March 2013. The gap between any two meetings has been less than four months.

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for 2012-13

Name of director	Category	Meetings attended	Whether attended last AGM
Rahul Bajaj	Chairman, executive	6/6	Yes
Madhur Bajaj	Vice Chairman, executive	6/6	Yes
Rajiv Bajaj	Managing Director, executive	6/6	Yes
Sanjiv Bajaj	Non-executive	6/6	Yes
D S Mehta	Non-executive, independent	6/6	Yes
Kantikumar R Podar	Non-executive, independent	4/6	Yes
Shekhar Bajaj	Non-executive	5/6	Yes
D J Balaji Rao	Non-executive, independent	6/6	Yes
J N Godrej	Non-executive, independent	2/6	Yes
S H Khan	Non-executive, independent	6/6	Yes
Ms Suman Kirloskar	Non-executive, independent	6/6	Yes
Naresh Chandra	Non-executive, independent	6/6	Yes
Nanoo Pamnani	Non-executive, independent	6/6	Yes
Manish Kejriwal	Non-executive	6/6	Yes
P Murari	Non-executive, independent	4/6	No
Niraj Bajaj	Non-executive	5/6	Yes

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.

Directorships and memberships of Board committees

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

Table 2: Number of directorships/committee positions of directors as on 31 March 2013

Name of director	Directorships		Committee positions	
	In listed companies	In unlisted public limited companies	As Chairman	As Member
Rahul Bajaj	4	2	0	0
Madhur Bajaj	6	0	0	0
Rajiv Bajaj	4	1	0	1
Sanjiv Bajaj	6	4	1	5
D S Mehta	4	0	0	5
Kantikumar R Podar	3	1	0	0
Shekhar Bajaj	3	4	0	0
D J Balaji Rao	10	0	4	6
J N Godrej	5	3	1	2
S H Khan	5	2	4	5
Ms Suman Kirloskar	1	1	0	0
Naresh Chandra	11	1	1	9
Nanoo Pamnani	4	0	5	2
Manish Kejriwal	3	0	0	3
P Murari	8	2	3	4
Niraj Bajaj	6	5	0	1

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 10 committees, nor a chairman in more than 5 committees across all companies, in which he/she 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 30 January 2008 laid down a code of conduct for all directors and senior management of the Company, which has been posted on the website www.bajajauto.com

All directors and senior management personnel have affirmed compliance with the code for 2012-13. A declaration to this effect signed by the managing director/chief executive officer is given in this annual report.

Audit committee

Constitution and composition

After the demerger of erstwhile BAL in 2008, the new Bajaj Auto set up its audit committee in 2008. The Company has been reviewing the working of the committee from time to time to bring about greater effectiveness in order to comply with various requirements under the Companies Act, 1956 and clause 49 of the listing agreement. The present audit committee consists of the following directors:

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

All members of the audit committee are independent, non-executive directors and are 'financially literate' as required by clause 49. Moreover, the audit committee has members who have 'accounting or related financial management expertise'.

Meetings, attendance and topics discussed

During 2012-13, the audit committee met four times: 17 May 2012, 18 July 2012, 20 October 2012 and 16 January 2013. 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 and cost auditor 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.

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

Table 3: Composition of the audit committee and attendance record of members for 2012-13

Name of director	Category	Meetings attended
Nanoo Pamnani, Chairman	Non-executive, independent	4/4
S H Khan	Non-executive, independent	4/4
D J Balaji Rao	Non-executive, independent	4/4
Naresh Chandra	Non-executive, independent	4/4

Subsidiary companies

During the year, the audit committee reviewed the financial statements, including the investments made by the two overseas subsidiaries, viz., PT. Bajaj Auto Indonesia and Bajaj Auto International Holdings BV, Netherlands. A statement of all significant transactions and arrangements entered into by the subsidiary companies was regularly placed before the Board.

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

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

Remuneration and Nomination Committee

Bajaj Auto constituted the remuneration committee of the Board on 30 January 2008. Subsequently, the Board of Directors at its meeting held on 16 January 2009 extended the terms of reference of the said committee to include nomination functions and restyled the said committee as 'Remuneration and Nomination Committee'.

The present committee has the following members:

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

During the year, the committee met once on 18 September 2012. Committee deliberated about the remuneration payable to the managerial personnel, after considering their background, job profile, past remuneration etc. in comparison with financial position and performance of the Company, trends in the industry etc. and also referring to a report of a reputed independent consultant on the subject. The committee then recommended for the consideration of the Board the revision to be made in the remuneration payable to the managerial personnel.

At this meeting, the terms of reference of the committee were also extended, so as to formulate the remuneration policy and review the specific remuneration packages with regard to senior managerial personnel who are one level below the Board.

The committee also noted, at its meeting held on 16 May 2013, that J N Godrej, S H Khan, Ms Suman Kirloskar and Naresh Chandra were due for retirement by rotation at the ensuing annual general meeting. The committee recommended for the consideration of the Board the reappointment of these directors, who are eligible for reappointment at the ensuing annual general meeting of the Company.

Remuneration of directors

Pecuniary relationship or transactions of non-executive directors

1. J N Godrej is a director and shareholder of Godrej and Boyce Manufacturing Company Ltd., which is a vendor to Bajaj Auto. Purchases of goods from this company have been in the ordinary course of business and, for the year ended 31 March 2013, amounted to ₹ 11.85 crore.
2. Shekhar Bajaj is a director of Bajaj Electricals Ltd. During the year under review, the total value of transactions between Bajaj Auto and Bajaj Electricals Ltd., which has been in the ordinary course of business, amounted to ₹ 3.41 crore.
3. Shekhar Bajaj is a director of Hind Musafir Agency Ltd., an accredited travel agency. During the year under review, the total value of services availed of by Bajaj Auto from Hind Musafir Agency Ltd., which has been in the ordinary course of business, amounted to ₹ 14.57 crore.
4. The register of contracts maintained by the Company under section 301 of the Companies Act, 1956, contains record of the transactions entered into with the above companies. The register is signed by all the directors present at the respective Board meetings.
5. 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, have been put on the Company's website www.bajajauto.com

Non-executive directors

Non-executive directors are paid sitting fees and commission on net profits as separately stated in this report.

Executive directors

Executive directors are entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company which forms part of the perquisites allowed to them. No pension is paid by the Company.

The Company has no stock option plans for the directors and hence, it does not form a 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 2012-13, the Company did not advance any loans to any of the executive and/or non-executive directors. Table 4 gives details of the remuneration paid or payable to directors during 2012-13.

Table 4: Remuneration paid/payable to directors during 2012-13

(Amount In ₹)

Name of director	Relationship with other directors	Sitting fees	Salary and perquisites	Commission	Total
Rahul Bajaj	Father of Rajiv Bajaj, Sanjiv Bajaj, father-in-law of Manish Kejriwal	–	52,758,920	67,500,000	120,258,920
Madhur Bajaj	Brother of Shekhar Bajaj and Niraj Bajaj	–	32,609,971	51,300,000	83,909,971
Rajiv Bajaj	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	–	63,561,516	89,100,000	152,661,516
Sanjiv Bajaj	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	120,000	–	600,000	720,000
D S Mehta	–	120,000	–	600,000	720,000
Kantikumar R Podar	–	80,000	–	400,000	480,000
Shekhar Bajaj	Brother of Madhur Bajaj and Niraj Bajaj	100,000	–	500,000	600,000
D J Balaji Rao	–	240,000	–	1,200,000	1,440,000
J N Godrej	–	40,000	–	200,000	240,000
S H Khan	–	240,000	–	1,200,000	1,440,000
Ms Suman Kirloskar	–	120,000	–	600,000	720,000
Naresh Chandra	–	240,000	–	1,200,000	1,440,000
Nanoo Pamnani	–	200,000	–	2,500,000	2,700,000
Manish Kejriwal	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	120,000	–	600,000	720,000
P Murari	–	80,000	–	400,000	480,000
Niraj Bajaj	Brother of Madhur Bajaj and Shekhar Bajaj	100,000	–	500,000	600,000

Notes: 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 executive directors does not exceed five years.

Shares held by non-executive directors

Table 5: Shares held by non-executive directors

Name of director	Number of shares held as on 31 March 2013
Shekhar Bajaj	503,880
Niraj Bajaj	2,189,476
Sanjiv Bajaj	800,448
Manish Kejriwal	200
D S Mehta	20,180

Management

Management discussion and analysis

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

Disclosure of material transactions

Under clause 49, senior management is required to make 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. This provision was adhered to during the year.

Compliances regarding insider trading

Comprehensive guidelines in accordance with the SEBI regulations in this regard are in place. A code of conduct and corporate disclosure practices framed by the Company helps in ensuring compliance with the requirements.

Shareholders

Appointment and/or re-appointment of directors

According to the statutes, at least two third of the Board should consist of directors liable to retire by rotation. Of these, one third are required to retire every year and, if eligible, may seek re-appointment by the shareholders. Accordingly, J N Godrej, S H Khan, Ms Suman Kirloskar and Naresh Chandra retire from the Board by rotation this year and being eligible offer themselves for re-appointment.

Brief profiles of the retiring directors are given in the notice being issued to the shareholders of the ensuing annual general meeting of the Company.

Communication to shareholders

Quarterly, half-yearly and annual financial results are published in numerous leading dailies, along with the official press release. The Company also sends the half-yearly financial results, along with a detailed write-up, to each household of shareholders.

Bajaj Auto has its own website, www.bajajauto.com, 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 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.

Pursuant to circular no 17/2011 on 21 April 2011 issued by Ministry of Corporate Affairs in respect of 'Green Initiative in the Corporate Governance', permitting companies to service delivery of documents electronically on the registered members'/shareholders' email addresses under section 53 of the Companies Act, 1956, Company sends 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 will continue to get the same in physical form.

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

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

Information on general body meetings

The last three annual general meetings of the Company were held at the registered office of the Company on the following dates and times :

3rd AGM	22 July 2010	at 11.30 a m.
4th AGM	14 July 2011	at 11.30 a m.
5th AGM	18 July 2012	at 11.30 a m.

Information on special resolution(s) passed in the last three years' Annual General Meetings (AGM) and resolutions passed through postal ballot in the previous year

The shares of the Company (after demerger) got listed for the first time on 26 May 2008.

At the fifth annual general meeting held on 18 July 2012 , no special resolution was passed.

At the fourth annual general meeting held on 14 July 2011, a special resolution was passed regarding payment of commission to the non-executive directors of the Company for a further period of five years commencing from 1 April 2011.

At the third annual general meeting held on 22 July 2010, three separate special resolutions were passed regarding reappointments of Rahul Bajaj as Chairman, Madhur Bajaj as Vice Chairman and Rajiv Bajaj as Managing Director for a term of five years commencing from 1 April 2010 to 31 March 2015, along with remuneration payable to them.

No resolution of shareholders was passed through postal ballot during the previous year.

Material disclosure of related party transactions

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

Details of capital market non-compliance, if any

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

Shareholders' and investors' grievance committee

The Board of Directors of Bajaj Auto constituted its shareholders' and investors' grievance committee in 2008. This committee has been constituted to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends etc. In addition, the committee also looks into matters that can facilitate better investor services and relations. The committee regularly kept the Board of Directors 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 the following non-executive independent directors as on 31 March 2013:

1. D J Balaji Rao, Chairman
2. J N Godrej
3. Naresh Chandra
4. S H Khan

During the year under review, the committee met on 21 March 2013 to review the status of investors' services rendered. All members except J N Godrej were present at the meeting. The secretarial auditor as well as company secretary (who is also the compliance officer) were also present. More details have been furnished in the chapter on General Shareholder Information.

Pursuant to the circular issued by SEBI in December 2010, dealing with physical unclaimed share, the Company, after sending three reminders to the concerned shareholders, has already opened a demat account with HDFC Bank titled as "Bajaj Auto Ltd. unclaimed suspense account", to which all the unclaimed shares stand transferred in terms of the said circular.

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 2012-13.

Auditors' certificate on corporate governance

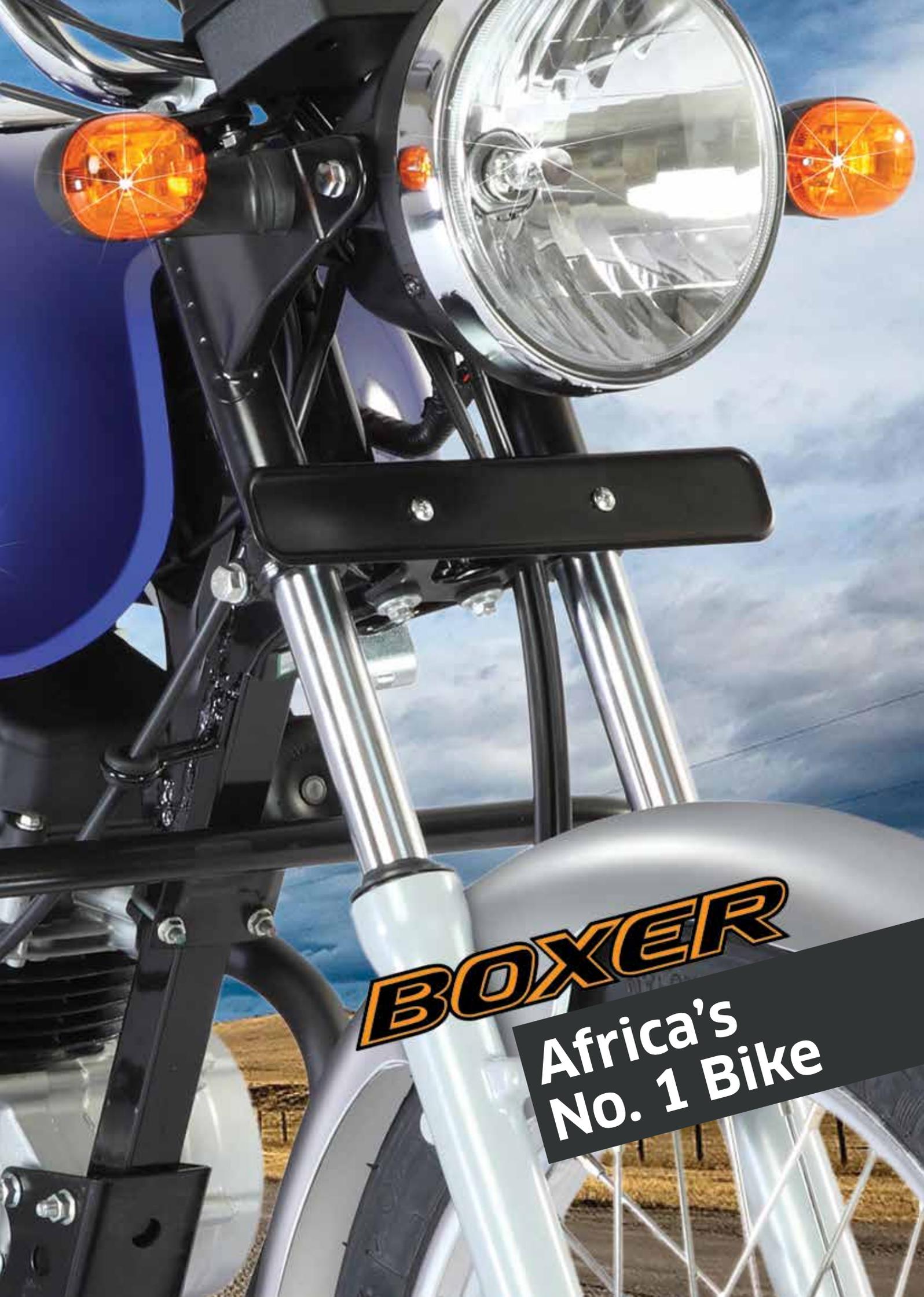
The Company has obtained the certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the listing agreement. This report is annexed to the directors' report, and will be sent to the stock exchanges along with the annual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



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BAJAJ



BOXER

**Africa's
No. 1 Bike**

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

The requirement regarding non-executive chairman is not applicable, since the chairman of the Company is executive chairman.

None of the nine independent directors of the Company have tenures exceeding a period of nine years on the Board.

2. Remuneration committee

The Company has a remuneration committee known as "Remuneration and Nomination Committee". A note on this committee is provided in the annual report.

3. Shareholder rights

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

4. Audit qualifications

There are no qualifications in the financial statements of the Company for the year 2012-13.

5. Whistle blower policy

The Company has a whistle blower policy to enable its employees to report to the management their concerns about unethical behavior, 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	19 July 2013
Time	11.30 a.m.
Venue	Registered office at Bajaj Auto Ltd. Complex 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 Bajaj Auto has proposed a dividend of ₹ 45 per equity share (450 per cent) for the financial year 2012-13, subject to approval by the shareholders at the annual general meeting. Dividend paid in the previous year was also ₹ 45 per equity share (450 per cent).

Dates of book closure

The register of members and share transfer books of the Company will remain closed from Saturday, 6 July 2013 to Friday, 19 July 2013, both days inclusive.

Date of dividend payment

Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 23 July 2013 to 25 July 2013 :

- 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 end-of-the-day on Friday, 5 July 2013; and
- to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company on or before the closing hours on Friday, 5 July 2013.

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 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.

Unclaimed dividends

The shareholders who have not encashed their dividend warrants for the years 2007-08 onwards are requested to claim the amount from M/s Karvy Computershare Pvt. Ltd./ registered office of the Company.

As per section 205 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" (IEPF) set up by the Central Government. No claims shall lie against the fund or the Company in respect of amount so transferred.

Further, the Ministry of Corporate Affairs 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 e-form 5 INV on the web portal of MCA and subsequently also upload the data on the website of the Company. The Company has accordingly filed the necessary forms on 31 July 2012 and on 17 October 2012 for the financial year ended 31 March 2011 and 31 March 2012 respectively. The details of unclaimed dividends for the years 2007-08 to 2010-11 have been uploaded on the Company's website on www.bajajauto.com

Share transfer agent

The Company 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 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 at Karvy Computershare Pvt. Ltd. The work related to dematerialisation/rematerialisation is handled by Karvy Computershare Pvt. Ltd. through connectivities with National Securities Depository Ltd. and Central Depository Services (India) Ltd.

Share transfer system

Share transfers received by the share transfer agent/Company would be 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 2012-13 was 2,096,826.

Dematerialisation of shares

Total number of shares dematerialised during 2012-13 was 3,070,663.

Shares held in physical and electronic mode as on 31 March 2013 are as given in Table 1.

Table 1: Shares held in physical and electronic mode

	Position as on 31 March 2013		Position as on 31 March 2012		Net change during 2012-13	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	18,099,727	6.25	21,170,390	7.32	(3,070,663)	-
Demat:						
NSDL	266,339,456	92.04	263,483,855	91.05	2,855,601	-
CDSL	4,927,837	1.71	4,712,775	1.63	215,062	-
Sub total	271,267,293	93.75	268,196,630	92.68	3,070,663	-
Total	289,367,020	100.00	289,367,020	100.00	-	-

Global Depository Receipts (GDRs)

Bajaj Auto issued and allotted Global Depository Receipts (GDRs) on 3 April 2008 to the shareholders of BHIL (formerly BAL) pursuant to the scheme of demerger sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated 18 December 2007 and the underlying shares against each GDR were issued in the name of the overseas depository, i.e. Deutsche Bank Trust Company Americas (DBTCA). The Company has entered into a deposit agreement with DBTCA on 21 August 2008 in respect of these GDRs.

Stock code

1. BSE, Mumbai	532977
2. National Stock Exchange	BAJAJ-AUTO
3. ISIN for Depositories (NSDL and CDSL)	INE917I01010
4. Bloomberg	BJAUT.IN
5. Reuters	BAJA.BO

Listing on stock exchanges

The shares of the Company are currently listed on the following stock exchanges :

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

During 2012-13, the listing fees payable to these stock exchanges have been paid in full.

Market price data

Table 2: Monthly highs and lows of Bajaj Auto Ltd. share price (₹) during 2012-13 vis-à-vis BSE Sensex

Month	BSE		NSE		Closing BSE Sensex
	High	Low	High	Low	
Apr 12	1,757.00	1,578.30	1,758.00	1,578.40	17,318.81
May 12	1,638.50	1,456.55	1,638.90	1,455.10	16,218.53
Jun 12	1,590.00	1,454.00	1,582.40	1,452.80	17,429.98
Jul 12	1,617.00	1,423.10	1,618.30	1,425.10	17,236.18
Aug 12	1,735.50	1,590.00	1,737.45	1,588.60	17,429.56
Sep 12	1,850.00	1,618.90	1,850.10	1,618.00	18,762.74
Oct 12	1,837.00	1,705.00	1,841.10	1,597.50	18,505.38
Nov 12	1,977.00	1,800.00	1,977.85	1,804.30	19,339.90
Dec 12	2,165.00	1,915.10	2,167.35	1,913.55	19,426.71
Jan 13	2,228.95	1,999.00	2,229.00	1,996.00	19,894.98
Feb 13	2,117.85	1,909.00	2,118.30	1,905.00	18,861.54
Mar 13	2,039.15	1,742.25	2,042.20	1,741.80	18,835.77

Bajaj Auto Limited vs BSE Sensex, indexed to 100 on 1 April 2012



Distribution of shareholding

Table 3 gives details about the pattern of shareholding across various categories as on 31 March 2013 and 31 March 2012, while Table 3A gives the data according to size classes as on 31 March 2013.

Table 3: Distribution of shareholding across categories as on 31 March 2013

Categories	31 March 2013		31 March 2012	
	No. of Shares	% to total capital	No. of Shares	% to total capital
Promoters	144,733,132	50.02	144,733,332	50.02
Friends and associates of promoters	28,894,158	9.99	30,641,279	10.59
GDRs*	66,196	0.02	169,088	0.06
Foreign Institutional Investors	52,671,870	18.20	47,516,700	16.42
Public Financial Institutions	9,850,458	3.40	9,290,035	3.21
Mutual Funds	4,033,153	1.39	7,278,439	2.52
Nationalised and other banks	222,080	0.08	122,508	0.04
NRIs and OCBS	992,342	0.34	1,189,892	0.41
Others	47,903,631	16.56	48,425,747	16.73
Total	289,367,020	100.00	289,367,020	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 3A: Distribution of shareholding according to size class as on 31 March 2013

No of shares	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	69,883	91.01	3,816,167	1.32
501 to 1000	2,337	3.04	1,726,684	0.60
1001 to 2000	1,450	1.89	2,119,379	0.73
2001 to 3000	664	0.86	1,655,025	0.57
3001 to 4000	373	0.49	1,307,228	0.45
4001 to 5000	291	0.38	1,330,204	0.46
5001 to 10000	660	0.86	4,793,281	1.66
10001 and above	1,125	1.47	272,619,052	94.21
Total	76,783	100.00	289,367,020	100.00

Shareholders' and investors' grievances

The Board of Directors of Bajaj Auto currently has a shareholders'/investors' grievance committee consisting of four non-executive independent directors 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 13 complaints filed by the shareholders on various matters. In respect of each of these complaints, replies were sent to SEBI/ROC/Stock Exchanges/Investors and no action remained to be taken at the Company's end.

Opening of demat suspense account with HDFC Bank

In accordance with the provisions contained in clause 5A of the listing agreement with the Stock Exchanges, as amended by SEBI vide circular dated 16 December 2010, the Company was required to send 3 reminders at the registered addresses of the shareholders whose shares were lying "Undelivered/Unclaimed" with the Company, requesting for the correct particulars to dispatch such share certificates. If no response was received, the shares were required to be transferred to an "Unclaimed Share Suspense Account", which shall be maintained by the Company in an 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 previous year, the Company sent three reminders to these shareholders, followed by opening of the said suspense account with HDFC Bank.

After completing the necessary formalities, 44,375 shares held by 148 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 2012-13 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. April 2012	148	44,375
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	Nil	Nil
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	Nil	Nil
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 2013	148	44,375

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 will be sent by the Company upon such request. 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.

Plant locations

Bajaj Auto has plants located at the following places:

1. Mumbai-Pune Road, Akurdi, Pune - 411 035 (Maharashtra)
2. Bajaj Nagar, Waluj, Aurangabad - 431 136 (Maharashtra)
3. MIDC, Plot No A1, Mahalunge village, Chakan - 410 501 Dist. Pune (Maharashtra)
4. Plot No.2, Sector - 10, IIE Pantnagar, Udhamasinghnagar - 263 531 (Uttarakhand)

Address for correspondence

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

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 Auto Ltd.

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

Compliance Officer

J Sridhar
Tel: (020) 27472851(Extn 6063), 27406063
Fax: (020) 27407380
E-mail: investors@bajajauto.co.in
Website: www.bajajauto.com





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Directors' Report

Introduction

The directors present their sixth annual report and the audited statements of accounts for the year ended 31 March 2013.

The highlights are as under:

Units in Numbers	2013	2012
Two-wheelers	3,757,105	3,834,405
Three-wheelers	480,057	515,155
Total	4,237,162	4,349,560
Of which Exports	1,547,157	1,579,824

Financials

Particulars	(₹ In Crore)	
	2013	2012
Net sales and other income	20,792.74	20,137.02
Gross profit before exceptional item, interest and depreciation	4,430.74	4,328.03
Interest	0.54	22.24
Depreciation	163.97	145.62
Gross profit before exceptional item	4,266.23	4,160.17
Exceptional item - Valuation losses on derivative hedging instruments	–	(134.00)
Profit before tax	4,266.23	4,026.17
Tax expense	1,222.66	1,022.12
Profit after tax	3,043.57	3,004.05
Add: Balance brought forward from previous year	3,705.14	2,515.48
Profit available for appropriation	6,748.71	5,519.53
Transfer to General reserve	305.00	301.00
Proposed dividend (inclusive of dividend tax)	1,523.45	1,513.39
Balance carried to Balance Sheet	4,920.26	3,705.14
Earnings per share (₹)	105.2	103.8

Dividend

The directors recommend for consideration of the shareholders at the ensuing annual general meeting, payment of a dividend of ₹ 45 per share, (450 per cent) for the year ended 31 March 2013. The amount of dividend and the tax thereon aggregate to ₹ 1,523.45 crore.

Dividend paid for the year ended 31 March 2012 was also ₹ 45 per share (450 per cent). The amount of dividend and the tax thereon aggregated to ₹ 1,513.39 crore.

Operations

The operations of the Company are elaborated in the annexed Management Discussion and Analysis Report.

Capacity expansion and new projects

The Company's current installed capacity is 5.4 million units per annum. The Company plans to increase the installed capacity to 6.06 million units per annum by March 2014.

The 4 Wheeler project is going on as per plan and is being implemented at Waluj. Commercial production of the four-wheeler RE 60 is slated for second half of 2013-14.

Research and Development and technology absorption

A) Products

Pulsar 200 NS

Pulsar 200 NS was launched in May 2012. It has gone on to redefine the sports motorcycle segment in India. It has set a new benchmark in terms of performance, style, technology and affordability. It has brought additional set of customers to the Pulsar portfolio. It has won an astounding number of 12 awards for product and technology including the award for the best product design in all automobiles.

Discover 125 ST

This completely new platform of vehicle was designed to take the legacy of the successful Discover brand, into the future. The vehicle has been designed to further enhance the sporty commuter image of the Discover brand. The vehicle is equipped with a high performance 4 valve air cooled engine powered by twin spark ignition, delivering 13 Ps, and a 5 speed gear box suitably mated to the power characteristics of the engine. This provides the commuter the joy of a powerful drive, while maintaining high fuel efficiency for which Discover brand is known for. The vehicle is also equipped with the state-of-the-art features like Nitrox mono shock absorber for riding pleasure, which is a first for a commuter 125 cc bike.

Discover 100 T

This product complements Discover 125 ST and extends the all new design of Discover 125 ST to smaller engine capacity. It sharply focuses on the customers who prefer greater fuel efficiency, but desire all the enhancements. The vehicle is powered by a high performance 4 valve air cooled 100 cc DTSi engine, delivering 10.2 Ps, with a 5 speed gear box suitably mated to the power characteristics of the engine. This is the world's first 100 cc single cylinder 4 valve DTSi engine and delivers class leading power and fuel efficiency.

KTM Duke 125 - Duke 200

Model Year 2013 saw Duke 125 and Duke 200 substantially upgraded. Vehicle safety is taken to the next level with the introduction of "Anti-lock braking system (ABS)". The vehicle is equipped with twin channel ABS offering independent control for both the wheels and increases driver safety by not allowing the vehicle to skid even in case of panic braking on low friction surfaces.

The Duke 200 won 8 awards this year. Between Pulsar and KTM, the Company swept practically all the major awards announced during the year under review.

B) Process

R&D has been working on improving its operations in a number of areas as listed below.

- **Manpower:** R&D has been expanding its team size in areas of design, analysis and validation in order to keep up with the rapidly expanding aspirations of the Company.
- **Facilities:** R&D continued to enhance its design, computing, proto-typing and validation facilities. Such enhancement efforts have enabled R&D to develop durable and refined products. A number of new test facilities were put in to validate the durability and performance of the forthcoming 4 wheelers. The prototyping facilities were also upgraded to enable building of the prototypes of these vehicles.
- **Technology:** This year, R&D launched the Triple Spark technology for the Pulsar family. This technology takes the DTS-I performance to the next higher level. It gives best in class fuel efficiency and performance on a sports bike. This technology went on to win the "Automotive technology of the year" award competing in the category of not just 2 wheelers, but in all categories of automobiles.
- **Total Productive Maintenance (TPM):** R&D continues to vigorously pursue the TPM way of thinking and working. This has yielded excellent results in quality management of design and validation process. The TPM approach has also been effective in the lead time reduction on the various critical processes in R&D by elimination of waste.

C) Outgo

The expenditure on research and development during 2012-13 and in the previous year was:

Particulars	₹ In Crore)	
	2013	2012
i. Capital (including technical know-how)	109.19	42.22
ii. Recurring	129.40	113.70
Total	238.59	155.92
iii. Total research and development expenditure as a percentage of sales, net of excise duty	1.22%	0.83%

Conservation of energy

Company has always been a forerunner in conservation of energy and natural resources. All manufacturing processes and products are designed for minimising the carbon footprints and are being continuously upgraded to consistently achieve this goal. Company has a distinction of having all its plants certified for ISO 14000 and 18000. Company not only follows Standard Operating Procedures for environment protection and conservation of resources in all its plants, but also propagates these initiatives throughout its vendor partners under the initiative of 'Green Supply Chain'.

The energy conservation drive is guided by the principle of 5 Rs (Reuse, Reduce, Recycle, Remove, Recover). Given below are some of the key initiatives taken during 2012-13 towards energy and natural resource conservation.

- Electrical energy saving was achieved by replacing reciprocating compressor with screw air compressors at Waluj; use of air pressure booster for high pressure application, use of energy efficient pumps and motors, use of LED/induction lamps for lighting system in plant and offices.
- Water saving was achieved by various measures, such as installation of RO plant, use of air cooled compressors in place of water cooled compressors; use of breeze air coolers instead of ARP, use of treated water for horticulture activities.

- Liquified Petroleum Gas (LPG)/propane saving was achieved by optimum usage of oven/furnaces at paint shop and HT, by reduction in weight of paint line jigs and heat treatment fixtures, by replacing pre-treatment chemicals requiring less temperature, at Chakan and by increasing conveyor speed in paint shop.
- Initiatives in utilisation of renewable energy were taken during the year. Installation of solar power plant 20 Kwp at Waluj and installation of light pipes at Waluj and Pantnagar are the key initiatives to note.

Impact of measures taken

As a result of the initiatives taken for conservation of energy and natural resources, the Company has effected an overall reduction in consumption as given in the table below :

Description	% Reduction w.r.to previous year	
	2013	2012
Electricity consumption	1.85	7.86
Water consumption	20.97	Nil
LPG/propane consumption	7.49	13.44

Investment/savings

Description	(₹ In Crore)	
	2013	2012
Investment for energy conservation activities	3.67	2.07
Recurring savings achieved through above activities	2.30	2.14

This chapter may be read with the Business Responsibility Report (BRR), which is part of the annual report.

International business

Bajaj Auto continues to outperform competition in terms of two and three wheeler exports, in spite of the grim world economic scenario. We have maintained our leadership position in exports and have dominated the Indian two and three wheeler export scenario. Bajaj has exported a total of 1,547,157 two and three wheelers, highlighting the stellar lead the Company has established against competition.

More details of International Business are set out in the annexed Management Discussion and Analysis Report.

Foreign exchange earning and outgo

The Company continued to be a net foreign exchange earner during the year.

Total foreign exchange earned by the Company during the year under review was ₹ 6,565.34 crore, compared to ₹ 6,625.96 crore during the previous year.

Total foreign exchange outflow during the year under review was ₹ 1,083.16 crore as against ₹ 776.98 crore during the previous year.

The above outflow excludes an investment of ₹ 231.86 crore (previous year: ₹ 68.14 crore) made in its 100% subsidiary, Bajaj Auto International Holdings BV, Netherlands for increasing its stake in KTM AG from 40.87% to 47.96%.

Industrial relations

Industrial relations with staff and workmen across the plants at Akurdi, Waluj, Chakan and Pantnagar continued to be cordial.

At Pantnagar, wage settlement dated 7 December 2012 was amicably signed in conciliation between the management and representatives of workmen. The workmen have formed a trade union on 21 August 2012 under the name and style "Bajaj Auto Ltd. Employees Sangh", which has a majority following.

At Chakan, Vishwa Kalyan Kamgar Sanghatana, the recognised union has given notice of termination of the existing settlement dated 21 May 2010 as per provisions of The Industrial Disputes Act, 1947.

Five workmen of BAL-Waluj and two workmen of BAL-Chakan have received Best Worker (Gunwant Kamgar) Welfare Awards for the year 2012 declared by the Maharashtra Labour Welfare Board, Mumbai, Government of Maharashtra.

Subsidiaries

PT. Bajaj Auto Indonesia (PT BAI)

In line with the general slow-down in the global economy, Indonesia has posted a GDP growth rate of 6.3% as against 6.5% recorded in 2011-12.

Two wheeler sales, a true barometer of national economy, had declined to 7.1 million units from the levels of 8 million units in the previous year, a decline of 11.5%. Restrictions in financing norms imposed by the central bank relating to two wheeler financing has contributed significantly to the decline in sale of two wheelers in Indonesia.

PT BAI has also witnessed a declining sales volume trend with billing of 11,198 units in 2012-13 as against 23,337 units done in 2011-12.

The distribution arrangement announced by Bajaj Auto Ltd. in September 2012 with Kawasaki Motors to market and distribute Pulsar NS motor cycles in Indonesia is expected to give a new fillip to the growth of exports to Indonesia, from the second half of financial year 2013-14.

Bajaj Auto International Holdings BV, Netherlands (BAIH BV)

During the year under review, BAIH BV invested further € 33.90 million (approx. ₹ 236 crore) to increase its stake in KTM AG (KTM) to 47.96%.

In the calendar year 2012, KTM posted robust growth to 107,142 units (up by 32%); € 612 million turnover and € 25.3 million net profit (up by 22.2%). Proportionate net profit of € 11.96 million has been accounted in the consolidated results of Bajaj Auto Ltd.

KTM returned to dividend list with a dividend declaration of € 0.70 per share for 2012. BAIH BV is entitled to receive € 3.64 million, being its share of dividends.

During the year, Bajaj Auto produced 26,805 units of KTM Duke Motorcycles. 7,388 Dukes were sold in India through the 70 strong pro-biking network in India and 18,546 units were exported to various countries, including Europe, Japan, etc.

Various joint development projects are proceeding well. The next jointly developed product Duke 390, sporting a high performance engine is scheduled to be launched in first half of 2013-14. Bajaj Auto will produce this model in its Chakan plant.

Signing of anti-corruption initiative of World Economic Forum (WEF)

In support of the initiative taken by WEF, with a view to strengthening the efforts to counter bribery and corruption, your Company is a signatory to the "Commitment to anti-corruption" and is supporting the "Partnering Against Corruption - Principles for Countering Bribery"

derived from Transparency International's Business Principles. This calls for a commitment to two fundamental actions viz. a zero-tolerance policy towards bribery and development of practical and effective implementation program.

Corporate Social Responsibility

During the year 2012-13, Bajaj Auto continued its Affirmative Action Plan and Corporate Social Responsibility initiatives in various fields. Activities in this area are set out in greater detail in the annexed CSR Report.

Directors

J N Godrej, S H Khan, Ms Suman Kirloskar and Naresh Chandra retire from the Board by rotation this year and being eligible, offer themselves for re-appointment.

Directors' responsibility statement

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

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

Presentation of financial results

The financial results of the Company for the year ended 31 March 2013 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 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 subsidiaries, viz. PT. Bajaj Auto Indonesia and Bajaj Auto International Holdings BV, Netherlands as prepared in compliance with the accounting standards and listing agreement as prescribed by SEBI.

Information in aggregate for each 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. Hence, the Company is not attaching the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies. The summary of the key financials of the Company's subsidiaries is included in this annual report.

The annual accounts of the subsidiary companies and the related detailed information will be made available to the members of the Company and its subsidiary companies, seeking such information at any point of time. The annual accounts of the subsidiary companies will

be kept for inspection by any member of the Company at its registered office and also at the registered office of the concerned subsidiary company.

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

Particulars regarding technology absorption, conservation of energy and foreign exchange earnings and outgo 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 have been given in preceding paragraphs.

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 as Annexure 1.

A cash flow statement for the year 2012-13 is attached to the Balance Sheet.

Corporate governance

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

All Board members and senior management personnel have affirmed compliance with the code of conduct for the year 2012-13. A declaration to this effect signed by the Chief Executive Officer (CEO) of the Company is contained in this annual report.

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

Business Responsibility Report

Securities and Exchange Board of India (SEBI), vide its circular dated 13 August 2012, has decided to mandate inclusion of Business Responsibility Reports (BRR) as part of the annual reports for listed entities. To begin with, SEBI has made it mandatory for top 100 listed entities based on market capitalisation at BSE and NSE as on 31 March 2012 to include BR Reports as part of their annual reports from the financial year ending on or after 31 December 2012. Since Bajaj Auto Ltd. is one of the top 100 listed entities, the Company has presented its first BR Report for the financial year 2012-13, which is part of this annual report. As a green initiative, the BR Report has been hosted on the Company website www.bajajauto.com. A physical copy of the BR Report will be made available to any shareholder on request.

Secretarial standards of ICSI

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

Auditors' report

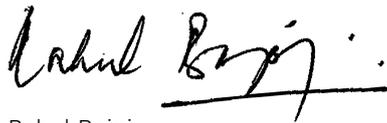
The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under section 217 of the Companies Act, 1956.

Auditors

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

In conformity with the directives of the Central Government, the Company has appointed Mr. A P Raman, cost accountant, ICWA Membership No. 837, with address at Golok, Plot No.13, Sector No.28, Pradhikaran, Nigdi, Pune - 411 044, as the cost auditor under section 233B of the Companies Act, 1956 to conduct the cost audit of Bajaj Auto Ltd. for the year 2012-13. For the year ended 31 March 2012, the due date of filing the cost audit report was 30 September 2012, which was subsequently extended upto 28 February 2013 and the actual date of filing the cost audit report was 27 February 2013.

On behalf of the Board of Directors,



Rahul Bajaj
Chairman
16 May 2013

Annexure 1

Auditors' certificate regarding compliance of conditions of Corporate Governance

To the members of
Bajaj Auto Ltd.

We have examined the compliance of conditions of Corporate Governance by Bajaj Auto Ltd., for the year ended 31 March 2013, 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Annexure 2

Declaration by Chief Executive Officer (CEO)

I, Rajiv Bajaj, Managing Director of Bajaj Auto Ltd. hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31 March 2013 compliance with the code of conduct of the Company laid down for them.

Rajiv Bajaj
Managing Director
Pune: 16 May 2013

Annexure 3

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

We, Rajiv Bajaj, Managing Director and Kevin D'sa, President (Finance) of Bajaj Auto Ltd., certify to the Board:

1. That we have reviewed the financial statements and the cash flow statements for the year ended 31 March 2013 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.

Rajiv Bajaj
Managing Director
Pune: 16 May 2013

Kevin D'sa
President (Finance)



दुनिया की नं. १ सवारी



Bajaj RE 60

An idea whose time has come



Report on Corporate Social Responsibility (CSR)

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 laid the foundation for ethical, value-based and transparent functioning.

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

The Company and Bajaj Group generally implement 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.

Securities and Exchange Board of India, vide its circular dated 13 August 2012, has decided to mandate inclusion of Business Responsibility Report (BRR) as part of the annual reports for listed entities. To begin with, SEBI has made it mandatory for top 100 listed entities based on market capitalisation at BSE and NSE as on 31 March 2012 to include BR Reports as part of their annual reports from the financial year ending on or after 31 December 2012.

Since Bajaj Auto Ltd. is one of the top 100 listed entities, the Company has presented its first BR Report for the financial year 2012-13, which is part of this annual report. As a green initiative, the BR Report has been hosted on the company website www.bajajauto.com. A physical copy of the BR Report will be made available to any shareholder on request. Shareholders are requested to read this CSR Report together with BR Report to get the full perspective on the subject.

In this backdrop, some of the major initiatives taken up during the year under review are summarised below :

A) By the Company

Code of conduct and affirmative action

Your Company believes that its success is inter-linked with the well-being of all sections of the society and equal opportunity for all sections. The Company continues to ensure no discrimination of any type to socially disadvantaged sections in the work place.

During the year under review, the Company recruited 2,031 new employees, of which 197 nos. (9.70%) belong to weaker sections in line with the affirmative action. As against 7.63% as on 31 March 2012, the corresponding figure was 7.2% as on 31 March 2013.

Education

Under Public Private Partnership (PPP), the Company has undertaken to upgrade 4 Industrial Training Institutes (ITI) - two in Pune, one in Aurangabad and one in Pantnagar.

The Company took actions to ensure better quality of output from the Institutes. In ITI Mulshi, 56 additional students have been added in 3 trades, under PPP. At Ramgarh in Pantnagar, a new building was inaugurated by the Chief Minister of Uttarakhand and 136 students have been added in 3 trades (2 shifts each) under PPP. The Company also followed up with the concerned agencies for approval of Institute Development Plan for ITI Haveli and Aurangabad.

Health

Government of India - Ministry of Health and Family Welfare - National AIDS Control Organisation (NACO) and CII have initiated Public Private Partnership (PPP) in order to provide better healthcare to AIDS patients.

From August 2008, the Bajaj YCMH ART Centre at YCM hospital has registered 8,886 patients with 4,319 active cases for Anti Retroviral Therapy. This centre is a benchmark for new centres and is the largest one run by Industry. In view of the exceptional quality of performance, 4 Link ART centres have been attached to this Bajaj YCMH ART centre.

Others

Our factory employees organised a blood donation camp, in which 556 employees donated blood for the hospitals in the respective areas.

The Company's fire department vehicles made 25 calls outside the plants for fire fighting and rescue operations during the year under review.

B) Through group trusts and group companies

1. Jamnalal Bajaj Foundation (JBF-Foundation)

Jamnalal Bajaj Foundation was established in 1976 for promoting Gandhian constructive programmes and assisting constructive workers, who 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 fields of constructive work on Gandhian lines, application of science and technology for rural development and uplift and welfare of women and children. The fourth one is an international award - given to individuals other than Indian citizens from foreign countries for their contribution to the promotion of Gandhian values outside India.

Other charitable activities

The Foundation has given donation 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. Special mention must be made for the project undertaken by Foundation of providing financial assistance to widows of farmers of Vidarbha region, who had committed suicide.

2. Janakidevi Bajaj Gram Vikas Sanstha (JBGVS)

Rural and urban development activities of JBGVS

The Company continued with its rural development activities in Pune, Aurangabad and Wardha districts of Maharashtra and Sikar district of Rajasthan through JBGVS. JBGVS aims at integrated development of 75 villages, to be carried out by the villagers themselves and under their own leadership by forging partnership with Government, local institutions and NGOs. In the process, JBGVS acts as a catalyst to make this positive transformation happen within a stipulated time-frame.

On completing 25 glorious years of service for the community and social development of rural areas, JBGVS celebrated 2012 as the Silver Jubilee year by organising various programmes, like clean house competition, healthy baby competition, blood donation camp, bal melava, health check-up camp for senior citizens etc. in the villages covered by JBGVS.

The events and progress made during the last 25 dedicated years were presented to the members of the Board of Directors, senior officials of the Company and others on 15 January 2013. Two booklets viz. Integrated Rural Development Model of JBGVS and a souvenir illustrating the journey over 25 years were released at the hands of Rahul Bajaj and Jamshyd Godrej.

To commemorate the occasion, a cultural programme was also held at JBGVS in which Madhur Bajaj was the chief guest and in which trustees, sarpanches and prominent personalities were present and felicitated.

During the year, JBGVS implemented several programmes to strengthen primary education, primary health care, improving socio-economic condition and environmental development. Our programmes touched the lives of 28,000 people, comprising people from Scheduled Caste, Scheduled Tribe, Nomadic Tribes and Other Backward Class. JBGVS programmes covered 65% people from economically weak and socially backward communities.

Primary education

Primary education has been the major area of intervention in the villages. We supported infrastructure development of primary schools and anganwadis (pre-primary schools) by repairing school rooms and providing furniture and equipment. Three user-friendly sanitation complexes have been constructed in partnership with FICCI Ladies Organisation, Mumbai and local Gram Panchayat. Special efforts were taken to check malnutrition by conducting awareness and training programmes for mothers on importance of breast feeding, nutritious food using local materials, special check-up camps etc. Non-formal educational programmes for children in primary schools were organised involving secondary school students from the villages. These programmes are aimed at generating interest of children in education. In the year under review, JBGVS installed 4 E-learning units in the schools that changed the face of education in the rural areas. Through various short training programmes, teachers and parents were motivated to actually participate and improve the quality of education. Special programmes on health-related issues and HIV/AIDS were organised for adolescent boys and girls in the schools.

Primary health care

JBGVS attaches a lot of importance to its community health initiatives and follows the philosophy 'Prevention is better than cure'. The programmes, i.e. mother and child health care (MCH), health check-up camps, mobile clinic service, hygiene and sanitation programmes etc. were organised with the help from village level JBGVS-trained health workers. JBGVS has also been partnering with Government in strengthening National Rural Health Mission (NRHM) at the grass-root level by supporting check-up camps organised for pregnant mothers by PHCs. During the year, JBGVS organised 135 health check-up camps benefitting 4,155 people in all the project areas. In Aurangabad, six health check-up camps were organised for BPL families in association with Kamalnayan Bajaj Hospital. 305 patients were examined in these camps. The idea was to screen and detect complicated cases and provide them free treatment at Kamalnayan Bajaj Hospital. In Wardha, JBGVS has been working in partnership with Vinoba Bhave Hospital, which provides free treatment to the villagers. In total, 550 patients have benefitted under these programmes. During the year, 30 HIV/AIDS awareness programmes were organised, in which 1,250 women participated. There was no polio or severe malnourished case in our villages.

Economic development

Agriculture is the main occupation in the villages, where JBGVS works. Programmes, like soil testing, demonstration plots for improved variety of seeds and fertilisers, improved agricultural practices, natural farming, promotion of horticulture etc. were implemented in all the project areas. Various types of farm and non-farm based vocational training programmes i.e. dairy, poultry, goatry, two wheeler repairing, fashion designing etc. were organised. In Wardha, JBGVS has been working in partnership with Ministry of Small and Medium Enterprises (MSME) for conducting vocational training programmes.

JBGVS has been working in partnership with Rotary Club of Poona North for implementation of Kamdhenu cow project.

Cows distributed	100
Copartners	100
Total milk yield (October 2012- March 2013)	99,000 ltrs
Total Income generated (6 months)	₹ 17.82 lakh

In Kasi ka bas village of Sikar district, a revolving fund of ₹ 123,500 created by JBGVS has helped 32 SHGs to get ₹ 1,923,000 loan from bank to start income generation activities like goatry, dairy, small enterprises, etc.

Environmental development

Wardha is one of the drought-prone districts of Maharashtra. During summer, drinking water becomes scarce and women have to travel long distance to fetch water. Last year JBGVS completed water conservation work in 5 villages of Wardha district by deepening of nullah. The ponds created on these nullahs helped in increasing water storage in the wells downstream. This solved the drinking water problem of these 5 villages. Villagers are now very happy. After a survey, it has been decided to carry on similar work in 102 water scarce villages in coming months.

No. of nullah treated	5
Quantum of water stored	59 TCM
No. of villages benefitted	5
No. of families benefitted	2,600

Social development

Local leadership plays an important role in the development of villages. JBGVS organised various types of leadership development programmes for local youth, women, adolescent girls and boys etc. The Government invited JBGVS to train the newly elected women members of Gram Panchayats in Maval and Khed blocks of Pune district. We supported sports competitions and procurement of sports equipments. Support was also provided to promote local cultures and celebrate various festivals. 31 new Self Help Groups (SHG) consisting of 380 women were formed and they were motivated to take up village development activities, in addition to their regular savings and credit programmes.

Urban development

Samaj Seva Kendra (SSK) is the urban development wing of JBGVS. It has a total membership of 1,057 families. SSK provides facilities for social, education, cultural and economic development to the residents of Akurdi, Nigdi and adjoining areas. During the year, various types of programmes like pre-primary class, balbhavan, literacy, tailoring, yoga, karate, tabala and harmonium, classical and western dance, senior citizen programmes etc. were carried out. A senior citizens' club with over 100 members has also been started. Various special programmes, like medical check-up, study tour etc. are being organised for them. Summer camp for school children got very good response. 374 children attended summer camps in two batches. The library has 67 members and 659 books on subjects ranging from stories, novels, tailoring, nutrition, health care, autobiographies etc. A few vocational training programmes, like beauty parlour, basic tailoring, fashion designing and mobile handset repairing were also conducted. About 100 youth mostly women were benefitted from these programmes. It has been decided to start a Samaj Kalyan Kendra at Aurangabad and Sikar.

3. Group trusts for colleges

Shiksha Mandal

It was founded by Shri Jamnalal Bajaj in 1915 with the strong conviction 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 7 institutions with student strength of 8,500 and 274 teachers. 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 runs a Commerce college at Nagpur. Its mission is to provide high quality education at a low cost and to instill nationalistic and humane values in its students.



A tailoring class in session



Pulse polio campaign



Practising Yoga for a healthier life



Women engaging in recreational activities



Milk collection centre, helping farmers

Drawing Class





Sport promotion



Potable water supply



Shiksha Mandal's G. S. College at Wardha



Kamalnayan Bajaj Hospital, Aurangabad

Beyond Profits

Corporate Social Responsibility



Bajaj Science Centre, Wardha

Mobile Clinic in a village



Its Agriculture College, Engineering Polytechnic and Science College enjoy good rating by external agencies. Its Agriculture Diploma course consistently delivers over 90% result.

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.

During the year under review, its Science College had the distinction of being awarded a ₹ 1 crore "Star College" grant by the Department of Biotechnology, the only college in Vidarbha to have been so chosen.

In 1937, Shiksha Mandal had the privilege of hosting India's first Education conference, which was presided over by Gandhiji. To commemorate its 75th Anniversary, a seminar was held in which Prof. Mushirul Hasan, ex-Vice Chancellor of Jamia Millia, Dr. Krishna Kumar, ex-Director of NCERT and Prof. Anil Sadgopal, Founder of the Hoshangabad Science Experiment participated.

15 of its students appeared in merit lists of the University. Its students excel at sports. 24 of them represented the state and 93 represented the University. 3 of them won medals at the national level. Its students are very active in extra-curricular activities. This year, one student from the Polytechnic has made it to the national level in a technical contest.

For meritorious students, free-ships 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 programs for Chartered Accountancy, Company Secretaryship and competitive exams for jobs in banks.

Shiksha Mandal is connected to the community it operates in. It has been running a Community Polytechnic since 1984, where school drop-outs are trained, at Wardha and 5 village centres, in technical trades. It has been involved in a number of national level agricultural programs.

In 2012-13, its colleges received over ₹ 3 crore funding from the University Grant Commission for various facilities including Library, Girls' Hostel etc. A ₹ 20 lakh grant was sanctioned by AICTE for up-gradation of its engineering laboratories.

Its annual non-recurring expenditure now exceeds ₹ 5 crore. This is funded by Bajaj group trusts, external agencies and internal accruals. The Bajaj group trusts have donated to Shiksha Mandal around ₹ 19 crore in the last 5 years.

Bajaj Science Centre

In academic year 2012-13, 403 students from 27 different schools of Wardha benefited from the Bajaj Science Education Centre. In addition, 106 students were coached at the Centre for various competitive examinations. 880 students appeared for Entrance examination held on 4 March 2013, for the 218 fresh intake capacity of the Centre, which reflects the recognition of its quality.

The Centre conducted crash courses of practicals of X standard students. These courses are mainly organised for the students from villages, who cannot come on regular basis. 86 students benefited from this program.

It also conducted a four day workshop for 32 Science and Mathematics teachers of Wardha city. Some teachers from outside Wardha also participated.

Achievements of its students included winning of many prestigious awards. The culture of appearing for competitive examinations is growing in Wardha, due to consistent efforts of Bajaj Science Centre.

Institute of Gandhian Studies (Gandhi Vichar Parishad)

Institute of Gandhian Studies (Gandhi Vichar Parishad), Wardha founded in memory of late Shri Jamnalal Bajaj completed 25 years of service in October 2012. During the year 2012-13, the Institute organised (a) Post Graduate Diploma Course in Gandhian Thought (University Recognised) for students from different parts of India and abroad (b) Orientation Camp Classes on Gandhian Thought for Medical Students (c) University Students' Camps at the local, regional and national level (d) International Non-violence Day and related programmes (e) Annual Ravindra Varma Memorial Lecture (f) Silver Jubilee Seminar on Gandhi, Development and Sustainability (g) Short Term Course on Gandhian Thought (h) National Seminar on Child Labour (i) Inter Religious Study Course on Methods, Training and Practices for Purification and Path to Perfection. (j) Special training programme for Gandhi International, France (k) publications and other programmes.

4. Marathwada Medical and Research Institute (MMRI) – a trust

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

Kamalnayan Bajaj Hospital

MMRI has established Kamalnayan Bajaj Hospital, located at Aurangabad in Marathwada region of Maharashtra and is providing super speciality and tertiary care medical facilities, not available elsewhere in this region. The hospital has expanded its capacity to 250 beds and major part of the expansion has been for general category patients. It has cancer treatment facilities, including Linac Accelerator and Brachy therapy, a new generation 128 slice dual source CT scan and MRI of 1.5 Tesla, new generation Siemens Cath Lab for heart patients, latest ophthalmology equipment and other advanced facilities including open heart surgeries and organ transplantation (Kidney). Hospital also provides non-surgical treatment of Kidney. The hospital has been providing annually relief for close to 55,000 patients on OPD basis and close to 7,000 patients, who are admitted to hospital for various treatments. It also has an intensive care unit and a cardiac care unit, with a capacity of 30 beds and with an occupancy rate of more than 95%.

The hospital also runs a programme of providing relief to Below Poverty Line (BPL) and Economically Weaker Sections (EWS) of the society with free/subsidised treatment. During the year under review, hospital with the help of an NGO has conducted camps in 182 villages of the district of Aurangabad, where more than 9,414 patients have been checked and given free treatment and medicines and out of these, 1,867 patients needing further treatment at hospital were treated totally free as in-patients at the hospital at a cost of ₹ 1.20 crore.

Kamalnayan Bajaj Nursing College (KBNC)

Kamalnayan Bajaj Nursing College (KBNC) was established in 2010 by MMRI Trust. KBNC is offering basic B.Sc Nursing 4 years degree programme with an annual in-take of 50 students. KBNC is affiliated to Maharashtra University of Health Sciences, Nashik and Indian Nursing Council.

KBNC has excellent infrastructure facilities of international standard with state-of-art Laboratories and Library with computer Lab having free internet access, hostel for boys and girls, with an investment of over ₹ 10 crore.

KBNC has well qualified and well groomed teaching staff with high profile degrees in Nursing and management. KBNC has plans to start P.B.B.Sc (N) and M.Sc (N) programme and research centre for allied health sciences and short term training programmes for health-care professionals. KBNC offers seven types of scholarships with support from Government of Maharashtra and Social Welfare Office and MUHS, Nashik.

5. Fuji Guruji Memorial Trust

Fuji Guruji Memorial Trust has established Bauddha Mandir, Vishwa Shanti Stupa at Wardha for promotion of thoughts and teachings of Lord Buddha, Mahatma Gandhi and other preachers preaching same or similar ideology and to propagate the message of world peace, love, non-violence and equality of all religions. It has also established Bal Sanskar Kendras for the benefit and upliftment of poor children below the age of six years from small villages of Wardha district.

6. Kamalnayan Bajaj Charitable Trust

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

7. Jamnalal Bajaj Seva Trust

Soon after the demise of Jamnalalji in 1942, as per his wishes, the first charitable trust, Jamnalal Bajaj Seva Trust was established, with an initial corpus of ₹ 5 lakh.

In 1960, at the suggestion of Acharya Vinoba Bhave, the trust purchased about 400 acres of land on the outskirts of Bangalore to establish an International Sarvodaya Centre-Vishwaneedam for promoting agriculture, dairy development, rural development and training local women and youth for self-employment.

The trust has also been contributing its share to the promotion of art and culture through Kamalnayan Bajaj Hall and Art Gallery in Bajaj Bhavan, Nariman Point, Mumbai. Exhibition, handicrafts display as well as corporate meetings, conferences and seminars are common activities inside the Kamalnayan Bajaj Hall. The art gallery is used to display the artistic works of painters and sculptors. The art gallery also provides an opportunity to budding artists to showcase their talents.

The trust continued running 6 Balwadis i.e. Bal Sanskar Kendra in rural areas for poor children below six years of age.

“Hamaara Sapna” project initiated by the trust endeavors to uplift the slum residents of South Mumbai. The project involves imparting skill training along with overall knowledge and hands-on experience to foster a better tomorrow.

General

The Group has about 40 Public Charitable Trusts, which are also engaged in many topical and socially relevant CSR activities and initiatives by donating to worthy organisations. Narrative above is not exhaustive, but only illustrative to give a glimpse of the importance being 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/>

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



Standalone Financial Statements

Independent Auditors' Report

To the Members of **Bajaj Auto Ltd.**

Report on the financial statements

1. We have audited the accompanying financial statements of Bajaj Auto Ltd. (the "Company"), which comprise the Balance Sheet as at 31 March 2013, 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 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. 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 2013;
 - (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 (Auditors' Report) Order, 2003', as amended by 'the Companies (Auditors' 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 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, 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: 16 May 2013

Annexure to Independent Auditors' Report

Referred to in paragraph [7] of the Independent Auditors' Report of even date to the members of Bajaj Auto Ltd. on the financial statements for the year ended 31 March 2013

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(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. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has not granted/taken any loans, secured or unsecured, to 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 inventory and 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. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
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.

Annexure to Independent Auditors' Report (Contd.)

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, customs duty and excise duty as at 31 March 2013 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
Excise Duty	Additional demand received	1.42	Various years	Commissioner Appeals
	Additional demand received	2.99	Various years	CEGAT
	Additional demand received	5.64	Various years	High Court
	Additional demand received	6.25	Various years	Supreme Court
Sales Tax	Additional demand received on the basis of Assessment Order	312.02	Financial year 2000-01 to 2004-05, 2006-07, 2009-10, and 2011-12	Joint Commissioner of Sales tax
	Additional demand received on the basis of Assessment Order	58.94	Financial year 2001-02 to 2004-05, 2008-09, 2009-10, and 2011-12	Tribunal
	Additional demand received on account of entry tax	6.51	Financial year 1996-97 to 2000-01	High Court
Income Tax	Demand notice received against regular assessment	54.13	Financial year 2007-08, 2008-09 and 2011-12	CIT (Appeals)
Service Tax	Denial of credit	3.78	For the year 2002-03	High Court
		2.38	Various years 2004 to 2008	CESAT
Customs Duty	Recovery of duty by treating the vehicles as not fuel efficient	3.85	Financial year 1988-89	High Court

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 is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of 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 loans 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.

Annexure to Independent Auditors' Report (Contd.)

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Balance Sheet as at 31 March

Particulars	Note No.	₹ In Crore)	
		2013	2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	289.37	289.37
Reserves and surplus	3	7,612.58	5,751.70
		7,901.95	6,041.07
Non-current liabilities			
Long-term borrowings	4	71.27	97.48
Deferred tax liabilities (net)	5	115.10	48.44
Other long-term liabilities	6	122.06	157.07
Long-term provisions	7	134.61	111.85
		443.04	414.84
Current liabilities			
Trade payables	8	1,979.61	1,957.79
Other current liabilities	8	546.16	604.33
Short-term provisions	7	1,607.86	2,066.05
		4,133.63	4,628.17
Total		12,478.62	11,084.08
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	1,804.43	1,479.59
Intangible assets	9	-	2.14
Capital work-in-progress		223.29	11.77
Intangible assets under development		70.26	29.88
		2,097.98	1,523.38
Non-current investments	10	3,719.15	3,786.21
Long-term loans and advances	11	462.39	600.87
Other non-current assets	13	1.02	1.43
		6,280.54	5,911.89
Current assets			
Current investments	10	2,711.33	1,096.60
Inventories	14	636.28	678.53
Trade receivables	12	767.58	422.79
Cash and bank balances	15	558.85	1,653.83
Short-term loans and advances	11	1,311.72	1,024.85
Other current assets	13	212.32	295.59
		6,198.08	5,172.19
Total		12,478.62	11,084.08

Summary of significant accounting policies followed by the Company

1

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

J Sridhar
Company Secretary

Rahul Bajaj
Madhur Bajaj
Rajiv Bajaj

Chairman
Vice Chairman
Managing Director

Sanjiv Bajaj
D S Mehta
Kantikumar R Podar
D J Balaji Rao
S H Khan
Suman Kirloskar

Naresh Chandra
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Shekhar Bajaj

} Directors

Statement of Profit and Loss for the year ended 31 March

Particulars	Note No.	₹ In Crore)	
		2013	2012
Sales		20,617.87	19,827.03
Less: Excise duty		1,128.91	946.76
Net sales		19,488.96	18,880.27
Other operating revenue		508.29	648.71
Revenue from operations (net)	16	19,997.25	19,528.98
Other income	17	795.49	608.04
Total revenue (I)		20,792.74	20,137.02
Expenses:			
Cost of raw material and components consumed	18	13,523.74	13,445.54
Purchases of traded goods	19	858.83	751.15
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	24.00	(94.15)
Employee benefits expense	21	639.48	540.11
Finance costs	22	0.54	22.24
Depreciation		163.97	145.62
Other expenses	23	1,378.80	1,215.77
Expenses, included in above items, capitalised		(62.85)	(49.43)
Total expenses (II)		16,526.51	15,976.85
Profit before exceptional item and tax (I - II)		4,266.23	4,160.17
Exceptional item	24	–	(134.00)
Profit before tax		4,266.23	4,026.17
Tax expense			
Current tax		1,156.00	1,003.39
Deferred tax		66.66	18.73
Total tax expense		1,222.66	1,022.12
Profit after tax		3,043.57	3,004.05
Basic and diluted Earnings per share (In ₹)	26	105.2	103.8
(Nominal value per share ₹ 10)			

Summary of significant accounting policies followed by the Company

1

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

J Sridhar
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Rajiv Bajaj

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Vice Chairman
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Kantikumar R Podar
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S H Khan
Suman Kirloskar

Naresh Chandra
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Shekhar Bajaj

} Directors

Cash Flow Statement

(₹ In Crore)

Particulars	2013	2012
I. Operating activities		
Profit before tax	4,266.23	4,026.17
Adjustments:		
Add:		
i) Depreciation	163.97	145.62
ii) Provision for diminution in value of investment in the Company's subsidiary, PT. Bajaj Auto Indonesia	35.52	–
iii) Valuation (gains)/losses of derivative hedging instruments	(131.92)	134.00
iv) Amount written off against technical know-how	2.14	2.14
v) Amount written off against leasehold land	0.66	0.65
vi) Loss on assets sold, demolished, discarded and scrapped	7.04	7.49
Provision for doubtful debts and advances	4.92	9.95
viii) Interest expense	0.54	22.24
	82.87	322.09
Less:		
i) Investment income included in above:		
Interest on long-term investments	259.07	275.56
Interest on fixed deposits	41.72	42.76
Profit on sale of investments, net	48.23	33.09
Surplus/(loss) on redemption of securities, net	–	(6.03)
Dividend on long-term investments	0.15	0.14
Amortisation of (premium)/discount on acquisition of fixed income securities	23.59	(18.64)
	372.76	326.88
ii) Provision for doubtful debts and advances written back	5.15	1.86
iii) Surplus on sale of assets	7.17	9.65
iv) Surplus on pre-payment of sales tax deferral liability/loan	68.95	–
	(454.03)	(338.39)
	3,895.07	4,009.87
Change in assets and liabilities		
i) Inventories	42.25	(131.25)
ii) Trade receivables	(343.33)	(62.10)
iii) Loans and advances and other assets	(199.59)	246.31
iv) Liabilities and provisions	(0.46)	297.81
	(501.13)	350.77
Annuity payments (net) to VRS optees	(20.17)	(19.20)
Net cash from operating activities before income tax	3,373.77	4,341.44
Income tax paid	(1,239.40)	(1,148.27)
Net cash from operating activities	2,134.37	3,193.17
Carried forward	2,134.37	3,193.17

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	2013	2012
Brought forward	2,134.37	3,193.17
II. Investing activities		
i) (Increase)/decrease in investment in subsidiaries, associates, etc.	(231.86)	(68.14)
ii) (Increase)/decrease in other investments, net	(1,352.67)	(93.93)
iii) (Increase)/decrease in other bank balances	472.51	(478.17)
iv) Capital expenditure	(508.18)	(360.88)
v) Sales proceeds of assets/adjustment to gross block	20.07	22.97
vi) Capital expenditure on development of technical know-how	(40.38)	(29.88)
	(1,640.51)	(1,008.03)
vii) Investment income		
Interest on long-term investments	259.07	275.56
Interest on fixed deposits	41.72	42.76
Profit on sale of investments, net	48.23	33.09
Surplus/(loss) on redemption of securities, net	-	(6.03)
Dividend on long-term investments	0.15	0.14
Amortisation of (premium)/discount on acquisition of fixed income securities	23.59	(18.64)
	372.76	326.88
(Increase)/decrease in investment income receivable	(10.01)	(0.76)
	362.75	326.12
Net cash from investing activities	(1,277.76)	(681.91)
Carried forward	856.61	2,511.26

Cash Flow Statement (Contd.)

Particulars	(₹ In Crore)	
	2013	2012
Brought forward	856.61	2,511.26
III. Financing activities		
i) Short term bank loan taken/(repaid)	–	(134.31)
ii) Cash credit from banks	–	(23.53)
iii) Interest expense	(0.54)	(22.24)
iv) Deferral/(repayment) of sales tax deferral liability/loan	41.70	(31.88)
v) Pre-payment of sales tax deferral liability/loan	(9.34)	(10.39)
vi) Dividend paid	(1,299.66)	(1,154.26)
vii) Corporate dividend tax paid	(211.24)	(187.77)
Net change from financing activities	(1,479.08)	(1,564.38)
Net change in cash and cash equivalents	(622.47)	946.88
Cash and cash equivalents as at 1 April 2012	1,172.75	225.87
[Opening balance]		
Cash and cash equivalents as at 1 April 2013	550.28	1,172.75
[Closing balance]		
	–	–

In terms of our report of even date
For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

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Company Secretary

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Chairman
Vice Chairman
Managing Director

Naresh Chandra
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Shekhar Bajaj

} Directors

Notes to financial statements for the year ended 31 March 2013

1 Summary of significant accounting policies followed by the Company

Basis of preparation

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

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) Sales:

- i) Domestic Sales are accounted for on dispatch from the point of sale.
- ii) Export sales are recognised on the date of the Mate's Receipt/shipped on Board and initially recorded at the relevant exchange rates prevailing on the date of the transaction.

b) Export incentives:

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

c) 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) Interest income is accrued over the period of the loan/investment and net of amortisation of premium/discount with respect to fixed income securities, thereby recognizing the implicit yield to maturity, with reference to coupon dates, where applicable. However, income is accrued only where interest is serviced regularly and is not in arrears, as per 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, construction or at manufacturing cost, as the case may be, 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 categorised as investment property under Investments and not as Fixed assets.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

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

(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) Intangible assets

a) Technical know-how acquired

Expenditure on technical know-how acquired (including Income-tax and R&D cess) is being amortised equally over a period of six years.

b) Technical know-how developed by the Company

- i) Expenditure incurred on know-how developed by the Company, post research stage, is recognised as an intangible asset, if and only if the future economic benefits attributable are probable to flow to the Company and the costs can be measured reliably.
- ii) The cost of technical Know-how developed is amortised equally over its estimated life i.e. generally three years.

5) Investments

- a) Fixed income securities remaining with the Company on vesting of the manufacturing undertaking of erstwhile Bajaj Auto Ltd., 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) Other fixed income securities are carried at cost, less amortisation of premium/discount, as the case may be, and provision for diminution, if any, as considered necessary.
- c) Investments other than fixed income securities intended to be held for a long term are valued at cost of acquisition, less provision for diminution as necessary.
- d) Investments with maturity of less than 3 months from the date of acquisition are classified as cash and cash equivalents.
- e) Investments made by the Company are, generally, of a long-term nature, hence diminutions in value of quoted and unquoted investments are not considered to be of a permanent nature. However, current investments, representing fixed income securities with a maturity less than 1 year and investment not intended to be held for a period more than 1 year, are stated at lower of cost or fair value.
- f) The management has laid out guidelines for the purpose of assessing likely impairments in investments and for making provisions based on given criteria. Appropriate provisions are accordingly made, which in the opinion of the management are considered adequate.
- g) Investment property is carried at cost, less depreciation computed in the manner prescribed for Fixed assets.

6) Inventories

Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

- a) Finished stocks of vehicles, auto spare parts and work-in-progress are valued at cost or net realisable value whichever is lower. Finished stocks of vehicles lying in the factory premises, branches, depots are valued inclusive of excise duty.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

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

- b) Stores, packing material and tools are valued at cost arrived at on weighted average basis. However, obsolete and slow moving items are valued at cost or estimated realisable value whichever is lower.
- c) Raw materials and components are valued at cost arrived at on weighted average basis or lower of cost and net realisable value, as circumstances demand. However, obsolete and slow moving items are valued at cost or estimated realisable value whichever is lower.
- d) Machinery spares and maintenance materials are charged out as expense in the year of purchase. However, machinery spares forming key components specific to a machinery and held as insurance spares are capitalised along with the cost of the asset.
- e) Goods in transit are stated at actual cost incurred upto the date of Balance Sheet.

7) Foreign currency transactions

- a) Monetary items of current assets and liabilities in foreign currency outstanding at the close of financial year are revalourised at the appropriate exchange rates prevailing at the close of the year.
- b) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss in the manner detailed in note 37 to financial statements.
- c) Fixed assets purchased at liaison offices in foreign exchange are recorded at their historical cost computed with reference to the average rate of foreign exchange remitted to the liaison office.
- d) Foreign exchange contracts/derivatives:
 - i) Cash flow hedges -

Changes in the fair value of a derivative hedging instrument that qualify for hedge accounting as per the principles of hedge accounting and designated as a cash flow hedge are recognised as Hedge reserve and presented within Reserves and surplus, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in Hedge reserve, remains there until the forecast transaction occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in Hedge reserve is immediately transferred to the Statement of Profit and Loss. Refer note 25 to financial statements for disclosure.

- ii) Profits and losses arising from either cancellation or utilisation of contracts are recognised in the Statement of Profit and Loss as detailed in note 37 to financial statements.

8) Research & Development expenditure

Research and Development Expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Payments for R&D work by contracted agency are being expensed out upto the stage of completion. However, expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as an Intangible asset and accounted in the manner specified in clause 4 b) above.

9) 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 the actuarially determined value by an appointed actuary.

b) Gratuity

Payment for present liability of future payment of gratuity is being made to approved Gratuity Fund, which fully covers the same under Cash Accumulation Policy of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficit in plan assets managed by LIC and BALIC as compared to the actuarial liability is recognised as a liability.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

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

c) Superannuation

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

d) **Provident fund contributions** are made to Company's Provident Fund Trust. Deficits, if any, of the fund as compared to actuarial liability is to be additionally contributed by the Company and hence recognised as a liability.

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

10) 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 assets and 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.

11) 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 such as product warranty costs. 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 2013 (Contd.)

2 Share capital

	(₹ In Crore)	
	2013	2012
Authorised:		
300,000,000 equity shares of ₹ 10 each	300.00	300.00
Issued, subscribed and fully paid-up shares:		
289,367,020 equity shares of ₹ 10 each	289.37	289.37
	289.37	289.37

a. Further, of the above:-

144,683,510 equity shares were allotted as fully paid bonus shares by capitalisation of General reserve by the Company on 13 September 2010. 101,183,510 equity shares were allotted as fully paid up pursuant to the scheme of arrangement for demerger of erstwhile Bajaj Auto Ltd. (now Bajaj Holdings & Investment Ltd.) by the Company on 3 April 2008.

1,805,071 equity shares thereof (excluding 1,805,071 equity shares allotted as bonus shares thereon) are deemed to be issued by way of Euro Equity Issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares outstanding on the record date. Outstanding GDRs at the close of the year were 66,196 (169,088)

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

	31 March 2013		31 March 2012	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Bajaj Holdings & Investment Ltd.	91,119,000	31.49%	91,119,000	31.49%
Jamnalal Sons Pvt. Ltd.	25,949,400	8.97%	25,949,400	8.97%

Notes to financial statements for the year ended 31 March 2013 (Contd.)

3 Reserves and surplus

	(₹ In Crore)	
	2013	2012
General reserve		
Balance as per the last financial statements	2,385.60	2,084.60
Add: Transferred from surplus in Statement of Profit and Loss	305.00	301.00
Closing balance	2,690.60	2,385.60
Hedge reserve [See note 25]	1.72	(339.04)
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	3,705.14	2,515.48
Profit for the year	3,043.57	3,004.05
Less: Appropriations		
Transfer to General reserve	305.00	301.00
Proposed dividend	1,302.15	1,302.15
Tax on proposed dividend	221.30	211.24
Total appropriations	1,828.45	1,814.39
Balance in the Statement of Profit and Loss	4,920.26	3,705.14
	7,612.58	5,751.70

Notes to financial statements for the year ended 31 March 2013 (Contd.)

4 Long-term borrowings

(₹ In Crore)

	Non-current portion		Current maturities	
	2013	2012	2013	2012
Unsecured				
Sales tax deferral liability/loan, an incentive under Package Scheme of Incentives 1983, 1988 and 1993 - interest free, partially prepaid	71.27	97.48	17.17	27.55
	71.27	97.48	17.17	27.55
Amount disclosed under the head "other current liabilities" [See note 8]	–	–	(17.17)	(27.55)
	71.27	97.48	–	–

Terms of repayment:

Sales tax deferral liability/loan is repayable, free of interest, over predefined equal annual instalments (5/6/7) after the expiry of a specified period (10/12/18 years) from the initial date of deferral of liability, as per respective schemes of incentive.

Repayment schedule				
Repayable to IDBI				
May 12	–	–	–	27.55
May 13	–	17.17	17.17	–
May 14	1.45	1.45	–	–
May 15	0.58	0.58	–	–
Repayable to Sales tax department				
May 30	–	11.18	–	–
May 31	9.89	11.18	–	–
May 32	9.89	11.18	–	–
May 33	9.89	11.18	–	–
May 34	9.89	11.18	–	–
May 35	9.89	11.19	–	–
May 36	9.89	11.19	–	–
May 37	9.90	–	–	–
	71.27	97.48	17.17	27.55

Notes to financial statements for the year ended 31 March 2013 (Contd.)

5 Deferred tax liabilities (net)

	(₹ In Crore)	
	2013	2012
Deferred tax liability		
On account of timing difference in		
Depreciation	259.39	201.10
Amortisation of discount on acquisition of fixed income securities	12.26	5.24
Gross deferred tax liability	271.65	206.34
Deferred tax asset		
On account of timing difference in		
Voluntary Retirement Scheme costs	43.13	58.37
Inventory valuation (section 145 A of the Income Tax Act ,1956)	28.51	27.92
Provision for bad and doubtful debts, DEPB, ICDs etc.	1.84	2.15
Provision for privilege leave etc.	20.08	16.76
Taxes, duties etc.	12.40	11.88
Amortisation of premium/discount on acquisition of fixed income securities	6.31	5.08
Adjustments on account of gratuity provisions	43.88	34.82
Transitional provision for diminution in value of investments	0.40	0.92
Gross deferred tax asset	156.55	157.90
	115.10	48.44

6 Other long-term liabilities

	(₹ In Crore)	
	2013	2012
Annuity payable to VRS optees	117.94	148.87
Other payables	4.12	8.20
	122.06	157.07

Notes to financial statements for the year ended 31 March 2013 (Contd.)

7 Provisions

	(₹ In Crore)			
	Long-term		Short-term	
	2013	2012	2013	2012
Provision for employee benefits [See note 33]				
Provision for gratuity	129.09	107.31	–	–
Provision for compensated absences	–	–	47.51	40.09
Provision for welfare scheme	5.52	4.54	0.37	0.34
	134.61	111.85	47.88	40.43
Other provisions				
Provision for warranties	–	–	32.52	31.20
Provision for tax (net of tax paid in advance)	–	–	4.01	12.05
Proposed dividend*	–	–	1,302.15	1,302.15
Tax on proposed dividend	–	–	221.30	211.24
Valuation losses on derivative hedging instruments [See note 25]	–	–	–	468.98
	–	–	1,559.98	2,025.62
	134.61	111.85	1,607.86	2,066.05

Provision for warranties

	(₹ In Crore)	
	2013	2012
At the beginning of the year	31.20	39.02
Arising during the year	21.78	29.24
Utilised during the year	16.14	34.29
Unused amounts reversed	4.32	2.77
At the end of the year	32.52	31.20
Current portion	32.52	31.20
Non-current portion	–	–

* Dividend per equity share proposed and recognised as distribution to equity shareholders, for the year ended 31 March 2013 and 2012 amounts to ₹ 45 for both the years.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

8 Current liabilities

	(₹ In Crore)	
	Current	
	2013	2012
Trade payables		
Dues to micro and small enterprises*	11.60	11.10
Other than dues to micro and small enterprises	1,968.01	1,946.69
	1,979.61	1,957.79
Other current liabilities		
Current maturities of long-term borrowings [See note 4]	17.17	27.55
Annuity payable to VRS optees	32.30	32.89
Advance received from customers	200.91	279.00
Unclaimed matured fixed deposits and interest accrued thereon (₹ 23,000)		0.01
Investor Education Protection Fund (₹ 934- previous year ₹ 2,323)		
Security deposits	14.24	9.51
Unclaimed dividend	8.57	6.08
Directors' remuneration and commission payable	21.84	19.47
Employee benefits payable	30.73	26.95
Taxes and duties payable	64.52	62.43
Other payables	155.88	140.44
	546.16	604.33
	2,525.77	2,562.12

* Considering the Company has been extended credit period upto 45 days by its vendors and payments being released on a timely basis, there is no liability towards interest on delayed payments under "The Micro, Small and Medium Enterprises Development Act, 2006" during the year. There is also no amount of outstanding interest in this regard, brought forward from previous years. The above information is on basis of intimation received, on requests made by the Company, with regards to vendors registration under the said Act.

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

9 Fixed assets (tangible and intangible assets)

(₹ In Crore)

	Gross block (a)			As at 31 Mar 13	Depreciation			As at 31 Mar 13	Net block	
	As at 31 Mar 12	Additions	Deductions/ adjustments		As at 31 Mar 12	Deductions/ adjustments	For the year (d)		As at 31 Mar 13	As at 31 Mar 13
Tangible assets										
Land freehold	28.00	-	7.73	20.27	-	-	-	-	20.27	28.00
Land leasehold	56.97	-	0.66	56.31	-	-	-	-	56.31	56.97
Buildings (b) (c)	584.79	92.13	1.98	674.94	144.50	1.80	14.06	156.76	518.18	440.29
Waterpumps, reservoirs and mains	13.23	-	-	13.23	6.37	-	0.47	6.84	6.39	6.86
Plant and machinery	1,526.54	67.37	52.35	1,541.56	1,182.02	47.92	46.79	1,180.89	360.67	344.52
Dies and jigs	435.19	30.71	0.49	465.41	337.56	0.01	24.21	361.76	103.65	97.63
Electric installations	67.95	5.39	0.66	72.68	33.42	0.40	2.49	35.51	37.17	34.53
Factory equipments	248.96	27.29	0.48	275.77	108.32	0.47	11.57	119.42	156.35	140.64
Furniture	23.34	2.76	0.18	25.92	10.26	0.05	1.62	11.83	14.09	13.08
Office equipment	28.24	11.84	0.50	39.58	10.49	0.14	1.47	11.82	27.76	17.75
Electric fittings	21.36	1.28	0.09	22.55	8.28	0.01	0.83	9.10	13.45	13.08
Vehicles and aircraft	359.35	269.30	8.02	620.63	73.11	1.74	59.12	130.49	490.14	286.24
Total tangible assets	3,393.92	508.07	73.14	3,828.85	1,914.33	52.54	162.63	2,024.42	1,804.43	1,479.59
Previous year total	3,390.88	167.07	164.03	3,393.92	1,912.45	142.57	144.45	1,914.33	1,479.59	
Intangible assets										
Technical know-how	2.14	-	2.14	-	-	-	-	-	-	2.14
Previous year total	4.28	-	2.14	2.14	-	-	-	-	2.14	

- (a) At cost, except leasehold land and technical know-how which is at cost, less amounts written off.
(b) Includes premises on ownership basis in Co-operative Society ₹ 9.06 crore and cost of shares therein ₹ 2,000/-
(c) Includes premises purchased, pending registration amounting to ₹ 15.3 crore.
(d) Refer note 1 clause 3(A) and (B) of summary of significant accounting policies.
(e) Depreciation for the year on investment property amounting to ₹ 1.34 crore (previous year ₹ 1.17 crore) has been reduced from Investments in note 10.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments

	(₹ In Crore)			
	Non-current portion		Current maturities	
	2013	2012	2013	2012
(A) Long term investments				
In Investment Property:				
Unquoted:				
Cost of premises given on operating lease	64.79	64.79	–	–
Add: Additions during the year	3.09	–	–	–
Less: Accumulated depreciation	2.51	1.17	–	–
	65.37	63.62	–	–
In Government and Trust Securities:				
Quoted:				
6.83% Government of India Stock 2039 of face value of ₹ 50,000,000	4.71	4.71	–	–
11.83% Government of India Stock 2014 of face value of ₹ 3,500,000 (net of provision for diminution amounting to ₹ 0.04 crore - previous year ₹ 0.04 crore)	0.47	0.47	–	–
	5.18	5.18	–	–
Less: Amortisation of premium/discount on acquisition	0.08	0.07	–	–
	5.10	5.11	–	–
Unquoted:				
6 Years National Saving Certificates of the face value of ₹ 98,500	0.01	0.01	–	–
In Fully Paid Equity Shares:				
Trade:				
In Subsidiary Company:				
Unquoted:				
1,980,000 (1,645,250) Shares of Euro 100 each in Bajaj Auto International Holdings BV Amsterdam, Netherlands	1,218.72	986.86	–	–
291,875 Shares of US \$ 100 each in PT. Bajaj Auto Indonesia	137.82	137.82	–	–
Less: Provision for diminution in the value of investment	137.79	102.27	–	–
	0.03	35.55	–	–
	1,218.75	1,022.41	–	–
Others:				
Unquoted:				
– (565,000) Shares of ₹ 10 each in Durovalves India Pvt. Ltd.	–	0.57	–	–
Carried over	1,289.23	1,091.72	–	–

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
	Brought over	1,289.23	1,091.72	–	–
In Debentures:					
Fully paid:					
Others:					
Quoted:					
250	8.40% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Housing Development Finance Corporation Ltd.	25.00	25.00	–	–
150	9.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Housing Development Finance Corporation Ltd. Series S-218-H-022	–	15.65	15.65	–
350	9.75% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Housing Development Finance Corporation Ltd. Series S-219-H-023	–	36.59	36.59	–
350	9.75% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Housing Development Finance Corporation Ltd.	36.77	36.77	–	–
1,250	9.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Housing Development Finance Corporation Ltd.	–	129.68	129.68	–
–	(100)7.75% Unsecured Redeemable Sub-ordinated Bonds in the nature of Debentures of ₹ 1,000,000/- each of HDFC Bank Ltd. - Series 5/2005 (net of provision for diminution amounting to ₹ Nil - previous year ₹ 1.00 crore)	–	9.00	–	–
500	8.25% Unsecured Redeemable Sub-ordinated Bonds in the nature of Debentures of ₹ 1,000,000/- each of HDFC Bank Ltd. Series-S-6	52.01	52.01	–	–
–	(100)10.75% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Kalyani Steels Ltd. Series-S-19	–	10.33	–	–
–	(700)7.99% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	–	–	–	71.54
–	(100)7.25% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	–	–	–	10.28
200	8.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	–	20.56	20.56	–
–	(100)9.40% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd. Series TR-66	–	–	–	10.53
	Carried over	113.78	335.59	202.48	92.35
	Carried over	1,289.23	1,091.72	–	–

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
	Brought over	1,289.23	1,091.72	–	–
In Debentures: (Contd.)					
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	113.78	335.59	202.48	92.35
	– (250)9.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd. Series TR-89	–	–	–	26.95
	– (50)9.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd. Series TR-91	–	–	–	5.36
	– (100)9.83% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	–	–	–	10.19
550	9.85% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	–	56.24	56.24	–
100	9.96% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of L&T Finance Ltd.	–	10.00	10.00	–
	– (2,000)6.70% Secured Non Convertible Debentures of ₹ 100,000 each of Reliance Infrastructure Ltd. - Series 3 Series-NCD-3 (net of provision for diminution amounting to ₹ Nil - previous year ₹ 3.54 crore)	–	16.50	–	–
350	11.45% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Industries Ltd.	–	40.92	40.92	–
400	10.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Gas Transportation Infrastructure Ltd. Series-S-PPD1	–	45.71	45.71	–
	– (150)8.70% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	–	–	–	15.58
100	9.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	10.54	10.54	–	–
50	9.90% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Tata Sons Ltd.	5.29	5.29	–	–
100	6.50% Unsecured Non Convertible Redeemable Debentures of ₹ 1,000,000 each of Axis Bank Ltd. - Series VIII (net of provision for diminution amounting to ₹ 1.39 crore - previous year ₹ 1.39 crore)	–	8.61	8.61	–
50	8.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Ltd. Series S-II	5.25	5.25	–	–
	Carried over	134.86	534.65	363.96	150.43
	Carried over	1,289.23	1,091.72	–	–

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
	Brought over	1,289.23	1,091.72	–	–
In Debentures: (Contd.)					
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	134.86	534.65	363.96	150.43
350	10.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Ltd. Series-S-I	–	39.90	39.90	–
		134.86	574.55	403.86	150.43
	Less: Amortisation of premium/discount on acquisition	1.70	6.89	15.49	1.90
		133.16	567.66	388.37	148.53
In Bonds:					
Fully paid:					
Others:					
Quoted:					
–	(450)11.30% Secured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of ACC Ltd.	–	51.32	–	–
–	(350)7.40% Secured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Airport Authority of India Ltd. Series-S-I	–	–	–	36.22
150	8.75% Secured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Axis Bank Ltd. Series-110pt-II	15.77	15.77	–	–
200	8.85% Unsecured Redeemable Non Convertible Sub-ordinated Lower Tier-II Bonds (Series VI) in the nature of Promissory Notes ("Bonds") Bonds of ₹ 1,000,000 each of Corporation Bank	21.63	21.63	–	–
748	9.00% Secured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Canara Bank Series-S-XI	81.16	81.16	–	–
1,000	9.25% Unsecured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Exim Bank Ltd. Series K-13	–	109.16	109.16	–
–	(750)9.25% Unsecured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Exim Bank Ltd.	–	–	–	82.69
–	(450)9.25% Unsecured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Exim Bank Ltd. Series-K-09	–	–	–	49.18
200	9.35% Unsecured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Exim Bank Ltd. Series-K-10	–	20.97	20.97	–
950	9.50% Unsecured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Exim Bank Ltd. Series-S-L070	–	105.17	105.17	–
	Carried over	118.56	405.18	235.30	168.09
	Carried over	1,422.39	1,659.38	388.37	148.53

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
	Brought over	1,422.39	1,659.38	388.37	148.53
In Bonds: (Contd.)					
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	118.56	405.18	235.30	168.09
20	(40) 5.85% Secured Taxable, Non Convertible Redeemable Bonds with STRPP Series -II of ₹ 1,000,000/- each of Gail (India) Ltd. (net of provision for diminution amounting to ₹ 0.10 crore - previous year ₹ 0.20 crore)	–	1.68	1.68	1.72
–	(100)6.80% Gujarat Punarnirman Special Taxfree Bonds Series IV B of ₹ 1,000,000 each of Housing & Urban Development Corporation Ltd.	–	–	–	10.00
3,000	6.70% Tax Free Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 100,000 each of Indian Railway Finance Corporation Ltd.	30.00	30.00	–	–
30,000	7% Omni Bonds of ₹ 5,000 each of Industrial Development Bank of India Ltd. (net of provision for diminution amounting to ₹ 1.95 crore - previous year ₹ 1.95 crore)	13.47	13.47	–	–
1,100	9.25% Omni Bonds of ₹ 1,000,000 each of Industrial Development Bank of India Ltd. Series-S2008-09 XVIII	–	117.19	117.19	–
250	10.70% Secured Non Convertible Redeemable Bonds in the nature of Debentures of ₹ 1,000,000 each of Indian Oil Corporation Ltd. Series-S-IX	30.25	30.25	–	–
–	(50)8.75% Unsecured Redeemable Sub-ordinated Bonds in the nature of Promissory Notes of ₹ 1,000,000 each of ING Vysya Bank Ltd. (net of provision for diminution amounting to ₹ Nil - previous year ₹ 0.30 crore)	–	4.70	–	–
50	9% Tax Free Secured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Indian Railway Finance Corporation Ltd. - Series 17 (2015)	5.00	5.00	–	–
1,250	9.40% Redeemable Unsecured Non Convertible Taxable Non Priority Sector Bonds of ₹ 1,000,000 each of National Bank for Agriculture and Rural Development.	–	128.61	128.61	–
150	10.05% Redeemable Unsecured Non Convertible Taxable Non Priority Sector Bonds of ₹ 1,000,000 each of National Bank for Agriculture and Rural Development Series NPSB IX B	16.49	16.49	–	–
–	(250)9.50% Redeemable Unsecured Non Convertible Taxable Non Priority Sector Bonds of ₹ 1,000,000 each of National Bank for Agriculture and Rural Development	–	–	–	27.49
	Carried over	213.77	752.57	482.78	207.30
	Carried over	1,422.39	1,659.38	388.37	148.53

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
	Brought over	1,422.39	1,659.38	388.37	148.53
In Bonds: (Contd.)					
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	213.77	752.57	482.78	207.30
	– (100)9.80% Redeemable Unsecured Non Convertible Taxable Non Priority Sector Bonds of ₹ 1,000,000 each of National Bank for Agriculture and Rural Development. Series NPSB IX H	–	–	–	11.23
150	9.40% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of National Housing Bank	–	16.47	16.47	–
3,200	8.40% Non Convertible Redeemable Bonds in the nature of Debentures (Series I) of ₹ 1,000,000 each of ONGC Videsh Ltd.	333.88	333.88	–	–
500	8.45% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 59A of ₹ 1,000,000 each of Power Finance Corporation Ltd.	52.68	52.68	–	–
150	8.90% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 59A of ₹ 1,000,000 each of Power Finance Corporation Ltd. Series 63-I	15.86	15.86	–	–
	– (350)8.94% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 59A of ₹ 1,000,000 each of Power Finance Corporation Ltd. Series XLI-B	–	–	–	37.79
	– (150)8.60% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 59A of ₹ 1,000,000 each of Power Finance Corporation Ltd. Series 57B-I	–	16.27	–	–
100	8.50% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 59A of ₹ 1,000,000 each of Power Finance Corporation Ltd. Series 61-I	10.61	10.61	–	–
500	8.95% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 59A of ₹ 1,000,000 each of Power Finance Corporation Ltd. Series 64-II	51.70	51.70	–	–
950	8.95% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 59A of ₹ 1,000,000 each of Power Finance Corporation Ltd. Series 64-I	99.79	99.79	–	–
100	11.25% Unsecured Redeemable Non Convertible Non Cumulative Taxable Bonds in the nature of Debentures Series 59A of ₹ 1,000,000 each of Power Finance Corporation Ltd. Series 52C	12.29	12.29	–	–
	Carried over	790.58	1,362.12	499.25	256.32
	Carried over	1,422.39	1,659.38	388.37	148.53

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
	Brought over	1,422.39	1,659.38	388.37	148.53
In Bonds: (Contd.)					
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	790.58	1,362.12	499.25	256.32
100	7.39% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,000,000 each of Power Grid Corporation of India Ltd. Series XVIIISTP-G	10.23	10.23	–	–
–	(160)8.80% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. - Part A	–	21.53	–	–
–	(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.	–	5.14	–	–
480	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. Series XXXI STRPP-C	63.36	63.36	–	–
80	8.84% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXXII ST -B	10.44	10.44	–	–
400	8.84% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXXII ST -C	52.52	52.52	–	–
160	8.84% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXXII ST -D	21.07	21.07	–	–
280	8.84% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXXII ST -E	37.12	37.12	–	–
240	8.84% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXXII ST -A	–	31.55	31.55	–
320	8.84% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXXII ST -G	41.32	41.32	–	–
	Carried over	1,026.64	1,656.40	530.80	256.32
	Carried over	1,422.39	1,659.38	388.37	148.53

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
	Brought over	1,422.39	1,659.38	388.37	148.53
In Bonds: (Contd.)					
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	1,026.64	1,656.40	530.80	256.32
	– (120)9.20% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXIX STRP-A	–	–	–	16.07
240	9.20% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXIX STRP-A	–	32.12	32.12	–
80	9.20% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXIX STRP-C	10.12	10.12	–	–
40	9.33% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series S-XXVIII STRPP-B	–	5.21	5.21	–
40	9.33% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXVIII STRPP-C	5.47	5.47	–	–
40	9.33% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXVIII STRPP-D	5.47	5.47	–	–
40	9.33% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXVIII STRPP-E	5.52	5.52	–	–
80	9.47% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXVII STRPP-C	–	10.79	10.79	–
40	9.47% Secured Redeemable Non Convertible Bonds in the nature of Debentures of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. Series XXVII STRPP-C	5.23	5.23	–	–
147	9.35% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds of ₹ 1,000,000 each of Punjab National Bank	16.04	16.04	–	–
50,020	Zero Percent Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 30,000 each of Rural Electrification Corporation Ltd.	67.85	67.85	–	–
	Carried over	1,142.34	1,820.22	578.92	272.39
	Carried over	1,422.39	1,659.38	388.37	148.53

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
	Brought over	1,422.39	1,659.38	388.37	148.53
In Bonds: (Contd.)					
Fully paid: (Contd.)					
Others: (Contd.)					
Quoted: (Contd.)					
	Brought over	1,142.34	1,820.22	578.92	272.39
8,500	Zero Percent Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 30,000 each of Rural Electrification Corporation Ltd.	11.02	11.02	–	–
–	(900)7.60% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Rural Electrification Corporation Ltd. Series 92-O-I	–	–	–	93.54
–	(500)8.35% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Rural Electrification Corporation Ltd. Series 90B-I	–	53.51	–	–
250	8.45% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Rural Electrification Corporation Ltd. Series 93-O-II	26.11	26.11	–	–
100	9.45% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Rural Electrification Corporation Ltd. Series 84	–	11.08	11.08	–
600	11.50% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of Rural Electrification Corporation Ltd. Series 87C	–	68.88	68.88	–
–	(100)9.90% Sub-ordinated Non Convertible Bonds of ₹ 1,000,000 each of State Bank of Patiala	–	10.54	–	–
450	9.50% Secured Non Convertible Non Cumulative Redeemable Taxable Bonds in the nature of Debentures of ₹ 1,000,000 each of SIDBI Ltd.	–	45.91	45.91	–
		1,179.47	2,047.27	704.79	365.93
	Less: Amortisation of premium/discount on acquisition	5.71	25.44	32.58	12.64
		1,173.76	2,021.83	672.21	353.29
In Mutual Fund Units:					
Unquoted:					
25,000,000	Units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series ES Growth -INF209K01PB3	–	25.00	25.00	–
20,000,000	Units of ₹ 10 each of DWS - FMP- Series 6	–	20.00	20.00	–
	Carried over	–	45.00	45.00	–
	Carried over	2,596.15	3,681.21	1,060.58	501.82

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
Brought over		2,596.15	3,681.21	1,060.58	501.82
In Mutual Fund Units: (Contd.)					
Unquoted: (Contd.)					
Brought over		–	45.00	45.00	–
10,000,000	Units of ₹ 10 each of HDFC FMP 400D March 2012 (1)-Growth	–	10.00	10.00	–
20,000,000	Units of ₹ 10 each of SBI Debt Fund Series 15 Months Fund - Series 7	–	20.00	20.00	–
15,000,000	Units of ₹ 10 each of Kotak FMP Series 76-Growth (13 Months)	–	15.00	15.00	–
14,999,990	Units of ₹ 10 each of ICICI Prudential Fixed Maturity Plan-Series 62-396 days Growth -Plan F	–	15.00	15.00	–
100,000,000	(-)Units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series GA Growth -518 Days	100.00	–	–	–
25,000,000	(-)Units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series GB Growth -541 Days	25.00	–	–	–
25,000,000	(-)Units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series GF Growth -539 Days	25.00	–	–	–
25,000,000	(-)Units of ₹ 10 each of DWS FMP Plan Series 23- Direct Plan Growth	25.00	–	–	–
25,000,000	(-)Units of ₹ 10 each of DWS FMP Plan Series 30 - 374 Days	25.00	–	–	–
25,000,000	(-)Units of ₹ 10 each of DSP Black Rook-FMP Series 88-12-5 M-Direct Growth	25.00	–	–	–
25,000,000	(-)Units of ₹ 10 each of DSP Black Rook-FMP Series 89-12-M-Direct Growth	25.00	–	–	–
20,000,000	(-)Units of ₹ 10 each of DSP Black Rook-FMP Series 91-12-M-Direct Growth	20.00	–	–	–
25,000,000	(-)Units of ₹ 10 each of DSP Black Rook-FMP Series 93-12-M-Direct Growth	25.00	–	–	–
20,000,000	(-)Units of ₹ 10 each of HDFC FMP 526 Days December 2012-(1) G -Series 24	20.00	–	–	–
50,000,000	(-)Units of ₹ 10 each of HDFC FMP 566 Days December 2012-(1) G	50.00	–	–	–
40,000,000	(-)Units of ₹ 10 each of ICICI - Prudential FMP Series 65-488 Days Plan D Cumulative	40.00	–	–	–
100,000,000	(-)Units of ₹ 10 each of ICICI - Prudential FMP Series 65-502 Days Plan C Cumulative	100.00	–	–	–
50,000,000	(-)Units of ₹ 10 each of ICICI - Prudential FMP Series 65-505 Days Plan J Direct Growth	50.00	–	–	–
25,000,000	(-)Units of ₹ 10 each of ICICI - Prudential FMP Series 66-420 Days Plan A Direct Growth	25.00	–	–	–
25,000,000	(-)Units of ₹ 10 each of ICICI - Prudential FMP Series 66-407 D Plan A Direct Plan Cumulative	25.00	–	–	–
Carried over		605.00	105.00	105.00	–
Carried over		2,596.15	3,681.21	1,060.58	501.82

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
Brought over		2,596.15	3,681.21	1,060.58	501.82
In Mutual Fund Units: (Contd.)					
Unquoted: (Contd.)					
Brought over		605.00	105.00	105.00	-
50,000,000	(-)Units of ₹ 10 each of ICICI - Prudential FMP Series 67-371 D Plan E Direct Plan Cumulative	50.00	-	-	-
15,000,000	(-)Units of ₹ 10 each of IDFC Fixed Term Plan Series -2 Growth	15.00	-	-	-
30,000,000	(-)Units of ₹ 10 each of IDFC Fixed Term Plan Series -9 Growth	30.00	-	-	-
25,000,000	(-)Units of ₹ 10 each of Kotak FMP Series 97-Growth - (395 Days)	25.00	-	-	-
20,000,000	(-)Units of ₹ 10 each of Kotak FMP Series 98-Growth - (496 Days)	20.00	-	-	-
25,000,000	(-)Units of ₹ 10 each of Kotak FMP Series 95-Direct Growth	25.00	-	-	-
25,000,000	(-)Units of ₹ 10 each of Reliance Fixed Horizon Fund -XXII - Series 26-Growth	25.00	-	-	-
50,000,000	(-)Units of ₹ 10 each of Reliance Fixed Horizon Fund -XXII - Series 33-Growth	50.00	-	-	-
25,000,000	(-)Units of ₹ 10 each of Reliance Fixed Horizon Fund -XXII - Series 37-Growth	25.00	-	-	-
20,000,000	(-)Units of ₹ 10 each of Reliance Fixed Horizon Fund - XXII - Series 38-Growth	20.00	-	-	-
25,000,000	(-)Units of ₹ 10 each of Reliance Fixed Horizon Fund -XXII - Series 39-Growth	25.00	-	-	-
25,000,000	(-)Units of ₹ 10 each of Reliance Fixed Horizon Fund -XXIII Series 1-Direct Plan Growth	25.00	-	-	-
20,000,000	(-)Units of ₹ 10 each of Reliance Fixed Horizon Fund -XXII -Series-21 Growth	20.00	-	-	-
5,000,000	(-)Units of ₹ 10 each of Reliance Fixed Horizon Fund -XXII -Series-29 Growth	5.00	-	-	-
25,000,000	(-)Units of ₹ 10 each of Reliance Fixed Horizon Fund -XXIII Series 2-Direct Plan Growth	25.00	-	-	-
50,000,000	(-)Units of ₹ 10 each of Reliance Fixed Horizon Fund -XXIII Series 9-371 Days Direct Plan Growth	50.00	-	-	-
25,000,000	(-)Units of ₹ 10 each of Tata FMP Plan Series 42- Scheme G-Direct	25.00	-	-	-
8,000,000	(-)Units of ₹ 10 each of UTI FMP Series XIII-IV-546 Days-Direct-Growth	8.00	-	-	-
50,000,000	(-)Units of ₹ 10 each of UTI FMP Series XIV-VIII-371 Days-Direct-Growth	50.00	-	-	-
		1,123.00	105.00	105.00	-
Total (A)		3,719.15	3,786.21	1,165.58	501.82

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	(₹ In Crore)			
	Non-current portion		Current maturities	
	2013	2012	2013	2012
(B) Current Investments:				
In Commercial Paper:				
Unquoted:				
1,000 (-)Commerical Paper of ₹ 500,000 each of Power Finance Corporation Ltd. - 28-06-2013	–	–	47.10	–
500 (-)Commerical Paper of ₹ 500,000 each of Sundaram Finance Ltd. - 04-07-2013	–	–	23.50	–
1,000 (-)Commerical Paper of ₹ 500,000 each of Kotak Mahindra Prime Ltd.- 10-07-2013	–	–	46.82	–
	–	–	117.42	–
Add: Amortisation of premium/discount on acquisition	–	–	4.74	–
	–	–	122.16	–
In Certificate of Deposit:				
Unquoted:				
– (2,500)Certificate of Deposit of ₹ 100,000 each of IDBI Bank Ltd. - 09-05-2012	–	–	–	23.59
– (5,000)Certificate of Deposit of ₹ 100,000 each of Syndicate Bank - 14-05-2012	–	–	–	48.70
– (2,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala- 12-06-2012	–	–	–	23.95
– (5,000)Certificate of Deposit of ₹ 100,000 each of Bank of India- 15-06-2012	–	–	–	48.14
– (2,500)Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce- 15-06-2012	–	–	–	23.96
– (5,000)Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur- 15-06-2012	–	–	–	48.20
– (2,500)Certificate of Deposit of ₹ 100,000 each of Syndicate Bank- 15-06-2012	–	–	–	24.21
– (2,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore- 19-06-2012	–	–	–	23.91
– (2,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore- 22-06-2012	–	–	–	23.89
– (2,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad- 28-06-2012	–	–	–	23.85
– (2,500)Certificate of Deposit of ₹ 100,000 each of Punjab and Sind Bank - 03-07-2012	–	–	–	24.32
– (5,000)Certificate of Deposit of ₹ 100,000 each of Indian Overseas Bank- 06-07-2012	–	–	–	47.44
– (2,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Bikaner & Jaipur - 27-08-2012	–	–	–	23.20
– (2,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala- 03-09-2012	–	–	–	23.15
– (7,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad - 20-06-2012	–	–	–	68.71
Carried over	–	–	–	499.22
Carried over	–	–	122.16	–

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

	(₹ In Crore)			
	Non-current portion		Current maturities	
	2013	2012	2013	2012
Brought over	–	–	122.16	–
In Certificate of Deposit: (Contd.)				
Unquoted: (Contd.)				
Brought over	–	–	–	499.22
– (2,500)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala- 27-06-2012	–	–	–	22.84
– (2,500)Certificate of Deposit of ₹ 100,000 each of IDBI Bank Ltd. - 28-03-2013	–	–	–	22.58
5,000 (-)Certificate of Deposit of ₹ 100,000 each of UCO Bank- 13-06-2013	–	–	47.28	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of HDFC Bank Ltd. - 14-06-2013	–	–	47.42	–
10,000 (-)Certificate of Deposit of ₹ 100,000 each of Corporation Bank- 14-06-2013	–	–	95.54	–
2,500 (-)Certificate of Deposit of ₹ 100,000 each of Central Bank of India- 25-06-2013	–	–	23.97	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore- 26-06-2013	–	–	47.94	–
2,500 (-)Certificate of Deposit of ₹ 100,000 each of HDFC Bank Ltd. - 02-07-2013	–	–	23.46	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of Axis Bank Ltd. - 12-07-2013	–	–	47.04	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of ICICI Bank Ltd. - 07-08-2013	–	–	47.14	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of Corporation Bank- 02-09-2013	–	–	46.86	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of Indian Bank- 03-09-2013	–	–	46.51	–
10,000 (-)Certificate of Deposit of ₹ 100,000 each of IDBI Bank Ltd. - 10-09-2013	–	–	96.05	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of ICICI Bank Ltd. - 16-09-2013	–	–	46.32	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala- 17-09-2013	–	–	46.04	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of Punjab National Bank- 17-09-2013	–	–	46.22	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of State Bank of Mysore- 25-09-2013	–	–	46.95	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of State Bank of Travancore- 25-09-2013	–	–	45.96	–
15,000 (-)Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce-14-10-2013	–	–	138.32	–
5,000 (-)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala- 03-12-2013	–	–	46.63	–
7,500 (-)Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala- 11-12-2013	–	–	70.59	–
Carried over	–	–	1,056.24	544.64
Carried over	–	–	122.16	–

Notes to financial statements for the year ended 31 March 2013 (Contd.)

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		2013	2012	2013	2012
	Brought over	–	–	122.16	–
In Certificate of Deposit: (Contd.)					
Unquoted: (Contd.)					
	Brought over	–	–	1,056.24	544.64
2,500	(-)Certificate of Deposit of ₹ 100,000 each of Syndicate Bank- 27-12-2013	–	–	23.43	–
5,000	(-)Certificate of Deposit of ₹ 100,000 each of Corporation Bank- 17-02-2014	–	–	45.77	–
5,000	(-)Certificate of Deposit of ₹ 100,000 each of Indian Overseas Bank- 25-02-2014	–	–	45.74	–
5,000	(-)Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad- 24-02-2014	–	–	45.79	–
7,500	(-)Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce- 05-03-2014	–	–	68.60	–
5,000	(-)Certificate of Deposit of ₹ 100,000 each of Punjab National Bank- 25-03-2014	–	–	45.76	–
5,000	(-)Certificate of Deposit of ₹ 100,000 each of Central Bank of India- 25-03-2014	–	–	45.95	–
		–	–	1,377.28	544.64
	Add: Amortisation of premium/discount on acquisition	–	–	31.31	16.14
		–	–	1,408.59	560.78
Unquoted:					
	– (1,980,225.117)Birla Sun Life Cash Plus-Institutional Premium - Growth	–	–	–	34.00
799,068.818	(-)Birla Sun Life Cash Plus-Growth Direct Plan	–	–	15.00	–
		–	–	15.00	34.00
Total (B)		–	–	1,545.75	594.78
Total (A+B)		3,719.15	3,786.21	2,711.33	1,096.60
	Aggregate provision for diminution in value of investments	139.79	110.59	1.49	0.09

		₹ In Crore			
		Book Value as at		Market Value as at	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
	Quoted*	2,372.60	3,096.42	2,351.82	2,999.50
	Unquoted	4,057.88	1,786.39		
	Total	6,430.48	4,882.81		

Notes to Investments

- 1 National Saving Certificate of face value of ₹ 8,500 deposited with Government Departments.
- 2 * 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
- 3 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) as per the guidelines adopted by the management, a provision of ₹ 35.52 crore has been determined during the year ended 31 March 2013.
- 4 Refer note 1 clause 5 for accounting policy and valuation principles for investments.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

11 Loans and advances

(Unsecured, good, unless stated otherwise)

	(₹ In Crore)			
	Long-term		Short-term	
	2013	2012	2013	2012
Capital advances	119.97	331.38	–	–
Security deposits	26.01	28.69	–	–
Loan and advances to related parties [See note 35]	–	–	5.86	3.73
Advances recoverable in cash or kind				
Unsecured considered good	47.66	46.43	65.72	71.08
Doubtful	3.71	3.47	–	–
	51.37	49.90	65.72	71.08
Provision for doubtful advances	3.71	3.47	–	–
	47.66	46.43	65.72	71.08
Other loans and advances				
VAT refund receivable	17.96	17.96	1,102.04	805.91
Excise duty rebate receivable on export	–	–	92.11	106.52
Advance income-tax (net of provision for tax)	229.26	153.90	–	–
Loans to former employees	–	3.44	3.44	11.31
Balances with Central Excise Department	21.53	19.07	42.55	26.30
	268.75	194.37	1,240.14	950.04
	462.39	600.87	1,311.72	1,024.85

Security deposits include a sum of ₹ 9.92 crore (previous year ₹ 9.2 crore) against use of premises on a Leave License basis, placed with directors and their relatives, jointly and severally.

12 Trade receivables

(Unsecured, considered good, unless stated otherwise)

	(₹ In Crore)			
	Non-current		Current	
	2013	2012	2013	2012
Outstanding for a period exceeding six months from the date they are due for payment				
Good	–	0.41	–	–
Doubtful	1.70	3.16	–	–
	1.70	3.57	–	–
Provision for doubtful receivable	1.70	3.16	–	–
	–	0.41	–	–
Others, Good	–	–	767.58	422.79
	–	0.41	767.58	422.79
Amount disclosed under the head “other non-current assets” [See note 13]	–	(0.41)	–	–
	–	–	767.58	422.79

Notes to financial statements for the year ended 31 March 2013 (Contd.)

13 Other assets

(Unsecured, good, unless stated otherwise)

	(₹ In Crore)			
	Non-current		Current	
	2013	2012	2013	2012
Long term trade receivables [See note 12]	–	0.41	–	–
Non-current bank balances [See note 15]	1.02	1.02	–	–
	1.02	1.43	–	–
Others				
Interest receivable on investments (Previous year ₹ 5,247 - current)	–	–	13.52	–
Interest receivable on loans, deposits etc.	–	–	0.34	3.85
Export incentives receivable	–	–	–	–
Unsecured considered good (₹ 29,243 - non-current)		–	182.50	291.74
Doubtful	5.90	9.46	–	–
	5.90	9.46	182.50	291.74
Provision for doubtful export incentives	5.90	9.46	–	–
	–	–	182.50	291.74
Valuation gains on derivative hedging instruments [See note 25]	–	–	15.96	–
	–	–	212.32	295.59
	1.02	1.43	212.32	295.59

14 Inventories*

	(₹ In Crore)	
	2013	2012
Raw materials and components (includes in transit ₹ 21.42 crore (previous year: ₹ 15.49 crore))	196.77	223.11
Work-in-progress	26.56	26.67
Finished goods		
Vehicles (manufactured)	248.89	273.71
Vehicles (traded)	1.51	–
Auto spare parts (manufactured)	12.72	17.26
Auto spare parts (traded)	124.26	120.30
Stores, spares and packing material	17.97	11.93
Loose tools	7.60	5.55
	636.28	678.53

* Refer note 1 clause 6 for accounting policy on valuation of inventories.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

14 Inventories (Contd.)

Details of inventory

	(₹ In Crore)	
	2013	2012
Raw materials and components		
Ferrous metal	4.27	6.05
Non-ferrous metal	1.21	1.46
Components	169.02	190.57
Tyres and tubes	19.87	22.50
Others	2.40	2.53
	196.77	223.11
Work-in-progress		
Vehicles	–	0.75
Factory made components	26.56	25.92
	26.56	26.67
Finished goods		
Vehicles (manufactured)	248.89	273.71
Vehicles (traded)	1.51	–
Auto spare parts (manufactured)	12.72	17.26
Auto spare parts (traded)	124.26	120.30
	387.38	411.27

15 Cash and bank balances

	(₹ In Crore)			
	Non-current		Current	
	2013	2012	2013	2012
Cash and cash equivalents				
Balances with banks				
In current accounts	–	–	451.73	439.31
Cash on hand	–	–	0.13	0.08
Cash equivalents				
Certificate of Deposits with maturity of less than three months from date of acquisition	–	–	98.42	733.36
	–	–	550.28	1,172.75
Other bank balances				
Unclaimed dividend accounts	–	–	8.57	6.08
Deposits with residual maturity for less than 12 months	–	–	–	475.00
Deposits with residual maturity for more than 12 months	0.02	0.02	–	–
Margin money deposit	1.00	1.00	–	–
	1.02	1.02	8.57	481.08
Amount disclosed under non-current assets [See note 13]	(1.02)	(1.02)	–	–
	–	–	558.85	1,653.83

Notes to financial statements for the year ended 31 March 2013 (Contd.)

16 Revenue from operations

	(₹ In Crore)	
	2013	2012
Revenue from operations		
Sale of products	20,617.87	19,827.03
Less: Excise duty on sale of products	1,128.91	946.76
Net sales	19,488.96	18,880.27
Other operating revenue		
Scrap sales	53.86	57.09
Export incentives	416.75	564.24
Royalty	36.85	27.08
Technical know how fees	0.83	0.30
	508.29	648.71
	19,997.25	19,528.98

Details of products sold

	(₹ In Crore)	
	2013	2012
Sale of products		
Vehicles (manufactured)	18,923.74	18,427.16
Vehicles (traded)	1.30	–
Auto spare parts (manufactured)	213.61	193.00
Auto spare parts (traded)	1,479.22	1,206.87
	20,617.87	19,827.03

Notes to financial statements for the year ended 31 March 2013 (Contd.)

17 Other income

	(₹ In Crore)	
	2013	2012
Investment income:		
Interest income on		
Bank deposits	41.72	42.76
Long-term investments	259.07	275.56
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	(49.82)	(34.78)
Current investments	73.41	16.14
	324.38	299.68
Dividend income on		
Long-term investments	0.15	0.14
Profit on sale of investments, net*	48.23	33.09
	372.76	332.91
Others:		
Interest - others	51.29	24.91
Rent	9.91	3.44
Insurance claims	0.90	0.90
Miscellaneous receipts	34.32	27.56
Surplus on sale of assets	7.17	9.65
Sundry credit balances appropriated	1.15	0.57
Provision for doubtful debts and advances written back	5.15	1.86
Less: Write backs on account of amounts written off during the year, as per contra	4.57	1.60
	0.58	0.26
Provision no longer required	69.12	46.03
Valuation gains on derivative hedging instruments	131.92	-
Gains on exchange fluctuations	47.42	161.81
Gain on repayment of sales tax deferral loan/liability	68.95	-
	422.73	275.13
	795.49	608.04

* Including on current investments ₹ 38.10 crore (previous year ₹ 45.33 crore)

18 Cost of raw material and components consumed

	(₹ In Crore)	
	2013	2012
Ferrous metal	102.36	108.31
Non-ferrous metal	0.51	0.68
Components	12,700.73	12,600.95
Tyres and tubes	657.48	673.24
Others	62.66	62.36
	13,523.74	13,445.54

Notes to financial statements for the year ended 31 March 2013 (Contd.)

19 Purchase of traded goods

	(₹ In Crore)	
	2013	2012
Vehicles	2.79	–
Auto spare parts	856.04	751.15
	858.83	751.15

20 (Increase)/decrease in inventories

	(₹ In Crore)		
	2013	2012	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	26.56	26.67	0.11
Finished goods			
Vehicles (manufactured)	248.89	273.71	24.82
Vehicles (traded)	1.51	–	(1.51)
Auto spare parts (manufactured)	12.72	17.26	4.54
Auto spare parts (traded)	124.26	120.30	(3.96)
	413.94	437.94	24.00
Inventories at the beginning of the year			
Work-in-progress	26.67	26.20	(0.47)
Finished goods			
Vehicles (manufactured)	273.71	230.27	(43.44)
Vehicles (traded)	–	–	–
Auto spare parts (manufactured)	17.26	10.42	(6.84)
Auto spare parts (traded)	120.30	76.90	(43.40)
	437.94	343.79	(94.15)
	24.00	(94.15)	

21 Employee benefits expense

	(₹ In Crore)	
	2013	2012
Salaries, wages and bonus to employees	493.16	423.87
Remuneration to whole time directors	27.72	24.72
Contribution to provident and other funds	68.79	49.50
Staff welfare expenses	49.81	42.02
	639.48	540.11

Notes to financial statements for the year ended 31 March 2013 (Contd.)

22 Finance costs

	(₹ In Crore)	
	2013	2012
Interest expense	0.54	22.24
	0.54	22.24

23 Other expenses

	(₹ In Crore)	
	2013	2012
Stores and tools consumed	123.85	110.25
Power, fuel and water	121.33	101.85
Excise duty on increase/(decrease) in stocks of finished goods	6.27	12.33
Rent	8.84	10.74
Repairs to buildings	30.56	23.86
Repairs to machinery	95.57	73.76
Other repairs	4.51	5.07
Insurance	3.46	2.68
Rates and taxes	6.31	3.42
Payment to auditor	1.14	1.20
Directors' fees and travelling expenses	0.31	0.24
Commission to non executive directors	1.05	0.93
Travelling expenses	37.49	26.12
Miscellaneous expenses	156.85	174.36
Loss on derivative contracts on break in designation of hedge	69.22	–
Sales tax/VAT expenses	16.75	12.55
Packing material consumed	255.41	273.30
Freight and forwarding expenses	50.44	50.44
Advertisement	201.95	160.31
Vehicle service charges and other expenses	80.79	88.77
Commission and discount	35.82	28.25
Incentives and sales promotion	20.51	18.98
Donations	0.01	10.00
Bad debts and other irrecoverable debit balances written off	4.65	1.70
Less: Provisions made in earlier years in respect of amounts written off during the year, adjusted as per contra	4.57	1.60
	0.08	0.10
Loss on assets sold, demolished, discarded and scrapped	7.04	7.49
Provision for doubtful debts and advances	4.92	9.95
Amount amortised/written off against technical know-how	2.14	2.14
Amount written off against leasehold land	0.66	0.65
Provision for diminution in value of investments	35.52	–
Loss on redemption of securities, net*	–	6.03
	1,378.80	1,215.77

* Including surplus on current investments ₹ Nil (previous year ₹ 1.23 crore)

Notes to financial statements for the year ended 31 March 2013 (Contd.)

23 Other expenses (Contd.)

Payment to auditor

	(₹ In Crore)	
	2013	2012
As auditor:		
Audit fee	0.80	0.80
Tax audit fee	0.06	0.09
Limited review	0.12	0.10
In other capacity:		
Other services (certification fees)	0.10	0.15
Reimbursement of expenses	0.06	0.06
	1.14	1.20

24 Exceptional item

	(₹ In Crore)	
	2013	2012
Valuation losses on derivative hedging instruments [See note 25]	–	(134.00)
	–	(134.00)

Notes to financial statements for the year ended 31 March 2013 (Contd.)

25 Derivative hedging instruments

The Company has adopted the accounting treatment and disclosures in accordance with the principles laid down in AS 30 and AS 32 on foreign currency derivative contracts.

The Company holds foreign currency derivative to hedge its foreign currency exposure. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Company designates foreign currency derivatives as hedges of foreign currency risk associated with a highly probable forecast transaction (cash flow hedge).

The Company has entered into simple forward contracts and par forward contracts to hedge highly probable forecast export transactions. These instruments meet the management's Foreign exchange risk management objectives and also qualify for hedge accounting as per the principles of hedge accounting. The market value of instruments outstanding at the close of the year is ₹ Nil as against a loss in the previous year aggregating ₹ 212.87 crore.

The Company has also entered into range forward contracts to hedge highly probable forecast transactions, where the export realisations of the Company are protected below a minimum pre-determined foreign exchange rate whereas the realisation advantages are available to the Company there from up to a higher pre-determined foreign exchange rate. The Company does not benefit by rupee depreciating beyond the pre-determined foreign exchange rate. These instruments meet the management's Foreign exchange risk management objectives and also qualify for hedge accounting as per the principles of hedge accounting. MTM losses in respect of effective hedges is carried to the Hedge reserve and ineffectiveness, if any, including the time value of option contracts is recognised in the results, as per the principles of AS-30. The market value of instruments outstanding at the close of the year indicate a gain aggregating ₹ 15.96 crore as against a loss in the previous year aggregating ₹ 256.11 crore.

The time value of option contracts from the current year aggregating a net gain of ₹ 131.92 crore after reversals, has been recognised as "other income" being recurring in nature, against a loss in the previous year recognised for the first time aggregating ₹ 134 crore as an exceptional item.

Risk management policy and other disclosures

The exports of the Company, presently constituting substantial portion of the turnover, are at prices predetermined for each product in each region. These prices are fixed in USD based on an assumed USD/INR rate. (Budgeted rate of realisation). Exports are then effected at such price and hence it is desirable for the Company to shield itself from adverse movements in forex rates at a future date.

The Company also imports raw materials and components for its Motorcycles etc. However, the value of such imports is not material as compared to the value of exports. Nevertheless, the Company may wish to secure its procurement prices in terms of INR to be able to forecast its pricing and profitability. Consequently the Company may wish to hedge such exposures, future and current, to achieve the aforesaid objective.

The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative financial instruments, such as foreign exchange forward and option contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

The details in respect of the outstanding foreign exchange forward contracts including range forward and par forward contracts are given below. The forward exchange contracts mature between one to twelve months. The table below summarises the notional amounts (amounts of contracts booked and outstanding) of foreign currency forward contracts into relevant maturity groupings based on the remaining period as at the 31 March 2013:

	As at 31 March 2013		As at 31 March 2012	
	Notional In USD Mn (Sell)	MTM Gain/(Loss) (₹ In Crore)	Notional In USD Mn (Sell)	MTM Gain/(Loss) (₹ In Crore)
On Export Transactions				
Not later than 3 months (April 13 to June 13)	336	11.50	330	(83.76)
Later than three months and not later than six months (July 13 to Sept 13)	256	5.10	365	(109.81)
Later than six month and not later than one year (Oct 13 to March 14)	312	(0.64)	717	(275.41)
Total	904	15.96	1,412	(468.98)

On Import Transactions: ₹ Nil

Notes to financial statements for the year ended 31 March 2013 (Contd.)

25 Derivative hedging instruments (Contd.)

The fair values (Marked-to-market) of foreign currency derivative contracts outstanding as on 31 March 2013 and 31 March 2012 are as follows:

	As at 31 March 2013		As at 31 March 2012	
	In USD Mn (Sell)	MTM Gain/(Loss) (₹ In Crore)	In USD Mn (Sell)	MTM Gain/(Loss) (₹ In Crore)
For Export Transactions				
Foreign currency derivative designated as hedging instruments - Simple forward and Par forward contracts	–	–	408	(212.87)
Foreign currency derivative designated as hedging instruments - Range forward contracts	904	15.96	1,004	(256.11)
Total	904	15.96	1,412	(468.98)

For Import Transactions: ₹ Nil

The fair value of forwards and foreign currency option contracts is determined based on the appropriate valuation techniques as given by the banks.

The cash flows from the hedges are expected to occur over the financial year 2013-14 and will accordingly flow to the Statement of Profit and Loss.

In respect of foreign currency derivative contracts designated as cash flow hedges for par forward contracts, the Company has recorded a net loss of ₹ 16.32 crore and net loss of ₹ 216.93 crore, as a component of equity (Hedge reserve) as at 31 March 2013, and 2012, respectively and a net loss of ₹ 207.67 crore and a net loss of ₹ 31.70 crore as part of revenue during the year ended 31 March 2013, and 2012 respectively and a loss of ₹ 69.22 crore (previous year ₹ Nil) to the Statement of Profit and Loss on a break in the designation of the hedge.

	(₹ In Crore)	
	2013	2012
The movement of Hedge reserve - Par forward is as follows:		
Opening balance	(216.93)	20.77
Add: Net gain recognised on cash flow hedges	–	–
Less: Net loss recognised on cash flow hedges	76.28	269.40
Less: Net gain reclassified to profit or loss	–	–
Add: Net loss reclassified to profit or loss	276.89	31.70
Closing balance	(16.32)	(216.93)

In respect of foreign currency derivative contracts designated as cash flow hedges for Range forward contracts, the Company has recorded a net gain of ₹ 18.04 crore and net loss of ₹ 122.11 crore, as a component of equity (Hedge reserve) as at 31 March 2013, and 2012, respectively a net loss of ₹ 394.74 crore and a net loss of ₹ 56.24 crore as part of revenue during the year ended 31 March 2013, and 2012 respectively.

	(₹ In Crore)	
	2013	2012
The movement of Hedge reserve - Range forward is as follows:		
Opening balance	(122.11)	–
Less: Net loss recognised on cash flow hedges	254.59	178.35
Add: Net loss reclassified to profit or loss	394.74	56.24
Closing balance	18.04	(122.11)

Notes to financial statements for the year ended 31 March 2013 (Contd.)

25 Derivative hedging instruments (Contd.)

Amount that was removed from appropriate equity account (Hedge reserve account) during the year ended 2013 and 2012 in respect of forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur is ₹ 69.22 crore and ₹ Nil respectively.

Amount that was removed from appropriate equity account (Hedge reserve account) during the period and included in the initial cost or other carrying amount of a non-financial asset or non-financial liability whose acquisition or incurrence was a hedged highly probable forecast transaction is ₹ Nil.

Amount in respect of the ineffectiveness which relates to time value of option contracts recognised in the Statement of Profit and Loss that arises from cash flow hedges is ₹ 2.08 crore as on 31 March 2013.

In respect of the Company's foreign currency derivative contracts outstanding as on 31 March 2013, a 10% increase in the exchange rates of the currency underlying such contracts as given by the banks would have resulted in an approximately ₹ 185.07 crore decrease in the fair value of outstanding contracts.

In respect of the Company's foreign currency derivative contracts outstanding as on 31 March 2013, a 10% decrease in the exchange rates of the currency underlying such contracts as given by the banks would have resulted in an approximately ₹ 320.86 crore increase in the fair value of outstanding contracts.

Counter-party Risk

Counter-party risk encompasses settlement risk on foreign currency derivative contracts. Exposure to these risks is closely monitored and kept within predetermined parameters. The Company does not expect any losses from non-performance by these counter-parties.

The Company's policy is to transact with credit worthy banks, which are reviewed on an on-going basis. The following table depicts that the majority of the foreign currency derivatives are placed in highly rated banks:

	(USD Million)
	As at 31 March 2013
Investment grade of outstanding foreign exchange forward contracts	
Highest safety	904
High safety	–
Adequate safety	–
Total	904

Highest safety represents a credit rating equivalent of AAA and A1+, High safety represents a credit rating equivalent of AA+, AA and adequate safety represents a credit rating of A.

Open foreign exchange exposures outstanding at close of the year:

	(USD Million)	
	As at 31 March 2013	As at 31 March 2012
Receivables	41	41
Payables	5	5
Others	53	57

Notes to financial statements for the year ended 31 March 2013 (Contd.)

26 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:

	As at 31 March 2013	As at 31 March 2012
a) Profit after tax (₹ in crore)	3,043.57	3,004.05
Weighted average number of shares outstanding during the year	289,367,020	289,367,020
b) Earnings per share (Basic and Diluted) (₹)	105.2	103.8
Face value per share (₹)	10.0	10.0

27 Contingent liabilities

	As at 31 March 2013	As at 31 March 2012
		(₹ In Crore)
a) Claims against the Company not acknowledged as debts	418.88	418.74
b) Guarantees given by the Company to banks, on behalf of its subsidiary, PT. Bajaj Auto Indonesia	27.14	25.44
c) Guarantees given by the Company to Housing Development Finance Corporation Ltd. - for loans to employees	0.04	0.12
d) Excise and Customs demand - matters under dispute and claims for refund of Excise Duty, if any, against Excise Duty Refund received in the earlier year	293.31	181.78
e) Income tax matters - Appeal by Company	54.13	9.58
f) Value Added Tax (VAT)/Sales Tax matters under dispute	377.48	357.85
g) Claims made by temporary workmen Pending before various judicial/appellate authorities in respect of similar matters adjudicated by the Supreme Court. The matter is contingent on the facts and evidence presented before the courts/adjudicating authorities and not necessarily likely to be influenced by the Supreme Court's order	Liability unascertained	Liability unascertained

28 Capital and other commitments

	2013	2012
		(₹ In Crore)
a) Capital commitments, net of capital advances	82.01	275.87
b) Commitment for purchase of shares in KTM Powersports AG	-	176.29
	82.01	452.16
c) Other commitments		
The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfill quantified exports, which have been entirely fulfilled by the close of the year. However, formal discharge from obligation by discharge of license by appropriate authorities is in progress.		

Notes to financial statements for the year ended 31 March 2013 (Contd.)

29 Value of imports calculated on CIF basis

	(₹ In Crore)	
	2013	2012
Raw materials	38.17	115.70
Components	547.85	521.68
Vehicles and spare parts	11.78	9.60
Machinery spares	6.89	9.20
Capital goods (including aircraft ₹ 209.66 crore, previous year - ₹ Nil)	378.37	21.70
Tools, stores, etc.	6.46	6.83
	989.52	684.71
Converted in equivalent USD million at closing rate of 31 March	182	135

30 Expenditure in foreign currency (accrual basis)

	(₹ In Crore)	
	2013	2012
Travelling expenses	6.81	5.06
Royalty, gross of tax	4.47	3.40
Technical consultancy, gross of tax	3.04	5.31
Interest	–	0.16
Research and Development expenses	5.75	0.84
Consultancy charges	2.02	1.20
Advertisement and publicity	39.45	43.72
Other matters	32.10	32.58
	93.64	92.27

31 Imported and indigenous raw materials, components and spare parts consumed

	2013		2012	
	(₹ In Crore)	Percentage	(₹ In Crore)	Percentage
Raw Materials and components				
Imported	628.53	4.65%	592.10	4.40%
Indigenously obtained	12,895.21	95.35%	12,853.44	95.60%
	13,523.74	100.00%	13,445.54	100.00%
Auto spare parts consumed				
Imported	11.73	1.37%	11.41	1.63%
Indigenously obtained	844.89	98.63%	689.50	98.37%
	856.62	100.00%	700.91	100.00%

Notes to financial statements for the year ended 31 March 2013 (Contd.)

32 Earnings in foreign currency (accrual basis)

	(₹ In Crore)	
	2013	2012
F.O.B.Value of exports* (USD 1,309 million; previous year: USD 1,369 million)	6,508.27	6,449.18
Exchange gain/(loss) on derivative hedging instruments, debtors	39.91	154.79
Forwarding charges exports recovered	8.67	12.98
Interest	2.66	1.95
Royalty	2.66	0.80
Technical know how fees	0.83	0.30
Asset disposal	-	0.07
Others	2.34	5.89
	6,565.34	6,625.96

* Excludes F.O.B. Value of rupee exports to Nepal ₹ 204.25 crore (previous year - ₹ 0.34 crore)

Notes to financial statements for the year ended 31 March 2013 (Contd.)

33 Employee benefits

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

Funded schemes

	(₹ In Crore)	
	2013	2012
	Gratuity	Gratuity
Amount to be recognised in Balance Sheet		
Present value of funded obligations	219.10	181.26
Fair value of plan assets	(90.01)	(73.95)
Net liability	129.09	107.31
Amounts in Balance Sheet		
Liability	129.09	107.31
Assets	–	–
Net liability	129.09	107.31

Expense to be recognised in the Statement of Profit and Loss		
Current service cost	8.64	8.30
Interest on defined benefit obligation	15.47	13.23
Expected return on plan assets	(5.21)	(4.38)
Net actuarial losses/(gains) recognised in year	18.82	4.98
Total, included in "Employee benefits expense"	37.72	22.13
Actual return on plan assets	6.78	5.65

Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	181.26	160.23
Current service cost	8.64	8.30
Interest cost	15.48	13.22
Actuarial losses/(gain)	20.39	6.25
Benefits paid	(6.67)	(6.74)
Closing defined benefit obligation	219.10	181.26
Change in fair value of assets		
Opening fair value of plan assets	73.95	61.40
Expected return on plan assets	5.21	4.38
Actuarial gain/(losses)	1.57	1.26
Contributions by employer	15.95	13.65
Benefits paid	(6.67)	(6.74)
Closing fair value of plan assets	90.01	73.95

	(₹ In Crore)	
	2013	2013
	2013	2012
Asset information		
Insurer managed funds	90.01	100.00%
		100.00%

Notes to financial statements for the year ended 31 March 2013 (Contd.)

33 Employee benefits (Contd.)

	(₹ In Crore)				
	2009	2010	2011	2012	2013
Experience adjustments					
Defined benefit obligation	95.92	122.44	160.23	181.26	219.10
Plan assets	28.13	37.40	61.40	73.95	90.01
Surplus/(deficit)	(67.79)	(85.04)	(98.83)	(107.31)	(129.09)
Exp. adj. on plan liabilities	6.52	3.30	26.09	11.96	9.32
Exp. adj. on plan assets	(2.75)	0.63	1.03	1.26	1.57

	2013	2012
Principal actuarial assumptions (Expressed as weighted averages)		
Discount rate (p.a.)	8.05%	8.65%
Expected rate of return on assets (p.a.)	7.50%	7.50%
Salary escalation rate (p.a.) – Senior Staff	8.00%	8.00%
Salary escalation rate (p.a.) – Junior Staff	9.00%	9.00%

	(₹ In Crore)	
	2013 Provident Fund	2012 Provident Fund
Amount to be recognised in Balance Sheet		
Present value of funded obligations	483.55	408.98
Fair value of plan assets	(483.55)	(408.98)
Net liability	–	–
Amounts in Balance Sheet		
Liability	–	–
Assets	–	–
Net liability	–	–

Expense to be recognised in the Statement of Profit and Loss		
Current service cost	19.57	–
Interest on defined benefit obligation	36.19	–
Expected return on plan assets	(37.01)	–
Net actuarial losses/(gains) recognised in year	0.82	–
Total, included in “Employee benefits expense”	19.57	–
Actual return on plan assets	39.74	–

Notes to financial statements for the year ended 31 March 2013 (Contd.)

33 Employee benefits (Contd.)

	(₹ In Crore)	
	2013 Provident Fund	2012 Provident Fund
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	408.98	–
Current service cost	19.57	–
Interest cost	36.19	–
Actuarial losses/(gain)	3.55	–
Employee contributions	35.70	–
Benefits paid	(20.44)	–
Closing defined benefit obligation	483.55	408.98
Change in fair value of assets		
Opening fair value of plan assets	408.98	–
Expected return on plan assets	37.01	–
Actuarial gain/(losses)	2.73	–
Employer contributions during the period	19.57	–
Employee contributions during the period	35.70	–
Benefits paid	(20.44)	–
Closing fair value of plan assets	483.55	408.98

	2013 (₹ In Crore)	2013	2012
Asset information			
Category of assets (% allocation)			
Government of India securities	220.67	46.00%	46.00%
Corporate bonds	177.86	37.00%	37.00%
Special deposit scheme	59.57	12.00%	12.00%
Others	25.45	5.00%	5.00%
Total	483.55	100.00%	100.00%

	(₹ In Crore)				
	2009	2010	2011	2012	2013
Experience adjustments					
Defined benefit obligation	–	–	–	408.98	483.55
Plan assets	–	–	–	408.98	483.55
Surplus/(deficit)	–	–	–	–	–
Exp. adj. on plan liabilities	–	–	–	–	3.55
Exp. adj. on plan assets	–	–	–	–	2.73

Notes to financial statements for the year ended 31 March 2013 (Contd.)

33 Employee benefits (Contd.)

	2013	2012
Principal actuarial assumptions (expressed as weighted averages)		
Discount rate (p.a.)	8.05%	8.65%
Expected rate of return on assets (p.a.)	8.56%	8.68%
Discount rate for the remaining term to maturity of the investment (p.a.)	8.05%	8.55%
Average historic yield on the investment (p.a.)	8.56%	8.58%
Guaranteed rate of return (p.a.)	8.50%	8.25%

Unfunded schemes

	(₹ In Crore)			
	2013		2012	
	Compensated Absences	Welfare Scheme	Compensated Absences	Welfare Scheme
Present value of unfunded obligations	47.51	5.89	40.09	4.88
Expense recognised in the Statement of Profit and Loss	13.09	1.34	8.06	0.30
Discount rate (p.a.)	8.05%	8.05%	8.65%	8.65%
Salary escalation rate (p.a.) – Senior Staff	8.00%		8.00%	
Salary escalation rate (p.a.) – Junior Staff	9.00%		9.00%	

Notes to financial statements for the year ended 31 March 2013 (Contd.)

34 Segment information

Segment information is based on the Consolidated financial statements.

Segment wise revenue, results and capital employed for the year ended 31 March 2013

(₹ In Crore)

(a) Primary segment: Business segment

	Automotive	Investments	Consolidated
Revenue			
External sales and other income	20,466.36	372.76	20,839.12
Inter segment sales and other income	–	–	–
Total revenue	20,466.36	372.76	20,839.12
Segment result	3,990.31	371.92	4,362.23
Interest expense	1.19	–	1.19
Tax expense	–	–	1,217.16
Deferred tax assets write-off	–	–	11.36
Minority interest	–	–	(0.17)
Profit for the year	3,989.12	371.92	3,132.69
Segment assets	7,089.15	5,323.67	12,412.82
Unallocated corporate assets	–	–	229.50
Total assets	7,089.15	5,323.67	12,642.32
Segment liabilities	2,896.60	–	2,896.60
Unallocated corporate liabilities	–	–	1,527.46
Total liabilities	2,896.60	–	4,424.06
Capital employed	4,192.55	5,323.67	8,218.26
Capital expenditure	508.19	–	508.19
Depreciation and write downs	165.01	–	165.01
Non cash expenses other than depreciation	2.80	–	2.80

Business segments of the consolidated group have been identified as distinguishable components that are engaged in a group of related product or services and that are subject to risks and returns different from other business segments. Accordingly Automotive and Investments have been identified as the business segments.

(b) Secondary segment: Geographic segment

	India	Rest of the world	Consolidated
Segment revenue			
External sales and other income	14,038.39	6,800.73	20,839.12
Segment assets	11,224.10	1,418.22	12,642.32
Capital expenditure	507.93	0.26	508.19

Notes to financial statements for the year ended 31 March 2013 (Contd.)

34 Segment information (Contd.)

Segment information is based on the Consolidated financial statements.

Segment wise revenue, results and capital employed for the year ended 31 March 2012

(₹ In Crore)

(a) Primary segment: Business segment

	Automotive	Investments	Consolidated
Revenue			
External sales and other income	19,868.35	332.91	20,201.26
Inter segment sales and other income	–	–	–
Total revenue	19,868.35	332.91	20,201.26
Segment result	3,764.75	326.18	4,090.93
Interest expense	22.79	–	22.79
Tax expense	–	–	1,019.66
Deferred tax assets write-off	–	–	3.22
Minority interest	–	–	(0.14)
Profit for the year	3,741.96	326.18	3,045.40
Segment assets	5,899.26	5,072.27	10,971.53
Unallocated corporate assets	–	–	154.86
Total assets	5,899.26	5,072.27	11,126.39
Segment liabilities	3,412.17	–	3,412.17
Unallocated corporate liabilities	–	–	1,525.44
Total liabilities	3,412.17	–	4,937.61
Capital employed	2,487.09	5,072.27	6,188.78
Capital expenditure	167.62	–	167.62
Depreciation and write downs	146.73	–	146.73
Non cash expenses other than depreciation	2.79	–	2.79

Business segments of the consolidated group have been identified as distinguishable components that are engaged in a group of related product or services and that are subject to risks and returns different from other business segments. Accordingly Automotive and Investments have been identified as the business segments.

(b) Secondary segment: Geographic segment

	India	Rest of the world	Consolidated
Segment revenue			
External sales and other income	13,531.30	6,669.96	20,201.26
Segment assets	10,035.72	1,090.67	11,126.39
Capital expenditure	167.07	0.55	167.62

Notes to financial statements for the year ended 31 March 2013 (Contd.)

35 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		2012	
		Transaction value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet
A. Holding company and fellow subsidiaries:					
PT. Bajaj Auto Indonesia (98.94% shares held by Bajaj Auto Ltd.)	Contribution to equity (291,875 shares of usd 100 each)	-	137.82	-	137.82
	Sale of spare parts and vehicles SKD	36.78	33.89	79.54	24.74
	Interest received	1.92	-	1.41	-
	Warranty paid	0.58	-	0.81	-
	Advertisement expenses paid	8.43	-	7.40	-
Bajaj Auto International Holdings BV Amsterdam, Netherlands (Fully owned subsidiary)	Contribution to equity (1,980,000 shares of euro 100 each) (Previous year 1,645,250 shares of euro each)	231.86	1,218.72	68.14	986.86
B. Associates, joint ventures and investing parties:					
Bajaj Holdings and Investment Ltd. (Investing party- holds 31.49% shares of Bajaj Auto Ltd.)	Purchase of shares by BHIL (91,119,000 shares of ₹ 10 each)	-	(91.12)	-	(91.12)
	Dividend paid	410.04	-	364.48	-
	Business support service received	0.30	-	0.87	-
	Business support service rendered	0.66	-	0.16	-
	Revenue expenses incurred on behalf	2.55	-	-	-
C. Individuals controlling voting power/exercising significant influence and their relatives:					
Rahul Bajaj (Chairman) (Also key management personnel)	Remuneration	5.28	-	4.33	-
	Commission	6.75	(6.75)	6.75	(6.75)
	Rent paid for premises	0.04	-	0.03	-
	Deposit paid against premises taken on lease	-	0.90	-	0.90
Madhur Bajaj (Vice Chairman) (Also key management personnel)	Remuneration	3.26	-	3.22	-
	Commission	5.13	(5.13)	5.13	(5.13)
	Rent paid for premises	0.03	-	0.03	-
	Deposit paid against premises taken on lease	-	0.88	-	0.88
Rajiv Bajaj (Managing Director) (Also key management personnel)	Remuneration	6.36	-	4.23	-
	Commission	8.91	(8.91)	5.94	(5.94)
	Rent paid for premises	1.42	-	1.23	-
	Deposit paid against premises taken on lease	0.72	2.82	-	2.10
Sanjiv Bajaj (Non-Executive Director w.e.f. 1 April 2012)	Remuneration	-	-	0.34	-
	Sitting fees	0.01	-	-	-
	Commission	0.06	(0.06)	0.72	(0.72)
Rahul Bajaj (HUF)	Rent paid for premises	0.08	-	0.07	-
	Deposit paid against premises taken on lease	-	1.80	-	1.80
Ramkrishna Bajaj (HUF)	Rent paid for premises	0.03	-	0.03	-
	Deposit paid against premises taken on lease	-	0.88	-	0.88
Shekhar Bajaj	Sitting fees	0.01	-	0.01	-
	Commission	0.05	(0.05)	0.05	(0.05)
	Rent paid for premises	0.07	-	0.06	-
	Deposit paid against premises taken on lease	-	1.76	-	1.76
Niraj Bajaj	Sitting fees	0.01	-	0.01	-
	Commission	0.05	(0.05)	0.06	(0.06)
	Services rendered	-	-	0.12	-

Notes to financial statements for the year ended 31 March 2013 (Contd.)

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

(₹ In Crore)

Name of related party and Nature of relationship	Nature of transaction	2013		2012	
		Transaction value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet
Niraj Bajaj (HUF)	Rent paid for premises	0.03	–	0.03	–
	Deposit paid against premises taken on lease	–	0.88	–	0.88
D. Key management personnel and their relatives: Included in 'C' above					
E. Enterprises over which anyone in (c) and (d) exercises significant influence:					
Bajaj Finserv Ltd.	Purchase of windpower	27.44	–	24.38	–
	CSS recovery received	1.17	–	–	–
	Business support service received	0.37	–	0.28	–
	Business support service rendered	3.04	–	0.73	–
Bajaj Finance Ltd.	Aviation charges received	1.62	–	3.01	–
	Subvention charges paid	4.06	–	5.99	–
	Service rendered	9.18	0.84	7.88	1.19
	Service received	0.63	–	0.98	–
Bajaj Allianz General Insurance Co. Ltd.	Other debits	0.03	–	0.04	–
	Other credits	0.16	–	0.47	–
	Insurance premiums paid	13.49	4.98	12.02	2.54
	Claims received	1.12	–	0.63	–
Bajaj Allianz Life Insurance Co. Ltd.	Services rendered	–	–	0.05	–
	Purchase of investments	–	–	25.86	–
	Insurance premiums paid	0.21	–	0.22	–
	Purchase of investments	–	–	26.06	–
Bajaj Financial Solutions Ltd.	Sale of investments	–	–	48.58	–
	Services rendered	0.05	–	0.05	–
Bajaj Electricals Ltd.	Rent paid	–	–	–	–
	Purchases	0.07	(0.08)	0.17	(0.14)
	Sale of DEPB	3.34	–	–	–
	Other debits	–	–	–	–
Hind Musafir Agency Ltd.	Services received	14.57	(0.82)	15.67	(0.39)
Hindustan Housing Co. Ltd.	Maintenance charges paid	0.36	–	0.30	(0.10)
KTM Sportsmotorcycle AG	Sale of vehicles and material	230.75	25.32	128.68	22.43
	Purchase of accessories	2.19	–	0.05	–
	Services rendered and other debits	1.15	–	0.74	–
	Royalty paid and payable	0.92	–	0.51	–
KTM Sportsmotorcycles India Pvt. Ltd.	Royalty paid and payable	1.02	–	–	–
	Services rendered and other debits	0.81	0.04	–	–

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 2013 (Contd.)

36 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 2013:

	(₹ In Crore)	
	<u>2013</u>	<u>2012</u>
Receivable		
Within one year	12.63	6.97
After one year but not more than five years	42.13	25.72
More than five years	1.09	0.49
	<u>55.85</u>	<u>33.18</u>

Taken on operating lease in the form of office premises after 1 April 2001
Minimum future lease payments as on 31 March 2013:

	(₹ In Crore)	
	<u>2013</u>	<u>2012</u>
Payable		
Within one year	6.71	5.61
After one year but not more than five years	16.87	13.23
More than five years	14.06	16.70
	<u>37.64</u>	<u>35.54</u>

37 Exchange difference gains/(losses) recognised in the Statement of Profit and Loss

	(₹ In Crore)	
	<u>2013</u>	<u>2012</u>
a) Relating to exports during the year as a part of "Sales"	(602.42)	(87.95)
b) Relating to exports during the year as a part of "Other income/Other expenses"	39.91	154.79
c) On settlement of other transactions as a part of "Other income/Other expenses"	7.51	7.02
d) Marked to market gain/(loss) (net) on change in time value of derivative hedging instruments i.e. Range forward contracts, disclosed as exceptional item in previous year	131.92	(134.00)

38 Previous year figures

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

39 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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

J Sridhar
Company Secretary

Rahul Bajaj
Madhur Bajaj
Rajiv Bajaj

Sanjiv Bajaj
D S Mehta
Kantikumar R Podar
D J Balaji Rao
S H Khan
Suman Kirloskar

Chairman
Vice Chairman
Managing Director

Naresh Chandra
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Shekhar Bajaj

} Directors

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

1. Name of the subsidiary	PT. Bajaj Auto Indonesia	Bajaj Auto International Holdings BV (Consolidated)
2. Financial year of the subsidiary ended on	31 March 2013	31 March 2013
3. Holding company's interest: equity share capital	98.94%	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	Loss ₹ 29.39 crore	Profit ₹ 83.49 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	Loss ₹ 114.35 crore	Loss ₹ 67.49 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	Nil	Nil

J Sridhar
Company Secretary
Pune: 16 May 2013

Rahul Bajaj
Madhur Bajaj
Rajiv Bajaj

Sanjiv Bajaj
D S Mehta
Kantikumar R Podar
D J Balaji Rao
S H Khan
Suman Kirloskar

Chairman
Vice Chairman
Managing Director

Naresh Chandra
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Shekhar Bajaj

} Directors





Consolidated Financial Statements

Independent Auditors' Report on the Consolidated Financial Statements

To the Board of Directors of **Bajaj Auto Ltd.**

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Bajaj Auto Ltd. ("the Company") and its subsidiaries; 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 2013, 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 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. 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 and Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements notified under section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of report of other auditor on separate financial statement, 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 2013;
 - (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.

Other matter

8. We did not audit the financial statements of (i) one subsidiary included in the consolidated financial statements, which constitute (all figures before intercompany eliminations) total assets of ₹ 54.38 crore and net assets of ₹ (13.25) crore as at 31 March 2013, total revenue of ₹ 84.19 crore, net loss of ₹ 29.70 crore and net cash flows amounting to ₹ 1.80 crore for the year then ended; and (ii) one associate of subsidiary company which constitute net profit of ₹ 84.43 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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

Consolidated Balance Sheet as at 31 March

Particulars	Note No.	(₹ In Crore)	
		2013	2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	289.37	289.37
Reserves and surplus	3	7,775.93	5,792.35
		8,065.30	6,081.72
Minority interest		–	0.17
Non-current liabilities			
Long-term borrowings	4	71.27	97.48
Deferred tax liabilities (net)		115.10	48.44
Other long-term liabilities	5	122.06	157.07
Long-term provisions	6	136.16	113.16
		444.59	416.15
Current liabilities			
Short-term borrowings	7	27.14	25.44
Trade payables	8	1,981.89	1,968.44
Other current liabilities	8	548.95	607.45
Short-term provisions	6	1,607.86	2,066.05
		4,165.84	4,667.38
Total		12,675.73	11,165.42
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	1,807.16	1,483.29
Intangible assets	9	–	2.14
Capital work-in-progress		223.29	11.77
Intangible assets under development		70.26	29.88
		2,100.71	1,527.08
Goodwill on investments in associate of subsidiary		548.25	434.60
Non-current investments	10	3,347.59	3,376.18
Deferred tax assets (net)		33.41	39.03
Long-term loans and advances	11	463.16	601.66
Other non-current assets	13	1.02	1.43
		6,494.14	5,979.98
Current assets			
Current investments	10	2,711.33	1,096.60
Inventories	14	643.96	703.61
Trade receivables	12	734.33	401.93
Cash and bank balances	15	566.51	1,659.84
Short-term loans and advances	11	1,313.14	1,027.87
Other current assets	13	212.32	295.59
		6,181.59	5,185.44
Total		12,675.73	11,165.42

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

J Sridhar
Company Secretary

Rahul Bajaj
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D S Mehta
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D J Balaji Rao
S H Khan
Suman Kirloskar

Chairman
Vice Chairman
Managing Director

Naresh Chandra
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Shekhar Bajaj

} Directors

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

Particulars	Note No.	₹ In Crore)	
		2013	2012
Sales		20,662.36	19,892.28
Less: Excise duty		1,128.91	946.76
Net sales		19,533.45	18,945.52
Other operating revenue		508.54	649.13
Revenue from operations (net)	16	20,041.99	19,594.65
Other income	17	797.13	606.61
Total revenue (I)		20,839.12	20,201.26
Expenses:			
Cost of raw material and components consumed	18	13,536.43	13,454.66
Purchases of traded goods	19	864.76	757.01
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	32.35	(85.65)
Employee benefits expense	21	649.93	550.18
Finance costs	22	1.19	22.79
Depreciation		165.01	146.73
Other expenses	23	1,375.69	1,257.91
Expenses, included in above items, capitalised		(62.85)	(49.43)
Total expenses (II)		16,562.51	16,054.20
Profit before exceptional item and tax (I - II)		4,276.61	4,147.06
Exceptional item	24	–	(134.00)
Profit before tax		4,276.61	4,013.06
Tax expense			
Current tax		1,156.00	1,003.39
Deferred tax		61.16	16.27
Total tax expense		1,217.16	1,019.66
Profit after tax		3,059.45	2,993.40
Deferred tax assets write-off		11.36	3.22
Income from associate after tax		84.43	55.08
Minority interest		(0.17)	(0.14)
Profit for the year		3,132.69	3,045.40
Basic and diluted Earnings per share (in ₹)		108.3	105.2
(Nominal value per share ₹ 10)			

The accompanying notes are an integral part of the financial statements
In terms of our report of even date
For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

J Sridhar
Company Secretary

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Chairman
Vice Chairman
Managing Director

Naresh Chandra
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Shekhar Bajaj

} Directors

Cash Flow Statement

(₹ In Crore)

Particulars	2013	2012
I. Operating activities		
Profit before tax	4,276.61	4,013.06
Add: Income from associate after tax	84.43	55.08
	4,361.04	4,068.14
Adjustments:		
Add:		
i) Depreciation	165.01	146.73
ii) Valuation (gains)/losses of derivative hedging instruments	(131.92)	134.00
iii) Amount written off against technical know-how	2.14	2.14
iv) Amount written off against leasehold land	0.66	0.65
v) Loss on assets sold, demolished, discarded and scrapped	7.04	7.49
vi) Provision for doubtful debts and advances	4.92	9.95
vii) Interest expense	1.19	22.79
	49.04	323.75
Less:		
i) Investment income included in above:		
Interest on long-term investments	259.07	275.56
Interest on fixed deposits	41.72	42.76
Profit on sale of investments, net	48.23	33.09
Surplus/(loss) on redemption of securities, net	-	(6.03)
Dividend on long-term investments	0.15	0.14
Amortisation of (premium)/discount on acquisition of fixed income securities	23.59	(18.64)
	372.76	326.88
ii) Provision for doubtful debts and advances written back	5.15	1.86
iii) Surplus on sale of assets	7.17	9.65
iv) Surplus on pre-payment of sales tax deferral liability/loan	68.95	-
	(454.03)	(338.39)
	3,956.05	4,053.50
Change in assets and liabilities		
i) Inventories	59.65	(127.36)
ii) Trade receivables	(330.94)	(62.39)
iii) Loans and advances and other assets	(198.69)	247.74
iv) Liabilities and provisions	(8.92)	301.26
	(478.90)	359.25
Annuity payments (net) to VRS optees	(20.17)	(19.20)
Net cash from operating activities before income tax	3,456.98	4,393.55
Income tax paid	(1,238.68)	(1,147.28)
Net cash from operating activities	2,218.30	3,246.27
Carried forward	2,218.30	3,246.27

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	2013	2012
Brought forward	2,218.30	3,246.27
II. Investing activities		
i) (Increase)/decrease in other investments, net	(1,701.13)	(329.07)
ii) (Increase)/decrease in other bank balances	472.51	(478.17)
iii) Capital expenditure	(508.30)	(361.43)
iv) Sales proceeds of assets/adjustment to gross block	20.12	22.65
v) Capital expenditure on development of technical know-how	(40.38)	(29.88)
	(1,757.18)	(1,175.90)
vi) Investment income		
Interest on long-term investments	259.07	275.56
Interest on fixed deposits	41.72	42.76
Profit on sale of investments, net	48.23	33.09
Surplus/(loss) on redemption of securities, net	–	(6.03)
Dividend on long-term investments	0.15	0.14
Amortisation of (premium)/discount on acquisition of fixed income securities	23.59	(18.64)
	372.76	326.88
(Increase)/decrease in investment income receivable	(10.01)	(0.76)
	362.75	326.12
Net cash from investing activities	(1,394.43)	(849.78)
Carried forward	823.87	2,396.49

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	2013	2012
Brought forward	823.87	2,396.49
III. Financing activities		
i) Short term bank loan taken/(repaid)	1.70	(131.17)
ii) Cash credit from banks	–	(23.53)
iii) Interest expense	(1.19)	(22.79)
iv) Deferral/(repayment) of sales tax deferral liability/loan	41.70	(31.88)
v) Pre-payment of sales tax deferral liability/loan	(9.34)	(10.39)
vi) Dividend paid	(1,299.66)	(1,154.26)
vii) Corporate dividend tax paid	(211.24)	(187.77)
	(1,478.03)	(1,561.79)
Foreign currency translation reserve	25.02	59.38
Foreign exchange difference on paid-up capital of subsidiary	0.06	0.26
On account of change in share of net assets of associate of subsidiary	8.26	39.79
Net change from financing activities	(1,444.69)	(1,462.36)
Net change in cash and cash equivalents	(620.82)	934.13
Cash and cash equivalents as at 1 April 2012 [Opening balance]	1,178.76	244.63
Cash and cash equivalents as at 31 March 2013 [Closing balance]	557.94	1,178.76
	–	–

In terms of our report of even date
For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

J Sridhar
Company Secretary

Rahul Bajaj
Madhur Bajaj
Rajiv Bajaj

Sanjiv Bajaj
D S Mehta
Kantikumar R Podar
D J Balaji Rao
S H Khan
Suman Kirloskar

Chairman
Vice Chairman
Managing Director

Naresh Chandra
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Shekhar Bajaj } Directors

Notes to consolidated financial statements for the year ended 31 March 2013

- 1 a) The consolidated financial statements include results of the subsidiaries of Bajaj Auto Ltd., consolidated in accordance with AS-21 "Consolidated Financial Statements", AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements".

Name of the company	Country of Incorporation	% Shareholding of Bajaj Auto Ltd.	Consolidated as
PT. Bajaj Auto Indonesia	Indonesia	98.94%	Subsidiary
Bajaj Auto International Holdings BV	Netherlands	100.00%	Subsidiary

The consolidated financial statements of Bajaj Auto International Holdings BV include 47.96% interest in KTM AG (earlier KTM PowerSports AG) as an associate.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

2 Share capital

	(₹ In Crore)	
	<u>2013</u>	<u>2012</u>
Authorised:		
300,000,000 equity shares of ₹ 10 each	300.00	300.00
Issued, subscribed and fully paid-up shares:		
289,367,020 equity shares of ₹ 10 each	289.37	289.37
	<u>289.37</u>	<u>289.37</u>

a. Further, of the above:-

144,683,510 equity shares were allotted as fully paid bonus shares by capitalisation of General reserve by the Company on 13 September 2010. 101,183,510 equity shares were allotted as fully paid up pursuant to the scheme of arrangement for demerger of erstwhile Bajaj Auto Ltd. (now Bajaj Holdings & Investment Ltd.) by the Company on 3 April 2008.

1,805,071 equity shares thereof (excluding 1,805,071 equity shares allotted as bonus shares thereon) are deemed to be issued by way of Euro Equity Issue represented by Global Depository Receipts (GDR) evidencing Global Depository Shares outstanding on the record date. Outstanding GDRs at the close of the year were 66,196 (169,088)

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

	31 March 2013		31 March 2012	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Bajaj Holdings & Investment Ltd.	91,119,000	31.49%	91,119,000	31.49%
Jamnallal Sons Pvt. Ltd.	25,949,400	8.97%	25,949,400	8.97%

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

3 Reserves and surplus

	(₹ In Crore)	
	2013	2012
General reserve		
Balance as per the last financial statements	2,300.76	1,918.62
Add: Adjustments on account of change in share of net assets of associate/subsidiary	8.26	39.79
Add: Transferred from surplus in Statement of Profit and Loss	394.12	342.35
Closing balance	2,703.14	2,300.76
Hedge reserve	1.72	(339.04)
Foreign exchange difference on paid-up capital of subsidiary	3.62	3.56
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	3,705.14	2,515.48
Profit for the year	3,132.69	3,045.40
Less: Appropriations		
Transfer to General reserve	394.12	342.35
Proposed dividend	1,302.15	1,302.15
Tax on proposed dividend	221.30	211.24
Total appropriations	1,917.57	1,855.74
Balance in the Statement of Profit and Loss	4,920.26	3,705.14
Foreign currency translation reserve	147.19	121.93
	7,775.93	5,792.35

4 Long-term borrowings

	(₹ In Crore)			
	Non-current portion		Current maturities	
	2013	2012	2013	2012
Unsecured				
Sales tax deferral liability/loan, an incentive under Package Scheme of Incentives 1983,1988 and 1993 - interest free, partially prepaid	71.27	97.48	17.17	27.55
	71.27	97.48	17.17	27.55
Amount disclosed under the head "other current liabilities" [See note 8]	-	-	(17.17)	(27.55)
	71.27	97.48	-	-

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

5 Other long-term liabilities

	(₹ In Crore)	
	2013	2012
Annuity payable to VRS optees	117.94	148.87
Trade payables	4.12	8.20
	122.06	157.07

6 Provisions

	(₹ In Crore)			
	Long-term		Short-term	
	2013	2012	2013	2012
Provision for employee benefits				
Provision for gratuity	130.64	108.62	–	–
Provision for compensated absences	–	–	47.51	40.09
Provision for welfare scheme	5.52	4.54	0.37	0.34
	136.16	113.16	47.88	40.43
Other provisions				
Provision for warranties	–	–	32.52	31.20
Provision for tax (net of tax paid in advance)	–	–	4.01	12.05
Proposed dividend	–	–	1,302.15	1,302.15
Tax on proposed dividend	–	–	221.30	211.24
Valuation losses on derivative hedging instruments	–	–	–	468.98
	–	–	1,559.98	2,025.62
	136.16	113.16	1,607.86	2,066.05

7 Short-term borrowings

	(₹ In Crore)	
	2013	2012
Other Loans		
Unsecured		
Short-term bank loan	27.14	25.44
	27.14	25.44

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

8 Current liabilities

	(₹ In Crore)	
	2013	2012
Trade payables		
Dues to micro and small enterprises	11.60	11.10
Other than dues to micro and small enterprises	1,970.29	1,957.34
	1,981.89	1,968.44
Other current liabilities		
Current maturities of long-term borrowings [See note 4]	17.17	27.55
Annuity payable to VRS optees	32.30	32.89
Advance against orders	200.91	279.00
Unclaimed matured fixed deposits and interest accrued thereon (₹ 23,000)		0.01
Investor Education Protection Fund (₹ 934 - previous year ₹ 2,323)		
Security deposits	15.15	10.80
Unclaimed dividend	8.57	6.08
Directors' remuneration and commission payable	21.84	19.47
Employee benefits payable	30.73	26.95
Taxes and duties payable	64.82	62.60
Other Payables	157.46	142.10
	548.95	607.45
	2,530.84	2,575.89

9 Fixed assets (tangible and intangible assets)

	Gross block			Depreciation				Net block		
	As at 31 Mar 12	Additions	Deductions/ adjustments	As at 31 Mar 13	As at 31 Mar 12	Deductions/ adjustments	For the year	As at 31 Mar 13	As at 31 Mar 13	As at 31 Mar 12
Tangible assets										
Land freehold	28.00	-	7.73	20.27	-	-	-	-	20.27	28.00
Land leasehold	56.97	-	0.66	56.31	-	-	-	-	56.31	56.97
Buildings	584.79	92.13	1.98	674.94	144.50	1.80	14.06	156.76	518.18	440.29
Waterpumps, reservoirs and mains	13.23	-	-	13.23	6.37	-	0.47	6.84	6.39	6.86
Plant and machinery	1,530.67	67.40	52.32	1,545.75	1,184.60	47.90	47.25	1,183.95	361.80	346.07
Dies and jigs	435.19	30.71	0.49	465.41	337.56	0.01	24.21	361.76	103.65	97.63
Electric installations	68.85	5.39	0.66	73.58	33.83	0.39	2.60	36.04	37.54	35.02
Factory equipments	249.89	27.29	0.47	276.71	108.79	0.47	11.69	120.01	156.70	141.10
Furniture	23.97	2.76	0.18	26.55	10.61	0.05	1.73	12.29	14.26	13.36
Office equipments	28.49	11.84	0.49	39.84	10.67	0.14	1.50	12.03	27.81	17.82
Electric fittings	21.60	1.28	0.09	22.79	8.42	0.01	0.86	9.27	13.52	13.18
Vehicles and aircraft	360.93	269.39	8.25	622.07	73.94	1.90	59.30	131.34	490.73	286.99
Total tangible assets	3,402.58	508.19	73.32	3,837.45	1,919.29	52.67	163.67	2,030.29	1,807.16	1,483.29
Previous year total	3,398.42	167.62	163.46	3,402.58	1,916.05	142.32	145.56	1,919.29	1,483.29	
Intangible assets										
Technical know-how	2.14	-	2.14	-	-	-	-	-	-	2.14
Previous year total	4.28	-	2.14	2.14	-	-	-	-	2.14	

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

10 Investments

	(₹ In Crore)			
	Non-current portion		Current maturities	
	2013	2012	2013	2012
In Investment property	65.37	63.62	–	–
In Government and trust securities	5.11	5.12	–	–
In Fully paid preference shares				
In Equity shares	–	–	–	–
Long term: associate company	847.19	608.82	–	–
Others	–	0.57	–	–
In Debentures and secured premium notes	133.16	567.65	388.37	148.53
In Bonds	1,173.76	2,021.84	672.21	353.29
In Mutual fund units	1,123.00	105.00	120.00	34.00
In Certificate of deposits	–	–	1,408.59	560.78
In Commercial paper	–	–	122.16	–
Purchase of equity option	–	3.56	–	–
	3,347.59	3,376.18	2,711.33	1,096.60

11 Loans and advances

(Unsecured, good, unless stated otherwise)

	(₹ In Crore)			
	Long-term		Short-term	
	2013	2012	2013	2012
Capital advances	119.97	331.38	–	–
Security deposits	26.78	29.48	–	–
Loan and advances to related parties	–	–	5.86	3.73
Advances recoverable in cash or kind				
Secured considered good	–	–	–	–
Unsecured considered good	47.66	46.43	66.89	72.77
Doubtful	3.71	3.47	–	–
	51.37	49.90	66.89	72.77
Provision for doubtful advances	3.71	3.47	–	–
	47.66	46.43	66.89	72.77
Other loans and advances				
VAT refund receivable	17.96	17.96	1,102.05	806.28
Excise duty rebate receivable on export	–	–	92.11	106.52
Advance income-tax (net of provision for tax)	229.26	153.90	0.24	0.96
Loans to former employees	–	3.44	3.44	11.31
Balances with Central Excise Department	21.53	19.07	42.55	26.30
	268.75	194.37	1,240.39	951.37
	463.16	601.66	1,313.14	1,027.87

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

12 Trade receivables

(Unsecured, considered good, unless stated otherwise)

	(₹ In Crore)			
	Non-current		Current	
	2013	2012	2013	2012
Outstanding for a period exceeding six months from the date they are due for payment				
Good	–	0.41	–	–
Doubtful	1.70	3.16	–	–
	1.70	3.57	–	–
Provision for doubtful receivable	1.70	3.16	–	–
	–	0.41	–	–
Others, Good	–	–	734.33	401.93
	–	0.41	734.33	401.93
Amount disclosed under the head “other non-current assets” [See note 13]	–	(0.41)	–	–
	–	–	734.33	401.93

13 Other assets

(Unsecured, good, unless stated otherwise)

	(₹ In Crore)			
	Non-current		Current	
	2013	2012	2013	2012
Long term trade receivables [See note 12]	–	0.41	–	–
Non-current bank balances [See note 15]	1.02	1.02	–	–
	1.02	1.43	–	–
Others				
Interest receivable on investments (previous year ₹ 5,247 - current)	–	–	13.52	–
Interest receivable on loans, deposits etc.	–	–	0.34	3.85
Export incentives receivable				
Unsecured considered good (₹ 29,243 - non-current)		–	182.50	291.74
Doubtful	5.90	9.46	–	–
	5.90	9.46	182.50	291.74
Provision for doubtful export incentives	5.90	9.46	–	–
	–	–	182.50	291.74
Valuation gains on derivative hedging instruments	–	–	15.96	–
	–	–	212.32	295.59
	1.02	1.43	212.32	295.59

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

14 Inventories

	(₹ In Crore)	
	2013	2012
Raw materials and components {includes in transit ₹ 21.42 crore (previous year: ₹ 24.79 crore)}	197.02	232.41
Work-in-progress	26.56	26.67
Finished goods		
Vehicles (manufactured)	255.20	287.76
Vehicles (traded)	1.51	–
Auto spare parts (manufactured)	11.97	17.26
Auto spare parts (traded)	126.13	122.03
Stores, spares and packing material	17.97	11.93
Loose tools	7.60	5.55
	643.96	703.61

Details of inventory

	(₹ In Crore)	
	2013	2012
Raw materials and components		
Ferrous metal	4.27	6.05
Non-ferrous metal	1.21	1.46
Components	169.27	199.87
Tyres and tubes	19.87	22.50
Others	2.40	2.53
	197.02	232.41
Work-in-progress		
Vehicles	–	0.75
Factory made components	26.56	25.92
	26.56	26.67
Finished goods		
Vehicles (manufactured)	255.20	287.76
Vehicles (traded)	1.51	–
Auto spare parts (manufactured)	11.97	17.26
Auto spare parts (traded)	126.13	122.03
	394.81	427.05

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

15 Cash and bank balances

	(₹ In Crore)			
	Non-current		Current	
	2013	2012	2013	2012
Cash and cash equivalents				
Balances with banks				
In current accounts	–	–	459.38	445.32
Cash on hand			0.14	0.08
Cash equivalents				
Certificate of Deposits with maturity of less than three months from date of acquisition	–	–	98.42	733.36
	–	–	557.94	1,178.76
Other bank balances				
Unclaimed dividend accounts	–	–	8.57	6.08
Deposits with residual maturity for less than 12 months	–	–	–	475.00
Deposits with residual maturity for more than 12 months	0.02	0.02	–	–
Margin money deposit	1.00	1.00	–	–
	1.02	1.02	8.57	481.08
Amount disclosed under non-current assets [See note 13]	(1.02)	(1.02)	–	–
	–	–	566.51	1,659.84

16 Revenue from operations

	(₹ In Crore)	
	2013	2012
Revenue from operations		
Sale of products	20,662.36	19,892.28
Less: Excise duty on sale of products	1,128.91	946.76
Net sales	19,533.45	18,945.52
Other operating revenue		
Scrap sales	54.11	57.51
Export incentives	416.75	564.24
Royalty	36.85	27.08
Technical know how fees	0.83	0.30
	508.54	649.13
	20,041.99	19,594.65

Details of products sold

	(₹ In Crore)	
	2013	2012
Sale of products		
Vehicles (manufactured)	18,964.70	18,490.48
Vehicles (traded)	1.30	–
Auto spare parts (manufactured)	213.61	193.00
Auto spare parts (traded)	1,482.75	1,208.80
	20,662.36	19,892.28

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

17 Other income

	(₹ In Crore)	
	<u>2013</u>	<u>2012</u>
Investment income:		
Interest income on		
Bank deposits	41.72	42.76
Long-term investments	259.07	275.56
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	(49.82)	(34.78)
Current investments	73.41	16.14
	<u>324.38</u>	<u>299.68</u>
Dividend income on		
Long-term investments	0.15	0.14
Profit on sale of investments, net*	48.23	33.09
	<u>372.76</u>	<u>332.91</u>
Others:		
Interest - others	49.37	23.50
Rent	9.91	3.44
Insurance claims	0.90	0.90
Miscellaneous receipts	34.40	27.57
Surplus on sale of assets	7.17	9.65
Sundry credit balances appropriated	1.15	0.57
Provision for doubtful debts and advances written back	5.15	1.86
Less: Write backs on account of amounts written off during the year, as per contra	4.57	1.60
	<u>0.58</u>	<u>0.26</u>
Provision no longer required	72.18	47.76
Valuation gains on derivative hedging instruments	131.92	–
Gains on exchange fluctuations	47.84	160.05
Gain on repayment of sales tax deferral loan/liability	68.95	–
	<u>424.37</u>	<u>273.70</u>
	<u>797.13</u>	<u>606.61</u>

* Including on current investments ₹ 38.10 crore (previous year ₹ 45.33 crore)

18 Cost of raw material and components consumed

	(₹ In Crore)	
	<u>2013</u>	<u>2012</u>
Ferrous metal	102.36	108.31
Non-ferrous metal	0.51	0.68
Components	12,713.42	12,610.07
Tyres and tubes	657.48	673.24
Others	62.66	62.36
	<u>13,536.43</u>	<u>13,454.66</u>

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

19 Purchase of traded goods

	(₹ In Crore)	
	2013	2012
Vehicles	2.79	–
Auto spare parts	861.97	757.01
	864.76	757.01

20 (Increase)/decrease in inventories

	(₹ In Crore)		
	2013	2012	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	26.56	26.67	0.11
Finished goods			
Vehicles (manufactured)	255.20	287.76	32.56
Vehicles (traded)	1.51	–	(1.51)
Auto spare parts (manufactured)	11.97	17.26	5.29
Auto spare parts (traded)	126.13	122.03	(4.10)
	421.37	453.72	32.35
Inventories at the beginning of the year			
Work-in-progress	26.67	26.20	(0.47)
Finished goods			
Vehicles (manufactured)	287.76	252.83	(34.93)
Vehicles (traded)	–	–	–
Auto spare parts (manufactured)	17.26	10.42	(6.84)
Auto spare parts (traded)	122.03	78.62	(43.41)
	453.72	368.07	(85.65)
	32.35	(85.65)	

21 Employee benefits expense

	(₹ In Crore)	
	2013	2012
Salaries, wages and bonus to employees	501.63	431.95
Remuneration to whole time directors	27.72	24.72
Contribution to provident and other funds	68.92	49.63
Staff welfare expenses	51.66	43.88
	649.93	550.18

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

22 Finance costs

	(₹ In Crore)	
	2013	2012
Interest expense	1.19	22.79
	1.19	22.79

23 Other expenses

	(₹ In Crore)	
	2013	2012
Stores and tools consumed	124.21	110.84
Power, fuel and water	121.57	102.09
Excise duty on increase/(decrease) in stocks of finished goods	6.27	12.33
Rent	11.77	13.46
Repairs to buildings	30.68	23.99
Repairs to machinery	95.59	73.77
Other repairs	4.51	5.11
Insurance	3.56	2.80
Rates and taxes	6.31	3.42
Payment to auditor	1.14	1.20
Directors' fees and travelling expenses	0.31	0.24
Commission to non executive directors	1.05	0.93
Travelling expenses	37.49	26.12
Miscellaneous expenses	164.96	181.73
Loss on derivative contracts on break in designation of hedge	69.22	-
Sales tax/VAT expenses	16.75	12.55
Packing material consumed	255.60	274.25
Freight and forwarding expenses	50.90	50.44
Advertisement	202.84	160.68
Vehicle service charges and other expenses	81.95	91.32
Commission and discount	44.52	37.56
Incentives and sales promotion	29.64	36.72
Donations	0.01	10.00
Bad debts and other irrecoverable debit balances written off	4.65	1.70
Less: Provisions made in earlier years in respect of amounts written off during the year, adjusted as per contra	4.57	1.60
	0.08	0.10
Loss on assets sold, demolished, discarded and scrapped	7.04	7.49
Provision for doubtful debts and advances	4.92	9.95
Amount amortised/written off against technical know-how	2.14	2.14
Amount written off against leasehold land	0.66	0.65
Loss on redemption of securities, net*	-	6.03
	1,375.69	1,257.91

* Including surplus on current investments ₹ Nil (previous year ₹ 1.23 crore)

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

24 Exceptional item

	(₹ In Crore)	
	2013	2012
Valuation losses on derivative hedging instruments	–	(134.00)
	–	(134.00)

25 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.

26 The accounting policies of the parent are best viewed in its independent financial statements, note 1. 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.

27 Consolidated contingent liability is same as contingent liability of standalone Bajaj Auto Ltd.

28 Consolidated capital commitments are same as capital commitments of standalone Bajaj Auto Ltd.

29 Consolidated related party transactions are same as related party transactions of standalone Bajaj Auto Ltd.

30 Deferred taxes

	(₹ In Crore)	
	2013	2012
Liabilities	271.65	206.34
Assets	189.96	196.93
Net	81.69	9.41

Notes to consolidated financial statements for the year ended 31 March 2013 (Contd.)

31 Additional financial information

Statement of additional financial information, directed to be disclosed as a condition put forth by the Ministry of Corporate Affairs for grant of exemption from the applicability of section 212(1) of the Companies Act, 1956, is given below:

Financial information of subsidiaries for the year ended 31 March 2013

	PT. Bajaj Auto Indonesia	Bajaj Auto International Holdings BV (Consolidated)
a) Paid up share capital	154.14	1,376.00
b) Share premium	-	-
Other reserves	(167.39)	20.92
c) Total assets	54.38	1,396.94
d) Total liabilities	54.38	1,396.94
e) Investments*	-	847.19
f) Turnover	84.19	-
g) Profit before tax	(23.84)	83.49
h) Provision for tax	5.86	-
i) Profit after tax	(29.70)	83.49
j) Proposed Dividend	-	-

Closing exchange rates

1 Euro = ₹ 69.4950

1 USD = Indonesian Rupiah 9719

1 USD = ₹ 54.2850

* For details of investments refer note 10

32 Previous year figures

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

33 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

Anish P Amin
Partner
Membership Number: 40451
Pune: 16 May 2013

J Sridhar
Company Secretary

Rahul Bajaj
Madhur Bajaj
Rajiv Bajaj

Sanjiv Bajaj
D S Mehta
Kantikumar R Podar
D J Balaji Rao
S H Khan
Suman Kirloskar

Chairman
Vice Chairman
Managing Director

Naresh Chandra
Nanoo Pamnani
Manish Kejriwal
P Murari
Niraj Bajaj
Shekhar Bajaj

}

Directors





Bajaj Auto Limited

Our Annual Report 2012-13

 **BAJAJ**
Distinctly Ahead

Bajaj Auto Limited
Akurdi Pune 411 035 India
www.bajajauto.com





BAJAJ

Bajaj Auto Limited

Regd. Office:

Bajaj Auto Limited Complex,
Mumbai-Pune Road,
Akurdi, Pune 411 035

NOTICE

Notice is hereby given that the sixth annual general meeting of the shareholders of Bajaj Auto Ltd. will be held on Friday, 19 July 2013 at 11.30 a m at the registered office of the Company at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi, Pune 411 035 to transact the following business:

- 1 To consider and adopt the audited Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss for the year ended 31 March 2013 and the directors' and auditors' reports thereon.
- 2 To declare a dividend.
- 3 To appoint a director in place of J N Godrej, who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To appoint a director in place of S H Khan, who retires by rotation and being eligible, offers himself for re-appointment.
- 5 To appoint a director in place of Suman Kirloskar, who retires by rotation and being eligible, offers herself for re-appointment.
- 6 To appoint a director in place of Naresh Chandra, who retires by rotation and being eligible, offers himself for re-appointment.
- 7 To appoint auditors of the Company for the period commencing from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to fix their remuneration.

By order of the Board of Directors
for Bajaj Auto Ltd.

A handwritten signature in black ink, appearing to read 'J Sridhar'.

J Sridhar
Company Secretary
Date : 16 May 2013

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2 Brief details of the directors, who are being re-appointed are annexed hereto as per requirements of clause 49 of the listing agreement.
- 3 The register of members and share transfer books of the Company will remain closed from Saturday, 6 July 2013 to Friday, 19 July 2013, both days inclusive.
- 4 Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 23 July 2013 to 25 July 2013 :
 - 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 end-of-the-day on Friday, 5 July 2013, and
 - b) to all those shareholders holding shares in physical form after giving effect to all the valid share transfers lodged with the Company before the closing hours on Friday, 5 July 2013.
- 5 Members holding shares in physical form are advised to furnish, on or before 5 July 2013, particulars of their bank account, if changed, to the share transfer agent (i.e. Karvy Computershare Pvt. Ltd.) of the Company to incorporate the same in the dividend warrants/payment instruments. In cases where the payments to the shareholders holding shares in dematerialised form are made by dividend warrants/payment instruments, particulars of bank account registered with their depository participants will be considered by the Company for printing the same on the dividend warrants/payment instruments.
- 6 Shareholders, holding shares in physical form, are requested to notify change of address, if any, to the share transfer agent (i.e. Karvy Computershare Pvt. Ltd.) of the Company, preferably along with their bank/National Electronic Clearing Service (NECS) details on or before 5 July 2013. Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc. to their respective depository participants and make sure that such changes are recorded by them correctly on or before 5 July 2013.

Dividend will be preferably paid through NECS, wherever the facility is available. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the shareholders. In cases where the dividends cannot be paid through NECS, the same will be paid by account payee/not negotiable instruments.
- 7 The Company has been maintaining, inter alia, the following statutory registers at its registered office at Akurdi, Pune, which are open for inspection of members and others as prescribed in the respective sections of the Companies Act, 1956 as specified below :
 - i) Register of contracts with companies and firms in which directors are interested under section 301 of the Companies Act, 1956 on all working days during business hours.
 - ii) Register of directors' shareholdings under section 307 of the Companies Act, 1956 on all working days during business hours during the period beginning fourteen days before the date of annual general meeting and ending three days after the date of its conclusion.
- 8 Corporate members are requested to send in advance duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend and vote at the annual general meeting.
- 9 Members/Proxies are requested to bring their attendance slips along with the copies of annual reports to the meeting.
- 10 For security reasons, no article/baggage will be allowed at the venue of the meeting.
- 11 To receive faster communication of all shareholder communications, including annual reports, the shareholders are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, shareholders are advised to register their e-mail address with Karvy Computershare Pvt. Ltd., Hyderabad.

ANNEXURE TO THE NOTICE

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

Item No. 3 of the Notice

J N Godrej

As regards reappointment of J N Godrej referred to in item no. 3 of the notice, following necessary disclosures are made for the information of the shareholders:

Brief profile of J N Godrej is given below :

Jamshyd N Godrej (b. January 24, 1949) is the Chairman and Managing Director of the Board of Godrej and Boyce Manufacturing Company Ltd. He graduated in Mechanical Engineering from Illinois Institute of Technology, USA.

He is the Chairman Emeritus of Aspen Institute India. He is the Trustee and President Emeritus of World Wide Fund for Nature - India. He is the Chairperson of the Board of Directors of Shakti Sustainable Energy Foundation and Chairman of India Resources Trust. He is a Director of World Resources Institute, USA; Director of Climate Works Foundation, USA and Director of Global Footprint Network, USA. He is also a Trustee of the Global Board of the Asia Society, USA. He is a member of the Toyota Motor Asia Pacific Regional Advisory Committee. He is the Past President of Confederation of Indian Industry and also the Past President of the Indian Machine Tool Manufacturers' Association.

He is also on the Board of several Private Companies and Public Companies, both listed and unlisted.

He is the Chairman of the CII Sohrabji Godrej Green Business Centre. The Centre is housed in a LEED Platinum demonstration building which is the first green building in India and was the greenest building in the world at the time when it was rated. The Green Business Centre is a Centre of Excellence for green buildings, energy efficiency, energy conservation, non-conventional energy sources, water policy, water conservation, etc.

Godrej and Boyce Mfg. Co. Ltd. manufactures and markets refrigerators; washing machines; air conditioners; office furniture; home furniture; security equipment for banks (such as safes, strong room doors, bank lockers, etc.) and for commercial establishments and homes; locks and latches, forklift trucks and warehousing equipment; process equipment for chemical, petrochemical, refineries and allied industries; precision tools for sheet metal, zinc, aluminium; real estate development.

The Godrej group are leaders in home appliances, consumer durables, office equipment, industrial products, consumer products and services.

J N Godrej is an ardent yachting enthusiast and has done extensive cruising along the west coast of India, the Baltic and North Sea, the Atlantic Ocean and in the Mediterranean Sea.

The President of India conferred on J N Godrej the "Padma Bhushan" on 3 April 2003.

Chairmanships

Geometric Ltd.

Godrej and Boyce Mfg. Company Ltd. - Chairman and Managing Director

Major Directorships

Godrej Agrovvet Ltd.

Godrej Consumer Products Ltd.

Godrej Industries Ltd.

Godrej Properties Ltd.

Haldia Petrochemicals Ltd.

Committee positions

Geometric Ltd.

Godrej Consumer Products Ltd.

Shareholding in the Company

Nil

The Board commends the resolution for your approval.

None of the directors, except J N Godrej is concerned or interested in the said resolution.

Item No. 4 of the Notice

S H Khan

As regards reappointment of S H Khan referred to in item No 4 of the notice, following necessary disclosures are made for the information of the shareholders :

Brief profile of S H Khan is given below :

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. He is an alumnus of International Management Development Institute, Lausanne.

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 about five years. During his tenure as Chairman, IDBI recorded impressive growth in its operations and profits. He was instrumental in expanding its activities into several new areas like merchant banking, commercial banking, asset management and stock broking. He was also involved in the promotion of certain important institutions like National Stock Exchange of India, National Securities Depository Ltd. and Credit Analysis and Research Ltd. and served as their non-executive Chairman for several 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, Indian Airlines and Air India. Currently, he serves as an Independent Director on the Boards of several Indian companies, including ITC Ltd, Bajaj Auto Ltd. and Infrastructure Development Finance Company Ltd.

Major Directorships

Bajaj Allianz General Insurance Company Ltd.

Bajaj Allianz Life Insurance Company Ltd.

Bajaj Finserv Ltd.

Bajaj Holdings & Investment Ltd.

Infrastructure Development Finance Company Ltd.

ITC Ltd.

Committee positions

Bajaj Allianz General Insurance Company Ltd.

Bajaj Allianz Life Insurance Company Ltd.

Bajaj Finserv Ltd.

Bajaj Holdings & Investment Ltd.

Infrastructure Development Finance Company Ltd.

Shareholding in the Company

Nil

The Board commends the resolution for your approval.

None of the directors, except S H Khan is concerned or interested in the said resolution.

Item No. 5 of the Notice

Suman Kirloskar

As regards reappointment of Suman Kirloskar referred to in item No 5 of the notice, following necessary disclosures are made for the information of the shareholders :

Brief profile of Suman Kirloskar is given below :

Suman Kirloskar (b.April 22, 1935) is a science graduate.

A well-known social worker, Ms Kirloskar is actively involved in the welfare of women and children and associated with Shrivatsa (an institution working for adoption), Mahila Seva Mandal (a rescue home for women and their children), Empress Garden as a Trustee and the Society of Friends of the Sassoon Hospital (SOFOSH), which works for the welfare of the patients of Sassoon General Hospital as Chairperson.

Chairperson

Mahila Udyog Ltd.

Society of Friends of the Sassoon Hospital (SOFOSH)

Committee positions

Nil

Shareholding in the Company

Nil

The Board commends the resolution for your approval.

None of the directors, except Suman Kirloskar is concerned or interested in the said resolution.

Item No. 6 of the Notice

Naresh Chandra

As regards reappointment of Naresh Chandra referred to in item No 6 of the notice, following necessary disclosures are made for the information of the shareholders :

Brief profile of Naresh Chandra is given below :

Naresh Chandra (b.August 1, 1934) is a post-graduate in mathematics and alumnus of the prestigious Allahabad University, where he also had a brief stint at teaching. A former career civil servant, he has had a long innings in the Indian Administrative Service (IAS) from May 1956.

He 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 and Kashmir; and successively Secretary to the crucial Ministries of Water Resources, Defence, Home and Justice in the Indian Government. In December 1990, he became the 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. He has been the Indian Co-chairman of the US-Technology Transfer Working Group in 1980-81. Following the economic liberalisation programme in India, he led the first official delegation to the US in 1992 to promote US investments in India. Ambassador Chandra chaired the Committee on Corporate Governance and also the Committee on Private Companies and Limited Companies Partnerships

in 2002-03. 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.

He was awarded Padma Vibhushan, a high civilian award by the President of India in 2007.

Major Directorships:

Avtec Ltd.

Bajaj Finserv Ltd.

Bajaj Holdings & Investment Ltd.

Balrampur Chini Mills Ltd.

Cairn India Ltd.

Electrosteel Castings Ltd.

Eros International Media Ltd.

Gammon Infrastructure Projects Ltd.

Hindustan Motors Ltd.

Vedanta Resources plc, London

Committee positions

Bajaj Finserv Ltd.

Bajaj Holdings & Investment Ltd.

Cairn India Ltd.

Electrosteel Castings Ltd.

Eros International Media Ltd.

Gammon Infrastructure Projects Ltd.

Hindustan Motors Ltd.

Shareholding in the Company

Nil

The Board commends the resolution for your approval.

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

By order of the Board of Directors
for Bajaj Auto Ltd.



J Sridhar
Company Secretary
Date: 16 May 2013



Bajaj Auto Limited
 Regd. Office:
 Bajaj Auto Limited Complex,
 Mumbai-Pune Road,
 Akurdi, Pune 411 035

PROXY

I/We of
 in the district ofbeing member/s of
 BAJAJ AUTO LTD. hereby appoint.....of
 in the district of or failing him.....
 of.....in the district of.....
 as my/our proxy to vote for me/us on my/our behalf at the sixth annual general meeting of the Company to be held
 on Friday, 19 July 2013 at 11.30 a.m. and any adjournment thereof.

Signed this day of.....2013.

Folio No.
DP ID No.
Client ID No.



Signature.....

NOTE:

The proxy duly completed must be deposited at the registered office of the Company not less than 48 hours before the time of holding the meeting.

Members who have multiple folios/demat accounts with different joint-holders may use copies of this proxy form.



Bajaj Auto Limited
 Regd. Office:
 Bajaj Auto Limited Complex,
 Mumbai-Pune Road,
 Akurdi, Pune 411 035

ATTENDANCE SLIP

(To be filled in and handed over at the entrance of the meeting hall)

I hereby record my presence at the SIXTH ANNUAL GENERAL MEETING of the Company on Friday, 19 July 2013 at 11.30 a.m. at the registered office of the Company at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi, Pune- 411035.

Folio No or Client ID and DP ID No.....

Full Name of the * Shareholder/proxy
 (in block letters)

Signature of *Shareholder/proxy

*Strike out whichever is not applicable

NOTE: Members who have multiple folios/demat accounts with different joint-holders may use copies of this attendance slip.