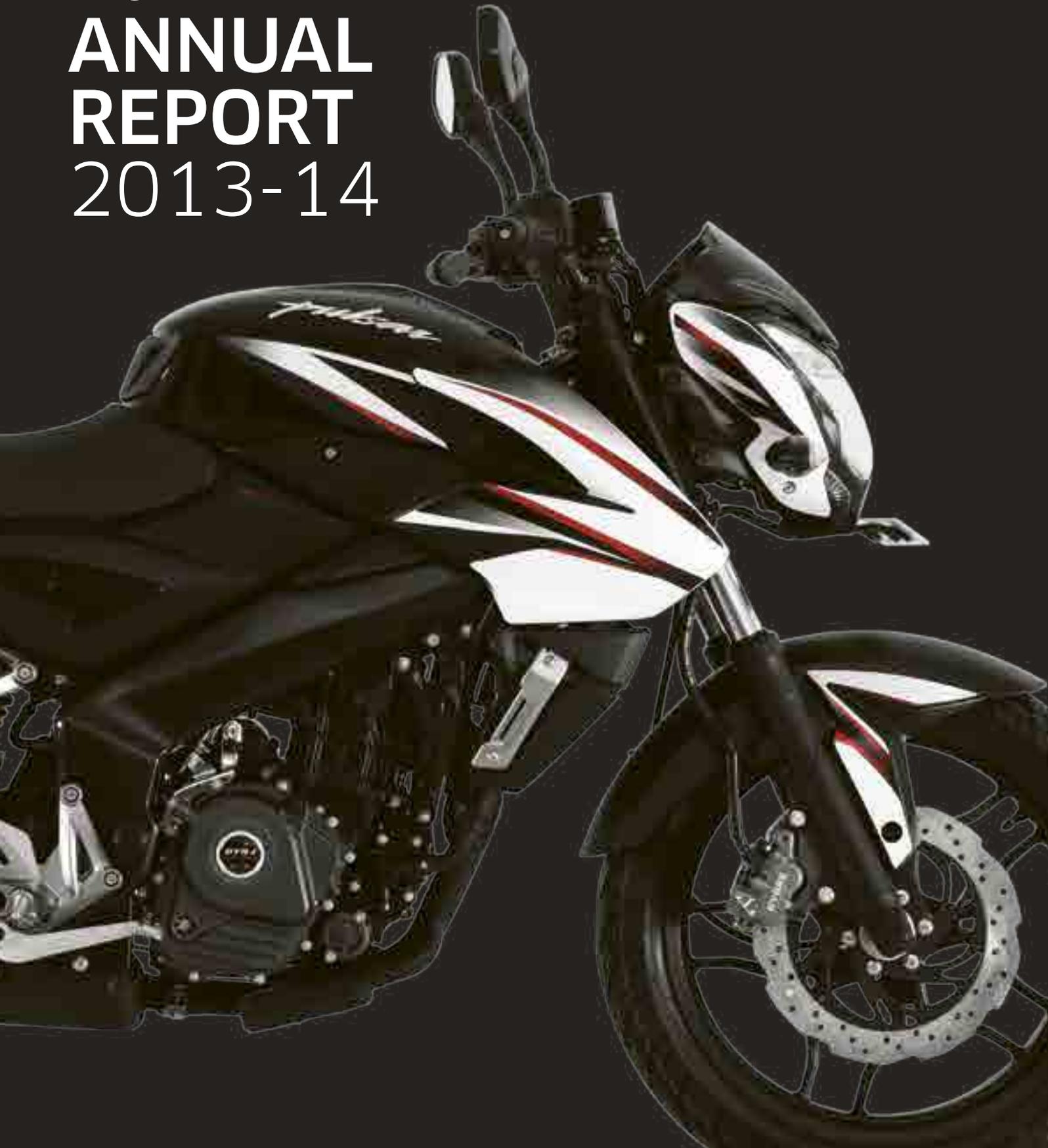




Bajaj Auto Limited

Since 1945

7th ANNUAL REPORT 2013-14





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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 (Motorcycle Business)

Kevin D'sa
President (Finance)

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

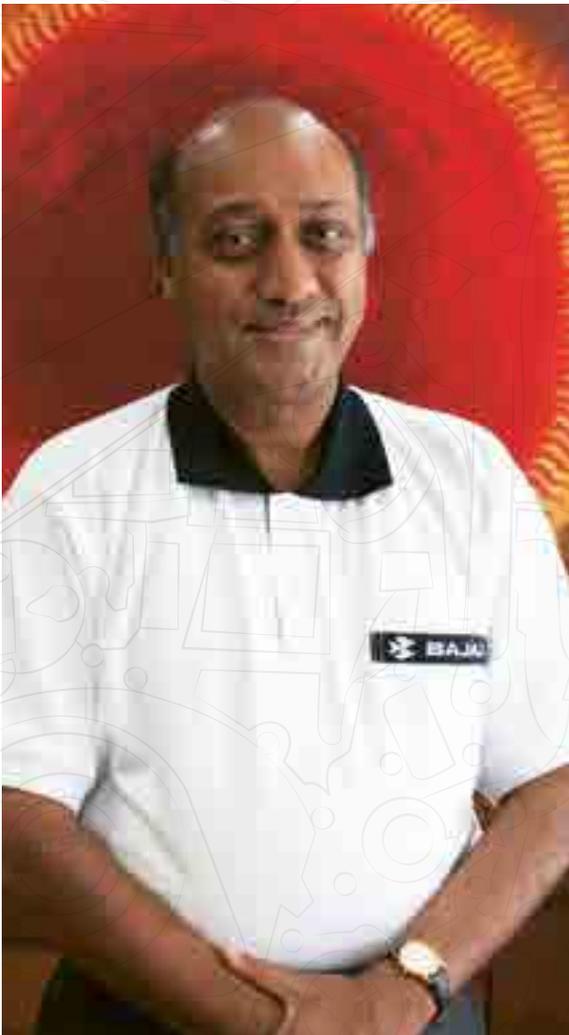
Mumbai-Pune Road
Akurdi, Pune 411 035

CIN: L65993PN2007PLC130076

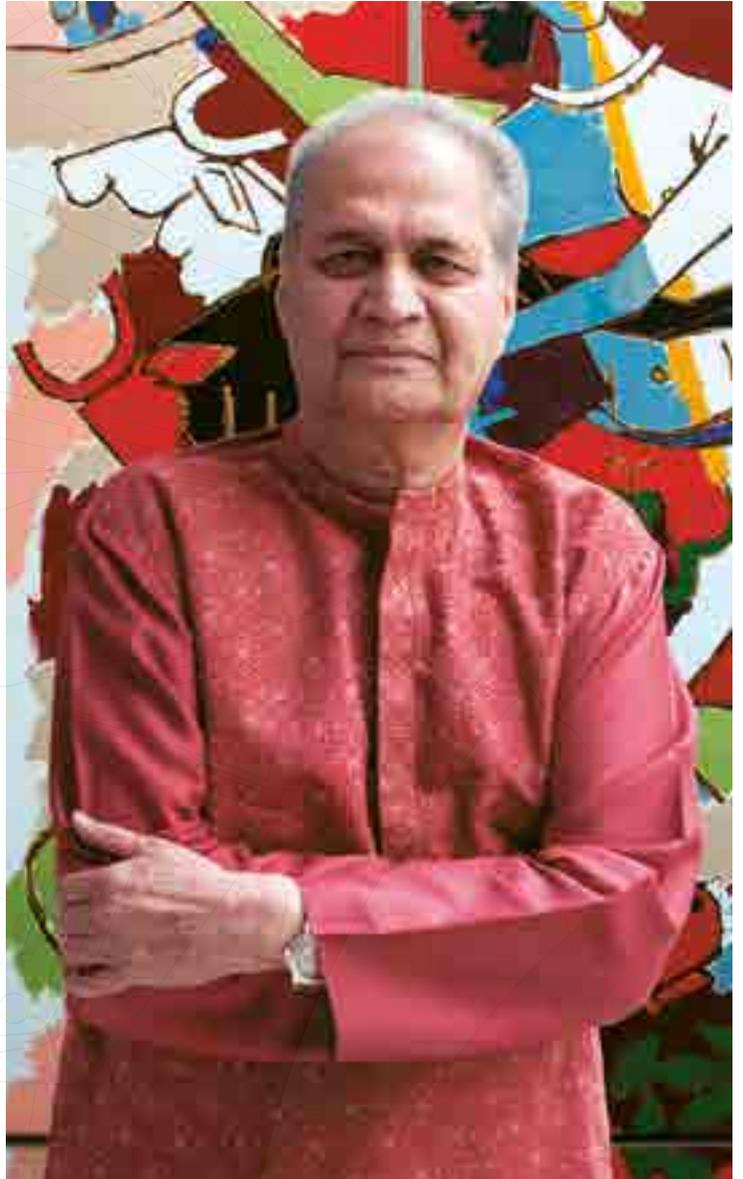
Works

- 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

pulsar



Madhur Bajaj
Vice Chairman



Rahul Bajaj
Chairman

Management Team



Eric Vas
President
(Motorcycle Business)

Rakesh Sharma
President
(International Business)

Abraham Joseph
Chief Technology Officer

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President
(Business Development
and Assurance)

R C Maheshwari
President (Commercial
Vehicle Business)



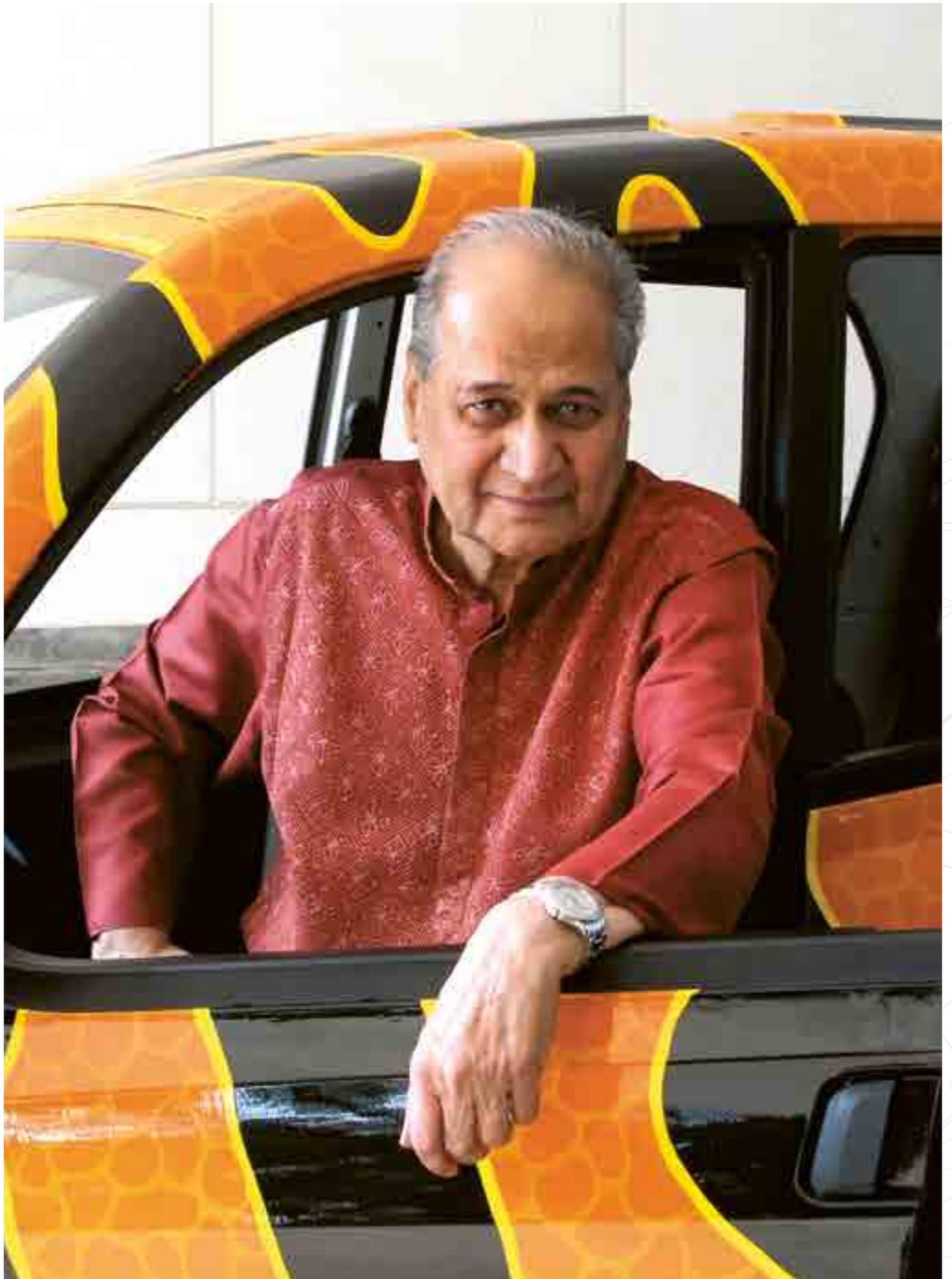
Rajiv Bajaj
Managing Director

C P Tripathi
Advisor (CSR)

Amrut Rath
Senior Vice President
(Human Resources)

Pradeep Shrivastava
Chief Operating Officer

Kevin D'sa
President (Finance)



Chairman's Letter

Dear Shareholder,

Last year, I shared with you my concerns about India's gloomy economic landscape in the course of 2012-13 and, looking forward to 2013-14, had written, "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."

Regrettably, desired growth has not occurred in the year under review. In 2012-13, the country achieved real GDP growth of just 4.5%. In an environment of widespread inactivity, risk aversion and non-governance – where critical economic and infrastructure decisions were kept in abeyance for one reason or the other – there was little chance of any significant improvement in the investment cycle and, thus, the growth rate. Hence, April-June 2013 saw real GDP growth of 4.4% compared with the same quarter of the previous year; July-September 2013 was marginally better at 4.8%, but wholly insufficient to boost the next take-off; and October-December 2013 was 4.7%. The Central Statistical Organisation's forecasted growth for 2013-14 is 4.9%. Personally, I am not so sure that even this growth is possible, for it assumes over 5.5% growth in the fourth quarter of the fiscal year, i.e. for January-March 2014. However, even if it were to occur, the fact is that India's GDP will have grown by less than 5% for two consecutive years. Surely, we deserve better.

Yet, there are rays of hope. In the recently held national elections, the Bharatiya Janata Party (BJP) has alone won a majority of Lok Sabha seats. Along with BJP's partners, the National Democratic Alliance (NDA) has secured in the lower house of Parliament a total of 336 seats. The new Prime Minister, Mr. Narendra Modi, has a clear bias in favour of growth and economic development; and a proven record of doing so over three consecutive terms as the chief minister of Gujarat. There is a sense of optimism in the air and, like many in industry and in the corporate world, I hope that the new national government of Mr. Modi and his cabinet colleagues, will focus on removing all impediments to growth and thus allow the corporate sector to regain its entrepreneurial 'animal spirits' that had all but disappeared in the last few years under the Congress-led United Progressive Alliance (UPA).

It will be a difficult task and much needs to be done, especially in the first six months to a year of governance to demonstrate definitive growth intent. I wish Mr. Modi and his team well but with a warning: many believed that when the UPA-II government was formed in 2009 with a stronger mandate and without the drag-down presence of the communist parties, there would be a burst of much needed reforms. As we know, these did not occur. The new NDA government must, therefore, ensure that this is not another false dawn. India cannot afford that mistake yet again.

It is time now to focus on your Company's performance during 2013-14. Let me first give the headline numbers and then share some of my thoughts.

- It was a very difficult market. Consequently, net sales and other operating income was flat at ₹ 20,348 crore.
- Sales in volume terms reduced by 8.7%, with Bajaj Auto selling 3.87 million units compared to 4.24 million units in the previous year. This is a cause of concern and I shall dwell upon it in this letter.
- Exports rose by 2.4% – 1.58 million units in 2013-14 versus 1.55 million units last year. In terms of revenue, however, depreciation of the Indian rupee helped in lifting exports by 22.1% to ₹ 8,199 crore.

- At ₹ 4,305 crore in 2013-14, your Company's operating EBITDA was 7.8% higher than the previous year. The operating EBITDA margin was 21.2% of net sales and other operating income, which was 1.6 percentage points higher than in 2012-13. It is by far the highest margin in our industry.
- Profit before tax (PBT) grew by 8.6% to ₹ 4,632 crore.
- Profit after tax (PAT) was up by 6.6% at ₹ 3,243 crore.

This brings me to an observation regarding your Company's performance. At one level, one can but only applaud an organisation that responds to a very challenging environment by delivering the Company's highest EBITDA; a significantly industry-leading EBITDA margin; and all time high PBT and PAT.

At another level, however, we need to ask why should Bajaj Auto have a flat growth in the top line? Or why should your Company, with its outstanding offerings of motorcycles, lose 4 percentage points of domestic market share – to 20% in 2013-14?

I have shared this thought with Mr. Rajiv Bajaj, your Company's Managing Director, who leads a performance driven team. As the CEO, he will I am sure take a decision which is in the best long-term interests of your Company.

On my part, I wish to look forward to rapidly growing domestic sales as well as exports. Simply put, any time on the streets, I should see Pulsars, Discovers, Platinas and KTM Dukes zipping by, let aside the three-wheelers which, in any case, dominate the market. And, coming from where I do, Bajaj scooters. That's what I mean by Hamara Bajaj.

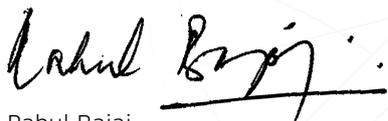
With the new national government at the helm, I also believe that we will again see a period of economic optimism and growth. I envisage an environment where we will return to consumer confidence who will make the purchases that had been held back over the last few years. With that, I look forward to a much needed rise in demand for motorcycles.

I have huge faith in the capability of Bajaj Auto's Management. If it could produce superior EBITDA margins in a challenging year, it is best placed in the industry to deliver higher sales and a greater market share when the headwinds disappear – as I expect they will under the new national government.

Penultimately, I wish to congratulate Mr. Rajiv Bajaj for winning NDTV's Business Leader of the Year Award, 2013 as well as that of CNN-IBN. His team and he have delivered performance through good and bad years. These awards recognised the superior merits of the team that he leads.

Finally, as always, my thanks to our employees, dealers, vendors and customers who make us what we are. And to you for the support that you show.

With warm regards,



Rahul Bajaj
Chairman

18 May 2014



**Management
Discussion
and Analysis**

2012-13 was a difficult year for the automotive industry. Unfortunately, 2013-14 (FY2014) also continued to be poor. In the backdrop of sub-5% real GDP growth for the second year in succession – which has been the worst economic performance of this country in a long time – the domestic market for motorcycles grew by only 3.9%, which was a far cry from over 20% growth witnessed in FY2010 and FY2011, and even 11.9% growth in FY2012.

Despite such headwinds, FY2014 saw Bajaj Auto Ltd. achieve its highest ever operating earnings before interest, tax, depreciation and amortisation (EBITDA), profit before tax (PBT) and profit after tax (PAT).

Bajaj Auto's Performance Highlights for FY2014

- In an extremely challenging year for the industry, net sales and other operating income was flat at ₹ 20,348 crore.
- Volume of exports increased by 2.4% to 1.58 million units. The value of exports grew by 22.1% to an all time high of ₹ 8,199 crore.
- Operating EBITDA increased by 7.8% to ₹ 4,305 crore. The operating EBITDA margin was at 21.2% of net sales and other operating income – 1.6 percentage points above that of the previous year, and by far the highest in the industry.
- Profit before tax (PBT) grew by 8.6% to ₹ 4,632 crore.
- Profit after tax (PAT) grew by 6.6% to ₹ 3,243 crore.
- Surplus cash and cash equivalents as on 31 March 2014, was ₹ 7,759 crore.

These results yet again demonstrate that Bajaj Auto ranks among the world's most profitable automobile companies.



Chart A shows the two-wheeler industry's sales (Domestic + Exports) over the last seven fiscal years. Charts B and C illustrate Bajaj Auto's performance over the same years.

Chart A shows the slackening of growth for motorcycles. In India, after growing at over 20% in FY2010 and FY2011, it fell to 11.9% in FY2012 and then plummeted to -0.1% in FY2013. Although there has been a slight increase in growth to 3.9% in FY2014, this has occurred not because of the introduction of superior products but significant sales promotion and pushing of excess stocks. Incidentally, since FY2000, this was the third worst year for the motorcycle industry as a whole.



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

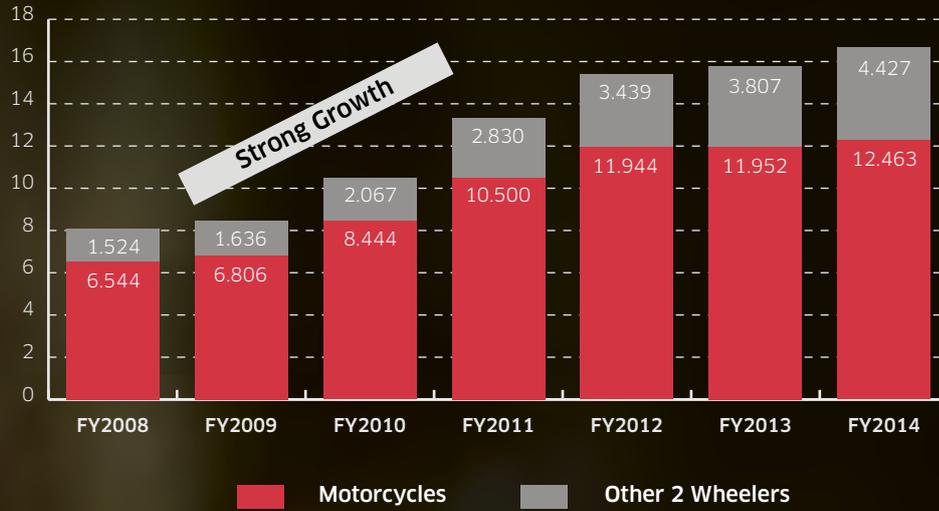


Chart B: Net Sales and Operating Income, Net Operating Profit and PAT

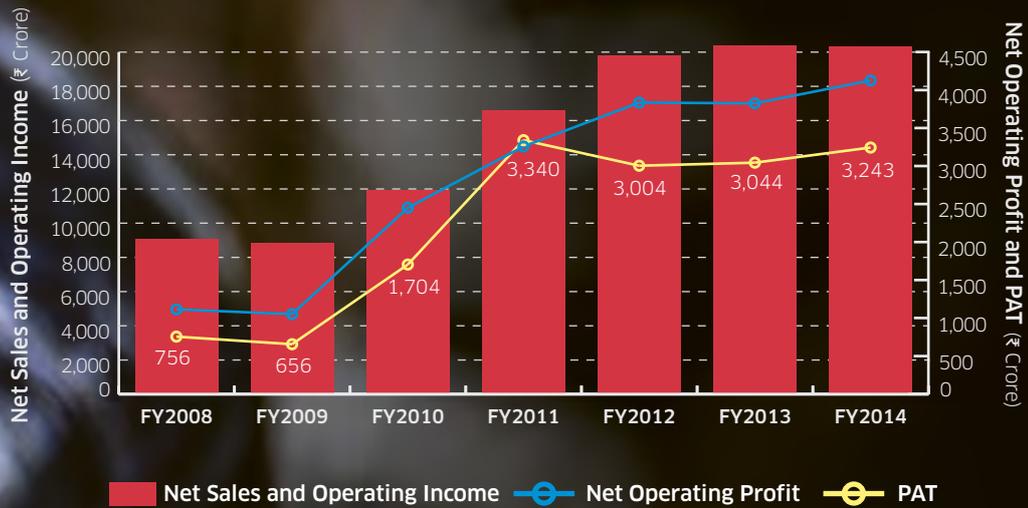


Chart C: EBITDA and EBITDA %



In such an environment, Bajaj Auto decided to optimise on manufacturing costs and productivity but, by and large, hold on to its price points. Thus, while our domestic motorcycle sales by units de-grew by 14.8% and total motorcycle sales including exports de-grew by 8.9%, we still produced all-time high results in terms of EBITDA, PBT and PAT.

Motorcycles

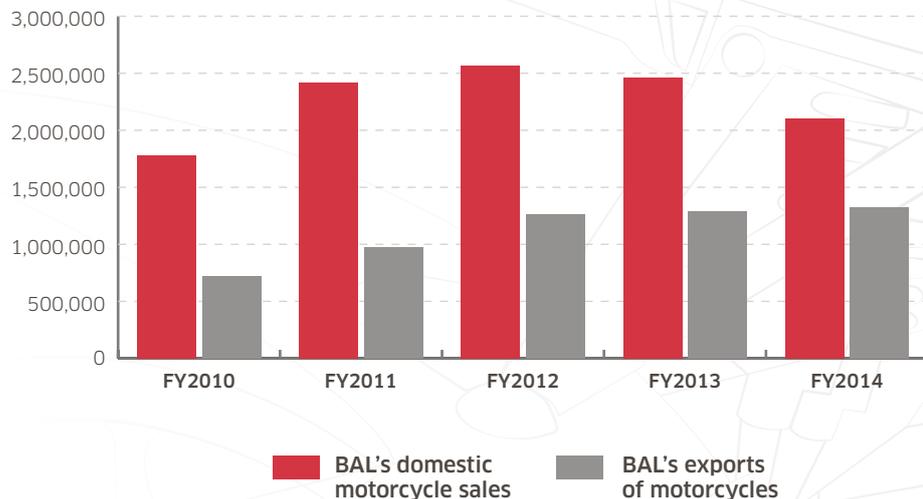
Table 1 gives the data of Bajaj Auto's sale of motorcycles, both domestic and exports. Chart D plots the data.

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

Year ended 31 March	Domestic sales for the industry	Domestic sales growth	Bajaj Auto's domestic sales	Bajaj Auto's domestic sales growth	Bajaj Auto's domestic market share	Exports for the industry	Bajaj Auto's exports of motorcycles	Bajaj Auto's share of exports
2010	7,341,139	25.8%	1,781,768	39.6%	24.3%	1,103,104	725,023	65.7%
2011	9,019,090	22.9%	2,414,606	35.5%	26.8%	1,480,983	972,437	65.7%
2012	10,096,062	11.9%	2,566,757	6.3%	25.4%	1,847,517	1,267,648	68.6%
2013	10,085,586	-0.1%	2,463,874	-4.0%	24.4%	1,866,549	1,293,231	69.3%
2014	10,479,817	3.9%	2,099,230	-14.8%	20.0%	1,982,755	1,323,173	66.7%

Source: SIAM and Company data. Note: Industry refers to the sale (or exports) of all motorcycle manufacturers in India.

Chart D: Bajaj Auto's Motorcycle sales, domestic and exports (in nos.)



In FY2014, Bajaj Auto sold over 3.42 million motorcycles in India and abroad. It sold almost 2.1 million motorcycles in India which, however, was 14.8% less than in the previous year. Part of the reason was a difficult market. However, it is equally true that there were some headwinds in the Discover, which affected sales in the country's large 'Commuter' segment. These problems have been identified and are being addressed. We, therefore, expect to perform better in this segment in the coming year.

On the export front, the Company did well. Exports of motorcycles in FY2014 increased by 2.3% to 1.32 million motorcycles and the products captured significant market shares in key geographies – which is discussed later in this chapter.

Within India, Bajaj Auto continued to lead in the upper end. It sold 667,000 motorcycles in the 'Performance' segment in FY2013 and maintained a domestic market share of 46%. Here, the Company's key brand is the Pulsar, now in its 12th year and ubiquitous on Indian roads. In May 2012, the Pulsar 200 NS was launched. It redefined the sports motorcycle segment in India in terms of performance, style and technology.

During FY2014, the Company sold 649,000 motorcycles in the 'Performance' segment in India and exported another 245,000 units. At the upper end of the Pulsar segment – comprising Pulsar 200 NS and Pulsar 220 – the sales were: 74,000 motorcycles in India and 81,000 motorcycles in the export markets.

It may be recalled that Bajaj Auto launched the KTM Duke 200 in January 2012, which was retailed in major towns and cities through exclusive KTM showrooms. With its powerful four-stroke single-cylinder engine with injection, six-speed transmission and low fuel consumption, the KTM Duke 200 has created a niche for itself. In FY2014, another model was introduced – the KTM Duke 390 with ABS. With its trademark orange frame and alloy wheels, the KTMs have become a rage among the young in urban India. This year, the Company sold over 11,000 KTMs in India, which is a solid achievement given that these are high end, high priced bikes. More significantly, over 24,000 KTMs were exported.

Once a marginal entity, the Avenger has now caught the fancy of urban Indians who want to ride cruisers. In FY2014, Bajaj Auto sold almost 41,000 Avengers and the demand keeps increasing within an urban niche.

The Discover family found over 985,000 buyers within India and another 191,000 customers abroad.

The Platina, a well-engineered, fuel efficient entry level product for the lower end of the 'Commuter' segment sold almost 460,000 units in India and more than 43,000 units abroad. And the Boxer as well as CT 100, which are made for the export markets, found almost 834,000 customers in different parts of the world. Incidentally, Boxer is the No.1 brand in Africa among all competitors.

Commercial Vehicles - Three-Wheelers

Bajaj Auto is the world's largest three-wheeler manufacturer. The Company's performance in the three-wheeler segment is synopsised in Table 2.

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

Particulars	Total Sales			Domestic Sales			Exports		
	FY2012	FY2013	FY2014	FY2012	FY2013	FY2014	FY2012	FY2013	FY2014
Industry sales	876,127	841,379	833,026	513,251	538,291	479,634	362,876	303,088	353,392
Bajaj Auto sales	515,155	480,057	447,674	202,979	226,131	186,912	312,176	253,926	260,762
Bajaj Auto market share	58.8%	57.1%	53.7%	39.5%	42.0%	39.0%	86.0%	83.8%	73.8%

The domestic industry as a whole, comprising four major participants and countless small local players, saw domestic sales for three-wheelers in FY2014 falling by 10.9% over the previous year – thanks to an unstable political environment across many states and a marked reluctance of road transport authorities to issue fresh permits. In this environment, Bajaj Auto's sales declined by 17% to 186,912 units. Consequently, the Company's domestic market share in three-wheelers reduced from 42% in FY2013 to 39% in FY2014.





pulsar
NS200

There were some solid performances in an otherwise difficult year. Bajaj Auto's three-wheelers maintained a strong performance in the petrol and alternate fuel markets with a domestic share of 84%. It also maintained its dominance of the small diesel market with a market share of 68%. Moreover, Bajaj Auto's market share in the large diesel segment increased from 12% in FY2013 to 16% in FY2014.

The Company launched a number of new product variants focusing on best mileage, lowest maintenance, competitive pricing. These were:

- The RE Compact in petrol, CNG, LPG and diesel options, for the small vehicle markets.
- The RE Optima in CNG, LPG and diesel options, pitched for the large as well as small vehicle markets.
- The RE Maxima in diesel, for the large vehicle markets.



The Company's export performance in three-wheelers was better. It sold 260,762 vehicles in FY2014 – representing a 2.7% growth in exports. It continues to be India's largest exporter of three-wheelers and, in volume terms, accounts for 73.8% of such exports from the country. This growth in exports is a good development given that it has come on the back of a major compression witnessed in the previous year.

At the time of writing this chapter, there have been some positive developments for this sector. Maharashtra has issued fresh three-wheeler permits for around 80,000 units. The Company expects other large states such as Delhi and Andhra Pradesh to follow suit.

More significantly, after two years of intense discussion and debates, the Ministry of Road Transport and Highways has approved the inclusion of a new category of vehicles, the Quadricycles. This opens the way for Bajaj Auto to enter into a new segment.

International Business

Bajaj Auto is India's No.1 exporter of motorcycles and three-wheelers. It exports to some 60 countries and enjoys the No.1 or No.2 position in 17 of them. During FY2014, exports accounted for 41.6% of the Company's net sales.

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

In units	FY2013	FY2014	Growth
Motorcycles	1,293,231	1,323,173	2.3%
Three-wheelers	253,926	260,762	2.7%
Total numbers	1,547,157	1,583,935	2.4%
Exports in USD (million)	1,309	1,330	1.6%

In motorcycles, exports showed a volume growth of 2.3% to close at 1.32 million units. There were strong market share improvements across South Asia, the Middle East, Latin America and Africa.

Both, Discover and Pulsar continued to gain market share in key markets like Colombia, Central America, Egypt, Sri Lanka and Bangladesh. Boxer continued to hold market share in Africa and, in many cases, gained at the expense of Chinese brands to further strengthen its leadership position in markets such as East Africa and Nigeria. A new product, the Boxer 150, was successfully launched across various markets. Considerable emphasis was on entering new markets such as Argentina, Turkey, Ghana, Afghanistan, Lebanon, Guinea, Togo, Mali, Burkina Faso and Liberia.

Chart E plots the growth of exports of the Company, while Chart F gives a sense of the composition of exports across major geographies for FY2014.

Chart E: Bajaj Auto's Export Performance

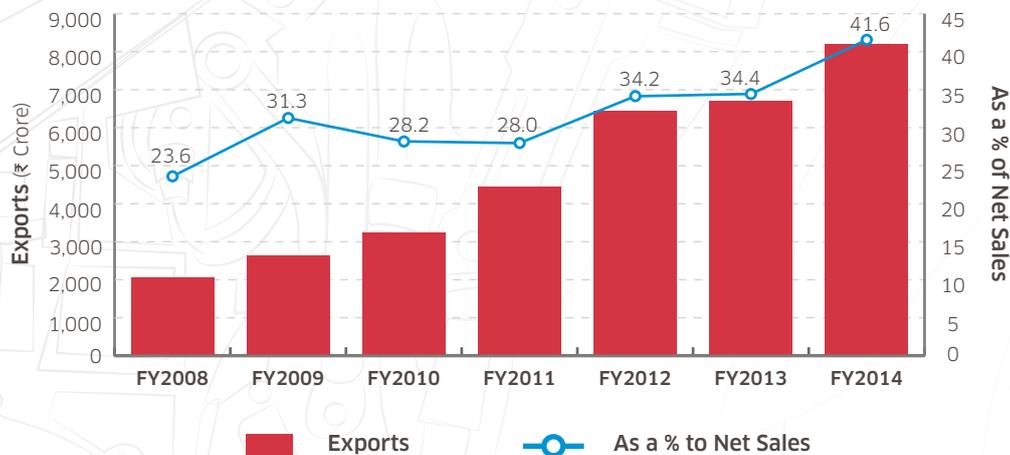
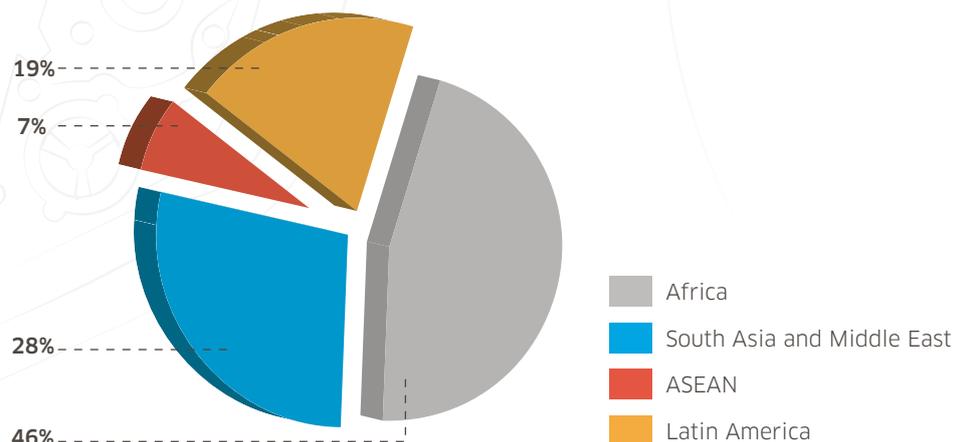


Chart F: Geographical Spread of Exports (in numbers)



R&D: New Products

Discover 100 M

The Discover 100 M is the new entry level Discover and exemplifies core values of performance blended with great fuel economy. It has been designed to complement the styling aspects creating an appeal for customers.

The Discover 100 M is powered by a high performance four-valve air cooled 100 cc DTSi engine, with a four-speed gear box suitably synchronised to the power characteristics of the engine. It has best-in-class fuel efficiency. Its relatively compact size has enhanced the handling character of the vehicle. Discover 100 M uses Nitrox twin shock absorbers for great ride comfort. Careful engineering of the product has resulted in offering a very attractive price to the customer.



Discover 125 M

The Discover 125 M is the quintessential Discover 125. Built on the compact M platform, it is a great blend of performance and affordability. This engine provides for a powerful drive while maintaining high fuel efficiency for which the Discover brand is known. With a four-speed gear box suitably mated to the power characteristics of the engine, Discover 125 M's agile handling chassis and suspension make it an ideal city bike.



Pulsar 200 NS

After the successful launch of Pulsar 200 NS in May 2012, this model has been well received in markets like Colombia. In FY2014, it was launched in Indonesia under the joint brand of Kawasaki Bajaj. The bike has been well received. New colour, decals and graphics have been introduced on the 200 NS to make look even more exciting.



KTM Duke 390 with ABS

The joint venture between KTM and Bajaj Auto saw yet another successful launch in the form of the KTM Duke 390. With its trademark orange frame and alloy wheels typical to KTM, the bike lives upto the 'Ready to Race' tag of the KTM brand. It is selling very well in export markets as well as in India.



TRISCOOT





Discover
125 M

Three-wheelers: RE

All variants of the RE range of three-wheelers – comprising the small, medium and large platforms and covering petrol, gaseous and diesel engines – have been put through a complete upgrade. These have been updated with much better driver comfort through revised ergonomics, smart looks, improved engine performance and revised gear ratios leading to excellent drivability and upto 15% improvement in fuel economy. Moreover, the DTSi technology has been employed in the spark ignited engine versions, while a five-speed gear box has been deployed in the diesel engine versions.



Operations and Productivity

Bajaj Auto's manufacturing plants at Waluj, Chakan and Pantnagar have focused on improving key management indices through implementation of the TPM philosophy. All plants started TPM Phase 3 activities for better alignment between the 'Back End' and 'Front End'. All plants have focused on improving flexibility in operations to meet market dynamics. Efforts have continued to control various costs, such as raw material, conversion, packing material and logistics cost. These have significantly contributed in improving the EBITDA margin.

A new initiative called 'Lean on Investment' was launched in-house as well as with suppliers to minimise investments for capacity augmentation. This resulted in reducing the investment needed by ₹ 78 crore both in-house and across the supply chain.

In FY2014, the Waluj plant, which is the export hub of Bajaj Auto produced 1.81 million motorcycles (with 1.13 million export) and 0.45 million of three-wheelers (with 0.26 million exports). The Pantnagar plant produced 0.93 million motorcycles. And the Chakan plant, having core competencies in manufacturing high end sports bikes, produced 0.69 million vehicles.

As a part of sustainable development initiatives, significant reduction in energy consumption has been achieved through loss reduction, effective operation controls and technological up-gradations. Both Waluj and Chakan have implemented rain water harvesting and ground water recharging and are now certified as 'Water Positive'. The Waluj plant was awarded by National Energy Management of the Confederation of Indian Industry (CII), as an 'Excellent Energy Efficient Unit'.

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

Table 4: Plant-wise capacities (in numbers) and product range

Plant	FY2014 As on 31 March 2014		Product Range
Waluj	Motorcycles	2,100,000	Boxer, Platina, Discover, Pulsar and three-wheelers
	Three-wheelers	600,000	
	RE 60	60,000	
Waluj subtotal		2,760,000	
Chakan		1,200,000	Pulsar, Avenger, Ninja and KTM
Pantnagar		1,800,000	Platina and Discover
Grand total		5,760,000	

As on 31 March 2014, the employee strength stood at 9,119 persons.

Subsidiary

Bajaj Auto International Holdings BV (BAIH BV)

Bajaj Auto International Holdings BV is a 100% Netherlands based subsidiary of Bajaj Auto Ltd. Over the years, through this subsidiary, Bajaj Auto has invested a total of €198.1 million (₹ 1,219 crore) and holds approximately 48% stake in KTM AG of Austria (KTM), Europe's second largest sport motorcycle manufacturer.

Calendar year 2013 has been a record year for KTM, with highest sales in units and highest turnover in the history of the company. It sold 123,859 motorcycles, a growth of 15.6% and achieved a turnover of €716.4 million, a growth of 17.1%. Profit after tax was at €36.5 million (₹ 301 crore), a growth of 44.3%.

Proportionate profit of €17.5 million (₹ 145 crore) has been accounted in the consolidated results of Bajaj Auto Ltd.

In its annual general meeting for the calendar year 2013, held on 24 April 2014, for the year 2013, KTM AG has declared a dividend of €1.00 per share, compared to €0.70 per share for the year 2012. BAIH BV is entitled to receive €5.2 million as its share of dividend.

During the year, Bajaj Auto manufactured 36,047 units of KTM Duke in its Chakan plant. 11,050 units were sold through the Pro-Biking network in India and 24,016 units were exported to KTM/KTM distributors.

KTM is listed in the Second Regulated Market of the Vienna Stock Exchange and its market capitalisation as on 31 March 2014 was €818 million.

Financials

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

Table 5: Summarised Profit and Loss statement

Particulars	(₹ In Crore)	
	FY2013	FY2014
Operations		
Sales	20,618	20,727
Less: Excise duty	1,129	1,009
Net Sales	19,489	19,718
Other operating income	862	630
Total operating income	20,351	20,348
Cost of materials consumed, net of expenses capitalised	14,344	13,812
	70.5%	67.9%
Stores and tools	124	125
	0.6%	0.6%
Employee cost	639	726
	3.1%	3.6%
Factory and administrative expenses	585	636
	2.9%	3.1%
Sales and after sales expenses	666	744
	3.3%	3.6%
Total expenses	16,358	16,043
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,993	4,305
	19.6%	21.2%
Interest	1	1
Depreciation and amortisation	167	179
Operating profit	3,825	4,125
	18.8%	20.3%
Non-operating income	373	428
Less: Non-operating expenses	1	1
Non-operating income, net	372	427
Surplus on pre-payment of sales tax deferral liability/loan	69	80
Profit before tax	4,266	4,632
Tax expense	1,222	1,389
Profit after tax	3,044	3,243

Bajaj Auto has a lean and tightly controlled cost structure. As Table 5 shows, fixed cost forms a small part of its operating income. Consequently, its operating profit at 20.3% is well above any other automobile company in the country.

Return on operating capital employed stood at 157%.

Surplus cash and cash equivalents as on 31 March 2014 stood at ₹ 7,759 crore versus ₹ 5,706 crore as on 31 March 2013. 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

Particulars	₹ In Crore)	
	FY2013	FY2014
Segment revenue		
Automotive	20,466	20,439
Investments	373	396
Unallocable	-	5
Total	20,839	20,840
Segment results		
Profit from each segment before tax		
Automotive	3,990	4,401
Investments	372	395
Unallocable	-	5
Total	4,362	4,801
Less: Interest	1	1
Profit before tax	4,361	4,800
Profit after tax	3,133	3,380

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.



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CS400

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 2013-14. 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.

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

Board of Directors

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

Composition

As on 31 March 2014, the Board of Bajaj Auto consisted of sixteen directors, of whom three directors were executive. Nine out of thirteen non-executive directors were independent and one of them was a woman director.

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

Non-executive directors of the Company are being paid, in addition to the sitting fee of ₹ 20,000 per meeting for every meeting of the Board and its Committees, commission at the rate of ₹ 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 2013-14 in consideration of the extra services rendered by him at the request of the Management during the year 2013-14.

The meeting of the Board held on 28 March 2014 approved revision in the sitting fees payable to the directors as ₹ 100,000 per meeting of the Board and its Committees attended by the non-executive directors as members, to be effective from 1 April 2014 or from the effective date of the Rules in this regard, whichever is later.

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

Board procedures

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

Attendance record of directors

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

Name of director	Category	Meetings attended	Whether attended last AGM
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	4/6	Yes
D J Balaji Rao	Non-executive, independent	5/6	Yes
J N Godrej	Non-executive, independent	4/6	Yes
S H Khan	Non-executive, independent	5/6	Yes
Ms Suman Kirloskar	Non-executive, independent	5/6	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	5/6	Yes
Niraj Bajaj	Non-executive	6/6	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 2014

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	9	1	0	10
Nanoo Pamnani	4	0	5	2
Manish Kejriwal	3	0	0	3
P Murari	8	3	3	5
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 2013-14. 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 2013-14, the Audit Committee met four times: 16 May 2013, 19 July 2013, 16 October 2013 and 16 January 2014. The meetings were scheduled well in advance. In addition to the members of the Audit Committee, these meetings were attended by the heads of finance and internal audit functions, the statutory auditors and cost auditors of the Company and those executives who were considered necessary for providing inputs to the Committee. The Company Secretary acted as the secretary to the Audit Committee.

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 2013-14

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 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.

Table 4: Composition of the Remuneration and Nomination Committee and attendance record of members for 2013-14

Name of director	Category	Meetings attended
D J Balaji Rao - Chairman	Non-executive, independent	3/3
S H Khan	Non-executive, independent	2/3
Naresh Chandra	Non-executive, independent	3/3
Rahul Bajaj	Executive	3/3

During the year, the Committee met thrice on 16 May 2013, 16 October 2013 and 28 March 2014. 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.

On 28 March 2014, all the members of this Committee except S H Khan attended this meeting and the Committee, inter alia, recommended for consideration of the Board the following:-

- i) appointment of independent directors for a period of 5 years w.e.f. 1 April 2014 under the Companies Act, 2013;
- ii) change of status of non-retiring directors, viz. Madhur Bajaj, Sanjiv Bajaj and Manish Kejriwal to that of retiring directors;
- iii) constitution of Corporate Social Responsibility (CSR) Committee and fixing of its terms of reference;
- iv) re-appointment of retiring directors, viz. Madhur Bajaj and Sanjiv Bajaj at the ensuing annual general meeting.

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 2014, amounted to ₹0.74 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 ₹0.03 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 ₹18.17 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 2013-14, the Company did not advance any loans to any of the executive and/or non-executive directors. Table 5 gives details of the remuneration paid or payable to directors during 2013-14.

Table 5: Remuneration paid/payable to directors for 2013-14

(Amount In ₹)

Name of director	Relationship with other directors	Sitting fees	Salary and perquisites	Commission	Total
Rahul Bajaj	Father of Rajiv Bajaj and Sanjiv Bajaj, father-in-law of Manish Kejriwal	-	44,763,345	67,500,000	112,263,345
Madhur Bajaj	Brother of Shekhar Bajaj and Niraj Bajaj	-	32,309,351	51,300,000	83,609,351
Rajiv Bajaj	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	-	76,671,642	106,920,000	183,591,642
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	80,000	-	400,000	480,000
D J Balaji Rao	-	260,000	-	1,300,000	1,560,000
J N Godrej	-	80,000	-	400,000	480,000
S H Khan	-	220,000	-	1,100,000	1,320,000
Ms Suman Kirloskar	-	100,000	-	500,000	600,000
Naresh Chandra	-	280,000	-	1,400,000	1,680,000
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	-	100,000	-	500,000	600,000
Niraj Bajaj	Brother of Madhur Bajaj and Shekhar Bajaj	120,000	-	600,000	720,000

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 6: Shares held by non-executive directors

Name of director	Number of shares held as on 31 March 2014
Shekhar Bajaj	421,760
Niraj Bajaj	2,109,476
Sanjiv Bajaj	800,448
Manish Kejriwal	200
D S Mehta	9,980

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 section 152(6)(a) of the Companies Act, 2013, not less than two-thirds of the total number of directors shall be directors liable to retire by rotation and under section 152(6) 'total number of directors' for this purpose shall not include 'independent directors' as appointed under section 149 of the Companies Act, 2013.

These sections and the rules thereunder being notified by the Ministry of Corporate Affairs on 26 March 2014 to come into effect from 1 April 2014, apply to the position of directors who retire by rotation at the ensuing annual general meeting.

In view of the above, the Board at its meeting held on 28 March 2014 resolved to change the status of Madhur Bajaj, Sanjiv Bajaj and Manish Kejriwal, the current non-retiring directors as directors retiring by rotation. The Board also resolved at the same meeting that Rahul Bajaj and Rajiv Bajaj would continue as the non-retiring directors in the Company.

Accordingly, 5 of the 7 directors (excluding independent directors) of the Company as on 31 March 2014 are directors, liable to retire by rotation. This year, the retiring directors are Madhur Bajaj and Sanjiv Bajaj who being eligible, have offered their candidature for re-appointment and whose candidatures have been recommended by the Remuneration and Nomination Committee for approval by the Board, which in turn has recommended the same for approval by the shareholders.

Brief profiles of Madhur Bajaj and Sanjiv Bajaj, the retiring directors have been given in the Notice being issued to the shareholders convening the seventh annual general meeting of the Company. More details on this subject have been furnished in the Directors' Report.

Communication to shareholders

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

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 during the year under review sent documents, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form at the email addresses provided by the shareholders and made available to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued 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:

4th AGM	14 July 2011	at 11.30 a.m.
5th AGM	18 July 2012	at 11.30 a.m.
6th AGM	19 July 2013	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 sixth annual general meeting held on 19 July 2013, no special resolution was passed.

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.

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 2014:

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 28 March 2014 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 2013-14.

Auditors' certificate on corporate governance

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





Compliance of mandatory and non-mandatory requirements under clause 49

Mandatory

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

Non-mandatory

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

1. The Board

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 shareholder.

4. Audit qualifications

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

5. Whistle blower policy

The Company 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	17 July 2014
Time	12.15 p.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 ₹ 50 per equity share (500 per cent) for the financial year 2013-14, subject to approval by the shareholders at the annual general meeting. Dividend paid in the previous year was ₹ 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, 5 July 2014 to Thursday 17 July 2014, both days inclusive.

Date of dividend payment

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

- to all those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the end-of-the-day on Friday, 4 July 2014; and
- to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company on or before the closing hours on Friday, 4 July 2014.

Payment of dividend

Dividend will be paid by account payee/non-negotiable instruments or through the National Electronic Clearing Service (NECS), as notified by the SEBI through the stock exchanges. In view of the significant advantages and the convenience, the Company will 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 2006-07 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 <http://www.iepf.gov.in/IEPF/services.html> and subsequently also upload the data on the website of the Company. During the year under review, the Company filed the necessary forms on 16 September 2013 for the financial year ended 31 March 2013. The details of unclaimed dividends for the past years FY2007-08 to 2011-12 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 due to transfer/transmission/deletion of name/s etc. in physical category during 2013-14 was 250,288.

Dematerialisation/rematerialisation of shares

Total number of shares dematerialised during 2013-14 was 590,512.

Total number of shares rematerialised during 2013-14 was 4,450.

Distribution of shares as on 31 March 2014 is given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2014		Position as on 31 March 2013		Net change during 2013-14	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	17,513,665	6.05	18,099,727	6.25	-586,062	-0.20
Demat:						
NSDL	266,692,077	92.16	266,339,456	92.04	352,621	0.12
CDSL	5,161,278	1.79	4,927,837	1.71	233,441	0.08
Sub Total	271,853,355	93.95	271,267,293	93.75	586,062	0.20
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)	INE917101010
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. BSE Ltd. Mumbai	1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001
2. National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, Bandra - Kurla Complex Bandra (E), Mumbai 400 051

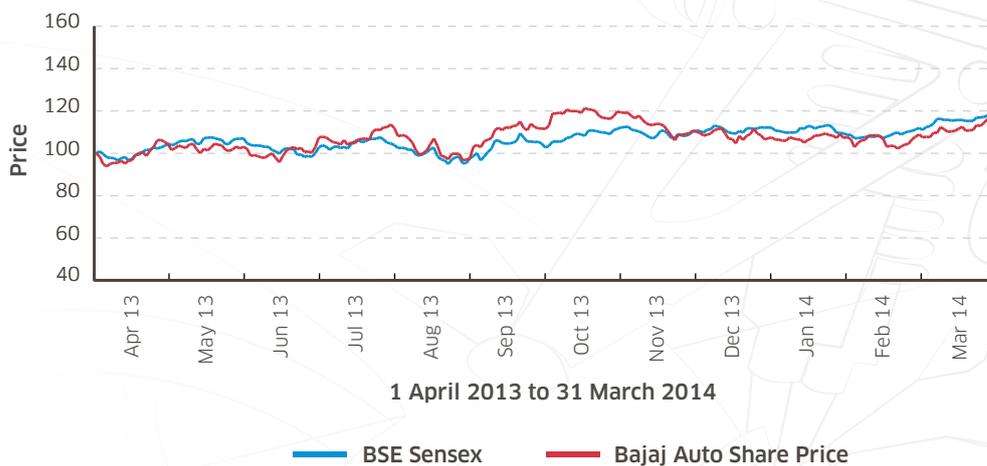
During 2013-14, the listing fees payable to these stock exchanges have been paid in full.

Market price data

Table 2: Monthly highs and lows of Bajaj Auto Ltd. share price (₹) during 2013-14 vis-à-vis BSE Sensex

Month	BSE		NSE		Closing BSE Sensex
	High	Low	High	Low	
Apr 13	1,933.90	1,657.50	1,934.00	1,656.00	19,504.18
May 13	1,910.00	1,753.50	1,899.00	1,753.05	19,760.30
Jun 13	1,927.70	1,695.00	1,940.00	1,695.00	19,395.81
Jul 13	2,054.20	1,839.20	2,050.00	1,838.25	19,345.70
Aug 13	1,964.00	1,683.35	1,966.20	1,680.05	18,619.72
Sep 13	2,063.40	1,818.05	2,062.45	1,818.00	19,379.77
Oct 13	2,193.85	1,983.55	2,195.00	1,981.80	21,164.52
Nov 13	2,149.90	1,884.00	2,150.00	1,884.00	20,791.93
Dec 13	2,013.00	1,861.15	2,014.10	1,857.05	21,170.68
Jan 14	1,967.40	1,868.00	1,968.00	1,864.95	20,513.85
Feb 14	1,958.00	1,796.00	1,959.45	1,793.20	21,120.12
Mar 14	2,097.00	1,885.35	2,100.00	1,885.05	22,386.27

Bajaj Auto Ltd. Vs BSE Sensex, indexed to 100 on 1 April 2013



Distribution of shareholdings

Table 3 gives details about the pattern of shareholdings among various categories as on 31 March 2014 and 31 March 2013, while Table 3A gives the data according to size classes as on 31 March 2014.

Table 3: Distribution of shareholding across categories as on 31 March 2014

Categories	31 March 2014		31 March 2013	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	144,733,132	50.02	144,733,132	50.02
Friends and associates of promoters	28,496,164	9.85	28,894,158	9.99
GDRs*	60,044	0.02	66,196	0.02
Foreign Institutional Investors	54,010,575	18.67	52,671,870	18.20
Public Financial Institutions	13,241,012	4.57	9,850,458	3.40
Mutual Funds	1,732,339	0.60	4,033,153	1.39
Nationalised and other banks	154,810	0.05	222,080	0.08
NRIs and OCBS	980,292	0.34	992,342	0.34
Others	45,958,652	15.88	47,903,631	16.56
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 2014

No. of shares	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	65,412	90.66	3,652,418	1.26
501 to 1000	2,264	3.15	1,668,763	0.58
1001 to 2000	1,436	1.99	2,100,153	0.73
2001 to 3000	686	0.95	1,721,343	0.59
3001 to 4000	383	0.53	1,344,296	0.46
4001 to 5000	276	0.38	1,260,992	0.44
5001 to 10000	659	0.91	4,813,542	1.66
10001 and above	1,033	1.43	272,805,513	94.28
Total	72,149	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 18 complaints filed by the shareholders on various matters. In respect of each of these complaints, replies were sent to SEBI/ROC/Stock Exchanges/Investors 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, 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 2013-14 is as follows:

Sr.No.	Particulars	No. of shareholders	Outstanding shares
i.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 April 2013	148	44,375
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	6	4,400
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	6	4,400
iv.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 March 2014	142	39,975

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.

Voting through electronic means

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

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

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

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

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

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

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)



**READY
TO »
RACE**



KTM

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

Directors' Report

Introduction

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

The highlights are as under:

Units in Numbers	FY2014	FY2013
Two-wheelers	3,422,403	3,757,105
Three-wheelers	447,674	480,057
Total	3,870,077	4,237,162
Of which Exports	1,583,935	1,547,157

Financials

Particulars	₹ In Crore)	
	FY2014	FY2013
Total revenue	20,855.92	20,792.74
Gross profit before finance costs, depreciation and amortisation	4,812.15	4,433.54
Finance costs	0.49	0.54
Depreciation and amortisation	179.61	166.77
Profit before tax	4,632.05	4,266.23
Tax expense	1,390.10	1,222.66
Profit after tax	3,241.95	3,043.57
Tax credits pertaining to earlier year	1.37	-
Profit for the year	3,243.32	3,043.57
Add: Balance brought forward from previous year	4,920.26	3,705.14
Profit available for appropriation	8,163.58	6,748.71
Transfer to General reserve	325.00	305.00
Proposed dividend (inclusive of dividend tax)	1,692.73	1,523.45
Provision of dividend tax for previous year written back	-4.60	-
Balance carried to Balance Sheet	6,150.45	4,920.26
Earnings per share (₹)	112.1	105.2

Dividend

The directors recommend for consideration of the shareholders at the ensuing annual general meeting, payment of a dividend of ₹ 50 per share, (500 per cent) for the year ended 31 March 2014. The amount of dividend and the tax thereon aggregate to ₹ 1,692.73 crore.

Dividend paid for the year ended 31 March 2013 was ₹ 45 per share (450 per cent). The amount of dividend and the tax thereon aggregated to ₹ 1,523.45 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 5.76 million units per annum. The Company plans to increase the installed capacity to around 6 million units per annum by March 2015.

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 the second half of the current year.

Research and Development and technology absorption

A) Products

Pulsar 200 NS

After the successful launch of Pulsar 200 NS in May 2012, this model has been well received in markets like Colombia. During the year under review, it was launched in Indonesia under the joint brand of Kawasaki Bajaj. The bike has been well received. New colour and graphics have been introduced on the 200 NS to make it even more exciting.

Discover 125 M

The Discover 125 M is the quintessential 125. Built on the compact M platform, it is a great blend of performance and affordability. This engine develops class leading performance of 11.5 Ps power and 1.12 Kg-m of torque, for a powerful drive, while maintaining the high fuel efficiency for which Discover brand is known for. The vehicle has a four-speed gear box suitably mated to the power characteristics of the engine. The agile handling chassis and suspension make this an ideal city bike.

Discover 100 M

The Discover 100 M is the new entry level Discover. It exemplifies the core values of high performance blended with great fuel economy. This product has been designed to complement the styling aspects of the ST and T series, which have created good appeal for the customers. The vehicle is powered by a high performance four-valve air cooled 100 cc DTSi engine, delivering 9.5 Ps and Torque of 0.92 Kg-m, with a four-speed gear box suitably mated to the power characteristics of the engine. It has the best in class fuel efficiency. The careful engineering of the product has resulted in very attractive price to the customer.

KTM Duke 390 with ABS

This joint venture between KTM and Bajaj saw yet another successful launch in the form of Duke 390. With the trademark Orange frame and alloy wheels typical to KTM, the bike lives upto the 'Ready to Race' tag of KTM brand exceptionally well.

RE

All variants of our RE range of three-wheeler products comprising small, medium and large platforms and covering gasoline, gaseous and diesel engines have been put through a complete upgrade. These products have been updated with much better driver comfort through revised ergonomics, smart looks, improved engine performance and revised gear ratios leading to excellent drivability and upto 15% improvement in fuel economy.

DTSi technology has also been employed in the spark ignited engine versions, while five-speed gear box has been deployed in the diesel engine versions.

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. In the year under review, we have expanded our manpower by about 6%.

Facilities: R&D continued to enhance its design, computing, prototype manufacturing 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 two and four wheelers. The prototyping facilities were also augmented to enable building of the prototypes of these vehicles.

C) Technology

- 1) Anti Lock Braking system was introduced on KTM Duke 390. Through this model, the domestic and export markets got the chance to experience the confidence and safety of ABS, while applying the brakes on this high performance bike. Customers and media alike were impressed by this feature and its performance.
- 2) Technologies like Fuel Injection, five speed gear box, Multi valves, DTSi and light weighting have been employed on the RE60 to achieve excellent fuel economy, while at the same time provide great drivability and comfort to the driver and passengers. The product meets among other things the 400 kg weight limit prescribed in the European regulations for such category.

D) Outgo

The expenditure on research and development during 2013-14 and in the previous year was:

Particulars	(₹ In Crore)	
	FY2014	FY2013
i. Capital (including technical know-how)	87.11	109.19
ii. Recurring	189.68	129.40
Total	276.79	238.59
iii. Total research and development expenditure as a percentage of sales, net of excise duty	1.40 %	1.22%

Conservation of energy

Company has always been a forerunner in conservation of energy and natural resources. Some of the important steps taken during the year under review are listed below:-

A) Electrical energy

- Installing and running variable speed NIRVAN screw air compressors at compressor houses.
- Use of air pressure boosters for high pressure application in paint shops/robots.
- Installation of energy efficient pumps/motors, equipments, air dryers, exhaust blowers, axial fans.
- Installation of chillers with scroll compressor in paint shop.
- Use of heat pump for water heating for washing machine.
- Arresting compressed air leakages through audits and countermeasures.
- Installation of soft start valve for machine to prevent air leakages.
- Reduction in frequency of ASU and exhaust blowers of paint shop during break hours.
- Use of transparent sheet in shops in place of shop lights (total 810 nos.).
- Separate AHU ducts for both V/A conveyors.
- Use of LED/CFLs for street lighting/shop lightings/office.
- Auto Shut Off - hydraulic, coolant, conveyor motors, fume extractors in motorcycle shop.

B) Water

- Elimination of water cooling for compressed air.
- Reuse of treated water for process, installation of RO plant.
- Replacement of water cooled dryers of compressor with air cooled dryers.
- Replace rusty underground hydrant and raw water pipe line with above ground level pipe line to arrest water leakage.
- Use of auto closed water taps for controlled consumption of water at wash basin.
- Usage of bio-cake for urinals and/or waterless urinals.
- Modification of water distribution line by gravity from main storage tank to different shops at Pantnagar.
- Rain water harvesting.

C) LPG/Propane

- Thermal imaging/audit for ovens in paint shop and countermeasure for heat loss areas identification.
- Installation and commissioning of PNG gas supply at Chakan and Pantnagar.
- Optimising start up time of top coat ovens.
- Provision of air curtains at oven exit to reduce heat loss.
- Installation of low temperature chemical in tank cell.

D) Utilisation of renewable energy - key initiatives

- Installation of natural light transparent roof sheets.
- Installation of light pipes.
- Use of solar electrical energy.

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	
	FY2014	FY2013
Electricity consumption	1.19	1.85
Water consumption	24.24	20.97
LPG/propane consumption	14.85	7.49

Investment/savings

Description	₹ In Crore	
	FY2014	FY2013
Investment for energy conservation activities	4.36	3.67
Recurring savings achieved through above activities	2.74	2.30

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 1,583,935 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 earnings 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 ₹ 7,963.86 crore, compared to ₹ 6,565.34 crore during the previous year.

Total foreign exchange outflow during the year under review was ₹ 725.21 crore as against ₹ 1,083.16 crore during the previous year.

The above outflow excludes an investment of ₹ 67.75 crore (previous year: ₹ Nil) made in its subsidiary, PT. Bajaj Auto Indonesia (PT BAI) for increasing its stake from 98.94% to 99.25%.

Industrial relations

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

At Chakan, the workmen represented by the recognised union Vishwa Kalyan Kamgar Sanghatana, went on strike from 25 June 2013 to 13 August 2013 for the reason that Management refused to accede to their demand of allotment of 500 shares to each workman at a discounted rate of ₹ 1 per share. The union withdrew the strike unconditionally on realising Management's firm decision and workers resumed work with effect from 14 August 2013.

At Chakan, wage review was due effective from 1 April 2013. Management offered ₹ 10,000 per month in a phased manner, depending upon the year of service etc., for three years. However, this issue is under litigation.

At Akurdi, as per the provisions of the wage settlement dated 20 August 2010, wage review was due and accordingly Memorandum of Understanding (MOU) was signed on 10 February 2014 giving wage rise of ₹ 10,000 per month per workman in a phased manner.

At Waluj, Bajaj Auto Ltd. Employees' Union, representing majority of the workmen, has submitted a Charter of Demands for the forthcoming wage settlement, which is due from 1 August 2014.

Subsidiaries

PT. Bajaj Auto Indonesia (PT BAI)

The Company has a Memorandum of Understanding with Kawasaki Heavy Industries (KHI) for jointly distributing its products in many of the ASEAN countries. This was a result of a successful strategy followed by the Company in launching its products in Philippines. Enthused by the commendable success of this strategy, the Company has extended this strategy in Indonesia as well. Consequently, the operations at PT BAI have been scaled down significantly.

During the year under review, the Company through KHI sold 13,570 nos. of Pulsars during the seven-month period commencing from August 2013.

Bajaj Auto International Holdings BV, Netherlands (BAIH BV)

Bajaj Auto International Holdings BV is a 100% Netherlands based subsidiary of Bajaj Auto Ltd. Through this subsidiary, Bajaj Auto, over the years, has invested a total of €198.1 million and holds about 48% stake in KTM AG of Austria (KTM), Europe's second largest sport motorcycle manufacturer.

Calendar year 2013 has been a record year for KTM, with highest sales in units and highest turnover in the history of the Company. KTM sold 123,859 motorcycles, a growth of 15.6% and achieved a turnover of €716.4 million, a growth of 17.1%. Profit after tax was at €36.5 million, a growth of 44.3%.

Proportionate profit of €17.5 million has been accounted in the consolidated results of Bajaj Auto Ltd.

During the year, Bajaj Auto manufactured 36,047 units of KTM Duke in its Chakan plant. 11,050 units were sold through the pro-biking network in India and 24,016 units were exported to various countries across the globe.

In the annual general meeting held on 24 April 2014, for the year 2013, KTM AG has declared a dividend of €1.00 per share (for the year 2012, dividend declared was €0.70 per share). BAIH BV is entitled to receive €5.2 million, being its share of dividend.

KTM is listed in the Second Regulated Market of the Vienna Stock Exchange and its market capitalisation as on 31 March 2014 was €818 million.

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

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

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

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

The Committee has in place a CSR policy.

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

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

Directors

In view of the provisions of the Companies Act, 2013, Madhur Bajaj and Sanjiv Bajaj have now become retiring directors. Thus they retire from the Board by rotation this year and being eligible, offer themselves for re-appointment. The information as required to be disclosed under clause 49 of the listing agreement in case of re-appointment of directors is provided in the Notice of the ensuing annual general meeting.

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

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

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

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

Directors' responsibility statement

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

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

Presentation of financial results

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

Consolidated financial statements

The directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the 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 2013-14 is attached to the Balance Sheet.

During the year under review, pursuant to the new legislation "Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013" introduced by the Government of India, which came into effect from 9 December 2013, the Company has framed a Policy on Prevention of Sexual Harassment at Workplace. There were no cases reported during the year under review under the said Policy.

Corporate governance

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

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

All board members and senior management personnel have affirmed compliance with the code of conduct for the year 2013-14. A declaration to this effect signed by the 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 mandated 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, as in the previous year, has presented its BR Report for the financial year 2013-14, 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

During the year under review, Secretarial Standards specified by the Institute of Company Secretaries of India (ICSI) from time to time were recommendatory in nature. Your Company, however, complied 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

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

The members are requested to appoint Dalal & Shah, Chartered Accountants, as auditors for three years from the conclusion of the ensuing annual general meeting till the conclusion of the 10th annual general meeting in 2017 and to fix their remuneration for the year 2014-15.

Cost Auditors

A P Raman was appointed as Cost Auditor to conduct audit of cost accounts maintained by the Company for the financial year 2013-14. The full particulars of the Cost Auditor and cost audit conducted by him for the financial year 2012-13 are furnished below:-

ICWA Membership No.	837
Registration No. of Firm	110141
Address	Golok, Plot No.13, Sector No.28 Pradhikaran, Nigdi, Pune - 411 044
Details of Cost Audit Report for the financial year 2012-13:	
(a) Due date of filing	30 September 2013
(b) Actual date of filing	27 September 2013

On behalf of the Board of Directors,



Rahul Bajaj
Chairman
15 May 2014

Annexure 1

Auditors' certificate regarding compliance of conditions of Corporate Governance

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

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

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

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

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

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

Anish P Amin
Partner
Membership Number : 40451
Pune: 15 May 2014

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 management personnel have affirmed for the year ended 31 March 2014 compliance with the code of conduct as laid down by the Company.

Rajiv Bajaj
Managing Director
Pune: 15 May 2014

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

Rajiv Bajaj
Managing Director
Pune: 15 May 2014

Kevin D'sa
President (Finance)

12th AUTO EXPO 2014





Report on Corporate Social Responsibility (CSR)

Preamble

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

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

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

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 companies. 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 second BR Report for the financial year 2013-14, 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.

Companies Act, 2013

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

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

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

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

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

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

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

Report

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

A) By the Company

Affirmative action

Your Company believes that its success is interlinked 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 of socially disadvantaged sections in the work place. During the year under review, the Company recruited 2,026 new employees, of which 198 numbers (9.8%) belong to weaker sections, in line with the affirmative action. At the end of the year, this percentage was 6.99%.

Education

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

The Company took actions to ensure better quality of output from the Institutes.

At Ramgarh in Pantnagar, the total strength of students rose from 117 (in 2012) to 144 (in 2013). The Company also continued to follow up with the concerned agencies for approval of Institute Development Plan for Aurangabad and so also for Haveli.



Health

Government of India - Ministry of Health and Family Welfare - National AIDS Control Organisation (NACO) now renamed as Department of AIDS Control (DAC) and CII have initiated Public Private Partnership (PPP) in order to provide better health-care to AIDS patients. From August 2008, the Bajaj YCMH ART Centre at YCM hospital, Pimpri, has registered 9,434 patients with 5,286 active cases for Anti Retroviral Therapy. This centre is a benchmark for new centers and is the largest one run by industries.

In view of the exceptional quality of performance, MSACS (Maharashtra State AIDS Control Society) awarded to Bajaj YCMH ART Centre, a certificate of appreciation recognising their excellent performance in HIV care.

Others

Our factory employees organised blood donation camps, in which 891 employees donated blood for the hospitals in the respective areas.

The fire department vehicles made 35 calls outside the plants for fire fighting and rescue operations during the year.

“Vastra Bhet” (Donation of used clothes)

Your Company undertook a drive, i.e. “Joy of Giving Week” and organised collection of 640 kgs of used clothes, that were given to the needy people against “Shrama Daan”. It was a CII initiative wherein employees of your Company volunteered very enthusiastically to collect and dispatch the clothes to “Goonj”, an NGO working in underdeveloped areas. This drive was conducted from 2 - 8 October 2013.

B) Through group trusts

1. Jamnalal Bajaj Seva Trust

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

International Sarvodaya Centre - Vishwaneedam

In 1960, at the suggestion of Acharya Vinoba Bhave, the Trust purchased about 400 acres of land on the outskirts of Bangalore to establish the International Sarvodaya Centre - Vishwaneedam to promote agriculture, dairy development and rural development; and to train local women and youth for self-employment by providing them training in tailoring, computers and knitting. The Trust continued to run balwadis, gaushalas and english speaking courses.

Kamalnayan Bajaj Hall and Art Gallery

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

Balwadi

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

Hamaara Sapna project

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

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

2. Jamnalal Bajaj Foundation (JBF-Foundation)

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

Awards

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

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

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

Other charitable activities

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

3. Jankidevi Bajaj Gram Vikas Sanstha (JBGVS)

Rural and urban development activities of JBGVS

Introduction

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

positive response received by it, JBGVS has opened two more Samaj Seva Kendras, one each at Aurangabad in Maharashtra and other at the village of Kashi ka Bas in Sikar district of Rajasthan.

Rural development

Coverage

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

- (1) Primary education,
- (2) Primary health care,
- (3) Economic development,
- (4) Environment, and
- (5) Social development.

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

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

Primary education

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

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

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

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

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

Primary health care

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

Mother and child health (MCH): Health care of mothers and children needs major consideration. JBGVS undertook various activities like health check-up camps, mobile clinic services, hygiene and sanitation programmes, awareness and training programmes on malnutrition and use of nutritious food (using local materials), that supported the Village Child Development Centre (VCDC). JBGVS conducted 116 health camps that benefitted 4,550 patients. The activities, which ranged from training for adolescent girls, registration and regular check-up of pregnant mothers, to delivery at hospitals, immunisation of infants and post-delivery care of the mother and the baby, resulted in zero malnourishment. (IMR- 1:1000, CMR- Nil, MMR- 1:1 lakh)

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

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

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

Economic development

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

Natural farming – Saving Mother Earth: Natural farming, which can also be described as ecological farming, is an important initiative of JBGVS, executed in partnership with Magan Sangrahalaya Samittee, Wardha, it aims at saving Mother Earth from the uncontrolled use of chemical fertilisers and pesticides. As many as 2,100 farmers in 15 villages in Wardha have taken to natural farming. This project has created a positive impact on the health of the farmland as well as on the economic status of the farmers.

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

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

Environment

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

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

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

Social development

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

Urban development

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

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

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

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

4. Group trusts for colleges

Shiksha Mandal

Shiksha Mandal was founded in 1914 by Shri Jamnalal Bajaj, who believed that sound education was essential for our nation's development. Initially a school, from the 1940s, it transformed itself into an institution for higher education.

Presently, it consists of seven institutions with a student strength of 8,750 and 287 teachers, of which 45 hold doctorates. At Wardha, it has a commerce college, a science college, an engineering polytechnic, a degree and diploma institution in agriculture and a college of rural services. It also runs a commerce college in Nagpur. Shiksha Mandal's mission is to provide high quality education at a low cost and to instil nationalistic and humane values in its students.

Its agriculture college, engineering polytechnic and science college are rated 'A' by external agencies. During the year, its science college was rated as an 'A' grade college by NAAC, a government body, with a NAAC score better than Pune University's. Its agriculture diploma course achieved a 100% result during 2012-13.

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

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

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

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

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

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

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

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

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

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

Bajaj Science Centre

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

Its students have been competing at the national level and winning accolades.

During 2013-14:

1. Shraddha Burkunde was awarded the Kishor Vaidnyanik Protsahan Yojana Scholarship of 2013-14. Three other students of the Centre have been awarded this prestigious scholarship so far.
2. Students of the 9th standard won one Gold, two Silver and one Bronze medal at the Dr. Homi Bhabha Balvaidnyanik Competition. One student of the 6th standard, Prit Mhala, was awarded a Silver medal. Of the 19 students selected for the second level of the said competition, five students won medals.
3. Of the 303 students selected at the National Level for the second level examination of the Junior Science Olympiad, two were from Bajaj Science Centre.
4. Five students of the Centre appeared in the merit list of the National Mathematics Talent Search Examination.

The Centre conducted various activities to benefit students and teachers:

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

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

Institute of Gandhian Studies

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

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

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

Kamalnayan Bajaj Hospital

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

Earlier, people had to travel all the way to Pune/Mumbai, at great cost and inconvenience, to avail such high-end facilities. The Hospital is well-equipped and has up-to-date medical facilities, particularly in Cardiology (highest number of angioplasties and bypass surgeries in Marathwada), Cardiac Surgery (only centre for minimally invasive cardiac surgery in the region), LASIK (most advanced laser technology in the world, first in India), Nuclear Medicine (first and only PET centre in Marathwada, equipped with latest generation machine), Radiation Oncology (120 Cancer patients treated daily), Urology (1,000 kidney transplants), Laparoscopy (advanced laparoscopic and thoracoscopic cancer surgery), Colorectal Surgery (100 cases a day), Joint Replacement and Trauma and ICU (recognised by ISCCM).

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

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

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

Apart from the above activities, the Hospital also organised 19 free camps involving 60 surgeries (58 in Cataract and 2 in Lasik) and 1382 patients, viz., 5 Cataract camps (329 patients), 2 Lasik camps (195 patients), 3 Orthopaedic and Physiotherapy camps (311 patients), 1 Dermatology camp (111 patients), 4 ECG camps (Medtronic-121 patients), 4 Rajiv Gandhi Jivandayee Arogya Yojana (RGJAY) camps (315 patients).

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

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

Kamalnayan Bajaj Nursing College

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

6. Fuji Guruji Memorial Trust

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

7. Kamalnayan Bajaj Charitable Trust

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

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

8. Gita Pratisthan

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

General

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

Refer web links

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

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



Standalone Financial Statements

Independent Auditors' Report

To the Members of **Bajaj 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 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's responsibility for the financial statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of section 211 of the Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

Opinion

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

Report on other legal and regulatory requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 15 May 2014

Annexure to Independent Auditors' Report

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

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

Annexure to Independent Auditors' Report (Contd.)

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, customs duty and excise duty as at 31 March 2014 which have not been deposited on account of a dispute, are as follows:

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Excise Duty	Additional demand received	0.88	Various years	Commissioner Appeals
	Additional demand received	3.79	Various years	CEGAT
	Additional demand received	1.79	Various years	High Court
	Additional demand received	6.25	Various years	Supreme Court
Sales Tax	Additional demand received on the basis of Assessment Order	77.21	Various years	Joint Commissioner of Sales tax
	Additional demand received on the basis of Assessment Order	39.89	Financial year 2001-02 to 2004-05, 2008-09, 2009-10 and 2011-12	Tribunal
Income Tax	Department appeal received on the basis of Assessment Order	12.19	Financial Year 2007-08	ITAT
Service Tax	Other matters	3.78	For the year 1997-2000	High Court
	Denial of credit	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 1984-86	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 Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
16. The Company has not raised any term loans. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.

Annexure to Independent Auditors' Report (Contd.)

17. The Company has not raised any funds on short-term basis. Accordingly, the provisions of clause 4(xvii) of the Order are not applicable to the Company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

Anish P Amin
Partner
Membership Number: 40451
Pune: 15 May 2014

Balance Sheet

(₹ In Crore)

As at 31 March

Particulars	Note No.	2014	2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	289.37	289.37
Reserves and surplus	3	9,318.65	7,612.58
		9,608.02	7,901.95
Non-current liabilities			
Long-term borrowings	4	57.74	71.27
Deferred tax liabilities (net)	5	143.18	115.10
Other long-term liabilities	6	87.43	122.06
Long-term provisions	7	120.99	134.61
		409.34	443.04
Current liabilities			
Trade payables	8	2,111.40	1,979.61
Other current liabilities	8	766.14	546.16
Short-term provisions	7	1,852.70	1,607.86
		4,730.24	4,133.63
Total		14,747.60	12,478.62
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	2,006.04	1,804.43
Intangible assets	9	-	-
Capital work-in-progress		32.55	223.29
Intangible assets under development		111.51	70.26
		2,150.10	2,097.98
Non-current investments	10	6,259.93	3,719.15
Long-term loans and advances	11	719.92	462.39
Other non-current assets	12	1.02	1.02
		9,130.97	6,280.54
Current assets			
Current investments	10	2,289.70	2,711.33
Inventories	13	639.72	636.28
Trade receivables	14	796.21	767.58
Cash and bank balances	15	495.48	558.85
Short-term loans and advances	11	978.45	1,311.72
Other current assets	12	417.07	212.32
		5,616.63	6,198.08
Total		14,747.60	12,478.62

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

On behalf of the Board of Directors

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

Anish P Amin
Partner
Membership Number: 40451
Pune: 15 May 2014

Kevin D'sa
Chief Financial Officer

J Sridhar
Company Secretary

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Statement of Profit and Loss

(₹ In Crore)

For the year ended 31 March

Particulars	Note No.	2014	2013
Sales		20,727.04	20,617.87
Less: Excise duty		1,009.40	1,128.91
Net sales		19,717.64	19,488.96
Other operating revenue		431.87	508.29
Revenue from operations (net)	16	20,149.51	19,997.25
Other income	17	706.41	795.49
Total revenue		20,855.92	20,792.74
Expenses:			
Cost of raw material and components consumed	18	12,936.47	13,523.74
Purchases of traded goods	19	959.10	858.83
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	(18.90)	24.00
Employee benefits expense	21	726.58	639.48
Finance costs	22	0.49	0.54
Depreciation and amortisation	23	179.61	166.77
Other expenses	24	1,505.42	1,376.00
Expenses, included in above items, capitalised		(64.90)	(62.85)
Total expenses		16,223.87	16,526.51
Profit before tax		4,632.05	4,266.23
Tax expense			
Current tax		1,362.02	1,156.00
Deferred tax		28.08	66.66
Total tax expense		1,390.10	1,222.66
Profit after tax		3,241.95	3,043.57
Tax (debits)/credits pertaining to earlier years		1.37	-
Profit for the year		3,243.32	3,043.57
Basic and diluted Earnings per share (In ₹) (Nominal value per share ₹ 10)	26	112.1	105.2

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

On behalf of the Board of Directors

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

Rahul Bajaj
Chairman

Anish P Amin
Partner
Membership Number: 40451
Pune: 15 May 2014

Kevin D'sa
Chief Financial Officer

Rajiv Bajaj
Managing Director

J Sridhar
Company Secretary

Nanoo Pamnani
Chairman - Audit Committee

Cash Flow Statement

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013
I. Operating activities		
Profit before tax	4,632.05	4,266.23
Adjustments:		
Add:		
i) Depreciation and amortisation	179.61	166.77
ii) Provision for diminution in value of investment in the Company's subsidiary, PT. Bajaj Auto Indonesia	63.78	35.52
iii) Valuation (gains)/losses of derivative hedging instruments	76.81	(131.92)
iv) Loss on assets sold, demolished, discarded and scrapped	7.56	7.04
v) Provision for doubtful debts and advances	1.18	4.92
vi) Tax (debits)/credits pertaining to earlier years	1.37	-
vii) Interest expense	0.49	0.54
	330.80	82.87
Less:		
i) Investment income included in above:		
Interest on long-term investments	214.90	259.07
Interest on fixed deposits	0.02	41.72
Profit on sale of investments, net	54.84	48.23
Dividend on long-term investments	27.08	0.15
Amortisation of (premium)/discount on acquisition of fixed income securities	126.28	23.59
	423.12	372.76
ii) Provision for doubtful debts and advances written back	0.60	5.15
iii) Surplus on sale of assets	2.25	7.17
iv) Surplus on pre-payment of sales tax deferral liability/loan	79.74	68.95
	(505.71)	(454.03)
	4,457.14	3,895.07
Change in assets and liabilities		
i) Inventories	(3.44)	42.25
ii) Trade receivables	(28.31)	(343.33)
iii) Loans and advances and other assets	105.73	(199.59)
iv) Liabilities and provisions	357.87	(0.46)
	431.85	(501.13)
Annuity payments (net) to VRS optees	(28.00)	(20.17)
Net cash from operating activities before income tax	4,860.99	3,373.77
Income tax paid	(1,315.28)	(1,239.40)
Net cash from operating activities	3,545.71	2,134.37
Carried forward	3,545.71	2,134.37

Cash Flow Statement (Contd.)

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013
Brought forward	3,545.71	2,134.37
II. Investing activities		
i) (Increase)/decrease in investment in subsidiaries, associates, etc.	(67.75)	(231.86)
ii) (Increase)/decrease in other investments, net	(2,116.56)	(1,352.67)
iii) (Increase)/decrease in other bank balances	(0.63)	472.51
iv) Capital expenditure	(220.05)	(508.18)
v) Sale proceeds of assets/adjustment to gross block	6.63	20.07
vi) Capital expenditure on development of technical know-how	(41.25)	(40.38)
	(2,439.61)	(1,640.51)
vii) Investment income		
Interest on long-term investments	214.90	259.07
Interest on fixed deposits and others	0.02	41.72
Profit on sale of investments, net	54.84	48.23
Dividend on long-term investments	27.08	0.15
Amortisation of (premium)/discount on acquisition of fixed income securities	126.28	23.59
	423.12	372.76
(Increase)/decrease in investment/interest receivable	(125.00)	(10.01)
	298.12	362.75
Net cash from investing activities	(2,141.49)	(1,277.76)
Carried forward	1,404.22	856.61

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2014	2013
Brought forward	1,404.22	856.61
III. Financing activities		
i) Interest expense	(0.49)	(0.54)
ii) Deferral/(repayment) of sales tax deferral liability/loan	58.60	41.70
iii) Pre-payment of sales tax deferral liability/loan	(8.11)	(9.34)
iv) Dividend paid	(1,301.52)	(1,299.66)
v) Corporate dividend tax paid	(216.70)	(211.24)
Net cash from financing activities	(1,468.22)	(1,479.08)
Net change in cash and cash equivalents	(64.00)	(622.47)
Cash and cash equivalents as at 1 April 2013 [Opening balance]	550.28	1,172.75
Cash and cash equivalents as at 31 March 2014 [Closing balance]	486.28	550.28
	-	-

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: 15 May 2014

Kevin D'sa
Chief Financial Officer

J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Notes to financial statements for the year ended 31 March 2014

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. Consequent to the clarification from the Ministry of Corporate Affairs, vide General Circular 08/2014 dated 4 April 2014, these financial statements have been prepared in accordance with the relevant provisions/Schedules/Rules of the Companies Act, 1956. Accordingly, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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 or 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 i.e. when the risks are transferred to the buyer.
- 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) Other 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.

d) Investment income:

- (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 recognising 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 2014 (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 such as aircraft which is written off over ten years i.e. depreciation rate of 9.5% vis a vis Schedule XIV rate of 5.6%.

- 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 from the date of commercial production.

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 considered 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 2014 (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 revalued 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 & 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 and Debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficit in plan assets managed by LIC and BALIC as compared to the actuarial liability is recognised as a liability.

Notes to financial statements for the year ended 31 March 2014 (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. Excess/short provisions and interest thereon are recognised only on completion of assessment or where adjustments made by the Assessing Officer are disputed, on receiving the "Order Giving Effect" to the tax determined by the CIT (Appeals) and thereafter on final settlement of further disputes.
- b) Deferred tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax 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 2014 (Contd.)

2 Share capital

Particulars	As at 31 March	
	2014	2013
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. 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 60,044 (66,196)

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

	As at 31 March		As at 31 March	
	2014		2013	
	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.	25,844,400	8.93%	25,949,400	8.97%

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

3 Reserves and surplus

Particulars	As at 31 March	
	2014	2013
(₹ In Crore)		
General reserve		
Balance as per the last financial statements	2,690.60	2,385.60
Add: Transferred from surplus in Statement of Profit and Loss	325.00	305.00
Closing balance	3,015.60	2,690.60
Hedge reserve [See note 25]	152.60	1.72
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	4,920.26	3,705.14
Profit for the year	3,243.32	3,043.57
Less: Appropriations		
Transfer to General reserve	325.00	305.00
Proposed dividend	1,446.84	1,302.15
Tax on proposed dividend	245.89	221.30
Provision for Corporate Dividend Tax for previous year written back under section 115(O) of Income Tax Act, 1961	(4.60)	-
Total appropriations	2,013.13	1,828.45
Balance in the Statement of Profit and Loss	6,150.45	4,920.26
	9,318.65	7,612.58

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

4 Long-term borrowings

(₹ In Crore)

Particulars	Non-current portion		Current portion	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Unsecured				
Sales tax deferral liability/loan, an incentive under Package Scheme of Incentives 1983,1988 and 1993 - interest free, partially prepaid	57.74	71.27	1.45	17.17
	57.74	71.27	1.45	17.17
Amount disclosed under the head "other current liabilities" [See note 8]	-	-	(1.45)	(17.17)
	57.74	71.27	-	-

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 13	-	-	-	17.17
May 14	-	1.45	1.45	-
May 15	0.58	0.58	-	-
Repayable to Sales tax department				
May 30	-	-	-	-
May 31	-	9.89	-	-
May 32	8.17	9.89	-	-
May 33	8.17	9.89	-	-
May 34	8.17	9.89	-	-
May 35	8.17	9.89	-	-
May 36	8.16	9.89	-	-
May 37	8.16	9.90	-	-
May 38	8.16	-	-	-
	57.74	71.27	1.45	17.17

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

5 Deferred tax liabilities (net)

Particulars	As at 31 March	
	2014	2013
Deferred tax liability		
On account of timing difference in		
Depreciation	287.36	259.39
Amortisation of discount on acquisition of fixed income securities	2.21	12.26
Gross deferred tax liability	289.57	271.65
Deferred tax asset		
On account of timing difference in		
Voluntary Retirement Scheme costs	33.33	43.13
Inventory valuation (section 145 A of the Income Tax Act, 1956)	32.18	28.51
Provision for bad and doubtful debts, DEPB, ICDs etc.	2.94	1.84
Provision for privilege leave etc.	24.51	20.08
Taxes, duties etc.	12.40	12.40
Amortisation of premium/discount on acquisition of fixed income securities	1.30	6.31
Adjustments on account of gratuity provisions	39.50	43.88
Transitional provision for diminution in value of investments	0.23	0.40
Gross deferred tax asset	146.39	156.55
	143.18	115.10

6 Other long-term liabilities

Particulars	As at 31 March	
	2014	2013
Annuity payable to VRS optees	87.43	117.94
Other payables	-	4.12
	87.43	122.06

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

7 Provisions

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Provision for employee benefits [See note 33]				
Provision for gratuity	116.21	129.09	-	-
Provision for compensated absences	-	-	60.54	47.51
Provision for welfare scheme	4.78	5.52	0.38	0.37
	120.99	134.61	60.92	47.88
Other provisions				
Provision for warranties	-	-	27.30	32.52
Provision for tax (net of tax paid in advance)	-	-	71.75	4.01
Proposed dividend*	-	-	1,446.84	1,302.15
Tax on proposed dividend	-	-	245.89	221.30
	-	-	1,791.78	1,559.98
	120.99	134.61	1,852.70	1,607.86

Provision for warranties

(₹ In Crore)

Particulars	As at 31 March	
	2014	2013
At the beginning of the year	32.52	31.20
Arising during the year	12.40	21.78
Utilised during the year	17.62	16.14
Unused amounts reversed	-	4.32
At the end of the year	27.30	32.52
Current portion	27.30	32.52
Non-current portion	-	-

* During the year ended 31 March 2014, the amount of per share dividend proposed and recognised as distributions to equity shareholders is ₹ 50 (previous year ₹ 45).

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

8 Current liabilities

Particulars	As at 31 March	
	2014	2013
Trade payables		
Dues to micro and small enterprises*	10.89	11.60
Other than dues to micro and small enterprises	2,100.51	1,968.01
	2,111.40	1,979.61
Other current liabilities		
Current maturities of long-term borrowings [See note 4]	1.45	17.17
Annuity payable to VRS optees	31.37	32.30
Advance received from customers	449.11	200.91
Unclaimed matured fixed deposits and interest accrued thereon (previous year ₹ 23,000)	-	
Investor Education Protection Fund (₹ 480- previous year ₹ 934)		
Security deposits	19.32	14.24
Unclaimed dividend	9.20	8.57
Directors' remuneration and commission payable	23.66	21.84
Employee benefits payable	43.35	30.73
Taxes and duties payable	64.69	64.52
Other payables	123.99	155.88
	766.14	546.16
	2,877.54	2,525.77

* 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 2014 (Contd.)

9 Fixed assets (tangible and intangible assets)

(₹ In Crore)

Particulars	Gross block (a)			As at 31 Mar 14	Depreciation			Net block		
	As at 31 Mar 13	Additions	Deductions/ adjustments		As at 31 Mar 13	Deductions/ adjustments	For the year (d)	As at 31 Mar 14	As at 31 Mar 13	As at 31 Mar 13
Tangible assets										
Land freehold	20.27	-	0.05	20.22	-	-	-	-	20.22	20.27
Land leasehold	56.31	-	0.66	55.65	-	-	-	-	55.65	56.31
Buildings (b) (c) (e)	674.94	11.54	0.18	686.30	156.76	0.02	16.68	173.42	512.88	518.18
Waterpumps, reservoirs and mains	13.23	0.66	-	13.89	6.84	-	0.48	7.32	6.57	6.39
Plant and machinery	1,541.56	239.14	85.94	1,694.76	1,180.89	81.55	47.41	1,146.75	548.01	360.67
Dies and jigs	465.41	91.67	22.07	535.01	361.76	19.53	27.31	369.54	165.47	103.65
Electric installations	72.68	2.18	4.18	70.68	35.51	3.97	2.78	34.32	36.36	37.17
Factory equipments	275.77	29.12	23.32	281.57	119.42	21.25	12.62	110.79	170.78	156.35
Furniture	25.92	2.26	0.15	28.03	11.83	0.09	1.85	13.59	14.44	14.09
Office equipment	39.58	3.26	1.71	41.13	11.82	1.12	1.98	12.68	28.45	27.76
Electric fittings	22.55	0.46	0.92	22.09	9.10	0.88	0.88	9.10	12.99	13.45
Vehicles and aircraft	620.63	11.49	4.41	627.71	130.49	2.58	65.58	193.49	434.22	490.14
Total tangible assets	3,828.85	391.78	143.59	4,077.04	2,024.42	130.99	177.57	2,071.00	2,006.04	1,804.43
Previous year total	3,393.92	508.07	73.14	3,828.85	1,914.33	52.54	162.63	2,024.42	1,804.43	
Intangible assets										
Technical know-how	-	-	-	-	-	-	-	-	-	-
Previous year total	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) Excludes premises classified as Investment property which has been given on lease, and accordingly the depreciation for the year thereon amounting to ₹ 1.38 crore (previous year ₹ 1.34 crore) has been reduced from the same under Investments in note 10.

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

10 Investments

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
(A) Long-term Investments:				
In Investment Property:				
Unquoted:				
Cost of premises given on operating lease	67.88	64.79	-	-
Add: Additions during the year	0.10	3.09	-	-
Less: Accumulated depreciation	3.89	2.51	-	-
	64.09	65.37	-	-
In Government and Trust Securities:				
Quoted:				
6.83% Government of India Stock 2039 of face value of ₹ 50,000,000	-	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	0.47	-
Less: Amortisation of premium/(discount) on acquisition	-	0.08	0.12	-
	-	5.10	0.35	-
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 Shares of Euro 100 each in Bajaj Auto International Holdings BV Amsterdam, Netherlands	1,218.72	1,218.72	-	-
796,875 (291,875) Shares of US\$ 100 each in PT. Bajaj Auto Indonesia	205.57	137.82	-	-
Less: Provision for diminution in the value of investment	201.57	137.79	-	-
	4.00	0.03	-	-
	1,222.72	1,218.75	-	-
Carried over	1,286.82	1,289.23	0.35	-

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

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,286.82	1,289.23	0.35	-
In Bonds and Debentures:				
Fully paid:				
Others:				
Quoted:				
- (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 Nil - previous year ₹ 1.39 crore)	-	-	-	8.61
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
- (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
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
500 8.25% Unsecured Redeemable subordinated Bonds in the nature of Debentures of ₹ 1,000,000/- each of HDFC Bank Ltd. Series-S-6	52.01	52.01	-	-
- (200) 8.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	-	-	-	20.56
- (550) 9.85% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.	-	-	-	56.24
- (100) 9.96% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of L&T Finance Ltd.	-	-	-	10.00
- (350) 11.45% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Reliance Industries Ltd.	-	-	-	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
Carried over	88.78	113.78	25.00	363.96
Carried over	1,286.82	1,289.23	0.35	-

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

10 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,286.82	1,289.23	0.35	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	88.78	113.78	25.00	363.96
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	-	-
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	-	-
- (350) 10.48% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each of Ultra Tech Cement Ltd. Series-S-I	-	-	-	39.90
150 8.75% Secured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Axis Bank Ltd. Series-11Opt-II	15.77	15.77	-	-
200 8.85% Unsecured Redeemable Non Convertible Subordinated 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
- (200) 9.35% Unsecured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Exim Bank Ltd. Series-K-10	-	-	-	20.97
- (950) 9.50% Unsecured Redeemable Non Convertible Bonds of ₹ 1,000,000 each of Exim Bank Ltd. Series-S-L070	-	-	-	105.17
- (20) 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 Nil - previous year ₹ 0.10 crore)	-	-	-	1.68
3,000 6.70% Tax Free Redeemable Non Convertible Non Cumulative Railway Bonds in the nature of Promissory Notes of ₹ 100,000 each of India Railway Finance Corporation Ltd.	30.00	30.00	-	-
Carried over	258.42	283.42	25.00	640.84
Carried over	1,286.82	1,289.23	0.35	-

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

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,286.82	1,289.23	0.35	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	258.42	283.42	25.00	640.84
- (1,100) 9.25% Omni Bonds of ₹ 1,000,000 each of Industrial Development Bank of India Ltd. Series-S2008-09 XVIII	-	-	-	117.19
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	-	-
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 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
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	-
- (150) 9.40% Unsecured Redeemable Non Convertible Taxable Bonds of ₹ 1,000,000 each of National Housing Bank	-	-	-	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 Limited.	-	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	-
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	-
Carried over	302.14	761.66	459.52	903.11
Carried over	1,286.82	1,289.23	0.35	-

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

10 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,286.82	1,289.23	0.35	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	302.14	761.66	459.52	903.11
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	-	-
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	-	-
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
Carried over	550.43	1,120.18	569.75	934.66
Carried over	1,286.82	1,289.23	0.35	-

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

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,286.82	1,289.23	0.35	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	550.43	1,120.18	569.75	934.66
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	-	-
- (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
- (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	-	-
- (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
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
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	-	-
Carried over	618.78	1209.35	580.45	982.78
Carried over	1,286.82	1,289.23	0.35	-

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

10 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,286.82	1,289.23	0.35	-
In Bonds and Debentures: (Contd.)				
Fully paid: (Contd.)				
Others: (Contd.)				
Quoted: (Contd.)				
Brought over	618.78	1209.35	580.45	982.78
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	-	-
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	-	-
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
- (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
- (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
	697.65	1,314.33	606.56	1,108.65
Less: Amortisation of premium/(discount) on acquisition	(8.46)	7.41	19.65	48.07
	706.11	1,306.92	586.91	1,060.58
In Mutual Fund Units:				
Unquoted:				
10,000,000 (-) Units of Axis FTP - Series 43 (511) Days Direct Growth (Z1DGG)	10.00	-	-	-
25,000,000 (-) Units of Axis FTP - Series 47 (483) Days Direct Growth (Z5-DG)	25.00	-	-	-
15,000,000 (-) Units of Axis FTP - Series 52 (428 Days) Direct Growth	15.00	-	-	-
35,000,000 (-) Units of Axis FTP - 49 (437 Days) Direct Growth	35.00	-	-	-
Carried over	85.00	-	-	-
Carried over	1,992.93	2,596.15	587.26	1,060.58

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

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,992.93	2,596.15	587.26	1,060.58
In Mutual Fund Units: (Contd.)				
Unquoted: (Contd.)				
Brought over	85.00	-	-	-
75,000,000 (-) Units of Axis FTP Series 55 (399 Days) Direct Growth (X4-DG)	75.00	-	-	-
20,000,000 (-) Units of Axis FTP Series 59 (391 Days) Direct Growth	20.00	-	-	-
35,000,000 (-) Units of Axis FTP Series 60 (389 Days) Direct Growth (X9-DG)	35.00	-	-	-
- (25,000,000) Units of Birla Sun Life FTP Series ES Growth -INF209K01PB3	-	-	-	25.00
100,000,000 Units of Birla Sun Life FTP Series GA Growth - 518 Days	-	100.00	100.00	-
25,000,000 Units of Birla Sun Life FTP Series GB Growth - 541 Days	-	25.00	25.00	-
25,000,000 Units of Birla Sun Life FTP Series GF Growth - 539 Days	-	25.00	25.00	-
15,000,000 (-) Units of Birla Sun Life FTP - Series JR (490) Gr. Direct	15.00	-	-	-
75,000,000 (-) Units of Birla Sun Life FTP - Series KE (412 Days)- Gr. Direct	75.00	-	-	-
50,000,000 (-) Units of Birla Sun Life FTP - Series KH (406 Days)- Gr. Direct	50.00	-	-	-
40,000,000 (-) Units of Birla Sun Life FTP Series KA (415 days)	40.00	-	-	-
50,000,000 (-) Units of Birla Sun Life FMP Series KO (399 Days) Direct	50.00	-	-	-
25,000,000 (-) Units of Birla Sun Life FTP Series JX (427 Days) Direct	25.00	-	-	-
60,000,000 (-) Units of Birla Sun Life FTP Series KP (405 Days) Direct	60.00	-	-	-
50,000,000 (-) Units of Birla Sun Life FTP Series KR (385 Days) Direct	50.00	-	-	-
46,000,000 (-) Units of Birla Sun Life FTP Series KT (380 Days) Direct	46.00	-	-	-
25,000,000 (-) Units of Birla Sun Life FTP Series KW (374 Days) Direct	25.00	-	-	-
20,000,000 (-) Units of Birla Sunlife FTP Series IY (499 Days) Direct- Growth	20.00	-	-	-
75,000,000 (-) Units of Birla Sunlife FTP Series KJ (400 Days) Direct	75.00	-	-	-
35,000,000 (-) Units of Birla Sunlife FTP Series KX (372 Days) Direct	35.00	-	-	-
Carried over	781.00	150.00	150.00	25.00
Carried over	1,992.93	2,596.15	587.26	1,060.58

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

10 Investments (Contd.)

		(₹ In Crore)			
		Non-current portion		Current maturities	
		As at 31 March		As at 31 March	
Particulars		2014	2013	2014	2013
	Brought over	1,992.93	2,596.15	587.26	1,060.58
In Mutual Fund Units: (Contd.)					
Unquoted: (Contd.)					
	Brought over	781.00	150.00	150.00	25.00
25,000,000	Units of DWS FMP Plan Series 23-Direct Plan Growth	-	25.00	25.00	-
-	(20,000,000) Units of DWS - FMP- Series 6	-	-	-	20.00
25,000,000	Units of DWS FMP Plan Series 30 - 374 Days	-	25.00	25.00	-
15,000,000	(-) Units of DWS FMP - Series 33 - Direct - Growth	15.00	-	-	-
41,000,000	(-) Units of DWS FMP Series 49 - Direct Plan - Growth	41.00	-	-	-
30,000,000	(-) Units of DWS FMP Series 63 - Direct Plan - Growth	30.00	-	-	-
8,000,000	(-) Units of DWS FMP - Series 37- Direct - Growth	8.00	-	-	-
40,000,000	(-) Units of DWS FMP Series 45 - Direct Growth	40.00	-	-	-
15,000,000	(-) Units of DWS FMP Series 47 Direct Growth	15.00	-	-	-
70,000,000	(-) Units of DWS FMP Series 52 - Direct - Growth	70.00	-	-	-
20,000,000	(-) Units of DWS FMP Series 53 - Direct Growth	20.00	-	-	-
40,000,000	(-) Units of DWS FMP Series 54 Direct Growth	40.00	-	-	-
40,000,000	(-) Units of DWS FMP Series 57 Direct Growth	40.00	-	-	-
140,000,000	(-) Units of DSP Blackrock FMP Series 151 12M - Direct Growth	-	-	140.00	-
50,000,000	(-) Units of DSP Blackrock FMP Series 152- 12.5M - Direct Growth	50.00	-	-	-
25,000,000	(-) Units of DSP Blackrock FTP Series 36-15M - Direct Growth	25.00	-	-	-
15,000,000	(-) Units of DSP Blackrock FTP Series 37-14M - Direct Growth	15.00	-	-	-
25,000,000	Units of DSP Blackrock FMP Seires 88-12-5 M - Direct Growth	-	25.00	25.00	-
25,000,000	Units of DSP Blackrock FMP Seires 89-12-M - Direct Growth	-	25.00	25.00	-
20,000,000	Units of DSP Blackrock FMP Seires 91-12-M - Direct Growth	-	20.00	20.00	-
25,000,000	Units of DSP Blackrock FMP Seires 93-12-M - Direct Growth	-	25.00	25.00	-
20,000,000	Units of HDFC FMP 526 Days December 2012-(1) G -Series 24	-	20.00	20.00	-
50,000,000	Units of HDFC FMP 566 Days December 2012-(1) G	-	50.00	50.00	-
-	(10,000,000) Units of HDFC FMP 400D March 2012 (1)-Growth	-	-	-	10.00
20,000,000	(-) Units of HDFC FMP 366D March 2014 (2) Series 31 Direct Growth	-	-	20.00	-
	Carried over	1,190.00	365.00	525.00	55.00
	Carried over	1,992.93	2,596.15	587.26	1,060.58

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

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,992.93	2,596.15	587.26	1,060.58
In Mutual Fund Units: (Contd.)				
Unquoted: (Contd.)				
Brought over	1,190.00	365.00	525.00	55.00
35,000,000 (-) Units of HDFC FMP 377D March 2014 (1) Series 31 Direct	35.00	-	-	-
30,000,000 (-) Units of HDFC FMP 378D March 2014 (1) Series 29 Direct Growth	30.00	-	-	-
50,000,000 (-) Units of HDFC FMP 390 D March 2014 (1) Series 29 Direct Growth	50.00	-	-	-
60,000,000 (-) Units of HDFC FMP 400D March 2014 (1) Series 29 Direct	60.00	-	-	-
50,000,000 (-) Units of HDFC FMP 434D February 2014 (1) Series 29-Direct-Growth	50.00	-	-	-
70,000,000 (-) Units of HDFC FMP 435 D March 2014 (1) Series 29 Direct Growth	70.00	-	-	-
75,000,000 (-) Units of HDFC FMP 441D February 2014 (1) Series29-Direct-Growth	75.00	-	-	-
40,000,000 (-) Units of HDFC FMP 447D Feb 2014 (1) Series 29 Direct Growth	40.00	-	-	-
50,000,000 (-) Units of HDFC FMP 453 D Feb 14 (1) Series 29- Direct Growth	50.00	-	-	-
50,000,000 (-) Units of HDFC FMP 478D January 2014 (1) Serier 29 Direct Growth	50.00	-	-	-
20,000,000 (-) Units of HDFC FMP 491D January 2014 (1) Series 29- Direct Growth	20.00	-	-	-
- (14,999,990) Units of ₹ 10 each of ICICI Prudential FMP-Series 62-396 Days Growth -Plan F	-	-	-	15.00
40,000,000 Units of ICICI - Prudential FMP Series 65-488 Days Plan D Cumulative	-	40.00	40.00	-
100,000,000 Units of ICICI - Prudential FMP Series 65-502 Days Plan C Cumulative	-	100.00	100.00	-
50,000,000 Units of ICICI - Prudential FMP Series 65-505 Days Plan J Direct Growth	-	50.00	50.00	-
25,000,000 Units of ICICI - Prudential FMP Series 66-420 Days Plan A Direct Growth	-	25.00	25.00	-
25,000,000 Units of ICICI - Prudential FMP Series 66-407 D Plan C Direct Plan Cumulative	-	25.00	25.00	-
50,000,000 Units of ICICI - Prudential FMP Series 67-371 D Plan E Direct Plan Cumulative	-	50.00	50.00	-
15,000,000 (-) Units of ICICI Prudential FTP Series - 71 (525 Days) Plan - D Direct Growth	15.00	-	-	-
50,000,000 (-) Units of ICICI Prudential FMP 72 - 483 Days J Direct Cummulative	50.00	-	-	-
Carried over	1,785.00	655.00	815.00	70.00
Carried over	1,992.93	2,596.15	587.26	1,060.58

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

10 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,992.93	2,596.15	587.26	1,060.58
In Mutual Fund Units: (Contd.)				
Unquoted: (Contd.)				
Brought over	1,785.00	655.00	815.00	70.00
15,000,000 (-) Units of ICICI Prudential FMP Series 68 - 704 Days Plan L Direct	15.00	-	-	-
25,000,000 (-) Units of ICICI Prudential FMP Series 69 - 693 Days Plan D DP Cumulative	25.00	-	-	-
15,000,000 (-) Units of ICICI Prudential FMP Series 69 - 698 Days Plan B Direct	15.00	-	-	-
10,000,000 (-) Units of ICICI Prudential FMP Series 70 - 540 Days Plan S Direct Plan Cumulative	10.00	-	-	-
35,000,000 (-) Units of ICICI Prudential FMP Series 71- 480 Days Plan L Direct Plan Cumulative	35.00	-	-	-
25,000,000 (-) Units of ICICI Prudential FMP Series 71- 505 Days Plan H Direct Plan Cumulative	25.00	-	-	-
15,000,000 (-) Units of ICICI Prudential FMP Series 71 - 547 Days Plan B Direct Plan Cumulative	15.00	-	-	-
45,000,000 (-) Units of ICICI Prudential FMP Series 72 - 440 Days Plan L Direct Plan	45.00	-	-	-
36,000,000 (-) Units of ICICI Prudential FMP Series 72 - 500 Days Plan E Direct Plan Cumulative	36.00	-	-	-
40,000,000 (-) Units of ICICI Prudential FMP Series 72 - 425 Days Plan L Direct Plan Cumulative	40.00	-	-	-
50,000,000 (-) Units of ICICI Prudential FMP Series 72 - 409 Days Plan S Direct Plan Cumulative	50.00	-	-	-
20,000,000 (-) Units of ICICI Prudential FMP Series 72 - 525 Days Plan B Direct Plan Cumulative	20.00	-	-	-
30,000,000 (-) Units of ICICI Prudential FMP Series 73 - 391 Days Plan G Direct	30.00	-	-	-
15,000,000 Units of IDFC FTP Series -2 Growth	-	15.00	15.00	-
30,000,000 Units of IDFC FTP Series -9 Growth	-	30.00	30.00	-
14,000,000 (-) Units of IDFC FTP Series - 29 - Direct Growth	14.00	-	-	-
25,000,000 (-) Units of IDFC FTP Series 21 Direct Plan - Growth	25.00	-	-	-
15,000,000 (-) Units of IDFC FTP Series 48 Direct Plan - Growth	15.00	-	-	-
25,000,000 (-) Units of IDFC FTP Series 51 Direct Plan - Growth	25.00	-	-	-
15,000,000 (-) Units of IDFC FTP Series 57 Direct Plan - Growth	15.00	-	-	-
15,000,000 (-) Units of IDFC FTP Series 60 Direct Plan - Growth	15.00	-	-	-
15,000,000 (-) Units of IDFC FTP Series 64 Direct Plan - Growth	15.00	-	-	-
Carried over	2,270.00	700.00	860.00	70.00
Carried over	1,992.93	2,596.15	587.26	1,060.58

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

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,992.93	2,596.15	587.26	1,060.58
In Mutual Fund Units: (Contd.)				
Unquoted: (Contd.)				
Brought over	2,270.00	700.00	860.00	70.00
15,000,000 (-) Units of IDFC FTP Series 66 Direct Plan - Growth	15.00	-	-	-
10,000,000 (-) Units of IDFC FTP Series 72 Direct Plan - Growth (419 Days)	10.00	-	-	-
20,000,000 (-) Units of IDFC FTP Series 74 Direct Plan - Growth (411 Days)	20.00	-	-	-
26,000,000 (-) Units of IDFC FTP Series 75 Direct Plan -Growth (406 Days)	26.00	-	-	-
10,000,000 (-) Units of IDFC FMP Series 26 Direct Plan-Growth	10.00	-	-	-
5,000,000 (-) Units of IDFC FMP Series 39 Direct Plan - Growth	5.00	-	-	-
29,000,000 (-) Units of IDFC FTP Series 70 Direct Plan- Growth	29.00	-	-	-
28,000,000 (-) Units of IDFC FTP Series 77 Direct Growth	28.00	-	-	-
30,000,000 (-) Units of IDFC FTP Series 78 Direct Growth	-	-	30.00	-
20,000,000 (-) Units of IDFC FTP Series 79 Direct Growth	20.00	-	-	-
25,000,000 (-) Units of IDFC FTP Series 86 Direct Growth (379 Days)	25.00	-	-	-
25,000,000 (-) Units of IDFC FTP Series 88 Direct Growth (372 Days)	25.00	-	-	-
36,000,000 (-) Units of JP Morgan India FMP Series 30 Direct Growth	36.00	-	-	-
50,000,000 (-) Units of JP Morgan India FMP Series 33 Direct Growth	50.00	-	-	-
25,000,000 Units of Kotak FMP Series 97-Growth - (395 Days)	-	25.00	25.00	-
20,000,000 Units of Kotak FMP Series 98-Growth - (496 Days)	-	20.00	20.00	-
25,000,000 Units of Kotak FMP Series 95-Direct Growth	-	25.00	25.00	-
- (15,000,000) Units of Kotak FMP Series 76 - Growth (13 Months)	-	-	-	15.00
25,000,000 (-) Units of Kotak FMP Series 132 Direct - Growth	25.00	-	-	-
14,000,000 (-) Units of Kotak FMP Series 133 Direct - Growth	14.00	-	-	-
50,000,000 (-) Units of Kotak FMP Series 141 Direct- Growth	50.00	-	-	-
53,000,000 (-) Units of Kotak FMP Series 142 Direct - Growth	53.00	-	-	-
100,000,000 (-) Units of Kotak FMP Series 145 Direct Growth	100.00	-	-	-
33,000,000 (-) Units of Kotak FMP Series 146 Direct Growth	33.00	-	-	-
25,000,000 (-) Units of Kotak FMP Series 147 Direct Growth	25.00	-	-	-
20,000,000 (-) Units of Kotak FMP Series 149 Direct Growth	20.00	-	-	-
25,000,000 (-) Units of Kotak FMP Series 150 Direct Growth	25.00	-	-	-
25,000,000 (-) Units of Kotak FMP Series 151 Direct Growth	25.00	-	-	-
Carried over	2,939.00	770.00	960.00	85.00
Carried over	1,992.93	2,596.15	587.26	1,060.58

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

10 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,992.93	2,596.15	587.26	1,060.58
In Mutual Fund Units: (Contd.)				
Unquoted: (Contd.)				
Brought over	2,939.00	770.00	960.00	85.00
20,000,000 (-) Units of Kotak FMP Series 152 Direct Growth	-	-	20.00	-
20,000,000 (-) Units of L&T FMP Series 10 Plan S - Direct Growth	20.00	-	-	-
40,000,000 (-) Units of L&T FMP Series 10 Plan T - Direct Growth	40.00	-	-	-
20,000,000 (-) Units of L&T FMP Series 9 - Plan J - Direct Growth	20.00	-	-	-
20,000,000 (-) Units of L&T FMP Series 10 - Plan H - Direct Growth	20.00	-	-	-
25,000,000 (-) Units of L&T FMP Series 10 - Plan M - Direct Growth	25.00	-	-	-
20,000,000 (-) Units of L&T FMP Series 10 Plan B - Direct Growth	20.00	-	-	-
20,000,000 (-) Units of L&T FMP Series 10 Plan Q - Direct Growth	20.00	-	-	-
20,000,000 (-) Units of L&T FMP Series 9 - Plan E - Direct Growth	20.00	-	-	-
25,000,000 Units of Reliance Fixed Horizon Fund - XXII - Series 26 - Growth	-	25.00	25.00	-
50,000,000 Units of Reliance Fixed Horizon Fund - XXII - Series 33 - Growth	-	50.00	50.00	-
25,000,000 Units of Reliance Fixed Horizon Fund - XXII - Series 37 - Growth	-	25.00	25.00	-
20,000,000 Units of Reliance Fixed Horizon Fund - XXII - Series 38 - Growth	-	20.00	20.00	-
25,000,000 Units of Reliance Fixed Horizon Fund - XXII - Series 39-Growth	-	25.00	25.00	-
25,000,000 Units of Reliance Fixed Horizon Fund - XXIII - Series 1- Direct Plan Growth	-	25.00	25.00	-
20,000,000 Units of Reliance Fixed Horizon Fund - XXII - Series - 21 Growth	-	20.00	20.00	-
5,000,000 Units of Reliance Fixed Horizon Fund - XXII - Series - 29 Growth	-	5.00	5.00	-
25,000,000 Units of Reliance Fixed Horizon Fund - XXIII Series 2 - Direct Plan Growth	-	25.00	25.00	-
50,000,000 Units of Reliance Fixed Horizon Fund - XXIII Series 9 - 371 Days Direct Plan Growth	-	50.00	50.00	-
25,000,000 (-) Units of Reliance Fixed Horizon Fund - XXIII - Series 10-Direct Plan	25.00	-	-	-
10,000,000 (-) Units of Reliance Fixed Horizon Fund - XXIV - Series 6	10.00	-	-	-
20,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 1 - Growth Option	20.00	-	-	-
Carried over	3,179.00	1,040.00	1,250.00	85.00
Carried over	1,992.93	2,596.15	587.26	1,060.58

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

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,992.93	2,596.15	587.26	1,060.58
In Mutual Fund Units: (Contd.)				
Unquoted: (Contd.)				
Brought over	3,179.00	1,040.00	1,250.00	85.00
12,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 11 - Direct Plan Growth Plan	12.00	-	-	-
15,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 13 - Direct Plan Growth Plan	15.00	-	-	-
28,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 21 - Direct Plan Growth Plan	28.00	-	-	-
10,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 6- Direct Plan Growth Plan	10.00	-	-	-
30,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 22 - Direct Plan Growth Plan	30.00	-	-	-
25,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 28 - Direct Plan Growth Plan	25.00	-	-	-
60,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 17 - Direct Growth	60.00	-	-	-
23,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 16 - Direct Plan Growth Plan	23.00	-	-	-
40,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 19 - Direct Growth	40.00	-	-	-
75,000,000 (-) Units of Reliance Fixed Horizon Fund - XXV - Series 27 - Direct Growth	75.00	-	-	-
25,000,000 (-) Units of Reliance Fixed Horizon Fund - XXIV - Series 22 - Direct Plan Growth Plan	25.00	-	-	-
50,000,000 (-) Units of Reliance Fixed Horizon Plan - XXV - Series 30 Direct Growth	50.00	-	-	-
30,000,000 (-) Units of Religare Invesco FMP 22 Plan 427 Days Direct	30.00	-	-	-
20,000,000 (-) Units of Religare Invesco FMP 23 Plan B (367 Days) Direct Growth	-	-	20.00	-
20,000,000 (-) Units of Religare Invesco FMP Sr. 23- Plan G (376 Days) - Direct Plan Growth	20.00	-	-	-
10,000,000 (-) Units of Religare Invesco FMP Sr. 22- Plan L (14 Months) - Direct Plan Growth	10.00	-	-	-
30,000,000 (-) Units of Religare Invesco FMP- Sr.22 Plan F (15 Months) - Direct Plan	30.00	-	-	-
- (20,000,000) Units of SBI Debt Fund Series 15 Months Fund - Series 7	-	-	-	20.00
Carried over	3,662.00	1,040.00	1,270.00	105.00
Carried over	1,992.93	2,596.15	587.26	1,060.58

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

10 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,992.93	2,596.15	587.26	1,060.58
In Mutual Fund Units: (Contd.)				
Unquoted: (Contd.)				
Brought over	3,662.00	1,040.00	1,270.00	105.00
32,000,000 (-) Units of SBI Debt Fund Series - 17 Months - 1-Direct Plan - Growth	32.00	-	-	-
40,000,000 (-) Units of SBI Debt Fund Series - 18 Months - 13 - Direct - Growth	40.00	-	-	-
50,000,000 (-) Units of SBI Debt Fund Series - A 5 411 Days - Direct- Growth	50.00	-	-	-
40,000,000 (-) Units of SBI Debt Fund Series - A1 15 Months - Direct - Growth	40.00	-	-	-
50,000,000 (-) Units of SBI Debt Fund Series -15-Months -7-Growth	50.00	-	-	-
30,000,000 (-) Units of SBI Debt Fund Series 366 Days 54 - Direct -Growth	-	-	30.00	-
75,000,000 (-) Units of SBI Debt Fund Series A 10 - 400 Days Direct Growth	75.00	-	-	-
28,000,000 (-) Units of SBI Debt Fund Series A 3 420 Days Direct Growth	28.00	-	-	-
20,000,000 (-) Units of SBI Debt Fund Series A 9 366 Days Direct Growth	-	-	20.00	-
10,000,000 (-) Units of Sundaram FTP ER 18 Months Direct Growth	10.00	-	-	-
25,000,000 (-) Units of Sundaram FTP 383 Days Direct Growth	25.00	-	-	-
15,000,000 (-) Units of Sundaram FTP EX 420 Days Direct Growth	15.00	-	-	-
20,000,000 (-) Units of Sundaram FTP FD 397 Days Direct Growth	20.00	-	-	-
20,000,000 (-) Units of Sundaram FTP Plan FF 366 Days Direct Growth	-	-	20.00	-
30,000,000 (-) Units of Sundaram FTP Plan FJ 365 Days Direct Growth	-	-	30.00	-
25,000,000 Units of Tata FMP Plan Series 42 - Scheme G - Direct	-	25.00	25.00	-
45,000,000 (-) Units of TATA FMP Series 46 Scheme M - Direct Plan - Growth	45.00	-	-	-
34,000,000 (-) Units of TATA FMP Series 46 Scheme T - Direct Plan - Growth	34.00	-	-	-
20,000,000 (-) Units of TATA FMP Series 46 Scheme K - Direct - Growth	20.00	-	-	-
20,000,000 (-) Units of TATA FMP Series 46 Scheme N	20.00	-	-	-
20,000,000 (-) Units of TATA FMP Series 46 Scheme Q Direct	20.00	-	-	-
20,000,000 (-) Units of TATA FMP Series 46 Scheme R Direct	20.00	-	-	-
Carried over	4,206.00	1,065.00	1,395.00	105.00
Carried over	1,992.93	2,596.15	587.26	1,060.58

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

10 Investments (Contd.)

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought over	1,992.93	2,596.15	587.26	1,060.58
In Mutual Fund Units: (Contd.)				
Unquoted: (Contd.)				
Brought over	4,206.00	1,065.00	1,395.00	105.00
8,000,000 Units of UTI FMP- Series XIII-IV- 546 Days - Direct Growth	-	8.00	8.00	-
50,000,000 Units of UTI FMP- Series XIV-VIII- 371Days - Direct Growth	-	50.00	50.00	-
20,000,000 (-) Units of UTI Fixed Term Income Fund Series XVII - XIV (423 Days)-Direct Growth Plan	20.00	-	-	-
41,000,000 (-) Units of UTI FTP Fund Series XVII - VII (465 Days) - Direct Growth Plan	41.00	-	-	-
	4,267.00	1,123.00	1,453.00	105.00
Total (A)	6,259.93	3,719.15	2,040.26	1,165.58
(B) Current Investments:				
In Commercial Paper:				
Unquoted:				
- (1,000) Commercial Paper of ₹ 500,000 each of Power Finance Corporation Ltd. - 28-06-2013	-	-	-	47.10
- (500) Commercial Paper of ₹ 500,000 each of Sundaram Finance Ltd. - 04-07-2013	-	-	-	23.50
- (1,000) Commercial 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:				
- (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
Carried over	-	-	-	262.15
Carried over	-	-	-	122.16

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

10 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought forward	-	-	-	122.16
In Certificate of Deposit: (Contd.)				
Unquoted: (Contd.)				
Brought forward	-	-	-	262.15
- (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
- (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
Carried over	-	-	-	1,331.33
Carried over	-	-	-	122.16

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

10 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Brought forward	-	-	-	122.16
In Certificate of Deposit: (Contd.)				
Unquoted: (Contd.)				
Brought forward	-	-	-	1,331.33
- (5,000) Certificate of Deposit of ₹ 100,000 each of Central Bank of India - 25-03-2014	-	-	-	45.95
5,000 (-) Certificate of Deposit of ₹ 100,000 each of Bank of India - 06-03-2015	-	-	46.01	-
5,000 (-) Certificate of Deposit of ₹ 100,000 each of Canara Bank - 27-02-2015	-	-	46.07	-
10,000 (-) Certificate of Deposit of ₹ 100,000 each of Oriental Bank of Commerce - 22-05-2014	-	-	92.49	-
2,500 (-) Certificate of Deposit of ₹ 100,000 each of State Bank of Patiala - 20-12-2014	-	-	23.37	-
	-	-	207.94	1,377.28
Add: Amortisation of premium/(discount) on acquisition	-	-	6.50	31.31
	-	-	214.44	1,408.59
In Mutual Fund Units:				
Unquoted:				
173,706.701(-) SBI Premier Liquid Fund Direct - Growth	-	-	35.00	-
- (799,068.818) Birla Sun Life Cash Plus - Growth Direct Plan	-	-	-	15.00
	-	-	35.00	15.00
Total (B)	-	-	249.44	1,545.75
Total (A+B)	6,259.93	3,719.15	2,289.70	2,711.33
Aggregate provision for diminution in value of investments	203.52	139.79	0.04	1.49

Particulars	(₹ In Crore)			
	Book value		Market value	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Quoted*	1,293.37	2,372.60	1,277.50	2,351.82
Unquoted	7,256.26	4,057.88		
Total	8,549.63	6,430.48		

Notes to Investments

- National Saving Certificate of face value of ₹ 8,500 deposited with Government Departments.
- * Quoted investments for which quotations are not available have been included in market value at the face value/paid up value, whichever is lower, except in case of Debentures, Bonds and Government securities, where the Net Present Value at current yield to maturity have been considered.
- Investments made by the Company other than those with a maturity of less than one year, are intended to be held for long-term, hence diminution in the value of quoted investments are not considered to be of a permanent nature. On an assessment of the non-performing investments (quoted and unquoted) as per the guidelines adopted by the Management, a provision of ₹ 63.78 crore has been determined during the year ended 31 March 2014.
- Refer note 1 clause 5 for accounting policy and valuation principles for investments.

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

11 Loans and advances

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Capital advances	138.98	119.97	-	-
Security deposits	26.46	26.01	-	-
Loan and advances to related parties [See note 35]	-	-	2.06	5.86
Advances recoverable in cash or kind				
Unsecured considered good	18.28	47.66	151.48	65.72
Doubtful	4.61	3.71	-	-
	22.89	51.37	151.48	65.72
Provision for doubtful advances	4.61	3.71	-	-
	18.28	47.66	151.48	65.72
Other loans and advances				
VAT refund receivable	260.94	17.96	564.98	1,102.04
Excise duty rebate receivable on export	-	-	216.78	92.11
Advance income-tax (net of provision for tax)	250.26	229.26	-	-
Loans to former employees	-	-	-	3.44
Balances with Central Excise Department	25.00	21.53	43.15	42.55
	536.20	268.75	824.91	1,240.14
	719.92	462.39	978.45	1,311.72

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

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

12 Other assets
(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Long-term trade receivables [See note 14]	-	-	-	-
Non-current bank balances [See note 15]	1.02	1.02	-	-
	1.02	1.02	-	-
Others				
Investments redemption proceeds receivable	-	-	125.00	-
Interest receivable on investments	-	-	13.52	13.52
Interest receivable on loans, deposits etc.	-	-	0.39	0.34
Export incentives receivable	-	-	-	-
Unsecured considered good (Non-current ₹ 28,682- previous year ₹ 29,243)			204.45	182.50
Doubtful	5.74	5.90	-	-
	5.74	5.90	204.45	182.50
Provision for doubtful export incentives	5.74	5.90	-	-
	-	-	204.45	182.50
Valuation gains on derivative hedging instruments [See note 25]	-	-	73.71	15.96
	-	-	417.07	212.32
	1.02	1.02	417.07	212.32

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

13 Inventories*

Particulars	As at 31 March	
	2014	2013
Raw materials and components [includes in transit ₹ 19.75 crore (previous year: ₹ 21.42 crore)]	188.79	196.77
Work-in-progress	24.96	26.56
Finished goods		
Vehicles (manufactured)	279.12	248.89
Vehicles (traded)	1.53	1.51
Auto spare parts (manufactured)	15.02	12.72
Auto spare parts (traded)	112.21	124.26
Stores, spares and packing material	13.07	17.97
Loose tools	5.02	7.60
	639.72	636.28

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

Details of Inventory

Particulars	As at 31 March	
	2014	2013
Raw materials and components		
Ferrous metal	5.30	4.27
Non-ferrous metal	4.78	1.21
Components	145.51	169.02
Tyres and tubes	30.57	19.87
Others	2.63	2.40
	188.79	196.77
Work-in-progress		
Vehicles	-	-
Factory made components	24.96	26.56
	24.96	26.56
Finished goods		
Vehicles (manufactured)	279.12	248.89
Vehicles (traded)	1.53	1.51
Auto spare parts (manufactured)	15.02	12.72
Auto spare parts (traded)	112.21	124.26
	407.88	387.38

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

14 Trade receivables

(Unsecured, considered good, unless stated otherwise)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Outstanding for a period exceeding six months from the date they are due for payment				
Good	-	-	-	-
Doubtful	1.38	1.70	-	-
	1.38	1.70	-	-
Provision for doubtful receivable	1.38	1.70	-	-
	-	-	-	-
Others, good	-	-	796.21	767.58
	-	-	796.21	767.58
Amount disclosed under the head "other non-current assets" [See note 12]	-	-	-	-
	-	-	796.21	767.58

15 Cash and bank balances

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Cash and cash equivalents				
Balances with banks				
In current accounts	-	-	414.72	451.73
Cash on hand	-	-	0.08	0.13
Cash equivalents				
Cheques/drafts on hand	-	-	71.48	-
Certificate of Deposits with maturity of less than three months from date of acquisition	-	-	-	98.42
	-	-	486.28	550.28
Other bank balances				
Unclaimed dividend accounts	-	-	9.20	8.57
Deposits with residual maturity for more than 12 months	0.02	0.02	-	-
Margin money deposit	1.00	1.00	-	-
	1.02	1.02	9.20	8.57
Amount disclosed under non-current assets [See note 12]	(1.02)	(1.02)	-	-
	-	-	495.48	558.85

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

16 Revenue from operations

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013
Revenue from operations		
Sale of products	20,727.04	20,617.87
Less: Excise duty on sale of products	1,009.40	1,128.91
Net sales	19,717.64	19,488.96
Other operating revenue		
Scrap sales	54.82	53.86
Export incentives	335.94	416.75
Royalty	40.59	36.85
Technical know how fees	0.52	0.83
	431.87	508.29
	20,149.51	19,997.25

Detail of products sold

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013
Sale of products		
Vehicles (manufactured)	18,800.53	18,923.74
Vehicles (traded)	24.57	1.30
Auto spare parts (manufactured)	241.97	213.61
Auto spare parts (traded)	1,659.97	1,479.22
	20,727.04	20,617.87

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

17 Other income

Particulars	For the year ended 31 March	
	2014	2013
(₹ In Crore)		
Investment income:		
Interest income on		
Bank deposits	0.02	41.72
Long-term investments	214.90	259.07
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	(32.96)	(49.82)
Current investments	159.24	73.41
	341.20	324.38
Dividend income on		
Long-term investments in subsidiaries	27.08	-
Long-term investments	-	0.15
Profit on sale of investments, net*	54.84	48.23
	423.12	372.76
Others:		
Interest - others	57.97	51.29
Rent	18.79	9.91
Insurance claims	0.26	0.90
Miscellaneous receipts	68.63	34.32
Surplus on sale of assets	2.25	7.17
Sundry credit balances appropriated	1.46	1.15
Provision for doubtful debts and advances written back	0.60	5.15
Less: Write backs on account of amounts written off during the year, as per contra	-	4.57
	0.60	0.58
Provision no longer required	38.74	69.12
Valuation gains on derivative hedging instruments	-	131.92
Gains on exchange fluctuations	14.85	47.42
Gain on repayment of sales tax deferral loan/liability	79.74	68.95
	283.29	422.73
	706.41	795.49

* Including on current investments ₹ 42.37 crore (previous year ₹ 38.10 crore)

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

18 Cost of raw material and components consumed

Particulars	For the year ended 31 March	
	2014	2013
Ferrous metal	98.92	102.36
Non-ferrous metal	0.32	0.51
Components	12,177.58	12,700.73
Tyres and tubes	601.03	657.48
Others	58.62	62.66
	12,936.47	13,523.74

19 Purchase of traded goods

Particulars	For the year ended 31 March	
	2014	2013
Vehicles	21.57	2.79
Auto spare parts	937.53	856.04
	959.10	858.83

20 (Increase)/decrease in inventories

Particulars	For the year ended 31 March		
	2014	2013	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	24.96	26.56	1.60
Finished goods			
Vehicles (manufactured)	279.12	248.89	(30.23)
Vehicles (traded)	1.53	1.51	(0.02)
Auto spare parts (manufactured)	15.02	12.72	(2.30)
Auto spare parts (traded)	112.21	124.26	12.05
	432.84	413.94	(18.90)
Inventories at the beginning 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
	(18.90)	24.00	

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

21 Employee benefits expense

Particulars	For the year ended 31 March	
	2014	2013
Salaries, wages and bonus to employees	579.51	493.16
Remuneration to whole-time directors	30.10	27.72
Contribution to provident and other funds	64.62	68.79
Staff welfare expenses	52.35	49.81
	726.58	639.48

22 Finance costs

Particulars	For the year ended 31 March	
	2014	2013
Interest expense	0.49	0.54
	0.49	0.54

23 Depreciation and amortisation

Particulars	For the year ended 31 March	
	2014	2013
Depreciation on tangible assets	177.57	162.63
Depreciation on investment property	1.38	1.34
Amount amortised/written off against technical know-how	-	2.14
Amount written off against leasehold land	0.66	0.66
	179.61	166.77

24 Other expenses

Particulars	For the year ended 31 March	
	2014	2013
Stores and tools consumed	124.98	123.85
Power, fuel and water	106.16	121.33
Excise duty on increase/(decrease) in stocks of finished goods	(8.13)	6.27
Rent	9.84	8.84
Repairs to buildings	36.20	30.56
Repairs to machinery	101.81	95.57
Other repairs	6.66	4.51
Insurance	2.62	3.46
Carried over	380.14	394.39

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

24 Other expenses (Contd.)

Particulars	For the year ended 31 March	
	2014	2013
		(₹ In Crore)
		For the year ended 31 March
Brought over	380.14	394.39
Rates and taxes	5.38	6.31
Payment to auditor	1.39	1.14
Directors' fees and travelling expenses	0.33	0.31
Commission to non-executive directors	1.09	1.05
Travelling expenses	43.79	37.49
Miscellaneous expenses	185.74	156.85
Loss on derivative contracts on break in designation of hedge	2.11	69.22
Sales tax/VAT expenses	21.35	16.75
Packing material consumed	268.65	255.41
Freight and forwarding expenses	54.10	50.44
Advertisement	262.33	201.95
Vehicle service charges and other expenses	62.87	80.79
Commission and discount	42.87	35.82
Incentives and sales promotion	23.71	20.51
Donations	0.17	0.01
Bad debts and other irrecoverable debit balances written off	0.07	4.65
Less: Provisions made in earlier years in respect of amounts written off during the year, adjusted as per contra	-	4.57
	0.07	0.08
Valuation losses on derivative hedging instruments	76.81	-
Loss on assets sold, demolished, discarded and scrapped	7.56	7.04
Provision for doubtful debts and advances	1.18	4.92
Provision for diminution in value of investments	63.78	35.52
	1,505.42	1,376.00

Particulars	For the year ended 31 March	
	2014	2013
		(₹ In Crore)
		For the year ended 31 March
Payment to auditor		
As auditor:		
Audit fee	1.00	0.80
Tax audit fee	0.07	0.06
Limited review	0.20	0.12
In other capacity:		
Other services (certification fees)	0.08	0.10
Reimbursement of expenses	0.04	0.06
	1.39	1.14

Notes to financial statements for the year ended 31 March 2014 (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 derivatives 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 a gain of ₹ 1.95 crore as against ₹ Nil in the previous year.

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 upto 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 ₹ 71.76 crore as against a gain in the previous year aggregating ₹ 15.96 crore.

The time value of option contracts from the current year aggregating a net loss of ₹ 76.81 crore after reversals, has been recognised as "Other expense" being recurring in nature, against a net gain of ₹ 131.92 crore in the previous year recognised as "Other income".

Risk management policy and other disclosures

The exports of the Company, presently constituting substantial portion of the turnover, are at prices pre-determined 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 2014:

	As at 31 March 2014		As at 31 March 2013	
	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 14 to June 14)	289.25	(0.42)	336.00	11.50
Later than three months and not later than six months (July 14 to Sept 14)	299.25	33.19	256.00	5.10
Later than six months and not later than one year (Oct 14 to March 15)	348.50	43.31	312.00	(0.64)
Later than one year (April 15 to June 15)	38.00	(2.37)	-	-
Total	975.00	73.71	904.00	15.96

On import Transactions: ₹ Nil

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

25 Derivative hedging instruments (Contd.)

The fair values (Marked-to-market) of foreign currency derivative contracts outstanding as on 31 March 2014 and 31 March 2013 are as follows:

	As at 31 March 2014		As at 31 March 2013	
	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	29.25	1.95	-	-
Foreign currency derivative designated as hedging instruments - range forward contracts	945.75	71.76	904.00	15.96
Total	975.00	73.71	904.00	15.96

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 2014-15 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 gain of ₹ 1.95 crore and net loss of ₹ 16.32 crore, as a component of equity (Hedge reserve) as at 31 March 2014, and 2013, respectively and a net loss of ₹ 13.53 crore and a net loss of ₹ 207.67 crore as part of revenue during the year ended 31 March 2014, and 2013 respectively and a loss of ₹ 2.60 crore (previous year ₹ 69.22 crore) to the Statement of Profit and Loss on a break in the designation of the hedge.

The movement of Hedge reserve - par forward is as follows:

Particulars	For the year ended 31 March (₹ In Crore)	
	2014	2013
Opening balance	(16.32)	(216.93)
Add: Net gain recognised on cash flow hedges	2.14	-
Less: Net loss recognised on cash flow hedges	-	76.28
Less: Net gain reclassified to profit or loss	-	-
Add: Net loss reclassified to profit or loss	16.13	276.89
Closing balance	1.95	(16.32)

In respect of foreign currency derivative contracts designated as cash flow hedges for range forward contracts, the Company has recorded a net gain of ₹ 150.65 crore and net gain of ₹ 18.04 crore, as a component of equity (Hedge reserve) as at 31 March 2014, and 2013, respectively and a net loss of ₹ 114.35 crore and a net loss of ₹ 394.74 crore as part of revenue during the year ended 31 March 2014, and 2013 respectively and a gain of ₹ 0.49 crore (previous year ₹ Nil) to the Statement of Profit and Loss on a break in the designation of the hedge.

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

25 Derivative hedging instruments (Contd.)

The movement of Hedge reserve - range forward is as follows:

Particulars	For the year ended 31 March	
	2014	2013
Opening balance	18.04	(122.11)
Less: Net loss recognised on cash flow hedges	-	254.59
Add: Net gain recognised on cash flow hedges	18.75	-
Add: Net loss reclassified to profit or loss	113.86	394.74
Closing balance	150.65	18.04

Amount that was removed from appropriate equity account (Hedge reserve account) during the year ended 2014 and 2013 in respect of forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur is a loss of ₹ 2.11 crore and ₹ 69.22 crore 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 a loss of ₹ 78.89 crore as on 31 March 2014.

In respect of the Company's foreign currency derivative contracts outstanding as on 31 March 2014, a 10% increase in the exchange rates of the currency underlying such contracts as given by the banks would have resulted in an approximately ₹ 270.87 crore decrease in the fair value of outstanding contracts.

In respect of the Company's foreign currency derivative contracts outstanding as on 31 March 2014, a 10% decrease in the exchange rates of the currency underlying such contracts as given by the banks would have resulted in an approximately ₹ 402.40 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 pre-determined 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:

Investment grade of outstanding foreign exchange forward contracts	(USD Million)	
	As at 31 March	
	2014	
Highest safety	975.00	
High safety	-	
Adequate safety	-	
Total	975.00	

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:

Particulars	(USD Million)	
	As at 31 March	
	2014	2013
Receivables	37	41
Payables	6	5
Others (EEFC balances)	45	53

Notes to financial statements for the year ended 31 March 2014 (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:

Particulars	For the year ended 31 March	
	2014	2013
a. Profit for the year (₹ In Crore)	3,243.32	3,043.57
Weighted average number of shares outstanding during the year (Nos)	289,367,020	289,367,020
b. Earnings per share (Basic and Diluted) ₹	112.1	105.2
Face value per share ₹	10.0	10.0

27 Contingent liabilities

Particulars	As at 31 March	
	2014	2013
a. Claims against the Company not acknowledged as debts	446.41	418.88
b. Guarantees given by the Company to banks, on behalf of its subsidiary, PT. Bajaj Auto Indonesia	-	27.14
c. Guarantees given by the Company to Housing Development Finance Corporation Ltd. - for loans to employees	0.02	0.04
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	392.08	293.31
e. Income tax matters - Appeal by Company	98.56	54.13
f. Value Added Tax (VAT)/Sales Tax matters under dispute	116.11	377.48
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

Particulars	As at 31 March	
	2014	2013
a. Capital commitments, net of capital advances	117.40	82.01
b. Other commitments		
<p>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 against which remaining future obligation aggregates USD 30.41 million (Previous year - USD Nil). Minimum export obligations to be fulfilled by the Company under the said scheme, by 31 March 2014 have been fulfilled. Non fulfillment of the balance of such future obligation, if any, entails options/rights to the Government to confiscate capital goods imported under the said licence and other penalties under the above referred scheme.</p>		

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

29 Value of imports calculated on CIF basis

Particulars	For the year ended 31 March	
	2014	2013
Raw materials	37.24	38.17
Components	502.16	547.85
Vehicles and spare parts	15.49	11.78
Machinery spares	9.40	6.89
Capital goods (including aircraft in previous year - ₹ 209.66 crore)	51.93	378.37
Tools, stores, etc.	8.90	6.46
	625.12	989.52
Converted in equivalent USD million at closing rate of 31 March	104	182

30 Expenditure in foreign currency (accrual basis)

Particulars	For the year ended 31 March	
	2014	2013
Travelling expenses	8.57	6.81
Royalty, gross of tax	1.75	4.47
Technical consultancy, gross of tax	10.49	3.04
Interest	0.10	-
Research & Development expenses	3.55	5.75
Consultancy charges	1.52	2.02
Advertisement and publicity	39.49	39.45
Other matters	34.62	32.10
	100.09	93.64

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

Particulars	For the year ended 31 March 2014		For the year ended 31 March 2013	
	(₹ In Crore)	Percentage	(₹ In Crore)	Percentage
Raw Materials and components				
Imported	550.61	4.26%	628.53	4.65%
Indigenously obtained	12,385.86	95.74%	12,895.21	95.35%
	12,936.47	100.00%	13,523.74	100.00%
Auto spare parts consumed				
Imported	16.72	1.77%	11.73	1.37%
Indigenously obtained	930.56	98.23%	844.89	98.63%
	947.28	100.00%	856.62	100.00%

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

32 Earnings in foreign currency (accrual basis)

Particulars	For the year ended 31 March	
	2014	2013
F.O.B.Value of exports * (USD 1,330 million; previous year: USD 1,309 million)	7,931.46	6,508.27
Exchange gain/(loss) on derivative hedging instruments, debtors	11.53	39.91
Forwarding charges exports recovered	9.57	8.67
Interest	0.51	2.66
Royalty	2.61	2.66
Technical know-how fees	0.52	0.83
Asset disposal	-	-
Others	7.66	2.34
	7,963.86	6,565.34

* Excludes F.O.B. Value of rupee exports ₹ 267.37 crore (previous year - ₹ 204.25 crore)

Notes to financial statements for the year ended 31 March 2014 (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 AS 15 (Revised) the details of which are as hereunder.

Funded schemes

Particulars	(₹ In Crore)	
	Gratuity	
	As at 31 March	
	2014	2013
Amount to be recognised in Balance Sheet		
Present value of funded obligations	253.71	219.10
Fair value of plan assets	(137.50)	(90.01)
Net liability	116.21	129.09
Amounts in Balance Sheet		
Liability	116.21	129.09
Assets	-	-
Net liability	116.21	129.09
Expense to be recognised in the Statement of Profit and Loss		
Current service cost	11.63	8.64
Interest on defined benefit obligation	17.54	15.47
Expected return on plan assets	(6.39)	(5.21)
Net actuarial losses/(gains) recognised in year	8.00	18.82
Total, included in "Employee benefits expense"	30.78	37.72
Actual return on plan assets	8.86	6.78
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	219.10	181.26
Current service cost	11.63	8.64
Interest cost	17.54	15.48
Actuarial losses/(gains)	10.47	20.39
Benefits paid	(5.03)	(6.67)
Closing defined benefit obligation	253.71	219.10
Change in fair value of assets		
Opening fair value of plan assets	90.01	73.95
Expected return on plan assets	6.39	5.21
Actuarial gains/(losses)	2.47	1.57
Contributions by employer	43.66	15.95
Benefits paid	(5.03)	(6.67)
Closing fair value of plan assets	137.50	90.01

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

33 Employee benefits (Contd.)

Funded schemes (Contd.)

Particulars	As at 31 March		
	2014	2014	2013
(₹ In Crore)			
Assets information			
Insurer managed funds	137.50	100.00%	100.00%

Particulars	For the year ended 31 March				
	2010	2011	2012	2013	2014
(₹ In Crore)					
Experience adjustments					
Defined benefit obligation	122.44	160.23	181.26	219.10	253.71
Plan assets	37.40	61.40	73.95	90.01	137.50
Surplus/(deficit)	(85.04)	(98.83)	(107.31)	(129.09)	(116.21)
Exp. adj. on plan liabilities	3.30	26.09	11.96	9.32	9.65
Exp. adj. on plan assets	0.63	1.03	1.26	1.57	2.47

Particulars	As at 31 March	
	2014	2013
(₹ In Crore)		
Principal actuarial assumptions (Expressed as weighted averages)		
Discount rate (p.a.)	9.35%	8.05%
Expected rate of return on assets (p.a.)	7.50%	7.50%
Salary escalation rate (p.a.) - senior staff	10.00%	8.00%
Salary escalation rate (p.a.) - junior staff	10.00%	9.00%

Particulars	As at 31 March	
	2014	2013
(₹ In Crore)		
Provident fund		
Amount to be recognised in Balance Sheet		
Present value of funded obligations	568.88	483.55
Fair value of plan assets	(568.88)	(483.55)
Net liability	-	-
Amounts in Balance Sheet		
Liability	-	-
Assets	-	-
Net liability	-	-

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

33 Employee benefits (Contd.)

Funded schemes (Contd.)

Particulars	(₹ In Crore)	
	Provident fund	
	As at 31 March	
	2014	2013
Expense to be recognised in the Statement of Profit and Loss		
Current service cost	22.30	19.57
Interest on defined benefit obligation	39.82	36.19
Expected return on plan assets	(43.08)	(37.01)
Net actuarial losses/(gains) recognised in year	3.26	0.82
Total, included in "Employee benefits expense"	22.30	19.57
Actual return on plan assets	46.25	39.74
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	483.55	408.98
Current service cost	22.30	19.57
Interest cost	39.82	36.19
Actuarial losses/(gains)	6.44	3.55
Employee contributions	39.21	35.70
Benefits paid	(22.44)	(20.44)
Closing defined benefit obligation	568.88	483.55
Change in fair value of assets		
Opening fair value of plan assets	483.55	408.98
Expected return on plan assets	43.09	37.01
Actuarial gains/(losses)	3.17	2.73
Employer contributions during the period	22.30	19.57
Employee contributions during the period	39.21	35.70
Benefits paid	(22.44)	(20.44)
Closing fair value of plan assets	568.88	483.55

Particulars	(₹ In Crore)		
	As at 31 March		
	2014	2014	2013
Assets information			
Category of assets (% allocation)			
Government of India securities	277.88	49.00%	46.00%
Corporate bonds	201.33	35.00%	37.00%
Special deposit scheme	58.58	10.00%	12.00%
Others	31.09	6.00%	5.00%
Total	568.88	100.00%	100.00%

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

33 Employee benefits (Contd.)

Funded schemes (Contd.)

Particulars	For the year ended 31 March					(₹ In Crore)
	2010	2011	2012	2013	2014	
Experience adjustments						
Defined benefit obligation	-	-	408.98	483.55	568.88	
Plan assets	-	-	408.98	483.55	568.88	
Surplus/(deficit)	-	-	-	-	-	
Exp. adj. on plan liabilities	-	-	-	3.55	6.44	
Exp. adj. on plan assets	-	-	-	2.73	3.17	

Particulars	As at 31 March	
	2014	2013
Principal actuarial assumptions (expressed as weighted averages)		
Discount rate (p.a.)	9.35%	8.05%
Expected rate of return on assets (p.a.)	9.01%	8.56%
Discount rate for the remaining term to maturity of the investment (p.a.)	9.00%	8.05%
Average historic yield on the investment (p.a.)	8.66%	8.56%
Guaranteed rate of return (p.a.)	8.75%	8.50%

Unfunded schemes

Particulars	As at 31 March		(₹ In Crore)
	Compensated absences		
	2014	2013	
Present value of unfunded obligations	60.54	47.51	
Expense recognised in the Statement of Profit and Loss	18.91	13.09	
Discount rate (p.a.)	9.35%	8.05%	
Salary escalation rate (p.a.) - senior staff	10.00%	8.00%	
Salary escalation rate (p.a.) - junior staff	10.00%	9.00%	

Particulars	As at 31 March		(₹ In Crore)
	Welfare scheme		
	2014	2013	
Present value of unfunded obligations	5.16	5.89	
Expense recognised in the Statement of Profit and Loss	(0.33)	1.34	
Discount rate (p.a.)	9.35%	8.05%	

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

(₹ In Crore)

(a) Primary segment: Business segment

Particulars	Automotive	Investments	Consolidated
Revenue			
External sales and other income	20,438.83	396.04	20,834.87
Unallocated corporate revenue	-	-	5.23
Inter segment sales and other income	-	-	-
Total revenue	20,438.83	396.04	20,840.10
Segment result	4,400.89	395.09	4,795.98
Unallocated corporate result	-	-	5.23
Interest expense	0.82	-	0.82
Tax expense	-	-	1,390.10
Tax (debits)/credits pertaining to earlier years	-	-	1.37
Deferred tax assets write-off	-	-	31.74
Minority interest	-	-	(0.36)
Profit for the year	4,400.07	395.09	3,380.28
Segment assets	7,590.89	7,466.45	15,057.34
Unallocated corporate assets	-	-	250.42
Total assets	7,590.89	7,466.45	15,307.76
Segment liabilities	3,175.04	-	3,175.04
Unallocated corporate liabilities	-	-	1,764.48
Total liabilities	3,175.04	-	4,939.52
Capital employed	4,415.85	7,466.45	10,368.24
Capital expenditure	391.78	-	391.78
Depreciation and write downs	181.32	-	181.32
Non cash expenses other than depreciation	-	-	-

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

Particulars	India	Rest of the world	Consolidated
Segment revenue			
External sales and other income	12,618.40	8,221.70	20,840.10
Segment assets	13,299.81	2,007.95	15,307.76
Capital expenditure	391.77	0.01	391.78

Notes to financial statements for the year ended 31 March 2014 (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 2013

(₹ In Crore)

(a) Primary segment: Business segment

Particulars	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	167.81	-	167.81
Non cash expenses other than depreciation	-	-	-

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

Particulars	India	Rest of the world	Consolidated
Segment revenue			
External sales and other income	14,038.39	6,800.73	20,839.12
Segment assets	11,000.29	1,642.03	12,642.32
Capital expenditure	507.93	0.26	508.19

Notes to financial statements for the year ended 31 March 2014 (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	2013-14		2012-13	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Holding company, subsidiaries and fellow subsidiary:					
PT.Bajaj Auto Indonesia (99.25% shares held by Bajaj Auto Ltd.)	Contribution to equity (411,875 shares of USD 100 each) (Previous year 291,875 shares of USD 100 each)	67.75	205.57	-	137.82
	Sale of spare parts and vehicles SKD	1.79	-	36.78	33.89
	Interest received	0.08	-	1.92	-
	Warranty paid	0.05	-	0.58	-
	Advertisement expenses paid	0.19	-	8.43	-
Bajaj Auto International Holdings BV Amsterdam Netherlands (Fully owned subsidiary)	Contribution to equity (1,980,000 shares of Euro 100 each)	-	1,218.72	231.86	1,218.72
	Dividend received	27.08	-	-	-
B Associates, joint ventures and investing parties:					
Bajaj Holdings & 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	-	410.04	-
	Business support service received	0.33	-	0.30	-
	Business support service rendered	1.02	-	0.66	-
	Income tax cross-adjustment received from BHIL (net)	32.60	-	-	-
	Interest received on income tax cross-adjustment (net)	5.87	-	-	-
	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	4.48	-	5.28	-
	Commission	6.75	(6.75)	6.75	(6.75)
	Rent paid for premises	0.09	-	0.04	-
	Deposit paid against premises taken on lease	1.80	2.70	-	0.90
Madhur Bajaj (Vice Chairman) (Also Key management personnel)	Remuneration	3.23	-	3.26	-
	Commission	5.13	(5.13)	5.13	(5.13)
	Rent paid for premises	0.04	-	0.03	-
	Deposit paid against premises taken on lease	-	0.88	-	0.88
Rajiv Bajaj (Managing Director) (Also Key management personnel)	Remuneration	7.67	-	6.36	-
	Commission	10.69	(10.69)	8.91	(8.91)
	Rent paid for premises	1.96	-	1.42	-
	Deposit paid against premises taken on lease	-	2.82	0.72	2.82
Sanjiv Bajaj (Non-Executive Director)	Sitting fees	0.01	-	0.01	-
	Commission	0.06	(0.06)	0.06	(0.06)
Rahul Bajaj (HUF)	Rent paid for premises	0.03	-	0.08	-
	Deposit paid against premises taken on lease	(1.80)	-	-	1.80
Ramkrishna Bajaj (HUF)	Rent paid for premises	0.04	-	0.03	-
	Deposit paid against premises taken on lease	-	0.88	-	0.88
Shekhar Bajaj	Sitting fees	0.01	-	0.01	-
	Commission	0.04	(0.04)	0.05	(0.05)
	Rent paid for premises	0.04	-	0.03	-
	Deposit paid against premises taken on lease	-	0.88	-	0.88
Shekhar Bajaj (HUF)	Rent paid for premises	0.04	-	0.03	-
	Deposit paid against premises taken on lease	-	0.88	-	0.88

Notes to financial statements for the year ended 31 March 2014 (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	2013-14		2012-13	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Niraj Bajaj	Sitting Fees	0.01	-	0.01	-
	Commission	0.06	(0.06)	0.05	(0.05)
	Rent paid for premises	0.01	-	-	-
	Deposit paid against premises taken on lease	0.88	0.88	-	-
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	27.83	-	27.44	-
	CSS recovery received	2.20	-	1.17	-
	Business support service received	0.52	-	0.37	-
	Business support service rendered	1.62	-	3.04	-
	Aviation charges received	0.93	-	1.62	-
Bajaj Finance Ltd.	Subvention charges paid	3.88	-	4.06	-
	Service rendered	12.47	-	9.18	0.84
	Service received	1.49	-	0.63	-
	Other debits	0.04	-	0.03	-
	Other credits	0.02	-	0.16	-
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	8.97	2.06	13.49	4.98
	Claims received	0.25	-	1.12	-
Bajaj Allianz Life Insurance Co. Ltd.	Insurance premiums paid	0.22	-	0.21	-
Bajaj Financial Solutions Ltd.	Services rendered (₹ 24,744)	-	-	0.05	-
Bajaj Electricals Ltd.	Purchases	0.03	(0.03)	0.07	(0.08)
	Sale of DEPB	-	-	3.34	-
Hind Musafir Agency Ltd.	Services received	18.17	(0.95)	14.57	(0.82)
Hindustan Housing Co. Ltd.	Maintenance charges paid	0.33	-	0.36	-
KTM Sportsmotorcycle AG	Sale of vehicles and material	358.61	(56.77)	230.75	25.32
	Purchase of accessories	2.05	-	2.19	-
	Royalty paid and payable	1.75	-	1.02	-
	Services rendered and other debits	0.85	-	1.15	-
KTM Sportsmotorcycles India Pvt. Ltd.	Royalty paid and payable	1.75	(0.21)	1.02	-
	Services rendered and other debits	0.93	-	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 2014 (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 2014:

Particulars	As at 31 March	
	2014	2013
Receivable		
Within one year	15.60	12.63
After one year but not more than five years	33.15	42.13
More than five years	1.08	1.09
	49.83	55.85
Taken on operating lease in the form of office premises after 1 April 2001 Minimum future lease payments as on 31 March 2014:		
Payable		
Within one year	8.33	6.71
After one year but not more than five years	17.96	16.87
More than five years	13.94	14.06
	40.23	37.64

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

Particulars	For the year ended 31 March	
	2014	2013
a. Relating to exports during the year as a part of "Sales"	(127.87)	(602.42)
b. Relating to exports during the year as a part of "Other income/Other expenses"	11.53	39.91
c. On settlement of other transactions as a part of "Other income/Other expenses"	3.32	7.51
d. Marked to market gain/(loss) (net) on change in time value of derivative hedging instruments i.e. Range forward contracts	(76.81)	131.92

38 Previous year figures

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

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: 15 May 2014

Kevin D'sa
Chief Financial Officer

J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

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

1. Name of the subsidiary	PT. Bajaj Auto Indonesia	Bajaj Auto International Holdings BV (Consolidated)
2. Financial year of the subsidiary ended on	31 March 2014	31 March 2014
3. Holding company's interest: equity share capital	99.25%	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 ₹ 45.65 crore	Profit ₹ 144.61 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 ₹ 143.74 crore	Profit ₹ 16.00 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	₹ 27.08 crore

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Kevin D'sa
Chief Financial Officer

J Sridhar
Company Secretary

Pune: 15 May 2014



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 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's responsibility for the consolidated financial statements

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

Auditors' responsibility

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

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements notified under section 211(3C) of the Companies Act, 1956 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of section 211 of the Act.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Other matter

8. We did not audit the financial statements of (i) one subsidiary included in the consolidated financial statements, which constitute total assets of ₹ 8.51 crore and net assets of ₹ 7.65 crore as at 31 March 2014, total revenue of ₹ 13.08 crore, net loss of ₹ 42.77 crore and net cash outflows amounting to ₹ (0.95) crore for the year then ended; and (ii) one associate of subsidiary company which constitute net profit of ₹ 145.52 crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have 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: 15 May 2014

Consolidated Balance Sheet

(₹ In Crore)

As at 31 March

Particulars	Note No.	2014	2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	289.37	289.37
Reserves and surplus	3	9,877.89	7,775.93
		10,167.26	8,065.30
Minority Interest			
		0.06	-
Non-current liabilities			
Long-term borrowings	4	57.74	71.27
Deferred tax liabilities (net)		143.18	115.10
Other long-term liabilities	5	87.43	122.06
Long-term provisions	6	121.23	136.16
		409.58	444.59
Current liabilities			
Short-term borrowings	7	-	27.14
Trade payables	8	2,111.81	1,981.89
Other current liabilities	8	766.35	548.95
Short-term provisions	6	1,852.70	1,607.86
		4,730.86	4,165.84
Total		15,307.76	12,675.73
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	2,006.42	1,807.16
Intangible assets	9	-	-
Capital work-in-progress		32.55	223.29
Intangible assets under development		111.51	70.26
		2,150.48	2,100.71
Goodwill on investments in associate of subsidiary		653.20	548.25
Non-current investments	10	6,158.07	3,347.59
Deferred tax assets (net)		-	33.41
Long-term loans and advances	11	720.55	463.16
Other non-current assets	12	1.02	1.02
		9,683.32	6,494.14
Current assets			
Current investments	10	2,289.70	2,711.33
Inventories	13	641.21	643.96
Trade receivables	14	796.21	734.33
Cash and bank balances	15	500.90	566.51
Short-term loans and advances	11	979.35	1,313.14
Other current assets	12	417.07	212.32
		5,624.44	6,181.59
Total		15,307.76	12,675.73

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: 15 May 2014

Kevin D'sa
Chief Financial Officer

J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Consolidated Statement of Profit and Loss

(₹ In Crore)

For the year ended 31 March

Particulars	Note No.	2014	2013
Sales		20,735.68	20,662.36
Less: Excise duty		1,009.40	1,128.91
Net sales		19,726.28	19,533.45
Other operating revenue		432.01	508.54
Revenue from operations (net)	16	20,158.29	20,041.99
Other income	17	681.81	797.13
Total revenue		20,840.10	20,839.12
Expenses:			
Cost of raw material and components consumed	18	12,936.57	13,536.43
Purchases of traded goods	19	959.23	864.76
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	(12.57)	32.35
Employee benefits expense	21	731.76	649.93
Finance costs	22	0.82	1.19
Depreciation and amortisation	23	181.32	167.81
Other expenses	24	1,453.00	1,372.89
Expenses, included in above items, capitalised		(64.90)	(62.85)
Total expenses		16,185.23	16,562.51
Profit before tax		4,654.87	4,276.61
Tax expense			
Current tax		1,362.02	1,156.00
Deferred tax		28.08	61.16
Total tax expense		1,390.10	1,217.16
Profit after tax		3,264.77	3,059.45
Tax (debits)/credits pertaining to earlier years		1.37	-
Deferred tax assets write-off of subsidiary		31.74	11.36
Income from associate after tax		145.52	84.43
Minority interest		(0.36)	(0.17)
Profit for the year		3,380.28	3,132.69
Basic and diluted Earnings per share (In ₹) (Nominal value per share ₹ 10)		116.8	108.3

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: 15 May 2014

Kevin D'sa
Chief Financial Officer

J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

Cash Flow Statement

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013
I. Operating activities		
Profit before tax	4,654.87	4,276.61
Add: Income from associate after tax	145.52	84.43
	4,800.39	4,361.04
Adjustments:		
Add:		
i) Depreciation and amortisation	181.32	167.81
ii) Valuation (gains)/losses of derivative hedging instruments	76.81	(131.92)
iii) Loss on assets sold, demolished, discarded and scrapped	7.56	7.04
iv) Provision for doubtful debts and advances	1.18	4.92
v) Tax (debits)/credits pertaining to earlier years	1.37	-
vi) Interest expense	0.82	1.19
	269.06	49.04
Less:		
i) Investment income included in above:		
Interest on long-term investments	214.90	259.07
Interest on fixed deposits	0.02	41.72
Profit on sale of investments, net	54.84	48.23
Dividend on long-term investments	-	0.15
Amortisation of (premium)/discount on acquisition of fixed income securities	126.28	23.59
	396.04	372.76
ii) Provision for doubtful debts and advances written back	0.60	5.15
iii) Surplus on sale of assets	2.25	7.17
iv) Surplus on pre-payment of sales tax deferral liability/loan	79.74	68.95
	(478.63)	(454.03)
	4,590.82	3,956.05
Change in assets and liabilities		
i) Inventories	2.75	59.65
ii) Trade receivables	(61.56)	(330.94)
iii) Loans and advances and other assets	106.31	(198.69)
iv) Liabilities and provisions	352.11	(8.92)
	399.61	(478.90)
Annuity payments (net) to VRS optees	(28.00)	(20.17)
Net cash from operating activities before income tax	4,962.43	3,456.98
Income tax paid	(1,315.20)	(1,238.68)
Net cash from operating activities	3,647.23	2,218.30
Carried forward	3,647.23	2,218.30

Cash Flow Statement (Contd.)

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013
Brought forward	3,647.23	2,218.30
II. Investing activities		
i) (Increase)/decrease in other investments, net	(2,495.18)	(1,701.13)
ii) (increase)/decrease in other bank balances	(0.63)	472.51
iii) Capital expenditure	(220.05)	(508.30)
iv) Sales proceeds of assets/adjustment to gross block	7.27	20.12
v) Capital expenditure on development of technical know-how	(41.25)	(40.38)
	(2,749.84)	(1,757.18)
vi) Investment income		
Interest on long-term investments	214.90	259.07
Interest on fixed deposits	0.02	41.72
Profit on sale of investments, net	54.84	48.23
Dividend on long-term investments	-	0.15
Amortisation of (premium)/discount on acquisition of fixed income securities	126.28	23.59
	396.04	372.76
(Increase)/decrease in investment/interest receivable	(125.00)	(10.01)
	271.04	362.75
Net cash from investing activities	(2,478.80)	(1,394.43)
Carried forward	1,168.43	823.87

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	Year ended 31 March	
	2014	2013
Brought forward	1,168.43	823.87
III. Financing activities		
i) Short-term bank loan taken/(repaid)	(27.14)	1.70
i) Interest expense	(0.82)	(1.19)
ii) Deferral/(repayment) of sales tax deferral liability/loan	58.60	41.70
iii) Pre-payment of sales tax deferral liability/loan	(8.11)	(9.34)
iv) Dividend paid	(1,301.52)	(1,299.66)
v) Corporate dividend tax paid	(216.70)	(211.24)
	(1,495.69)	(1,478.03)
Adjustment to net worth on consolidation:		
i) Foreign currency translation reserve	258.32	25.02
ii) Foreign exchange difference on paid-up capital of subsidiary	5.57	0.06
iii) On account of change in share of net assets of associate of subsidiary	(2.87)	8.26
Net cash from financing activities	(1,234.67)	(1,444.69)
Net change in cash and cash equivalents	(66.24)	(620.82)
Cash and cash equivalents as at 1 April 2013 [Opening balance]	557.94	1,178.76
Cash and cash equivalents as at 31 March 2014 [Closing balance]	491.70	557.94
	-	-

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: 15 May 2014

Kevin D'sa
Chief Financial Officer
J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee

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

- 1 a) The consolidated financial statements include results of the subsidiaries of Bajaj Auto Ltd., consolidated in accordance with AS-21 "Consolidated Financial Statements" and 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	99.25%	Subsidiary
Bajaj Auto International Holdings BV	Netherlands	100.00%	Subsidiary

The consolidated financial statements of Bajaj Auto International Holdings BV include 47.99% 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. Consequent to the clarification from the Ministry of Corporate Affairs, vide General Circular 08/2014 dated 4 April 2014, these financial statements have been prepared in accordance with the relevant provisions/Schedules/Rules of the Companies Act, 1956. Accordingly, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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 or non-current classification of assets and liabilities.

2 Share capital

Particulars	As at 31 March	
	2014	2013
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 60,044 (66,196)

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

	As at 31 March		As at 31 March	
	2014		2013	
	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.	25,844,400	8.93%	25,949,400	8.97%

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

3 Reserves and surplus

Particulars	As at 31 March	
	2014	2013
General reserve		
Balance as per the last financial statements	2,703.14	2,300.76
Add: Adjustments on account of change in share of net assets of associate/subsidiary	(2.87)	8.26
Add: Transferred from surplus in Statement of Profit and Loss	461.96	394.12
Closing balance	3,162.23	2,703.14
Hedge reserve	152.60	1.72
Foreign exchange difference on paid-up capital of subsidiary	9.19	3.62
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	4,920.26	3,705.14
Profit for the year	3,380.28	3,132.69
Less: Appropriations		
Transfer to General reserve	461.96	394.12
Proposed dividend	1,446.84	1,302.15
Tax on proposed dividend	245.89	221.30
Provision for Corporate Dividend Tax for previous year written back under section 115(O) of Income Tax Act, 1961	(4.60)	-
Total appropriations	2,150.09	1,917.57
Balance in the Statement of Profit and Loss	6,150.45	4,920.26
Foreign currency translation reserve	403.42	147.19
	9,877.89	7,775.93

4 Long-term borrowings

Particulars	As at 31 March			
	Non-current portion		Current maturities	
	2014	2013	2014	2013
Unsecured				
Sales tax deferral liability/loan, an incentive under Package Scheme of Incentives 1983,1988 and 1993 - interest free, partially prepaid	57.74	71.27	1.45	17.17
	57.74	71.27	1.45	17.17
Amount disclosed under the head "other current liabilities" [See note 8]	-	-	(1.45)	(17.17)
	57.74	71.27	-	-

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

5 Other long-term liabilities

Particulars	As at 31 March	
	2014	2013
Annuity payable to VRS optees	87.43	117.94
Trade payables	-	4.12
	87.43	122.06

6 Provisions

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Provision for employee benefits				
Provision for gratuity	116.45	130.64	-	-
Provision for compensated absences	-	-	60.54	47.51
Provision for welfare scheme	4.78	5.52	0.38	0.37
	121.23	136.16	60.92	47.88
Other provisions				
Provision for warranties	-	-	27.30	32.52
Provision for tax (net of tax paid in advance)	-	-	71.75	4.01
Proposed dividend	-	-	1,446.84	1,302.15
Tax on proposed dividend	-	-	245.89	221.30
	-	-	1,791.78	1,559.98
	121.23	136.16	1,852.70	1,607.86

7 Short-term borrowings

Particulars	As at 31 March	
	2014	2013
Other loans		
Unsecured		
Short-term bank loan	-	27.14
	-	27.14

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

8 Current liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2014	2013
Trade payables		
Dues to micro and small enterprises	10.89	11.60
Other than dues to micro and small enterprises	2,100.92	1,970.29
	2,111.81	1,981.89
Other current liabilities		
Current maturities of long-term borrowings [See note 4]	1.45	17.17
Annuity payable to VRS optees	31.37	32.30
Advance against orders	449.11	200.91
Unclaimed matured fixed deposits and interest accrued thereon (Previous year ₹ 23,000)	-	-
Investor Education Protection Fund (₹ 480 - previous year ₹ 934)	-	-
Security deposits	19.32	15.15
Unclaimed dividend	9.20	8.57
Directors' remuneration and commission payable	23.66	21.84
Employee benefits payable	43.35	30.73
Taxes and duties payable	64.71	64.82
Other payables	124.18	157.46
	766.35	548.95
	2,878.16	2,530.84

9 Fixed assets (tangible and intangible assets)

(₹ In Crore)

Particulars	Gross block				Depreciation			Net block		
	As at 31 Mar 13	Additions	Deductions/ adjustments	As at 31 Mar 14	As at 31 Mar 13	Deductions/ adjustments	For the year	As at 31 Mar 14	As at 31 Mar 14	As at 31 Mar 13
Tangible assets										
Land freehold	20.27	-	0.05	20.22	-	-	-	-	20.22	20.27
Land leasehold	56.31	-	0.65	55.66	-	-	-	-	55.66	56.31
Buildings	674.94	11.54	0.18	686.30	156.76	0.02	16.68	173.42	512.88	518.18
Waterpumps, reservoirs and mains	13.23	0.66	-	13.89	6.84	-	0.48	7.32	6.57	6.39
Plant and machinery	1,545.75	239.14	86.90	1,697.99	1,183.95	82.22	48.23	1,149.96	548.03	361.80
Dies and jigs	465.41	91.67	22.08	535.00	361.76	19.53	27.31	369.54	165.46	103.65
Electric installations	73.58	2.18	4.23	71.53	36.04	4.00	3.13	35.17	36.36	37.54
Factory equipments	276.71	29.12	23.59	282.24	120.01	21.43	12.81	111.39	170.85	156.70
Furniture	26.55	2.26	0.37	28.44	12.29	0.28	1.93	13.94	14.50	14.26
Office equipments	39.84	3.26	1.79	41.31	12.03	1.18	2.00	12.85	28.46	27.81
Electric fittings	22.79	0.46	0.93	22.32	9.27	0.89	0.95	9.33	12.99	13.52
Vehicles and aircraft	622.07	11.49	5.26	628.30	131.34	3.24	65.76	193.86	434.44	490.73
Total tangible assets	3,837.45	391.78	146.03	4,083.20	2,030.29	132.79	179.28	2,076.78	2,006.42	1,807.16
Previous year total	3,402.58	508.19	73.32	3,837.45	1,919.29	52.67	163.67	2,030.29	1,807.16	
Intangible assets										
Technical know-how	-	-	-	-	-	-	-	-	-	-
Previous year total	2.14	-	2.14	-	-	-	-	-	-	-

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

10 Investments

(₹ In Crore)

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
In Investment property	64.09	65.37	-	-
In Government and trust securities	0.01	5.11	0.35	-
In Equity shares				
Long-term: associate company	1,120.86	847.19	-	-
In Bonds and Debentures	706.11	1,306.92	586.91	1,060.58
In Mutual fund units	4,267.00	1,123.00	1,488.00	120.00
In Certificate of deposit	-	-	214.44	1,408.59
In Commercial paper	-	-	-	122.16
	6,158.07	3,347.59	2,289.70	2,711.33

11 Loans and advances

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Capital advances	138.98	119.97	-	-
Security deposits	27.09	26.78	-	-
Loan and advances to related parties	-	-	2.06	5.86
Advances recoverable in cash or kind				
Unsecured considered good	18.28	47.66	152.21	66.89
Doubtful	4.61	3.71	-	-
	22.89	51.37	152.21	66.89
Provision for doubtful advances	4.61	3.71	-	-
	18.28	47.66	152.21	66.89
Other loans and advances				
VAT refund receivable	260.94	17.96	564.99	1,102.05
Excise duty rebate receivable on export	-	-	216.78	92.11
Advance income-tax (net of provision for tax)	250.26	229.26	0.16	0.24
Loans to former employees	-	-	-	3.44
Balances with Central Excise Department	25.00	21.53	43.15	42.55
	536.20	268.75	825.08	1,240.39
	720.55	463.16	979.35	1,313.14

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

12 Other assets

(Unsecured, good, unless stated otherwise)

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Long-term trade receivables [See note 14]	-	-	-	-
Non-current bank balances [See note 15]	1.02	1.02	-	-
	1.02	1.02	-	-
Others				
Investments redemption proceeds receivable			125.00	-
Interest receivable on investments			13.52	13.52
Interest receivable on loans, deposits etc.	-	-	0.39	0.34
Export incentives receivable				
Unsecured considered good (non-current ₹ 28,682 previous year)	-	-	204.45	182.50
Doubtful	5.74	5.90	-	-
	5.74	5.90	204.45	182.50
Provision for doubtful export incentives	5.74	5.90	-	-
	-	-	204.45	182.50
Valuation gains on derivative hedging instruments	-	-	73.71	15.96
	-	-	417.07	212.32
	1.02	1.02	417.07	212.32

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

13 Inventories

Particulars	As at 31 March	
	2014	2013
Raw materials and components (includes in transit ₹ 19.75 crore (previous year: ₹ 21.42 crore))	189.18	197.02
Work-in-progress	24.96	26.56
Finished goods		
Vehicles (manufactured)	280.24	255.20
Vehicles (traded)	1.53	1.51
Auto spare parts (manufactured)	15.02	11.97
Auto spare parts (traded)	112.19	126.13
Stores, spares and packing material	13.07	17.97
Loose tools	5.02	7.60
	641.21	643.96

Detail of inventory

Particulars	As at 31 March	
	2014	2013
Raw materials and components		
Ferrous metal	5.30	4.27
Non-ferrous metal	4.78	1.21
Components	145.90	169.27
Tyres and tubes	30.57	19.87
Others	2.63	2.40
	189.18	197.02
Work-in-progress		
Vehicles	-	-
Factory made components	24.96	26.56
	24.96	26.56
Finished goods		
Vehicles (manufactured)	280.24	255.20
Vehicles (traded)	1.53	1.51
Auto spare parts (manufactured)	15.02	11.97
Auto spare parts (traded)	112.19	126.13
	408.98	394.81

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

14 Trade receivables

(Unsecured, considered good, unless stated otherwise)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Outstanding for a period exceeding six months from the date they are due for payment				
Good	-	-	-	-
Doubtful	1.38	1.70	-	-
	1.38	1.70	-	-
Provision for doubtful receivable	1.38	1.70	-	-
	-	-	-	-
Others, good	-	-	796.21	734.33
	-	-	796.21	734.33
Amount disclosed under the head "other non-current assets" [See note 12]	-	-	-	-
	-	-	796.21	734.33

15 Cash and bank balances

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Cash and cash equivalents				
Balances with banks				
In current accounts	-	-	420.14	459.38
Cash on hand	-	-	0.08	0.14
Cash equivalents				
Cheques/drafts on hand	-	-	71.48	-
Certificate of Deposits with maturity of less than three months from date of acquisition	-	-	-	98.42
	-	-	491.70	557.94
Other bank balances				
Unclaimed dividend accounts	-	-	9.20	8.57
Deposits with residual maturity for more than 12 months	0.02	0.02	-	-
Margin money deposit	1.00	1.00	-	-
	1.02	1.02	9.20	8.57
Amount disclosed under non-current assets [See note 12]	(1.02)	(1.02)	-	-
	-	-	500.90	566.51

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

16 Revenue from operations

Particulars	For the year ended 31 March	
	2014	2013
Revenue from operations		
Sale of products	20,735.68	20,662.36
Less: Excise duty on sale of products	1,009.40	1,128.91
Net sales	19,726.28	19,533.45
Other operating revenue		
Scrap sales	54.96	54.11
Export incentives	335.94	416.75
Royalty	40.59	36.85
Technical know how fees	0.52	0.83
	432.01	508.54
	20,158.29	20,041.99

Detail of inventory

Particulars	For the year ended 31 March	
	2014	2013
Sale of products		
Vehicles (manufactured)	18,806.33	18,964.70
Vehicles (traded)	24.57	1.30
Auto spare parts (manufactured)	241.97	213.61
Auto spare parts (traded)	1,662.81	1,482.75
	20,735.68	20,662.36

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

17 Other income

Particulars	For the year ended 31 March	
	2014	2013
(₹ In Crore)		
Investment income:		
Interest income on		
Bank deposits	0.02	41.72
Long-term investments	214.90	259.07
Amortisation of (premium)/discount on acquisition of fixed income securities on		
Long-term investments	(32.96)	(49.82)
Current investments	159.24	73.41
	341.20	324.38
Dividend income on		
Long-term investments	-	0.15
Profit on sale of investments, net	54.84	48.23
	396.04	372.76
Others:		
Interest - others	57.89	49.37
Rent	18.79	9.91
Insurance claims	0.26	0.90
Miscellaneous receipts	69.87	34.40
Surplus on sale of assets	2.25	7.17
Sundry credit balances appropriated	1.46	1.15
Provision for doubtful debts and advances written back	0.60	5.15
Less: Write backs on account of amounts written off during the year, as per contra	-	4.57
	0.60	0.58
Provision no longer required	40.07	72.18
Valuation gains on derivative hedging instruments	-	131.92
Gains on exchange fluctuations	14.84	47.84
Gain on repayment of sales tax deferral loan/liability	79.74	68.95
	285.77	424.37
	681.81	797.13

18 Cost of raw material and components consumed

Particulars	For the year ended 31 March	
	2014	2013
(₹ In Crore)		
Ferrous metal	98.92	102.36
Non-ferrous metal	0.32	0.51
Components	12,177.68	12,713.42
Tyres and tubes	601.03	657.48
Others	58.62	62.66
	12,936.57	13,536.43

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

19 Purchase of traded goods

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013
Vehicles	21.57	2.79
Auto spare parts	937.66	861.97
	959.23	864.76

20 (Increase)/decrease in inventories

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	24.96	26.56	1.60
Finished goods			
Vehicles (manufactured)	280.24	255.20	(25.04)
Vehicles (traded)	1.53	1.51	(0.02)
Auto spare parts (manufactured)	15.02	11.97	(3.05)
Auto spare parts (traded)	112.19	126.13	13.94
	433.94	421.37	(12.57)
Inventories at the beginning 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
	(12.57)	32.35	

21 Employee benefits expense

(₹ In Crore)

For the year ended 31 March

Particulars	2014	2013
Salaries, wages and bonus to employees	583.71	501.63
Remuneration to whole-time directors	30.10	27.72
Contribution to provident and other funds	64.68	68.92
Staff welfare expenses	53.27	51.66
	731.76	649.93

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

22 Finance costs

Particulars	For the year ended 31 March	
	2014	2013
Interest expense	0.82	1.19
	0.82	1.19

23 Depreciation and amortisation

Particulars	For the year ended 31 March	
	2014	2013
Depreciation on tangible assets	179.28	163.67
Depreciation on investment property	1.38	1.34
Amount amortised/written off against technical know-how	-	2.14
Amount written off against leasehold land	0.66	0.66
	181.32	167.81

24 Other expenses

Particulars	For the year ended 31 March	
	2014	2013
Stores and tools consumed	125.01	124.21
Power, fuel and water	106.37	121.57
Excise duty on increase/(decrease) in stocks of finished goods	(8.13)	6.27
Rent	12.83	11.77
Repairs to buildings	36.32	30.68
Repairs to machinery	101.81	95.59
Other repairs	6.66	4.51
Insurance	2.72	3.56
Rates and taxes	5.38	6.31
Payment to auditor	1.39	1.14
Directors' fees and travelling expenses	0.33	0.31
Commission to non-executive directors	1.09	1.05
Travelling expenses	43.79	37.49
Miscellaneous expenses	191.94	164.96
Loss on derivative contracts on break in designation of hedge	2.11	69.22
Sales tax/VAT expenses	21.35	16.75
Packing material consumed	268.75	255.60
Freight and forwarding expenses	54.16	50.90
Advertisement	262.34	202.84
Vehicle service charges and other expenses	63.03	81.95
Carried over	1,299.25	1,286.68

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

24 Other expenses (Contd.)

Particulars	For the year ended 31 March	
	2014	2013
Brought over	1,299.25	1,286.68
Commission and discount	43.85	44.52
Incentives and sales promotion	24.11	29.64
Donations	0.17	0.01
Bad debts and other irrecoverable debit balances written off	0.07	4.65
Less: Provisions made in earlier years in respect of amounts written off during the year, adjusted as per contra	-	4.57
	0.07	0.08
Valuation losses on derivative hedging instruments	76.81	-
Loss on assets sold, demolished, discarded and scrapped	7.56	7.04
Provision for doubtful debts and advances	1.18	4.92
	1,453.00	1,372.89

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

Particulars	As at 31 March	
	2014	2013
Liabilities	289.57	271.65
Assets	146.39	189.96
Net	143.18	81.69

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

(₹ In Crore)

Particulars	PT. Bajaj Auto Indonesia	Bajaj Auto International Holdings BV (Consolidated)
a Paid up share capital	203.97	1,637.16
b Share premium	-	-
Other reserves	(196.32)	137.48
c Total assets	8.51	1,774.64
d Total liabilities	8.51	1,774.64
e Investments*	-	1,120.86
f Turnover	13.08	-
g Profit before tax	(14.27)	144.61
h Provision for tax	31.74	-
i Profit after tax	(46.01)	144.61
j Proposed dividend	-	-

Closing exchange rates

1 Euro = ₹ 82.6850

1 USD = Indonesian Rupiah 11404

1 USD = ₹ 59.9150

* For details of investments refer note 10

32 Previous year figures

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

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: 15 May 2014

Kevin D'sa
Chief Financial Officer

J Sridhar
Company Secretary

On behalf of the Board of Directors

Rahul Bajaj
Chairman

Rajiv Bajaj
Managing Director

Nanoo Pamnani
Chairman - Audit Committee



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

NOTICE

Notice is hereby given that the Seventh annual general meeting of the shareholders of Bajaj Auto Ltd. will be held on Thursday, 17 July 2014 at 12.15 p.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:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss account for the year ended 31 March 2014 and the Directors' and Auditors' Reports thereon.
2. To declare a dividend.
3. To appoint a director in place of Madhur Bajaj, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Sanjiv Bajaj, who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ordinary resolution**:

"RESOLVED that pursuant to the provisions of section 139 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, the retiring auditors, Dalal & Shah, Chartered Accountants, (Firm Registration No. 102021W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the 10th annual general meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, on a remuneration of ₹ 10,000,000 (Rupees one crore only) plus service tax thereon and reimbursement of travelling and other out-of-pocket expenses for the year 2014-15."

SPECIAL BUSINESS:

6. Appointment of Kantikumar R Podar as an independent director

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

"RESOLVED THAT pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Kantikumar R Podar (DIN 00086038), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019."

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

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

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

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

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

8. Appointment of D S Mehta as an independent director

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

"RESOLVED THAT pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of D S Mehta (DIN 00038366), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019."

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

9. Appointment of J N Godrej as an independent director

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

"RESOLVED THAT pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of J N Godrej (DIN 00076250), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019."

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

10. Appointment of S H Khan as an independent director

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

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

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

11. Appointment of Suman Kirloskar as an independent director

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

"RESOLVED THAT pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Suman Kirloskar (DIN 00030329), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019."

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

12. Appointment of Naresh Chandra as an independent director

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

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

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

13. Appointment of Nanoo Pamnani as an independent director

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

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

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

14. Appointment of P Murari as an independent director

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

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

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

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



J Sridhar
Company Secretary
Date: 15 May 2014

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
- 2 During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.
- 3 Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
- 4 Brief details of the directors, who are seeking re-appointment, are annexed hereto as per requirements of clause 49 of the listing agreement.
- 5 Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current auditors of the Company, Dalal & Shah, Chartered Accountants are eligible to hold office for a period of three years, upto 2017. The appointment of Dalal & Shah, Chartered Accountants as auditors for three years from the conclusion of the ensuing annual general meeting till the conclusion of the 10th annual general meeting, to be scheduled in 2017 and to fix their remuneration for the year 2014-15 has been put up for the approval of members.
- 6 Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from **Saturday, 5 July 2014 to Thursday, 17 July 2014**, both days inclusive.
- 7 Subject to the provisions of section 126 of the Companies Act, 2013, dividend on equity shares, if declared at the annual general meeting, will be credited/dispensed between **21 July 2014 and 22 July 2014** as under:
 - a) to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the end-of-the-day on **Friday, 4 July 2014**; and
 - b) to all those members holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/Share Transfer Agent (i.e. Karvy Computershare Pvt Ltd.) on or before the closing hours on **Friday, 4 July 2014**.
- 8 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 members. In cases where the dividends cannot be paid through NECS, the same will be paid by account payee/not negotiable instruments.
- 9 To ensure timely delivery of shareholders' communications and also credit of dividend through National Electronic Clearing Service (NECS) or dividend warrants/payment instruments, members are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR/NECS details, to the respective depository participant in case of shares held in demat/share transfer agent of the Company in case of shares held in physical, on or before **4 July 2014**.
- 10 To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Karvy Computershare Pvt. Ltd). Members are requested to keep the same updated.
- 11 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Karvy.
- 12 In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.

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

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

The instructions for e-voting are as under:

A. For members who receive notice of annual general meeting through e-mail:

- i. Use the following URL for e-voting:
<https://evoting.karvy.com>
- ii. Enter the login credentials i.e., user id and password mentioned in your email. Your Folio No/DP ID – Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
- iii. After entering the details appropriately, click on "LOGIN".
- iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e. **Bajaj Auto Ltd.**

- vii. On the voting page, the number of shares (which represents the number of votes) as held by the member as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail cssdlimaye@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No.".
- xi. The Portal will remain open for voting from: **11 July 2014 (9.00 a.m.)** till **13 July 2014 (6.00 p.m.)**
- xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual available at the "download" section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).
- xiii. Members may alternatively cast their votes using the Ballot Form which is sent alongwith this Notice and also available on the website of the Company. Please refer instructions under heading C below for more details.

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

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

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

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

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

D. General instructions:

- i. The E-voting period commences from 9.00 a.m. on 11 July 2014 and ends on 6.00 p.m. on 13 July 2014. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of 30 May 2014 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- ii. The Company has appointed Shyamprasad D. Limaye, Practising Company Secretary (FCS No. 1587 CP No. 572), having address as 32, Navketan Society, Kothrud, Pune - 411038 as the Scrutiniser to the e-voting process, (including voting through Ballot Form received from the members) in a fair and transparent manner.
- iii. The Scrutiniser shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- iv. In the event of a poll, please note that the members who have exercised their right to vote by electronic means/through ballot form as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the

Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).

- v. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 7th annual general meeting of the Company scheduled to be held on Thursday, 17 July 2014. At the said annual general meeting, the Chairman shall declare the results of voting on the resolutions set out in the Notice. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.bajajauto.com and on the website of Karvy - www.evoting.karvy.com, within two days of the passing of the resolutions at the 7th annual general meeting of the Company and shall also be communicated to the Stock Exchanges.

ANNEXURE TO THE NOTICE

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

Item No. 3 of the Notice

Madhur Bajaj

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

As regards re-appointment of Madhur Bajaj referred to in item no. 3 of the notice, following necessary disclosures are made for the information of the shareholders:

Brief profile of Madhur Bajaj is given below:

Madhur Bajaj (born on 19 August 1952) is an alumnus of Doon School, Dehra Dun. After obtaining his B.Com Degree from Sydenham College, Bombay, in 1973, he did his MBA at International Institute of Management Development (IMD), Lausanne, Switzerland, in 1979.

He is the Past President of SIAM, the apex association of Indian automobile manufacturers as also the Past President of Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA), the apex Industries Association of Pune.

He was CII's Western Region Chairman and is the current National Council Member of Confederation of Indian Industry (CII).

His directorships/committee positions are as under:-

Major Directorships

Bajaj Auto Ltd. (Vice-Chairman)
Bajaj Finance Ltd.
Bajaj Finserv Ltd.
Bajaj Holdings & Investment Ltd.
Bajaj Electricals Ltd.
Maharashtra Scooters Ltd. (Chairman)

Committee positions Nil

Shareholding in the Company

He holds 1,432,232 equity shares of ₹ 10 each in the Company.

The Board commends the resolution for approval.

None of the directors, except Madhur Bajaj and his relatives Shekhar Bajaj and Niraj Bajaj, is concerned or interested in the said resolution.

Item No. 4 of the Notice

Sanjiv Bajaj

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

As regards re-appointment of Sanjiv Bajaj referred to in item no. 4 of the notice, following necessary disclosures are made for the information of the shareholders:

Brief profile of Sanjiv Bajaj is given below:

Sanjiv Bajaj (born on November 2, 1969) is B.E. (Mech), first class with distinction from the University of Pune, M.Sc (Manufacturing Systems Engg) with distinction from the University of Warwick, UK and MBA from Harvard Business School, USA.

- Since 2008, he is the Managing Director of Bajaj Finserv Ltd. Bajaj Finserv operates in the insurance business through Bajaj Allianz Life Insurance Company Ltd. and Bajaj Allianz General Insurance Company Ltd., as well as in the lending business through Bajaj Finance Ltd.
- Since 2013, he is the Vice Chairman of Bajaj Finance Ltd. His role includes guiding the current businesses and building new ones in the financial services space.
- Chairman of Bajaj Allianz Life Insurance Company and Bajaj Alliance General Insurance Company with effect from 01-04-2013. Was the Non-Executive Director of these two companies from their inception in 2001 upto 31 March 2013.
- Managing Director of Bajaj Holdings & Investment Ltd. with effect from 01-04-2012 (earlier its Non-executive Director). Role includes building the strategy and team, and guiding this investment company, which has approximately Rs.4500 crores in cash and investments and also holds over 30% stake in Bajaj Auto and around 40% in Bajaj Finserv.
- Former Executive Director of Bajaj Auto Ltd. (until 31 March 2012), having headed Finance and Control, legal and international business functions of Bajaj Auto over different periods from 1994 until 2012 and currently its Non-Executive Director.
- Selected as one of India Inc's hundred most powerful CEOs in India by Economic Times' Corporate Dossier magazine in its 2009 survey conducted by IMRB International. Awarded Business Today magazine's Best CFO Awards 2005 as one of the top CFOs of India for 2005.

His directorships/committee positions in other public Ltd. companies:

Major Directorships:

Bajaj Finserv Ltd. (Managing Director)
Bajaj Holdings & Investment Ltd. (Managing Director)
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Bajaj Finance Ltd.
Bajaj Auto Ltd.
Maharashtra Scooters Ltd.

Committee positions:

Bajaj Finserv Ltd.
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Bajaj Finance Ltd.
Maharashtra Scooters Ltd.

Shareholding in the Company

He holds 8,00,448 equity shares of Rs.10 each in the Company.

The Board commends the resolution for approval.

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

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

Item No. 6 to 14 of the Notice

Section 149 of the Companies Act, 2013, which came into effect from 1 April 2014, requires every listed Company to have one-third of the total number of directors as independent directors. As on 31 March 2014, the Board of Directors of the

Company comprised Kantikumar R Podar, D J Balaji Rao, D S Mehta, S H Khan, Ms Suman Kirloskar, Naresh Chandra, Nanoo Pamnani and P Murari, as independent directors pursuant to erstwhile clause 49 of the listing agreement.

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

Therefore, as required under Schedule IV, appointment of these independent directors is set out in the item 6 to 14 of the Notice for approval of shareholders.

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

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

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

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

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

Detailed profiles of independent directors are given below:

1. Kantikumar R Podar

Born in Mumbai on April 12, 1935. Shri Podar graduated from Sydenham College of Commerce and Economics, Mumbai. He has been in the forefront of Indian Business and Industry.

In 1974, he was appointed as the Youngest Sheriff of Bombay.

He was a member of the senate of the University of Bombay for six years.

He was President of the SAARC Chamber of Commerce and Industry with its headquarters in Pakistan.

He has been the Chairman and President of 15 Associations, some of which are given below and also member of almost 100 Trade and Industry Bodies.

- The Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Merchants Chamber (IMC)
- The Indian Cotton Mills' Federation (ICMF)
- Mumbai Textile Research Association (MTRA)
- Indian Council of Arbitration (ICA)
- All India Organisation of Employers (AIOE)

He has been Chairman of some Joint Business Councils (India and Foreign).

He has been Director of Union Bank of India and All India General Insurance Company.

Directorships

Bajaj Auto Ltd (since 30 January 2008)

CEAT Ltd.

Pittie Laminations Ltd.

Podar Infotech & Entertainment Ltd.

Premier Consultants and Traders Ltd.

Committee positions : Nil

Shareholding in the Company: Nil

2. D J Balaji Rao

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

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

His directorships/committee positions are as under:-

Directorships

Bajaj Auto Ltd. (since 30 January 2008)
Bajaj Finserv Ltd.
Bajaj Finance Ltd.
Bajaj Holdings & Investment Ltd.
3M India Ltd. - Chairman of the Board
Ashok Leyland Ltd.
CMI-FPE Ltd.
Graphite India Ltd.
Hinduja Foundries Ltd.
JSW Energy Ltd.

Committee Chairmanships

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

Committee positions

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

Shareholding in the Company: Nil

3. D S Mehta

Dhirajlal Shantilal Mehta (b. April 27, 1936) is B Com (Hons) from Bombay University, Fellow Member of Institute of Chartered Accountants of India and Fellow Member of Institute of Company Secretaries of India.

He has around 4 decades' experience in corporate law, taxation, finance and investment.

He is the President of Kasturba Health Society, which runs Mahatma Gandhi Institute of Medical Sciences and Kasturba Hospital at Sevagram Wardha, a 972-bed hospital and a full-fledged medical college with excellent research facility and also with a 20-bed hospital in tribal area of Melghat.

He is the Trustee of Kasturba Gandhi National Memorial Trust, Indore, for the welfare and upliftment of rural women and children with more than 450 centres spread over 23 States all over the country established by Gandhiji himself. Has nursing schools in several areas. Has been the Chairman of the Trust for over 12 years.

He is the President of Shivananda Mission, which runs a well-equipped hospital at Virnagar, Rajkot District, Gujrat State, conducts eye-camps and has so far carried out more than 7,00,000 operations.

He is Trustee of Saurashtra Trust, which owns and publishes leading Gujarati newspapers, Janmabhoomi, Vypar etc.

He is the Chairman of Navjivan Trust, established by Gandhiji.

He is a Member of the Governing Council of Gandhi Peace Foundation.

He has served on several Committees of SEBI, CII, FICCI and Government of India.

He has actively participated in the J.P. Movement during Emergency.

Directorships

Bajaj Auto Ltd. (since 30 January 2008)
Bajaj Finance Ltd.
Bajaj Hindusthan Ltd.
Mukand Ltd.
Niche Financial Services Pvt Ltd.

Committee positions

Bajaj Finance Ltd.
Bajaj Hindusthan Ltd.
Mukand Ltd.

Shareholding in the Company

D S Mehta holds 20,180 equity shares of ₹ 10 each in the Company.

4. J N Godrej

Jamshyd N. Godrej is the Chairman of the Board of Godrej & Boyce Manufacturing Company Ltd. He graduated in Mechanical Engineering from Illinois Institute of Technology, USA.

Godrej is the Chairman Emeritus of Aspen Institute India (now known as Ananta Aspen Centre), Chairman and Trustee of Ananta Centre. He is the President 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 ClimateWorks Foundation, USA and Director of Global Footprint Network, USA. He is also a Trustee 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.

Godrej 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 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.

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

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

Chairmanships

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

Major Directorships

Baja Auto Ltd (since 30 January 2008)
Godrej Agrovet 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

5. S H Khan

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

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

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

His directorships/committee positions are as under:-

Directorships

Bajaj Auto Ltd. (since 30 January 2008)
Bajaj Finserv Ltd.
Bajaj Holdings & Investment Ltd.
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Infrastructure Development Finance Company Ltd.
ITC Ltd.
JM Financial Asset Reconstruction Company Private Ltd.

Committee Chairmanships

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

Committee positions

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

Shareholding in the Company: Nil

6. Suman Kirloskar

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 office bearer in various capacities as Chairman, Treasurer and Trustee.

Chairperson

Mahila Udyog Ltd.
Society of Friends of the Sassoon Hospital (SOFOSH)

Committee positions: Nil

Shareholding in the Company: Nil

7. Naresh Chandra

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

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

Following the economic liberalisation programme in India, he led the first official delegation to the US in 1992 to promote US investments in India. Ambassador Chandra chaired the Committee on Corporate Governance and also the Committee on Private Companies and Ltd. 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 2nd November, 2004. In 2007, he was awarded Padma Vibhushan. He was Chairman, National Security Advisory Board, Government of India.

His directorships/committee positions are as under:-

Directorships

Bajaj Auto Ltd. (since 30 January 2008)
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.
AVTEC Ltd.
Emergent Ventures Pvt. Ltd.
Eros International p.l.c. UK
G-4S Corporate Services (India) Pvt. Ltd.
Sesa Sterlite Ltd.

Committee positions

Bajaj Auto Ltd.
Bajaj Finserv Ltd.
Bajaj Holdings & Investment Ltd.
Cairn India Ltd.
Electrosteel Castings Ltd.
EROS International Media Ltd.
Gammon Infrastructure Projects Ltd.
Sesa Sterlite Ltd.

Shareholding in the Company: Nil

8. Nanoo Pamnani

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

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

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

His directorships/committee positions are as under:-

Directorships

Bajaj Auto Ltd. (since 30 January 2008)
Bajaj Finserv Ltd. (Vice Chairman)
Bajaj Finance Ltd. (Vice Chairman)
Bajaj Holdings & Investment Ltd.

Committee Chairmanships

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

Committee positions

Bajaj Finance Ltd.
Bajaj Holdings & Investment Ltd.

Shareholding in the Company: Nil

9. P Murari

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

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

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

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

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

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

Major Directorships

Aban Offshore Ltd.
Aditya Birla Nuvo Ltd.
Adayar Gate Hotel Ltd.
Bajaj Auto Ltd. (since 30 January 2008)
Bajaj Holdings & Investment Ltd.
Fortis Malar Hospital Ltd.
Great Eastern Energy Corporation Ltd.
HEG Ltd.
IDEA Cellular Ltd.
Xpro India Ltd.

Committee Chairmanships

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

Committee positions

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

Shareholding in the Company : Nil

The board recommends passing of the ordinary resolutions set out in items no. 6 to 14 of the notice.

None of the directors/key managerial personnel, except the concerned independent director, is directly or indirectly concerned or interested, financial or otherwise, in the respective resolution, except to the extent of their respective shareholding, if any, in the Company.

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



J Sridhar
Company Secretary
Date: 15 May 2014

BAJAJ AUTO LTD.

(CIN: L65993PN2007PLC130076)

Registered office:

Mumbai Pune Road, Akurdi, Pune 411035

Email: investors@bajajauto.co.in

Website: www.bajajauto.com

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



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PROXY FORM Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L65993PN2007PLC130076
Name of the Company : BAJAJ AUTO LTD.
Registered office : Mumbai Pune Road, Akurdi, Pune 411035
Name of the member (s) : _____
Registered address : _____
E-mail ID : _____
Folio No/ Client ID/DP ID : _____

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

(1) Name : _____ Address : _____
E-mail Id: _____ Signature : _____ or failing him

(2) Name : _____ Address : _____
E-mail Id: _____ Signature : _____ or failing him

(3) Name : _____ Address : _____
E-mail Id: _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the SEVENTH annual general meeting of the Company, to be held on the **Thursday 17th July at 12.15 p.m.** at Mumbai-Pune road, Akurdi, Pune 411035 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

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

Special Business

- 6 Appointment of Kantikumar R Podar as an Independent Director.
- 7 Appointment of D J Balaji Rao as an Independent Director.
- 8 Appointment of D S Mehta as an Independent Director.
- 9 Appointment of J N Godrej as an Independent Director.
- 10 Appointment of S H Khan as an Independent Director.
- 11 Appointment of Suman Kirloskar as an Independent Director.
- 12 Appointment of Naresh Chandra as an Independent Director.
- 13 Appointment of Nanoo Pamnani as an Independent Director.
- 14 Appointment of P Murari as an Independent Director.

Signed this _____ day of _____ 2014



Signature of shareholder

Signature of Proxy holder(s)

Note:

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

BAJAJ AUTO LIMITED
(CIN: L65993PN2007PLC130076)

Registered office:

Mumbai-Pune Road, Akurdi, Pune 411 035

E-mail: investors@bajajauto.co.in

Web: www.bajajauto.com

Phone: (020) 27472851 ; **Fax:** (020) 27407380

BALLOT FORM
(In lieu of E-voting)



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1. Name :
Registered Address :
of the sole/first named Shareolder :

2. Name (s) of the Joint Shareholder (s) if any :

3. Registered Folio/DPID & Client ID No. :

4. No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 7th annual general meeting of the Company dated 15 May 2014, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Item No.	Description	No. of equity shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Adoption of Financial statements for the year ended 31 March 2014 and the Directors' and Auditors' Reports thereon			
2	To declare dividend.			
3	Re-appointment of Madhur Bajaj, who retires by rotation.			
4	Re-appointment of Sanjiv Bajaj, who retires by rotation.			
5	Appointment of M/S Dalal & Shah, Chartered Accountants, as Auditors and fixing their remuneration.			
6	Appointment of Kantikumar R Podar as an Independent Director.			
7	Appointment of D J Balaji Rao as an Independent Director.			
8	Appointment of D S Mehta as an Independent Director.			
9	Appointment of J N Godrej as an Independent Director.			
10	Appointment of S H Khan as an Independent Director.			
11	Appointment of Suman Kirloskar as an Independent Director.			
12	Appointment of Naresh Chandra as an Independent Director.			
13	Appointment of Nanoo Pamnani as an Independent Director.			
14	Appointment of P Murari as an Independent Director.			

Place: _____

Date: _____

Signature of Shareholder

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

E-VOTING

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

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

INSTRUCTIONS

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