

Bajaj Auto Finance Limited

23rd Annual Report 2009-10





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Corporate Information

Board of Directors

Rahul Bajaj Chairman

Nanoo Pamnani Vice Chairman

Madhur Bajaj

Rajiv Bajaj

Sanjiv Bajaj

DS Mehta

D J Balaji Rao

Dipak Poddar

Ranjan Sanghi

Rajendra Lakhotia

Chief Executive Officer Rajeev Jain

Company Secretary Anant Damle

Auditors

Dalal & Shah Chartered Accountants

Bankers

Central Bank of India State Bank of India IDBI Bank Limited Syndicate Bank

Registrar & Transfer Agent

Karvy Computershare Private Limited Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081

Registered Office

C/o Bajaj Auto Limited, Mumbai-Pune Road, Akurdi, Pune 411 035.

Corporate Office

'Bajaj Finserv' 4th Floor, Survey # 208/1-B, Viman Nagar, Pune - 411 014

> 23rd Annual General Meeting on Wednesday, 21 July 2010 at 12 noon at the Registered Office of the Company

Directors' Report

The directors present their Twenty Third Annual Report and the Audited Statement of Accounts for the year ended 31 March 2010.

Business Performance

The gross deployment of the company for the year 2009-10 were Rs.45,851 million as against Rs. 24,509 million for the year 2008-09:

Rs.		

Deployment	2009-10	2008-09	% change
Two & Three Wheelers	13,643.6	7,827.6	74.3
Consumer Durables	10,374.7	6,548.2	58.4
Small Business Loans & Personal Loans Cross sell	9,512.9	5,563.1	71.0
Mortgages & Other Secured Assets	11,772.6	3,210.8	266.7
Securitized Retail Asset Pools	547.2	1,359.6	-59.8
Total Deployment	45,851.0	24,509.3	87.1

Financial Results

Rs. Million

	2009-10	2008-
	9,100.6	5,948
Other Income	61.0	4.
	9,161.6	5,993
Expenses	3,119.8	2,148
Provision for Doubtful Debts and Bad Debts written off, net	2,605.8	1,63
Interest and finance charges	2,016.6	1,64
Depreciation	76.4	5!
Total Expenditure	7,818.6	5,483
Profit before Taxation	1,343.0	510
Provision for Taxation	449.0	17 ⁻
Profit for the year after Taxation	894.0	
Prior period adjustments relating to earlier years	0.1	
Profit for the year after Taxation and prior period adjustment	ts 894.1	339
Balance brought forward from previous year	4.0	3.
Transfer from Debenture Redemption Reserve	480.5	
Profit available for appropriations	1378.6	370
Appropriations:		
Transfer to Reserve Fund	(180.0)	(68
Transfer to Debenture Redemption Reserve	_	(183
Transfer to General Reserve	(90.0)	(30
Provision for Proposed Dividend	(219.6)	(73
Provision for Dividend Tax	(36.5)	(12
Balance carried to Balance Sheet	852.5	4

Dividend

The directors recommend for the consideration of the Members at the Annual General Meeting, payment of dividend of Rs. 6/- per share (60 per cent) for the year ended 31 March 2010. The total dividend outgo including tax thereon will be Rs. 256 million.

Dividend paid for the year ended 31 March 2009 was Rs.2/- per share (20 per cent) and the total dividend outgo including tax thereon was Rs.85.6 million.

Working Results

The company, during the year 2009-10, deployed a total amount of Rs. 45,851 million under various products. As against this, during the previous year 2008-09, the total amount deployed was Rs. 24,509 million.

The receivables under financing as on 31 March 2010 were Rs.40,258 million as compared to Rs. 25,389 million as on 31 March 2009, an increase of 59 per cent over the previous year.

Total income during 2009-10 increased to Rs. 9,162 million from Rs. 5,994 million during 2008-09, an increase of 53 per cent over the previous year.

The profit before tax for the year was at Rs 1,343 million, as against Rs. 510 million in the previous year, an increase of 163 per cent over the previous year. The profit after tax for the year was Rs. 894 million as compared to Rs.339 million in the previous year, an increase of 164 per cent over the previous year. This has been due to improvement in net interest margins across businesses, contribution from new lines of businesses, third party fee products distribution and various re-engineering initiatives.

The company's current provisioning standards meet RBI prudential norms. In line with its conservative approach, the company continues to review its provisioning policy over and above RBI prudential norms. In the current year, the company proactively took the decision to provide for a closed business line resulting in increased provisioning to the tune of Rs. 210 million. Additionally, the company also enhanced loan loss provisioning for its consumer durable financing business and increased provisioning by Rs. 46.7 million.

Operations

The Operations of the company are elaborated in the annexed Management Discussions and Analysis Report.

Redemption of Debentures

The 6% Non Convertible Debentures of the face value of Rs.500/each aggregating to Rs. 2,624.2 million issued by the company

on 9 February 2007 for a tenor of three years became due for redemption on 9 February 2010. The company has redeemed these debentures on the due date.

Employee Stock Option Scheme

Pursuant to the authority given by the members of the company vide special resolution passed through postal ballot on 15 December 2009, and subject to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, the Remuneration & Nomination Committee of the Board of Directors made on 12 January 2010 a first grant of 132,000 options under the company's Employee Stock Option Scheme, 2009 (ESOP 2009), as per the terms and conditions of the ESOP Scheme. As required under the SEBI Guidelines, the details of the options granted are given in the annexure to this report.

Fixed Deposits

The company renewed fixed deposits of Rs.10.1 million. Public Deposits outstanding at the year end were Rs.24.5 million and the number of depositors was 794. At the end of the financial year under review, there were 128 deposits aggregating Rs. 2.2 million which matured but remained unclaimed as on that date. The company had written to these depositors and as on date, deposits aggregating Rs. 0.1 million have been repaid / renewed.

Credit Rating

Despite a tough economic environment, the company managed to retain all its credit ratings owing to high capital adequacy, strong promoter support, tightened credit acceptance criteria and robust asset-liability management.

CRISIL has re-affirmed the highest rating of "FAAA/Stable" for the Fixed Deposit programme of the company. This rating indicates very strong degree of safety with regard to timely payment of interest and principal. The company is one of the very few Non-Banking Finance Companies (NBFCs) which enjoys the highest rating.

The company also enjoys the highest rating of "P1+" from CRISIL and "A1+" from ICRA for Short Term Debt programme.

The Long Term Non-Convertible Debentures have been assigned "AA+/Stable" rating by CRISIL indicating high degree of safety with regard to timely payment of interest and principal and high credit quality rating of "LAA+" with stable outlook by ICRA.

The company has also been assigned "AA+/ Stable "rating by CRISIL and "LAA+" with stable outlook by ICRA for Rs. 200 Crores Lower Tier II Bond programme.

As regards the Bank Loan Ratings for the bank facilities stipulated by RBI, as a part of BASEL II guidelines, CRISIL has assigned "AA+ / Stable" rating for the company's Cash Credit / Working Capital Demand Loan amounting to Rs.9,850 million and Long Term Bank facilities amounting to Rs.4,010 million and "P1+" rating for the Short Term Bank facilities amounting to Rs.8,050 million.

RBI Guidelines

The company continues to fulfill all the norms and standards laid down by the Reserve Bank of India (RBI) pertaining to nonperforming assets, capital adequacy, statutory liquidity ratio etc. As against the RBI norm of 12 per cent, the capital adequacy ratio of the company is 26 per cent.

In line with the RBI guidelines for Asset-Liability Management (ALM) system for NBFCs, the company has an Asset-Liability committee which meets periodically to review its ALM risks and opportunities.

Statutory Disclosures

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

The company, being a Non-Banking Finance Company, not having any manufacturing activity, the directors have nothing to report on Conservation of Energy or Technology Absorption. Foreign currency expenditure amounting to Rs.4.5 million was incurred during the year under review. The company did not have any foreign exchange earnings.

Directors' Responsibility Statement

In compliance of Section 217(2AA) of the Companies Act, 1956, the directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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;
- (iii) 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;
- (iv) the directors have prepared the annual accounts on a going concern basis.

Directors

Shri Nanoo Pamnani, Shri Rajiv Bajaj and Shri Dipak Poddar, directors, retire from the Board by rotation this year and being eligible, offer themselves for re-appointment.

The information on the particulars of directors seeking re-appointment as required under Clause 49 of the Listing Agreement with the Stock Exchanges has been given under the report on Corporate Governance.

Auditors' Report

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

Auditors

You are requested to appoint auditors for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Group

Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising "group" as defined under the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 are disclosed in the Annual Report for the purpose of the

SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Corporate Governance

The company complies with all the mandatory requirements pertaining to Corporate Governance, in terms of the revised Clause 49 of the Listing Agreement with the Stock Exchanges. A detailed report on Corporate Governance has been included in this report along with a certificate from the auditors of the company regarding compliance of conditions of Corporate Governance. Further, a separate Management Discussion and Analysis report is also given in this report.

On behalf of the Board of Directors

Rahul Bajaj Chairman

Pune: 11 May 2010

Annexure to the Directors' Report

Diluted earnings per share (pro forma)

Information regarding the Employee Stock Option Plan 2009, as on 31 March 2010, in terms of Regulation 12 and 19 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

Options grant	ed during the year	132,000	
2. Pricing formu	a	Options are convertible into 132,000 equity Rs.10/-each at an exercise price of Rs.358.70	
3. Options veste	d	Nil. Options would vest not earlier than one not later than five years from the date of gra	
4. Options exerc	ised	Nil	
5. Total number	of shares arising as a result of exercise of option	N.A.	
6. Options lapse		Nil	
	rms of options	Nil	
	d by exercise of options	N.A.	
	of options in force	Nil	
	e details of options granted :		
	nagerial Personnel		
Sr. No. 1. 2. 3. 4. 5. 6.	Name of the employee Rajeev Jain Pankaj Thadani Vivek Likhite Deepak Reddy Devang Mody Amit Gainda	No. of Options granted 39,000 14,250 14,250 14,250 12,000 14,250	
in any one	employee who receives a grant year of option amounting to 5% f options granted during the year	Nil	
during any on of the issued of warrants and the time of gr 12. Diluted Earnin issue of share	poloyees who were granted options are year, equal to or exceeding 1% capital (excluding outstanding conversions) of the company at ant ans Per Share (EPS) pursuant to s on exercise of options calculated with Accounting Standard (AS) 20	Nil	
'Earning Per S	_	_	
compensation stock options, compensation compensation if it had used to disclosed.The	mpany has calculated the employee in cost using the intrinsic value of the the difference between the employee in cost so computed and the employee in cost that shall have been recognized the fair value of the options, shall be impact of this difference on profits & company shall also be disclosed	Had compensation cost for the stock option plans outstanding been determined based on fair value approach, the net profit and earnings per share would have been as per the proforma amounts indicated below:	
Particulars			31 March 2010 (Amount in Rs.)
Net profit (as re	ported)		894,076,602
Add: Stock – ba	sed employee compensation expense included in	net income	_
Less: Stock base	ed compensation expense determined under fair v	value based method (pro forma)	13,364,340
Net Profit (pro f			880,712,262
•	per share (as reported)		24.43
	per share (pro forma)		24.07
	s per share (as reported)		24.43
Diracca carriirig	15 p.s. 5are (a5 reported)		21.13

24.07

Annexure to the Directors' Report (Contd.)

14. Weighted average exercise prices and weighted-average fair value of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	_
15. A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information:	The company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. The company issued grants on 12 January 2010 at Rs. 358.70 which was the closing price of the previous date on the stock exchange with the highest trading volume for the day. The fair value of options used to compute proforma net profit and earnings per share have been estimated on the date of grant using the Black – Scholes Model.
i) Risk-free interest rate	6.70%
ii) Expected life	1 -5 years
iii) Expected volatility	54.01%
iv) Expected dividend yield	0.62%
v) The price of the underlying share in market at the time of option grant	Rs. 358.70

Management Discussion and Analysis

2009-10 started off amidst an uncertain economic environment driven by fears of a global double-dip recession, low domestic industrial growth, the failure of monsoons affecting the kharif crop and weak consumer demand.

Things changed for the better in the second half. Stabilisation of the global financial system, three substantive government stimulus packages, an accommodative monetary stance by the Reserve Bank of India (RBI) and the emphasis on public sector expenditure in the first (mid-term) budget of the new government saw a resurgence of growth in H2 2009-10, especially in January-March 2010.

These measures resulted in improved business confidence and revival of consumer demand. A relatively benign interest rate environment throughout the second half of 2009-10 also helped. Even so, it needs stating that retail lending in 2009-10 was weak compared to a couple of years ago. Having faced rising delinquencies and higher credit risks in 2008-09 and most of 2009-10, lending institutions remained cautious across all retail lending businesses.

Despite a muted market for all of 2008-09 and half of 2009-10, Bajaj Auto Finance Limited ('BAFL' or 'the Company') sees significant growth opportunities in the future. Given low penetration of retail lending to GDP, demographic shifts in favour of a younger working population, higher incomes of a rapidly growing middle class, and a preference for younger households to live with greater gearing, BAFL sees major retail lending opportunities in India.

With receivables under financing of Rs.40.3 billion, BAFL is one of the leading, diversified non-banking finance companies (NBFC) in the country. The company's restructuring over the last two years has started to bear results in 2009-10. Additionally the company continued to invest in launching new product lines, expanding its technology platform and strengthening its human resources pool for higher growth in the coming years.

The loan book has improved qualitatively. The company increased its write offs and provision for bad and doubtful debts arising out of weak loan servicing performance in the past of certain customer segments . Instead of going purely by RBI prudential norms, BAFL proactively took the decision to increase provisioning by Rs. 210 million for a business line closed in early 2009. With this additional provisioning, the loan book looks healthier and positions the company for faster and more focused growth in the future.

Highlights for 2009-10

Given below are BAFL's performance highlights for 2009-10.

- Total income for 2009-10 was up by 53% to Rs.9.16 billion
- Profit after tax was up 164% to 894 million.
- Deployment during the year rose by 87% to Rs.45.85 billion.
- Receivables under financing as on 31 March 2010 were up by 59% to Rs.40.3 billion.
- Loan losses and provisions for the year increased by 59% to Rs.2.61 billion.
- Capital adequacy ratio as on 31 March 2010 stood at 26% well above the RBI norm.

Deployment Snapshot

Table 1 gives the deployment mix for 2009-10 (compared to 2008-09), while Chart A plots BAFL's loan deployment over the last five years.

Table 1: BAFL's Deployment Mix (Rs. millions)

Deployment	2009-10	2008-09	Change
Two and Three-Wheelers	13,643.6	7,827.6	74%
Consumer Durables	10,374.7	6,548.2	58%
Small Business Loans and Personal Loan Cross-Sell	9,512.9	5,563.1	71%
Mortgage and Other Secured Assets	11,772.6	3,210.8	267%
Securitized retail asset pools	547.2	1,359.6	(60%)
Total Deployment	45,851.0	24,509.3	87%

Chart A: Growth in BAFL's Loan Deployment (Rs. millions)



Receivables under Finance

Table 2 gives the data of BAFL's receivables under finance.

Table 2: BAFL's Receivables under Finance

Rs. Million

Receivables Under Finance	2009-10	2008-09	%change
Two & Three Wheelers	13,880	11,748	18%
Consumer durables	4,259	3,203	33%
Small business loans & Personal loan cross sell	9,946	5,431	83%
Mortgage & other secured assets	11,613	2,674	334%
Securitized retail asset pools	560	2,332	(76%)
Total Receivables under finance	40,258	25,389	59%

Business Segment Update

Two- Wheeler Financing

Two wheeler deployments grew by 74% in 2009-10, thanks to strong growth in two-wheeler demand throughout the country. The competitive environment was benign with most competitors having exited the business in the last two years.

BAFL has leveraged this opportunity to consolidate its position in the Bajaj two- wheeler financing business. Its penetration as a percentage of sales of Bajaj two-wheelers was at 23% in 2009-10, versus 20% in the previous year. The company acquired more than 378,000 new customers during the year. Today, it is present in 375 dealerships, and accesses over 900 sub-dealers across India. Moreover, the company's new underwriting process of deploying credit sales managers in dealerships has begun to improve credit performance and deliver better customer experience.

During 2009-10, the two-wheeler financing business launched a new programme called the Direct Cash Collection Model to focus on semi-urban and rural customers with no banking habits. The programme will integrate mobile technology and Bajaj Auto Limited's sub-dealer network to create a unique business model.

Consumer Durables Financing

Consumer durable financing deployments grew by 58% in 2009-10, versus an estimated industry growth of 30%. Competition remained limited, because few are willing to invest in technology and processes to compete in this relatively low ticket size, high volume business. The company acquired more than 470,000 new customers and is currently present in over 2,000 dealerships across the country.

BAFL's strategy of focusing on 'mass affluent' customers and major dealerships has begun to yield significant benefits through lower operating costs and improved risk performance. During the year, the company added a new tool to its current technology platform to improve customer experience and target mass affluent customers. It also invested in automation of the loan approval process at 100 top dealerships throughout the country. This programme to provide a seamless financing experience has set a new benchmark in the consumer durable financing business.

Small Business Loans

This business is present in the top 15 cities across India. Small business loan deployments grew by 175%. This was partly due to a low base effect, a more focused small business initiative and a portfolio acquisition in 2009-10. Its core small business loan grew by 66%.

The company's strategy of focusing on affluent small business customers and its cautious approach has helped it to grow this business in a steady manner. BAFL's relationship model of lending has also helped in significantly improved risk performance. Recently, as an extension to its small business loan programme it has launched financing of vendors to large manufacturers.

Personal Loan Cross-Sell

This business targets customers with good repayment history for their two-wheeler and/or consumer durables loans to cross-sell a personal loan. BAFL continued to grow this business in a cautious manner. Given the economic circumstances, it is not surprising that the personal loan cross sell deployments contracted by 23% in 2009-10. Even so, BAFL financed some 46,000 new customers in the current year.

In 2009-10, the company implemented a new customer relationship management (CRM) platform to improve its data mining, and thus offer better business generation capabilities. This should stand BAFL in good stead for 2010-11 and the future.

Mortgage Business

This was the first full year of mortgage business. It targets affluent and high net worth small business customers and offers loans against the mortgage of retail, residential and commercial premises. Aided by strong revival in the mortgage business in the second half 2009-10, the portfolio increased in line with the industry's growth. This business is present in the top 15 cities of India.

Financial Performance

Table 3 gives BAFL's financial performance for 2009-10 compared with 2008-09, while Chart B plots the company's profits after tax over the last five years.

Table 3: BAFL's Financial Performance, 2008-09 and 2009-10

Rs. Million

Particulars	2009-10	2008-09	Change
Total income	9,162	5,994	53%
Interest and finance charges	2,017	1,644	23%
Net interest income	7,145	4,350	64%
Salary cost	994	729	36%
Marketing and other commissions	252	261	-3%
Dealer incentives	260	111	134%
Recovery commission	561	463	21%
Loan loss and provisions	2,606	1,636	59%
Depreciation	76	56	36%
Other expenses	1,053	584	80%
Profit before tax (PBT)	1,343	510	163%
Profit after tax (PAT)	894	339	164%
Earnings per share (EPS), basic and diluted, Rs.	24.43	9.27	164%
Book value per share (Rs.)	314.93	297.5	6%

Chart B clearly shows that 2009-10 has been an excellent year for BAFL — one in which the company has earned its highest ever profit after tax.

Chart B: Profit after Tax (Rs. Million)

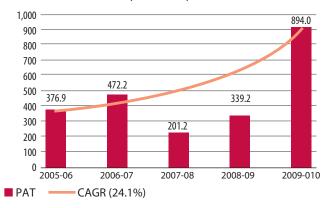
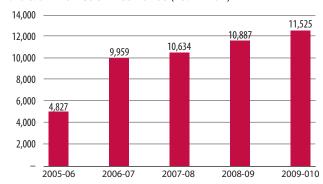


Chart C plots the company's net owned funds.

Chart C: BAFL's Net Owned Funds (Rs. Million)



Risk Management and Portfolio quality

As a NBFC, the company is exposed to credit risk, liquidity risk and interest rate risk. BAFL recognises the importance of risk management. It has invested in people, processes and technologies to effectively mitigate risks posed by external environment and by its borrowers. It has also put in place a strong risk management team, an effective credit operations structure, has invested in credit analytics, increased credit bureau usage and invested in technology up-grades to manage its risks.

In the current year, BAFL further strengthened its risk framework by investing in a data warehouse and risk analytics technology platform. This implementation will also help improving cross-selling.

The company's Asset-Liability Committee (ALCO), set up in line with the guidelines issued by the RBI, monitors asset-liability mismatches, to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet.

Internal Control Systems and Their Adequacy

BAFL has an independent internal audit function to evaluate the adequacy of all its internal controls. It ensures that all functions,

including business and support units, adhere to clearly laid down internal processes and procedures as well as to the prescribed regulatory and legal framework. The internal audit department reviews and ensures that the audit observations are acted upon. The Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of internal controls.

Fulfilment of RBI Norms and Standards

BAFL continues to either fulfil or exceed all norms and standards laid down by the RBI pertaining to recognition and provisioning of non-performing assets, capital adequacy, statutory liquidity ratio etc. The capital adequacy ratio of the company is 26%, which is well above the RBI norm of 12%.

Human Resources

BAFL continues to lay emphasis on its most valuable resource: its people. In an increasingly competitive market for human resources, the company puts great emphasis on attracting and retaining the right talent.

During 2009-10, BAFL took up a number of initiatives to build up human resources. These were strengthening the management structure, aligning compensation packages in line with the industry standards and introducing an Employee Stock Option Plan (ESOP).

In 2009-10, the company conducted an employee engagement survey using a leading external HR firm to evaluate and improve employee engagement. It also introduced a new Employee Self Service (ESS) portal to advance its employee engagement.

During the year, BAFL added 531 permanent employees taking the total employee strength to 2,265.

Outlook

The economy is predicted to continue the strong performance seen in 2009-10 and the business outlook for BAFL is robust.

In 2010-11, the company's approach would be to continue to grow by focusing on returns while balancing risk. It will launch new product lines, such as construction equipment finance and retail loans against securities; further strengthen risk management practices; maintain investments in technology and human resources to consolidate its position as a leading NBFC in India.

Cautionary Statement

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

Corporate Governance

Brief statement on the company's philosophy on code of governance

The company strongly believes in fair, efficient and transparent business operations, fairness to all stakeholders in the company, proper disclosure of relevant financial and non-financial information and enhancing shareholder value on a continuing basis.

Board of Directors

Composition and Category of Directors

The Board consists of ten directors, all of whom are non-executive directors and five of them i.e., 50% are independent. According to revised Clause 49 of the Listing Agreement with the Stock Exchanges, where the non-executive Chairman is a promoter of the company or is related to any promoter, at least one-half of the Board of the company shall consist of independent directors. This provision is thus met by the company.

Name of Director Executive / Non-executive / No. of other Independent Directorships held (in public		No. of other Board Committee positions held		
		Itd. companies)	As Chairman	As Member
				_
Shri Nanoo Pamnani	Vice-Chairman, Non-executive Independent	, 3	4	1
Shri Madhur Bajaj	Non-executive	5	_	_
Shri Rajiv Bajaj	Non-executive	5	-	1
Shri Sanjiv Bajaj	Non-executive	10	_	4
Shri D S Mehta	Non-executive, Independent	4	1	4
Shri D J Balaji Rao	Non-executive, Independent	9	4	6
Shri Dipak Poddar	Non-executive	7	_	4
				2
Shri Rajendra Lakhotia	Non-executive, Independent	3	-	-

Notes:

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

Attendance of each director at the Board Meetings and at the last AGM:

Name of Director	No. of Board Meetings attended during 2009-10	Whether present at the last AGM ?
Shri Rahul Bajaj	4	Yes
Shri Nanoo Pamnani	4	Yes
Shri Madhur Bajaj		Yes
Shri Rajiv Bajaj	4	Yes
Shri Sanjiv Bajaj	4	Yes
Shri D S Mehta	3	Yes
Shri D J Balaji Rao	4	Yes
Shri Dipak Poddar	2	No
Shri Ranjan Sanghi	4	Yes
Shri Rajendra Lakhotia	3	Yes

Number of Board meetings held during 2009-10 and the dates on which held

Four Board Meetings were held during the year 2009-10. The dates on which the meetings were held are as follows:

20 May 2009, 15 July 2009, 14 October 2009 and 12 January 2010.

The gap between any two meetings has been less than four months, thus complying with the Clause 49 requirement.

Code of Conduct

The Board has laid down a code of conduct for all Board Members and senior management of the company, which has been posted on the website of the company. All the Board members and senior management personnel have affirmed compliance with the Code for the year ended 31 March 2010. A declaration to this effect signed by the CEO is given elsewhere in this Annual Report.

Brief Resume of Directors offering for re-appointment

Shri Nanoo Pamnani, Shri Rajiv Bajaj and Shri Dipak Poddar, directors are retiring by rotation, and are eligible for re-appointment. Their brief particulars are as follows:

Shri Nanoo Pamnani, 65, is B.A.(Hons.) from Bombay University and B.Sc. (Economics) from London School of Economics. Between 1982 to 1985, Shri Pamnani was Chief Executive Officer of Citibank, N.A. India with responsibilities covering Corporate and Investment Banking in India and oversight over businesses in Sri Lanka, Bangladesh and Nepal. Between 1985 to 1989, he was Chief Executive Officer of Citibank, N.A. based in Manila and was involved in the country debt rescheduling process. During 1989 to 1995, Shri Pamnani was with Citibank N.A as Business Head for Private Banking businesses across Asia Pacific, excluding Japan and was based in Singapore. In 1995, he became Director of Operations and Technology of citibank N. A. for over 70 countries including Emerging Markets (Asia, Latin America, Central and Eastern Europe and Middle East and Africa) and was based in London. In 1998, he became Chief Executive Officer of Citibank N.A., India with responsibilities covering Corporate and Investment Banking and Consumer Banking and Regional Head for India, Sri Lanka, Bangladesh and Nepal. In 2002, he was appointed to the position of Chairman, Citibank N.A, India in a non-executive capacity. From 2004 to December 2006, as Director of Citibank, N.A. Asia pacific Group, based in Singapore, he focused on bank acquisitions and establishing new Centres of Excellence for Software and business processing across Asia Pacific. Shri Pamnani retired from Citigroup with effect from 31 December 2006 and has now relocated to Mumbai, India.

He holds directorships in the following public limited companies apart from Bajaj Auto Finance Ltd.:

- Bajaj Auto Ltd.
- Bajaj Holdings and Investment Ltd.
- Bajaj Finserv Ltd.

He is also a member of the Audit Committee of all of the above mentioned companies and Shareholders' and Investors' Grievance Committee of all these companies except Bajaj Auto Ltd.

He does not hold any shares in the company.

Shri Rajiv Bajaj, 43, is a B.E. (Mech) First Class with distinction from University of Pune and M.Sc. with distinction in Manufacturing Systems Engineering from University of Warwick, U.K. He has been in the erstwhile Bajaj Auto Limited (BAL) in different capacities since 19 December 1990. As President and later as Joint Managing Director, he has led a major technological reorientation of the company, so as to meet the existing and future competitive challenges. He became the Managing Director of the erstwhile BAL on 1 April 2005 and remained as such until 20 February 2008, i.e. the effective date for the scheme of demerger of erstwhile BAL. He then became the Managing Director of the new BAL with effect from 20 February 2008.

He has received numerous prestigious awards and recognitions from reputed authorities and organisations, notable ones being World Economic Forum, Indian Institute of Materials Management, The Indian Express, Economic Times and NDTV Profit.

He holds directorships in the following public limited companies apart from Bajaj Auto Finance Ltd.:

- Bajaj Auto Ltd.
- Bajaj Auto Holdings Ltd.
- Bajaj Finserv Ltd.
- Bajaj Holdings & Investment Ltd.
- Bajaj Financial Solutions Limited

He does not hold any shares in the company.

Shri Dipak Poddar, 67 is B.Sc.(Hons.), SB & SM (MIT), educated at Massachusetts Institute of Technology, USA and has experience of over three decades in finance, automobiles, garment exports, precision engineering and other areas.

He was the Managing Director of the company from April 1987 to March 2008.

He holds directorships in the following public limited companies apart from Bajaj Auto Finance Ltd.:

- Poddar Developers Ltd.
- Suvijay Exports Ltd.
- VIP Industries Ltd.
- GTL Ltd.
- Bajaj Allianz General Insurance Co. Ltd.
- Makara Real Estates Ltd.
- Brite Merchants Ltd.

He does not hold any shares in the company.

Audit Committee

The terms of reference of the Audit Committee apart from those specified in the Listing Agreement with the Stock Exchanges broadly pertain to review of business practices, review of investment policies, review of compliances and review of systems and controls etc.

The Audit Committee consists of four Non- executive Directors viz., Shri Nanoo Pamnani as Chairman of the Committee and Shri Sanjiv Bajaj, Shri D S Mehta and Shri Ranjan Sanghi as other members. In addition to the Audit Committee members, the CEO, CFO, Head of Internal Audit function and the Statutory Auditors attend the meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee met four times during 2009-10, on 20 May 2009, 15 July 2009, 14 October 2009 and 12 January 2010. The gap between any two meetings is less than four months, thus complying with the Clause 49 requirement.

Shri Nanoo Pamnani, Shri Sanjiv Bajaj and Shri Ranjan Sanghi were present for all the four meetings.

Shri D S Mehta was present for three meetings.

Remuneration Committee

The terms of reference of the Remuneration Committee in brief pertain to determining the company's policy on and approve specific remuneration packages for executive directors after taking into account financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, interest of the company and shareholders.

During the year under review, the Remuneration Committee was restyled as 'Remuneration and Nomination Committee' with additional terms of reference. The Committee met once during the year on 12 January 2010. All the members of the Committee were present at the meeting.

The Remuneration and Nomination Committee consists of five Non-executive Directors viz., Shri Nanoo Pamnani as Chairman of the Committee and Shri Rahul Bajaj, Shri Sanjiv Bajaj, Shri Ranjan Sanghi and Shri Rajendra Lakhotia as members.

Remuneration of Directors during 2009-10

Amount in Rs.

Name of Director	Sitting Fees	Salaries and perquisites	Commission	Total
Shri Rahul Bajaj	100,000*	_	_	100,000
Shri Nanoo Pamnani	200,000*	-	4,600,000	4,800,000
Shri Madhur Bajaj	80,000	_	_	80,000
Shri Rajiv Bajaj	80,000	-	-	80,000
Shri Sanjiv Bajaj	180,000*	_	_	180,000
Shri D S Mehta	140,000*	_	_	140,000
Shri D J Balaji Rao	80,000	_	_	80,000
Shri Dipak Poddar	40,000	-	-	40,000
Shri Rajendra Lakhotia	80,000*	-	_	80,000

Notes:

- The Sitting Fee was paid to the directors @ Rs.20,000/- per meeting of the Board / Committee attended by them.
- *Also includes Sitting Fees for attending Committee Meetings.

Shares held by Non-executive Directors

The Non-executive Directors who held shares in the company are:

Name of Director	Number of Shares held as on 31 March 2010
Shri Rahul Bajaj	16,000
Shri Madhur Bajaj	16,000
Shri Rajendra Lakhotia	92,234

Shareholders'/ Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee is headed by Shri Nanoo Pamnani, a non-executive director. The other Members of the Committee are Shri Ranjan Sanghi and Shri D S Mehta.

The Committee met once during the year on 20 May 2009. All the Members were present at the meeting. The Secretarial Auditor also attends its meetings.

Name and designation of Compliance Officer: Shri Anant Damle, Company Secretary.

29 Shareholder complaints were received during the year 2009-10 and all of them have been attended to.

Number of pending Share Transfers as on 31 March 2010: Nil

General Body Meetings

(i) Location and time, where last three Annual General Meetings held:

	Location	Date & Time
20th Annual General Meeting	Registered Office of the Company at Mumbai — Pune Road, Akurdi, Pune — 411 035	11 July 2007 3.30 p.m.
21st Annual General Meeting	-do-	9 July 2008 11.30 a.m.
22nd Annual General Meeting	-do-	15 July 2009 11.30 a.m.

(ii) Special Resolutions passed in the previous three Annual General Meetings:

In the 21st Annual General Meeting held on 9 July 2008, two Special Resolutions were passed, pertaining to:

- (a) Appointment and remuneration payable to Shri Rajeev Jain as Manager with the designation of Chief Executive Officer for a term of three years with effect from 1 April
- (b) Payment of Commission to Non-Executive Directors

In the 22nd Annual General Meeting held on 15 July 2009, Special Resolution was passed to incorporate new articles in the Articles of Association of the company.

- (iii) Special Resolutions passed through Postal Ballot for:
 - (a) Alteration in the Objects Clause of the Memorandum of Association pursuant to Section 17 of the Companies Act, 1956,
 - (b) commencement of the new businesses pursuant to Section 149(2A),
 - (c) Introduction of Employee Stock Option Scheme for permanent Employees of the company pursuant to Section 81(1A) and
 - (d) extending the benefits of the resolution to the employees of the Holding or Subsidiary Companies within the overall ceiling of 5% of the Paid-up Equity Share Capital of the company.

Details of voting pattern of Postal Ballot

Sr. No.	Particulars	Votes in favour	Votes against
	Special Resolution under Section 17	96.58%	0.02%
2.	Special Resolution under Section 149 (2A)	96.49%	0.02%
3.	Special Resolution under Section 81(1A)	99.95%	0.02%
4.	Special Resolution under Section 81(1A)	99.85%	0.02%

(iv) Person who conducted the Postal Ballot Exercise: Shri Shyamprasad D. Limaye was appointed as Scrutinizer to receive and scrutinize the postal ballot forms received from the members and for conducting the Postal Ballot process in a fair and transparent manner.

- (v) No resolution is proposed to be passed through postal ballot at this Annual General Meeting.
- (vi) Procedure for Postal Ballot:
 - (a) For Special Resolution dated 30 September 2009: The Postal Ballot process commenced from 15 July 2009. The despatch of Postal Ballot forms along with the Notice and Explanatory Statement to all the Members Under Certificate of Posting was completed on 18 August 2009. The last date for receiving Postal Ballot Forms by the Scrutinizer was 17 September 2009. The Scrutinizer submitted his report about the results of the Postal Ballot to the Chairman and the Chairman declared the results on 30 September 2009.
 - (b) For Special Resolution dated 15 December 2009: The Postal Ballot process commenced from 14 October 2009. The despatch of Postal Ballot forms alongwith the Notice and Explanatory Statement to all the Members Under Certificate of Posting was completed on 5 November 2009. The last date for receiving Postal Ballot Forms by the Scrutinizer was 5 December 2009. The Scrutinizer submitted his report about the results of the Postal Ballot to the Chairman and the Chairman declared the results on 15 December 2009.

The entire Postal Ballot process was carried out pursuant to Section 192A (1) of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot), Rules 2001.

Subsidiary Companies

The company does not have any subsidiary companies.

Disclosures

Disclosures on materially significant related party transactions i.e., transactions of the company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large:

None of the transactions with any of the related parties were in conflict with the interest of the company.

A statement in summary form of transactions with related parties is placed periodically before the Audit Committee.

- Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None
- **Disclosure of Accounting Treatment:** In the preparation of financial statements, the company has followed the treatment as prescribed in the Accounting Standards.
- **Risk Management:** The company has a defined Risk Management framework. The company has laid down procedures to inform the Board members about the risk assessment and minimization procedures.

CEO / CFO Certification

The CEO and the CFO appointed for the purpose of Clause 49 have given the necessary certificate to the Board in the prescribed format.

Means of Communication

The quarterly, half-yearly and annual financial results are published in The Economic Times (all editions), Financial Express (all editions), Indian Express (Pune edition), Maharashtra Times (Pune edition) and Loksatta (Pune edition).

The half-yearly financial results are sent to the household of each shareholder.

The financial results, shareholding pattern, code of conduct etc., are also put on the company's web-site, www. bajajfinservlending.in for the benefit of the public at large. Official news releases are sent to the stock exchanges.

As per the Electronic Data Information Filing And Retrieval (EDIFAR) system introduced by SEBI, various documents like financial results, shareholding pattern etc., are filed on SEBI's official web-site, www.sebi.gov.in.

Management Discussion and Analysis report is given in a separate section included in this annual report.

Compliance of mandatory and non-mandatory requirements under clause 49

Mandatory

The company has complied with all the mandatory requirements of clause 49 of the Listing Agreement.

Non-mandatory

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

The Board

The non-executive Chairman has an office at the company's premises. All independent Directors of the company, except Shri Ranjan Sanghi and Shri Rajendra Lakhotia have tenures not exceeding a period of nine years on the board. The Board believes that their continuation on the Board is in the company's interest.

Remuneration Committee

The company has a remuneration committee. A detailed note on this committee is provided in the Corporate Governance Report.

Shareholder rights

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

Audit qualifications

There are no qualifications in the financial statements of the company for the year 2009-10.

Whistle Blower Policy

The company has a Whistle Blower Policy. This policy is to enable employees to report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of company's code of conduct or ethics policy. This mechanism provides safeguards against victimisation of employees, who avail of the mechanism. The policy has been appropriately communicated to the employees within the organisation.

Declaration on Code of Conduct

As required by Clause 49(1)(D) of the Listing Agreement with the Stock Exchanges, it is hereby declared that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the company for the year ended 31 March 2010

Place: Pune Rajeev Jain Date: 30 April 2010 **Chief Executive Officer**

General Shareholder Information

23rd Annual General Meeting

21 July 2010 Date 12 noon Time

Venue Regd. Office of the company at

C/o. Bajaj Auto Ltd.,

Mumbai - Pune Road, Akurdi, Pune - 411 035.

Financial Calendar

The financial year of the company is 1 April to 31 March.

- Unaudited results for the quarter ending 30 June 2010 and 23rd Annual General Meeting

Unaudited results for the quarter / half year Mid / Second half of October 2010 ending 30 September 2010

Unaudited results for the quarter / nine months ending 31 December 2010

Mid / Second half of January 2011

21 July 2010

- Audited results for the year ending March 2011

Mid / Second half of May 2011

Dates of Book Closure

10 July 2010 to 21 July 2010 (both days inclusive)

Dividend Payment Date

On or after 26 July 2010, but within the statutory time limit.

Listing on Stock Exchanges

Bombay Stock Exchange Ltd. National Stock Exchange of India Ltd. Phiroze Jeejeebhoy Towers, Exchange Plaza, Dalal Street. Bandra-Kurla Complex. Mumbai - 400 001. Bandra (E).

Mumbai - 400 051.

(Stock Code: 500034) (Stock Code: BAJAUTOFIN - EQ)

Annual Listing Fees as prescribed have been paid to the above Stock Exchanges upto 31 March 2011.

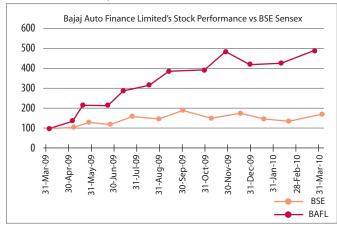
Demat ISIN:

Equity Shares INE296A01016

Market Price Data (on BSE) during each month in last financial year

Month	BSE High (Rs.)	Low (Rs.)	NSE High (Rs.)	Low (Rs.)
April 2009	98.90	68.00	100.00	68.50
May 2009	139.05	90.00	138.80	89.00
June 2009	188.20	147.05	187.40	146.05
July 2009	200.00	135.20	198.00	136.10
August 2009	224.75	185.00	224.50	183.20
September 2009	248.00	200.00	245.00	200.55
October 2009	335.95	238.00	336.25	239.95
November 2009	308.00	250.10	320.00	253.15
December 2009	333.90	282.00	334.00	284.00
January 2010	380.00	300.55	377.40	304.00
February 2010	336.60	283.00	348.00	275.55
March 2010	334.90	295.00	330.00	302.00

Performance in comparison to BSE Sensex



Registrar and Transfer Agent

The company has appointed Karvy Computershare Private Limited ("Karvy") as the Share Transfer Agent for physical segment. Karvy also acts as the depository registrar for establishing connectivity with NSDL and CDSL for demat segment.

Shareholders are requested to send their share transfer and other requests to Karvy Computershare Private Limited at the following address:

Karvy Computershare Private Limited

Unit : Bajaj Auto Finance Limited Plot No.17 to 24 Vittalrao Nagar Madhapur, Hyderabad – 500 081

Phone No 040-44655000, 040-44655152,

Fax No. 040-44655024 E-mail: mohsin@karvy.com

Share Transfer System: Share transfers in physical form are registered and returned well within the stipulated period of 30 days from the receipt, if the documents are clear in all respects.

The total number of shares transferred in physical form during the year 2009-10 was 7,980, compared to 6,290 in 2008-09.

Distribution of Shareholding as on 31 March 2010

Range of Holding	No. of Shares holders	% to total Shareholders	No. of Shares held	% to total Shares
1 - 100	9746	71.35	681458	1.86
101 - 500	3057	22.38	695715	1.90
501 - 1000	366	2.68	290786	0.79
1001 - 10000	390	2.86	1247586	3.41
10001 - 50000	67	0.49	1338208	3.66
50001 - 100000	15	0.11	1024041	2.80
100001 and abov	e 18	0.13	31318282	85.58
Total	13659	100.00	36596076	100.00

Shareholding Pattern as on 31 March 2010

Category	No. of Shares held	% to total Shares
Promoter & Promoter Group	18486979	50.52
Resident Individuals	4391213	12.00
Domestic Companies	2366531	6.47
Financial Institutions/Banks/Mutual Funds	2848725	7.78
Foreign Institutional Investors	6555262	17.91
Foreign Corporate Bodies	1656000	4.53
Non Resident Individuals/Overseas Corporate Bodies	253205	0.69
Others	38161	0.10
Total	36596076	100.00

Dematerialisation of shares and liquidity

The Equity Shares of the company are compulsory traded in dematerialised form by all the investors. The company has entered into agreements with both the depositories viz., National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL), enabling the investors to hold shares of the company in electronic form through the depository of their choice.

The Equity Shares of the company are regularly traded on Bombay Stock Exchange Ltd., and National Stock Exchange of India Ltd.

Break-up of Shares in Physical and Demat segment as on 31 March 2010

Segment	No. of Shareholders	% to total Shareholders	No. of Shares held	% to total Shares
Physical	3506	25.67	561656	1.53
Demat	10153	74.33	36034420	98.47
Total	13659	100.00	36596076	100.00

Permanent Account Number (PAN) for Security Transactions

The Shareholders, who are holding shares in the physical form, are requested to furnish the attested copies of their PAN to Karvy Computershare Private Limited, the Registrar and Share Transfer Agent . This is in view of the direction of SEBI, making PAN as the sole identification number for all security transactions in line with the KYC norms. Based on the said directives, the shareholders, holding physical shares are requested to produce the PAN document as stated above, which shall form a part of the details of shareholders of the company.

Address for correspondence

Secretarial Department Bajaj Auto Finance Limited, Corporate Office: 'Bajaj Finserv', 4th Floor, Survey # 208/1-B, Viman Nagar, Pune - 411 014. Phone No. (020) 30405060 Fax No. (020) 30405020/30

 $\hbox{E-mail id for Investor Grievances: } \textbf{investor.service@bajajfinserv.in}$

Additional Information

- Report on relatives of Directors : Shri Rajiv Bajaj and Shri Sanjiv Bajaj, Directors are sons of Shri Rahul Bajaj, Chairman.
- The company, during the year under review, has not sanctioned any loan to any of the directors and there is no outstanding towards loans to Directors as on date.
- None of the employees of the company is related to any of the directors of the company.
- From the date of the Balance Sheet till the date of this report, there is no significant event which will have an impact on the performance of the company during the year 2010-11.
- Profile of Fixed Deposits as on 31 March 2010 was as under:

Period of Deposit (months)	No. of	Amount	% to Total
	Depositors	(Rupees)	Deposits
36	794	2,44,81,000	100

MRTP Disclosure

CONSTITUENTS OF 'GROUP' AS DEFINED IN MRTP ACT, 1969 FOR THE PURPOSES OF SEBI (SAST) **REGULATIONS, 1997**

Persons constituting group within the definition of "group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

Sr No	Name of the Person / Entity
1	ANANT BAJAJ
2	DEEPA BAJAJ
3	GEETIKA BAJAJ
4	KIRAN BAJAJ
5	KRITI BAJAJ
6	KUMUD BAJAJ
7	MADHUR BAJAJ
8	MINAL BAJAJ
9	NIMISHA BAJAJ
10	NIRAJ BAJAJ
11	NIRAVNAYAN BAJAJ
12	POOJA BAJAJ
13	RAHUL KUMAR BAJAJ
14	RAJIVNAYAN BAJAJ
15	RISHAB BAJAJ
16	RUPARANI BAJAJ
17	SANJALI BAJAJ
18	SANJIVNAYAN BAJAJ
19	SHEFALI BAJAJ
20	SHEKHAR BAJAJ
21	SIDDHANT BAJAJ
22	SUNAINA KEJRIWAL
23	MANISH KEJRIWAL
24	ARYAMAN KEJRIWAL
25	NEELIMA BAJAJ SWAMY
26	ADITYA SWAMY
27	BACHHRAJ AND COMPANY PVT LTD
28	BACHHRAJ FACTORIES PVT. LTD.
29	BAJAJ ALLIANZ FINANCIAL DISTRIBUTORS LTD
30	BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LTD.
31	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.
32	BAJAJ AUTO EMPLOYEES'WELFARE FUNDS
33	BAJAJ AUTO FINANCE LTD.
34	BAJAJ AUTO HOLDINGS LTD
35	BAJAJ AUTO LTD.
36	BAJAJ ELECTRICALS LTD.

Sr No	Name of the Person / Entity
37	BAJAJ FINANCIAL SECURITIES LTD.
38	BAJAJ FINANCIAL SOLUTIONS LTD.
39	BAJAJ FINSERV LTD.
40	BAJAJ HOLDINGS & INVESTMENT LTD.
41	BAJAJ INTERNATIONAL PVT LTD.
42	BAJAJ SEVASHRAM PRIVATE LTD.
43	BARODA INDUSTRIES PVT LTD.
44	HERCULES HOISTS LTD.
45	HIND MUSAFIR AGENCY LTD.
46	JAMNALAL SONS PVT LTD.
47	KAMALNAYAN INVESTMENT & TRADING PVT LTD
48	MADHUR SECURITIES PVT LTD
49	MUKAND ENGINEERS LTD.
50	MUKAND LTD
51	NIRAJ HOLDINGS PVT LTD
52	RAHUL SECURITIES PVT LTD
53	SANRAJ NAYAN INVESTMENTS PVT LTD
54	SHEKHAR HOLDINGS PVT LTD
55	SHISHIR HOLDINGS PVT LTD
56	THE HINDUSTAN HOUSING CO LTD
57	ANANT TRADING COMPANY
58	BACHHRAJ TRADING COMPANY
59	BAJAJ TRADING COMPANY
60	RISHABH TRADING COMPANY
61	ANANT TRUST
62	ARYAMAN TRUST
63	DEEPA TRUST
64	GEETIKA TRUST
65	KRITI TRUST
66	MINALTRUST
67	NEELIMA TRUST
68	NIMISHA TRUST
69	NIRAVNAYAN TRUST
70	RISHABNAYAN TRUST
71	SANJALITRUST
72	SIDDHANT TRUST

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

Certificate by the Auditors on Corporate Governance

To the Members of

Bajaj Auto Finance Limited

We have reviewed the records concerning the company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the company, with the Stock Exchanges of India, for the financial year ended 31 March 2010.

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

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

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

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

For **DALAL & SHAH**

Firm Registration Number: 102021W **Chartered Accountants**

Anish Amin Partner Membership Number: 40451 Mumbai: 11 May 2010

Report of the Auditors to the Members

- 1. We have audited the attached Balance Sheet of Bajaj Auto Finance Limited (the "Company") as at 31 March 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors, as on 31 March 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31 March 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **DALAL & SHAH**

Firm Registration Number: 102021W **Chartered Accountants**

Anish Amin Partner Membership Number: 40451 Mumbai: 11 May 2010

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Bajaj Auto Finance Limited on the financial statements for the year ended 31 March 2010.

- 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 3 years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- 2. (a) The company has granted secured loans, to a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs.17.50 crores and Rs.14.46 crores respectively.
 - (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
 - (c) In respect of the aforesaid loan, the party is repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
 - (d) In respect of the aforesaid loan, there is no overdue amount more than Rupees One Lakh.
 - (e) The company has taken unsecured loans, from a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 14.60 Crores and Rs. Nil respectively.
 - (f) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
 - (g) In respect of the aforesaid loan, the company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable. Entire loan and the interest has been repaid during the year.
- 3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for the sale of 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, no major weakness have been noticed or reported.

- 4. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 5. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by Reserve Bank of India and 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.
- In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- 7. As informed to us, the maintenance of cost records has not been prescribed under clause (d) of sub-section (1) of Section 209 of the Act.
- According to the information and explanations given to 8. (a) 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, cess and other material statutory dues as applicable with the appropriate authorities...
 - (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax and cess as at 31 March 2010 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax	Value Added Tax Liability	21,811,746	Year 2005-06, 2006-07 2007-08 2008-09	Commissioner Appeals

9. The company has no accumulated losses as at 31 March 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

Annexure to the Auditors' Report (Contd.)

- 10. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- 11. In our opinion, the company has maintained adequate documents and records in the cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 12. In our opinion, the company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein.
- 13. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 14. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 15. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- 16. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

- 17. The company has created security or charge in respect of debentures issued and outstanding at the year-end. The details of security are disclosed in Note no. 9 in Schedule 12 to the financial statements;
- 18. The company has not raised any money by public issues during the year.
- 19. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year.
- 20. Considering the nature of the business conducted by the company, the other clauses, viz., (ii) and (xiii) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the company for the current year, and hence in our opinion there is no matter which arises to be reported in the aforesaid clauses of the order.

For **DALAL & SHAH**

Firm Registration Number: 102021W **Chartered Accountants**

Anish Amin Partner Membership Number: 40451 Mumbai: 11 May 2010

			2010	2009
	Schedule	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS:				
1. Shareholders' Funds:				
(a) Share Capital	1	365,965,760		365,965,760
(b) Reserves and Surplus	2	11,159,439,071		10,521,407,830
			11,525,404,831	10,887,373,590
2. Loan Funds:				
(a) Secured Loans	3	20,793,477,153		7,901,247,079
(b) Unsecured Loans	4	11,474,113,661		8,212,824,219
			32,267,590,814	16,114,071,298
	Total		43,792,995,645	27,001,444,888
	Total		=======================================	=======================================
II. APPLICATION OF FUNDS:				
1. Fixed Assets:	5			
(a) Gross Block	, and the second	918,336,218		578,661,104
(b) Less: Depreciation		413,821,206		376,660,952
·			504 545 040	
(c) Net Block			504,515,012	202,000,152
2. Investments	6		3,018,268,823	2,739,082,451
3. Deferred Tax Asset, net (See Note No.10)			692,252,747	505,821,394
4. Comment Assets Language and Advances	7			
4. Current Assets, Loans and Advances:	7	40 250 004 626		22 704 202 722
(a) Receivables under financing activity(b) Cash and bank balances		40,258,084,636 225,062,524		23,704,202,723 417,904,525
(c) Other current assets		246,897,371		224,185,267
(d) Other loans and advances		3,280,606,536		2,370,335,630
(d) Other loans and davances				
		44,010,651,067		26,716,628,145
Less: Current Liabilities and Provisions:	8			
(a) Liabilities		1,748,806,994		1,304,057,087
(b) Provisions		2,683,885,010		1,858,030,167
		4,432,692,004		3,162,087,254
Net Current Assets			39,577,959,063	23,554,540,891
	Total		43,792,995,645	27,001,444,888
Notes forming part of the Financial Statements	12			
As per our attached report of even date		Rahul Baja	i C	hairman
		Nanoo Par	-	ice Chairman
For DALAL & SHAH Firm Registration Number: 102021W		D S Mehta	A	
Chartered Accountants		D J Balaji R	1	
		Sanjiv Baja	aj 🕻 📙	irectors
Anish Amin	Anant Damle	Ranjan Sar	nghi	
Partner Membership Number: 40451	Company Secretary	Rajendra L Rajiv Bajaj		
Membership Number, 70731		najiv bajaj	•	

Pune: 11 May 2010

Mumbai: 11 May 2010

Profit and Loss Account for the year ended 31 March

			2010	2009
	Schedule	Rupees	Rupees	Rupees
INCOME FROM:				
Assets under Finance and Secured Loans:				
Financing Charges		5,288,757,478		3,783,688,427
Leasing Business:				
Lease Rentals		836,404		4,510,768
Interest on loans		2,349,265,755		1,058,591,829
		7,638,859,637		4,846,791,024
Service and administration charges		457,736,096		248,358,706
-			8,096,595,733	5,095,149,730
Other operating income	9A		1,003,959,455	852,900,935
Other income	9B		61,016,242	45,831,718
other meanic	75			
EVDENDITUDE.			9,161,571,430	5,993,882,383
EXPENDITURE:	10		F 72F FF2 741	2 704 256 050
Expenses	10		5,725,552,741	3,784,356,058
Interest and Finance Charges	11		2,016,652,229	1,643,464,340
Depreciation (See Note No.1(B))			76,407,710	55,693,481
			7,818,612,680	5,483,513,879
Profit before Taxation			1,342,958,750	510,368,504
Taxation				
Current tax (including Rs. 250,000/-				
for Wealth tax, Previous year Rs. 200,000/-)		657,000,000		395,000,000
Add: Fringe Benefit Tax		_		8,000,000
Less: Deferred tax credit		208,022,542		231,779,037
			448,977,458	171,220,963
Due State out the success of the UT asset in the				
Profit for the year after Taxation			893,981,292	339,147,541
Prior Period Adjustments relating to earlier years:(expense)/incc Taxation	ome		OF 210	
			95,310	
Profit for the year after Taxation and Prior Period Adjustments			894,076,602	339,147,541
Balance brought forward from previous year			4,010,446	31,494,063
Amount transferred from Debenture Redemption Reserve (See	Note No.8)		480,500,000	
Profit available for appropriations			1,378,587,048	370,641,604
Appropriations:				
Transferred to Reserve Fund in terms of Section 45IC(1)				
of the Reserve Bank of India Act, 1934			180,000,000	68,000,000
Transfer to Debenture Redemption Reserve			-	183,000,000
Transferred to General Reserve			90,000,000	30,000,000
Proposed Dividend			219,576,456	73,192,152
Provision for Dividend Tax on Dividend			36,468,905	12,439,006
Balance carried to Balance Sheet			852,541,687	4,010,446
			=======================================	
Notes forming part of the Financial Statements	12			
Earnings per share				
(Face value Rs.10/-)				
Net Profit after tax and prior period adjustments			894,076,602	339,147,541
Basic EPS			24.43	9.27
Diluted EPS			24.43	9.27
- · · · · · · · · · · · · · · · · · · ·			21.73	J.E1

As per our attached report of even date		Rahul Bajaj Nanoo Pamnani	Chairman Vice Chairman
For DALAL & SHAH			
Firm Registration Number: 102021W		D S Mehta	
Chartered Accountants		D J Balaji Rao	
		Sanjiv Bajaj	Directors
Anish Amin	Anant Damle	Ranjan Sanghi	Directors
Partner	Company Secretary	Rajendra Lakhotia	
Membership Number: 40451	. , ,	Rajiv Bajaj	

Mumbai: 11 May 2010 Pune: 11 May 2010

Cash Flow Statement for the financial year 2009-2010

		2010	200
Particulars	Rupees	Rupees	Rupe
CASH FROM OPERATIONS:			
A) Profit before taxation		1,342,958,750	510,368,50
5) 4 %			
B) Adjustments:			
Add:			
i) Depreciation	76,407,710		55,693,4
ii) Provision for doubtful overdue installments receivable			
under financing activity, net	661,711,276		612,781,7
iii) Provision for diminution in investment written off, net	4,588,936		
iv) Loss on sale of assets, net	330,765		
v) Assets written off	7,995,134		
vi) Interest and finance charges	2,016,652,229		1,643,464,3
		2,767,686,050	2,311,939,5
		4,110,644,800	2,822,308,0
Less:			
i) Investment income included in above			
Dividend	34,547		23,7
Interest on bonds	447,721		575,0
interest on bonds	777,721		373,0
Interest on government and trust securities	9,597,000		13,207,7
	10,079,268		13,806,5
ii) Surplus on sale of assets, net	-		1,325,1
iii) Provision for diminution in value of investments			
written back, net	_		1,079,4
Total		10,079,268	16,211,0
CASH FROM OPERATIONS		A 100 565 522	2 806 007 0
CASITI NOW OFERATIONS		4,100,565,532	2,806,097,0
		4,100,565,532	2,806,097,0

Cash Flow Statement for the financial year 2009-2010 (Contd.)

		2010	2009
Particulars	Rupees	Rupees	Rupees
Brought over		4,100,565,532	2,806,097,012
C) (Increase)/ Decrease in Other Current Assets:			
i) Other Current Assets and Loans and Advances	(251,377,809)		77,445,475
Total	(251,377,809)		77,445,475
Increase/ (Decrease) in Current Liabilities:			
increase/ (Decrease) in Current Liabilities.			
i) Liabilities	(106,435,061)		94,977,985
ii) Gain on debenture repurchase	(39,755,012)		(34,777,586)
Total	(146,190,073)		60,200,399
		(397,567,882)	137,645,874
		3,702,997,650	2,943,742,886
Less: Interest and finance charges paid		1,445,346,323	1,621,451,490
Less: Direct taxes paid		695,065,701	503,628,608
Add: Tax adjustments relating to earlier years		95,310	
rax adjustments relating to earner years		1,562,680,936	818,662,788
D) (Increase)/ Decrease in Receivables under financing activity		(17,160,162,688)	(4,731,122,812)
NET CASH FROM OPERATIONS		(15,597,481,752)	(3,912,460,024)
II) INVESTMENT ACTIVITIES:			
i) (Increase)/ Decrease in investment in securitized assets, net	1,684,423,191		1,195,795,717
ii) (Increase)/ Decrease in other investments, net	(1,968,198,500)		(665,000,000)
iii) Capital Expenditure (including leased assets)	(392,324,728)		(124,829,629)
iv) Sale Proceeds of Assets/Adjustments to gross block	5,076,259		6,064,734
Total	(671,023,778)		412,030,822
v) Investment Income:			
Dividends	34,547		23,741
Interest on Debentures & Bonds	447,721		575,000
Interest on Government Securities	9,597,000		13,207,761
Total	10,079,268		13,806,502
NET CASH FROM INVESTING ACTIVITIES		(660,944,510)	425,837,324
Carried over		(16,258,426,262)	(3,486,622,700)

Cash Flow Statement for the financial year 2009-2010 (Contd.)

		2010	2009
Particulars	Rupees	Rupees	Rupees
Brought over		(16,258,426,262)	(3,486,622,700)
III) FINANCING ACTIVITIES:			
 i) Increase/ (Decrease) in secured loans (excluding interest accrued and due) 	12,880,807,677		(1,272,922,854)
ii) Repurchase of debentures	-		(200,750,000)
iii) Increase/ (Decrease) in unsecured loans (excluding interest accrued and due)	3,270,776,542		942,297,122
iv) Dividend paid	(73,560,952)		(36,950,187)
v) Tax on dividend paid	(12,439,006)		(6,219,503)
Total		16,065,584,261	(574,545,422)
NET CASH FROM FINANCING ACTIVITIES		16,065,584,261	(574,545,422)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(192,842,001)	(4,061,168,122)
Cash and cash equivalents as at 01.04.2009 (Opening Balance)		417,904,525	2,101,088,986
Cash and cash equivalents as at 31.03.2010 (Closing Balance)		225,062,524	417,904,525

As per our attached report of even date		Rahul Bajaj Nanoo Pamnani	Chairman Vice Chairman
For DALAL & SHAH			
Firm Registration Number: 102021W		D S Mehta	
Chartered Accountants		D J Balaji Rao	
		Sanjiv Bajaj	Directors
Anish Amin	Anant Damle	Ranjan Sanghi	Directors
Partner	Company Secretary	Rajendra Lakhotia	
Membership Number: 40451	. ,	Rajiv Bajaj	

Schedules 1 to 12 annexed to and forming part of the Financial Statements for the year ended 31 March 2010

Schedule 1 – Share Capital

As at 31 March 2009

		31 Waren 2003
	Rupees	Rupees
Authorised:		
50,000,000 Equity shares of Rs. 10 each	500,000,000	500,000,000
Invasida.		
Issued:		
36,597,076 Equity shares of Rs. 10 each	365,970,760	365,970,760
Subscribed & Paid up:		
36,596,076 Equity shares of Rs 10 each		
fully called up and paid up	365,960,760	365,960,760
runy canca ap ana para ap	303,700,700	303,700,700
1,000 Add: Forfeited Equity Shares		
(amount paid up)	5,000	5,000
Total	365,965,760	365,965,760

(Refer Note No. 14 on Employee Stock Option Plan)

Schedule 2 – Reserves and Surplus

As at 31 March 2009

			31 March 2009
	Rupees	Rupees	Rupees
Securities Premium Account:			
Share Premium		7,543,418,611	7,543,418,611
Reserve Fund in terms of Section 45IC(1)			
of the Reserve Bank of India Act, 1934			
As per last Account	727,500,000		659,500,000
Set aside this year	180,000,000		68,000,000
		907,500,000	727,500,000
Debenture Redemption Reserve:			
(See Note No. 8)			
As per last account	480,500,000		297,500,000
Set aside this year	_		183,000,000
	480,500,000		480,500,000
Transferred to the balance in Profit and Loss Account	480,500,000		-
		_	480,500,000
General Reserve:			, ,
As per last account	1,765,978,773		1,735,978,773
Set aside this year	90,000,000		30,000,000
		1,855,978,773	1,765,978,773
Surplus as per annexed Account			
		852,541,687	4,010,446
Tota		11,159,439,071	10,521,407,830

As at 31 March 2009

			31 March 2007
	Rupees	Rupees	Rupees
From Banks, against hypothecation of assets under finance,			
book debts and other receivables:			
Cash Credit		2,731,904,414	4,025,054,038
Secured debentures - privately placed (Refer Note No.9 A)		12,500,000,000	1,000,000,000
- (5,248,365) Secured Redeemable Non Convertible Debentures of the		12,300,000,000	1,000,000,000
face value of Rs. 500/- each secured by hypothecation of book debts			
and mortgage of immovable property of the company. Redeemed on			
9 February 2010.	_		2,624,182,500
Less: - (2,186,380) debentures repurchased but not			2,02 1,102,300
cancelled - to be reissued	_		1,293,940,000
currence to be reissued			
	_		1,330,242,500
Less: Calls in arrears			4,199,801
		-	1,326,042,699
Short term loans from banks, against hypothecation of assets			
under finance, book debts and other receivables		5,550,000,000	1,550,000,000
Interest accrued and due on bank loans		11,572,739	150,342
Total		20,793,477,153	7,901,247,079

Schedule 4 - Unsecured Loans

As at 31 March 2009

	Rupees	Rupees	Rupees
Fixed Deposits	24,481,000		38,246,000
Add: Interest accrued and due	1,181,318		2,472,092
		25,662,318	40,718,092
Loan from a company		-	146,000,000
Short term loan from banks		1,006,402,137	2,974,569,821
Term loan from banks		4,500,000,000	_
Short term borrowing by issue of Commercial Papers		5,400,000,000	3,400,000,000
Term loan - others		_	1,350,000,000
8.25% Non Convertible debentures (redeemable at par on			
5 August 2011) (See Note No.9 B)		500,000,000	250,000,000
Interest accrued and due		42,049,206	51,536,306
Tota		11,474,113,661	8,212,824,219

Note: Negotiable Commercial Papers aggregating Rs. 6,650,000,000/- were issued by way of Promissory Notes during the year (Maximum balance outstanding at any point of time during the period Rs. 6,650,000,000/-Previous year Rs. 5,150,000,000/-)

Schedule 5 - Fixed Assets

Particulars		Gross Bloo	ck at cost			Depre	ciation		Net E	Block
	As at 31 March 2009	Additions	Deductions and adjustments	As at 31 March 2010	As at 31 March 2009	Deductions and adjustments	For the Year (b)	As at 31 March 2010	As at 31 March 2010	As at 31 March 2009
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Assets relating to leasing business:										
Plant and Machinery	176,440,231	-	-	176,440,231	176,440,231	-	-	176,440,231	-	-
Other assets:										
Land (d)	-	14,851,301	-	14,851,301	-	-	-	-	14,851,301	-
Building (a)	1,323,207	287,862,850	-	289,186,057	605,048	-	4,251,416	4,856,464	284,329,593	718,159
Computers	189,397,948	33,330,869	21,453,422	201,275,395	124,099,541	19,763,828	35,297,963	139,633,676	61,641,719	65,298,407
Furniture and Fixtures and Equipments	120,722,769	37,805,629	26,330,176	132,198,222	61,133,599	16,398,906	16,036,807	60,771,500	71,426,722	59,589,170
Vehicles	22,000,611	4,914,960	4,866,016	22,049,555	7,686,476	3,084,722	4,288,572	8,890,326	13,159,229	14,314,135
Intangible assets:										
Specialised software (c)	68,776,338	13,559,119	-	82,335,457	6,696,057	-	16,532,952	23,229,009	59,106,448	62,080,281
As at 31 March 2010 Total	578,661,104	392,324,728	52,649,614	918,336,218	376,660,952	39,247,456	76,407,710	413,821,206	504,515,012	202,000,152
As at 31 March 2009 Total	468,925,310	124,829,629	15,093,835	578,661,104	331,321,729	10,354,258	55,693,481	376,660,952	202,000,152	

- Includes cost of shares in co-operative society Rs. 250/-

- (c) See Note No. 1 B
 (c) See Note No. 1 B II
 (d) Represents share in undivided portion of land, on purchase of office premises

As at 31 March 2009

					31 March 2009
			Rupees	Rupees	Rupees
Long To		nt and Trust Securities:			
Quo : 547	ted: 7.085	6.6% Tax Free ARS Bonds of the face value of Rs. 100 each,			
317	,,003	received on conversion of UTI MIP 1999 including interest			E 4 700 E0
		accrued thereon	_		54,708,50
12	32%	Government of India Stock, 2011 of the face value of Rs. 10,000,000/-	11,202,533		11,202,53
@ 12	.25%	Government of India Stock, 2010 of the face value of			
	.83%	Rs. 20,000,000/- Government of India Stock, 2014 of the face value of	27,480,000		27,480,00
w 11	.03 /0	Rs. 50,000,000/-	63,677,500		63,677,50
				102,360,033	157,068,53
				102,360,033	157,068,53
In fully Other t	paid e than tr	equity shares: rade:			
Quo	oted: 90	Shares of TCFC Finance Limited	_		
@ 38	8,700	Shares of Rs.10 each in Akai Impex Limited	2,322,000		2,322,00
	75	Shares of Rs.10 each in Bajaj Holdings and	_,,-		_,=_,=
	75	Investments Limited	19,646		19,64
@ 16	6,880	Shares of Rs.10 each in Dai Ichi Karkaria Limited	1,688,000		1,688,00
	50	Shares of Rs.10 each in Religare Technova Limited	1,435		1,43
	25	Shares of Rs.10 each in ICICI Bank Limited	1,320		1,32
@	52	Shares of Rs.10 each in Midwest Leasing Limited	450		45
@	50	Shares of Rs.10 each in Mazda Industries and Leasing Limited	500		50
@	50	Shares of Rs.10 each in MCC Finance Limited	1,665		1,66
@	50	Shares of Rs.10 each in Nagarjuna Finance Limited	713		71
@	100	Shares of Rs.10 each in P L Finance and Investment Limited	1,500		1,50
@	75	Shares of Rs.10 each in Bajaj Auto Limited	7,685		7,68
@	75	Shares of Rs.5 each in Bajaj Finserv Limited	7,441		7,44
@	310	Shares of Rs.10 each in Southern Fuels Limited	31,000		31,00
				4,083,355	4,083,35
				106 442 200	161 151 00
In Bone	ds:			106,443,388	161,151,88
Que	oted:				
* 11.5	50%	Bonds of Industrial Development Bank of India 2010			
		(55th Series) of the face value of Rs. 5,000,000/-			4,750,00
		Carried over		106,443,388	165,901,88

As at 31 March 2009

					31 March 2009
			Rupees	Rupees	Rupees
		Brought over		106,443,388	165,901,888
n Mutua Quot					
Quot	eu:				
@	- (4	.8397254.584) S232 Sundaram BNP			
	P	aribas Money Fund Super Institutional Growth	-		900,000,000
				-	900,000,000
n Securit		sets:			
Unqu		OO) Dear Thomas Contiferation			
		00) Pass Through Certificates representing securitisation floan receivables through SME Retail Pool II Trust of India			
		ulls Credit Services Limited and India Bulls Financial Services			
		mited balance of which is redeemable in parts in terms of			
		ne schedule specified therein aggregating to Rs. Nil	_		530,638,329
		00) Pass Through Certificates representing securitisation of $$			
		an receivables through Investment Vehicle for Structured			
		ransactions 1208 of ICICI Bank Limited balance of which is			
		edeemable in part in terms of the schedule specified therein ggregating to Rs. Nil			400 755 222
	a	ggregating to hs. Nii	_		499,755,223
	L	ess: Amortisation of premium on acquisition	-		2,744,360
					497,010,863
		5) Pass Through Certificates representing securitisation of			
		oan receivables through SME Retail Pool IV Trust of India			
		ulls Financial Services Limited balance of which is			
		edeemable in parts in terms of the schedule specified nerein aggregating to Rs. Nil			613,999,270
	u	icieni aggregating to hs. Mil	_		013,999,270
	- (4	8) Pass Through Certificates representing securitisation			
		f loan receivables through CLSS 14 Trust 2009 of DLF			
	C	ommercial Complexes Limited balance of which is			
		edeemable in parts in terms of the schedule specified			
	th	nerein aggregating to Rs. Nil			42,774,729
				-	1,684,423,191
				106,443,388	2,750,325,079
	L	ess: Provision for diminution in value of Investments		15,831,565	11,242,628
		Total (A)		90,611,823	2,739,082,451
(B) Curre	ent:	•			
	oted:				
In (Certifica	ites of Deposits with banks:			
@	20000	UCO Bank CD 02-09-2010 (Face value Rs. 100,000/-)	1,950,912,000		
@ @	10000	State Bank of Patiala CD 03-09-2010	1,930,912,000		_
<u> </u>	.0000	(Face value Rs. 100,000/-)	976,745,000		_
		Total (B)		2,927,657,000	
					2.730.002.451
		Total		3,018,268,823	2,739,082,451

Schedule 6 - Investments, at Cost (Unless otherwise stated) (Contd.)

	Book Value as at		Market Value as at	
	31 March 2010 31 March 20		31 March 2010	31 March 2009
	Rupees	Rupees	Rupees	Rupees
Quoted	3,018,268,823 *	1,054,659,260 *	3,018,483,553 *	1,054,875,385
Unquoted	-	1,684,423,191	-	-
Total	3,018,268,823	2,739,082,451	3,018,483,553	1,054,875,385

^{*} Included in Market Value at Cost as the quotation is not available @ At Book Value

The following investments have been purchased and sold during the year:

Name of the fund		No. of units	Purchase cost Rupees	Sale proceeds Rupees
Sundaram BNP Paribas Mutual Fund	-Various schemes	48,397,244.58	900,000,000.00	900,324,261.55
IDFC Mutual Fund	-Various schemes	12,657,866,143.66	138,613,400,000.00	138,650,521,716.54
ICICI Prudential Mutual Fund	-Various schemes	4,908,253,171.21	84,903,326,197.00	84,953,693,181.40
Birla Sunlife Mutual Fund	-Various schemes	6,406,518,348.68	92,890,000,000.00	92,924,629,640.54
HDFC Mutual Fund	-Various schemes	3,997,485,459.99	72,852,500,000.00	72,880,587,920.15
Reliance Mutual Fund	-Various schemes	4,413,290,643.46	62,750,000,000.00	62,774,113,772.28
Fortis Mutual Fund	-Various schemes	589,425,769.91	6,970,000,000.00	6,980,992,353.83
Kotak Mutual Fund	-Various schemes	147,428,071.46	2,250,000,000.00	2,255,714,336.86
Deutsche Mutual Fund	-Various schemes	296,757,284.78	3,500,000,000.00	3,509,695,390.10

Schedule 7 - Current Assets, Loans and Advances (Good unless otherwise stated)

As at 31 March 2009

			31 March 2009
	Rupees	Rupees	Rupees
(a) Receivables under financing activity:			
(I) Secured:(i) (a) Against hypothecation of automobiles and durables			
[Includes overdue installments Rs. 2,619,966,593/- (Previous year Rs. 3,715,410,500/-)]	18,051,765,439		14,821,179,989
·	10,031,703,439		14,021,179,909
(b) Stock of reposessed vehicles, consumer durables etc. under Finance Agreements, at realisable / balance value	87,413,781		108,599,031
ander i mance Agreements, acreansassie / Salance value	18,139,179,220		14,929,779,020
(c) Overdue Instalments under Finance Agreements			
considered doubtful Less: Provision	1,167,902,174 1,167,902,174*		994,238,858 994,238,858*
(ii) A saignet assitable security as a finance scale as a security security		18,139,179,220	14,929,779,020
(ii) Against equitable mortgage of immovable property under finance agreements			
Good	10,613,041,433		1,685,019,210
Doubtful	12,400,000		-
Less: Provision	12,400,000*		
		10,613,041,433	1,685,019,210
(iii) Against hypothecation of movable fixed assets		144,597,958	100,000,000
(iv) Loan against shares (secured by pledge of shares)		1,000,000,000	989,132,244
(v) Net investment in lease (secured by assets at agreement			
values less installments received) Good	63,376		21,385,165
Doubtful Less: Provision	35,595 35,595*		1,297,855 1,297,855*
		63,376	21,385,165
Total (I)		29,896,881,987	17,725,315,639
(II) Unsecured:			
(i) Loans at agreement values less installments received [Includes overdue installments Rs. 446,218,530/-			
(Previous year Rs. 211,322,317/-)]			
Good	9,801,143,848		5,330,864,834
Doubtful	655,717,184		234,237,465
Less: Provision	655,717,184*		234,237,465*
		9,801,143,848	5,330,864,834
(ii) Receivables under loan assignments		560,058,801	648,022,250
Total (II)		10,361,202,649	5,978,887,084
Total (I+II)		40,258,084,636	23,704,202,723
(b) Cash and Bank Balances:			
Cash on hand (including the cash with collecting agents)	41,080,986		3,580,986
Remittances in transit Balance with Scheduled Banks:	-		690,000
In current and cash credit accounts	183,981,538		413,633,539
		225,062,524	417,904,525
Carried over		40,483,147,160	24,122,107,248

Schedule 7 - Current Assets, Loans and Advances (Good unless otherwise stated) (Contd.)

Total

As at 31 March 2009 Rupees Rupees Rupees Rupees Brought over 40,483,147,160 24,122,107,248 (c) Other Current Assets: Interest receivable on Investments 15,104,219 3,101,719 Interest receivable on loans 6,357,961 9,522,692 Finance charges receivable 141,846,238 112,417,975 Other receivables 95,591,453 87,140,381 246,897,371 224,185,267 (d) Loans and Advances, unsecured, good: (unless otherwise stated) Advances recoverable in cash or in kind or for value to be received Good 639,472,181 426,246,955 Doubtful 118,929,987 105,599,486 Less: Provision 118,929,987* 105,599,486 639,472,181 426,246,955 Sundry deposits 50,605,664 48,495,686 Tax paid in advance 2,590,528,691 1,895,592,989 2,370,335,630

Schedule 8 - Current Liabilities and Provisions

		As at 31 March 2009
	Rupees	Rupees
(a) Liabilities:		
Sundry creditors	707,991,138	861,307,929
Gain on Repurchase of Debentures	-	39,755,012
Security deposits	215,145,432	326,428,882
Investor Education and Protection Fund, since deposited		4,171
Unclaimed Dividend	4,541,347	4,910,147
Interest accrued but not due on loans	575,555	9,367,591
Interest accrued but not due on debentures	640,446,000	62,283,355
Temporary overdraft as per books of accounts only	180,107,522	
	1,748,806,994	1,304,057,087
(b) Provisions:	1,7 10,000,551	1,50 1,057,007
For Taxation	2,357,964,130	1,722,685,319
For Loss Estimations (See Note No.11)	42,100,000	-
For Compensated Absences (See Note No.13)	27,775,519	49,713,690
For Tax on Dividend	36,468,905	12,439,006
Proposed Dividend	219,576,456	73,192,152
	2,683,885,010	1,858,030,167
		
Total	4,432,692,004	3,162,087,254

3,280,606,536

44,010,651,067

26,716,628,145

^{*} See Note No. 1 (E) and 11

Schedule 9 A - Other operating Income:

			Previous Year
	Rupees	Rupees	Rupees
Interest [Gross-Tax deducted Rs. 16,192,006/-			
(Previous Year Rs. 44,900,718/-)]			
On Fixed Deposits	-		16,151,878
On Investment in securitized assets	104,439,109		277,191,347
Others	350,113,745		378,459,447
		454,552,854	671,802,672
Gain on debenture repurchase		39,755,012	40,654,144
Miscellaneous Income		132,200,489	94,118,852
Bad debt recoveries		176,154,724	28,338,861
Profit on sale of investments, net *		201,296,376	17,986,406
Total		1,003,959,455	852,900,935

^{*} Includes profits / (losses) from current investments amounting to Rs. 201,046,376/- (Previous year Rs. 17,986,406/-)

Schedule 9 B - Other Income:

			Previous Year
	Rupees	Rupees	Rupees
Interest Cross Tay dodusted Dr. Nil			
Interest [Gross-Tax deducted Rs. Nil			
(Previous Year Rs. Nil)]			
On Government and Trust Securities	9,597,000		13,207,761
On Bonds	447,721		575,000
Others	-		1,200,526
		10,044,721	14,983,287
Dividend		34,547	23,741
Miscellaneous Income		1,285,004	1,594,112
Surplus on sale of Assets, net		-	1,325,156
Provisions no longer required		11,622,268	1,031,216
Sundry credit balances appropriated		38,029,702	25,794,790
Provision for Diminution in Value of Investments written back, net		-	1,079,416
Total		61,016,242	45,831,718

Schedule 10 - Expenses

			Previous Year
	Rupees	Rupees	Rupees
Employees' Emoluments:			
Salaries, Bonus, Allowances, etc.	928,193,791		678,695,906
Contribution to Provident and Other Funds	46,029,146		37,798,481
Welfare expenses	19,936,253		12,228,733
		994,159,190	728,723,120
Insurance		741,997	739,038
Rent		71,313,638	62,739,401
Commission to Non Executive Director		4,600,000	4,600,000
Miscellaneous expenses		936,045,183	497,727,462
Assets written off		7,995,134	_
Printing and stationery		24,714,449	16,152,225
Marketing commission		251,958,334	261,520,237
Recovery commission		560,583,740	462,819,335
Directors' Fees and Travelling expenses		1,455,210	965,527
Auditors' Remuneration		1,802,504	1,429,250
Loss on sale of Assets, net		330,765	_
Brokerage on Fixed Deposits		33,923	24,203
Dealer Incentive		259,372,797	111,103,581
Provision for doubtful overdue installments from receivables			
under financing activity, net [See Note No.11 and 1(E)]		661,711,276	612,781,761
Bad Debts written off		1,944,145,665	1,023,030,918
Provision for Diminution in Value of Investments written off, net		4,588,936	-
Total		5,725,552,741	3,784,356,058

Schedule 11 - Interest and Finance Charges

			Previous Year
	Rupees	Rupees	Rupees
Interest:			
On Fixed Loans	79,440,312		211,044,077
Other	376,028,458		686,518,113
		455,468,770	897,562,190
Interest on non - convertible debentures		978,406,008	191,659,067
Discount in respect of "Commercial Papers"		450,062,984	313,540,265
Bank charges		132,714,467	240,702,818
Total		2,016,652,229	1,643,464,340

- Statement of Significant Accounting Policies
 - A) System of Accounting:
 - The company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of significant uncertainties.
 - Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.
 - (iii) The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.
 - Fixed Assets, Depreciation and Amortization:
 - (i) Fixed Assets are carried at cost of acquisition.
 - (ii) Depreciation
 - (a) On assets relating to Leasing Business:
 - Depreciation on Assets relating to Leasing Business is being provided at the rates worked on Straight Line Method over the primary period of Lease as stated in the lease agreement or at the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher.

Assets	Rates on Straigh	t Line Method	
	Over the Primary Period of lease	As specified in Schedule XIV	
	%	%	
Plant and Machinery:			
Electrostatic precipitation system	10.00	5.28	
Boiler	14.29	5.28	
Furnace	16.67	5.28	
Computers			
Primary Period 3 Years	33.33	16.21	
Primary Period 5 Years	20.00	16.21	
Primary Period 6 Years	16.67	16.21	
Primary Period 7 Years	14.29	16.21	
Others	20.00	4.75	

- (ii) Depreciation on additions to Assets relating to Leasing Business is being provided for as above, on pro-rata basis with reference to the month of commencement of the Lease Period.
- (iii) Depreciation on Assets relating to Leasing Business, sold during the year, is being provided for at their respective rates up to the month in which such asset is sold.
- (b) On other Assets:
 - Depreciation on other assets is being provided on "Written Down Value method" at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions during the year is being provided for on a pro-rata basis with reference to the month of addition.
 - (ii) Depreciation on assets sold during the year is being provided for, at their respective rates up to the month in which such asset is sold.

(II) On Intangible Assets and Amortization thereof:

Intangible assets, representing Specialized Software, are recognised consistent with the criteria specified in Accounting Standard - 26 "Intangible Assets" as prescribed by Companies (Accounting Standards) Rules, 2006. The same is amortized over a period of 60 months, being the estimated useful life of the software.

C) Investments:

Investments maturing within twelve months from the date of acquisition and investments made with the specific intention to dispose off within twelve months from the date of acquisition are classified as short term / current investments and are carried at their cost or market value / realizable value, whichever is lower.

Investments other than short term / current investments are carried at their cost of acquisition. Provision for diminution in value of investments, if any, is made if, in the opinion of the management, such diminution is other than temporary.

Income from:

(i) Assets under Finance:

The company has accrued finance charges and service charges in terms of contractual commitments with borrowers detailed in the finance agreements entered into with hirers except in the case of Non-Performing Assets.

(ii) Leasing Business:

- (a) Lease rental income is recognized on accrual basis.
- (b) For leases effected prior to 1 April 2001, the company follows the recommendations of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly, a matching annual charge is made to the Profit and Loss Account representing recovery of net investment of leased assets. The said charge is calculated by deducting Finance Income for the year (arrived at by applying the rate of interest implicit in the lease to the net investment in the lease during the year) from the lease rental in respect of all its leased assets. This annual charge comprises of book depreciation (as per the policy stated in Para 1(B) (ii)) and a lease equalization charge where the annual lease charge is more than book depreciation. Where the annual lease charge is less than book depreciation a lease equalization charge credit is taken. The balance standing in the Lease Adjustment Account has been adjusted in the net value of leased assets.

For leases effected on or after 1 April 2001, the company has followed the provisions of Accounting Standard – 19 "Leases" as prescribed by Companies (Accounting Standards) Rules, 2006.

(iii) Other Income:

Other income is mainly accounted on accrual basis, except in case of significant uncertainties.

E) Non performing assets:

The company has followed the directives of the Reserve Bank of India (RBI) on Prudential Normsof Income recognition, Provision for bad and doubtful debts etc. issued from time to time. Accordingly the Company has not accrued income in respect of Assets under Finance/ Lease contracts / Consumer Loans, which are Non Performing Assets as redefined therein and has made provision in respect of the said Assets, as considered necessary, however ensuring that the said provisions are not lower than the provisions stipulated in the applicable RBI guidelines.

Employee Benefits:

(i) Gratuity:

Payment for present liability of future payment of gratuity is being made to the Approved Gratuity funds, which fully cover the same under cash accumulation policy of the Life Insurance Corporation of India. However, any deficits in Plan Assets managed by LIC as compared to actuarial liability are recognized as a liability.

(ii) Superannuation:

Defined Contribution to superannuation fund is being made as per the scheme of the company.

(iii) Provident fund contributions are made to Bajaj Auto Limited Provident Fund Trust. Deficits, if any, of the fund as compared to aggregate liability is additionally contributed by the company and recognized as an expense.

(iv) Privilege Leave:

Privilege leave entitlements are recognized 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 recognized at the actuarially determined value by an Appointed Actuary.

(v) Contribution to Employees' Pension Scheme, 1995 is made to Government Provident Fund Authority.

Taxation:

Provision for Taxation is made on the basis of the Taxable Profits computed for the current accounting period in accordance with the Income Tax Act, 1961. Deferred Tax resulting from timing differences between Book Profits and Tax Profits is accounted for at the current rate of tax to the extent the timing differences are expected to crystallize, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realized.

Provisions:

Necessary provisions are made for present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect the best estimates based on available information.

Employee Stock Option Scheme - See Note No. 14.

Contingent Liability not provided for: 2)

Particulars	As at	As at
	31 March 2010	31 March 2009
	Rupees	Rupees
Disputed claims against the Company not acknowledged as debts VAT matter under Appeal	45,342,411 34,914,309	31,175,451 26,205,125

Estimated amount of Contracts remaining to be executed on Capital Account not provided for:

Particulars	As at	As at
	31 March 2010	31 March 2009
	Rupees	Rupees
Estimated amount of Contracts remaining to be executed on Capital Account not		
provided for (Net of Advances)	8,373,737	4,585,871

Payments to Auditors: *

2009-10	2008-09
Rupees	Rupees
1,250,000	1,250,000
150,000	50,000
402,504	95,000
552,504	145,000
	34,250
1,802,504	1,429,250
	Rupees 1,250,000 150,000 402,504 552,504

^{*}net of service tax credit availed

5) Expenditure in foreign currency:

Particulars	2009-10 Rupees	2008-09 Rupees
Travelling expenses	278,251	614,007
Software expenses	4,215,183	-

Managerial Remuneration:

(a) Computation of Managing Director / Manager / Non Executive Director's commission under Section 198 and 349 of the Companies Act, 1956:

Particulars		2009-10	2008-09
	Rupees	Rupees	Rupees
Profit as per Profit & Loss Account Add:		893,981,292	339,147,541
Managing Director/Manager's Remuneration (including perquisites) Commission to Non Executive Director Provision for Taxation, net of deferred tax income	16,373,198 4,600,000 448,977,458		12,962,378 4,600,000 171,220,963
		469,950,656	188,783,341
Less:			
Profit on sale of investments, net Gain on debenture repurchase	201,296,376 39,755,012		17,986,406 40,654,144
		241,051,388	58,640,550
Profit on which commission is payable		1,122,880,560	469,290,332
Commission payable to Non Executive Director @ 1% restricted to Remuneration payable to Manager @ 5 % Remuneration paid to Manager restricted to		4,600,000 53,470,503 16,373,198	4,600,000 22,347,159 12,962,378

(b) Profit and Loss Account includes payments and provisions on account of Manager's remuneration as under:

Particulars	2009-10 Rupees	2008-09 Rupees
Salary	13,345,834	10,518,415
House Rent Allowance Contribution to Gratuity fund	1,840,774 306,673	1,650,000 242,354
Contribution to Provident and other funds	441,786	402,000
Perquisites	438,131	149,609
Total	16,373,198	12,962,378

- Warrants issued with debentures to the shareholders in 2006-07 have lapsed on 8 January 2010 with no options of conversion being exercised.
- Debenture Redemption Reserve has been created in accordance with the Circular No.9/2002 dated 18 April 2002, issued by Department of Company Affairs, Ministry of Law, Justice & Company Affairs, Government of India & Section 117 C of Companies Act. The balance in the reserve on redemption /extinguishment of the debentures has been transferred to the Profit and Loss Account.

9) Details of privately placed secured / unsecured redeemable non convertible debentures: A) Details of privately placed secured redeemable non-convertible debentures.

Date of allotment	Nos.	Face value Rupees	Name of the party	Redemption	Put / Call Options	As at 31 March 10 Rupees	As at 31 March 09 Rupees	Security
29-Apr-09	60	10,000,000	Corporation Bank, Central Bank of India, Birla Sunlife Insurance Co. Ltd,Royal Sundaram Alliance Insurance Co. Ltd, Jammu and Kashmir Bank Limited	At Par at the end of 2 years	Bullet on maturity	600,000,000	-	Secured by parri-passu charge on immovable property being companies flat at Pune and hypothecation of hire purchase finance/lease assets/loan receivables - 9% p.a
1-Jun-09	85	10,000,000	7 parties	At Par at the end of 2 years	Bullet on maturity	850,000,000	-	Secured by parri-passu charge on Co's flat No 103, Nayan Co op Hsg Socty and hypothecation of hire purchase finance/lease assets/loan receivables - 8.75% p.a
26-Jun-09	85	10,000,000	HDFC Trustee Co Ltd. Reliance Capital Trustee Co. Limited, Metlife India Insurance Co. Limited	At Par at the end of 2 years	Bullet on maturity	850,000,000	-	Secured by parri-passu charge on Co's flat No 103, Nayar Co op Hsg Socty and hypothecation of hire purchase finance/lease assets/loan receivables - 8.75% p.a
26-Jun-09	75	10,000,000	HDFC Trustee Co Ltd	At Par at the end of 21 months	Bullet on maturity	750,000,000	-	Secured by parri-passu charge on Co's flat No 103, Nayar Co op Hsg Socty and hypothecation of hire purchase finance/lease assets/loan receivables - 8.35% p.a
21-Jul-09	150	10,000,000	HDFC Trustee Co. Limited, Reliance Capital Trustee Co. Limited & Deutsche Trustee Services (India) Pvt. Limited	At Par at the end of 2 years	Bullet on maturity	1,500,000,000	-	Secured by parri-passu charge on Co's flat No 103, Nayan Co op Hsg Socty and hypothecation of hire purchase finance/lease assets/loan receivables - 8.15% p.a
17-Jul-09	10	10,000,000	Met Life India Insurance Co. Pvt. Limited	At Par at the end of 3 years	Bullet on maturity	100,000,000	-	Secured by parri-passu charge on Co's flat No 103, Nayar Co op Hsg Socty and hypothecation of hire purchase finance/lease assets/loan receivables - 8.6% p.a
23-Sep-09	100	10,000,000	UTI Mutual Fund and Reliance Capital Trustee Co. Limited	At Par at the end of 2 years	Bullet on maturity	1,000,000,000	-	Secured by parri-passu charge on Co's flat No 103, Nayar Co op Hsg Socty and hypothecation of hire purchase finance/lease assets/loan receivables - 8.5% p.a.
23-Sep-09	40	10,000,000	Birla Sunlife Trustee Co. Pvt. Limited	At Par at the end of 31 months	Bullet on maturity	400,000,000	-	Secured by parri-passu charge on Co's flat No 103, Naya Co op Hsg Socty and hypothecation of hire purchase finance/lease assets/loan receivables - 8.8% p.a
1-Oct-09	10	10,000,000	ICICI Prudential Mutual Fund	At Par at the end of 3 years	Bullet on maturity	100,000,000	-	Secured by parri-passu charge on Co's flat No 103, Naya Co op Hsg Socty and hypothecation of hire purchase finance/lease assets/loan receivables - 8.72% p.a
1-Oct-09	50	10,000,000	Kotak Mahindra Trustee Co. Limited	At Par at the end of 19 months	Bullet on maturity	500,000,000	-	Secured by parri-passu charge on Co's flat No 103, Nayar Co op Hsg Socty and hypothecation of hire purchase finance/lease assets/loan receivables - 7.7% p.a
8-Oct-09	50	10,000,000	Birla Sunlife Trustee Co. Pvt. Limited	At Par at the end of 19 months	Bullet on maturity	500,000,000	-	Secured by parri-passu charge on immovable property and book debts/loan receivables - 7.65% p.a
28-Oct-09	150	10,000,000	Reliance Capital Trustee Co.Limited, Kotak Mahindra Trustee Co. Limited and HDFC Trustee Co. Limited	At Par at the end of 22 months	Bullet on maturity	1,500,000,000	-	Secured by parri-passu charge on immovable property and book debts/loan receivables - 8.33% p.a
30-Oct-09	50	10,000,000	Indian Bank	At Par at the end of 22 months	Bullet on maturity	500,000,000	-	Secured by parri-passu charge on immovable property and book debts/loan receivables - 8.5% p.a
3-Nov-09	210	10,000,000	19 parties	At Par at the end of 3 years	Bullet on maturity	2,100,000,000	-	Secured by parri-passu charge on immovable property and book debts/loan receivables - 9% p.a
27-Jan-10	25	10,000,000	Dena Bank	At Par at the end of 3 years	Bullet on maturity	250,000,000	-	Secured by parri-passu charge on immovable property and book debts/loan receivables - 8.25% p.a
24-Oct-08	100	10,000,000	Life Insurance Corporation of India	24-Oct-2013	After 3 years	1,000,000,000	1,000,000,000	Secured by parri-passu charge on immovable property and hypothecation of specific hire purchase finance/leas assets/loan receivables - 11.45% p.a
B) Details o	f privately	y placed unseci	ured redeemable non-conver	tible debentures.		12,500,000,000	1,000,000,000	
7-Aug-08	50	10,000,000	Templeton India Mutual Fund	At par at the end of 2 years	-	500,000,000	_	-
						500,000,000		

10) Deferred Tax Adjustment:

As required by the Accounting Standard 22 "Accounting for Taxes on Income" as prescribed by Companies (Accounting Standards) Rules, 2006, which is mandatory in nature, the company has recognized Deferred Taxes, which result from the timing differences between the Book Profits and Tax Profits, for the year ended 31 March 2010 of Rs.208,022,542 /- as deferred tax credit in the Profit and Loss Account, the details of which are as under:

Particulars	Balance as at 31 March 2009	Arising during the year	Adjustments*	Balance as at 31 March 2010
	Rupees	Rupees	Rupees	Rupees
Deferred Tax Assets / (Liabilities)				
On account of timing differences in				
a) Depreciation	1,835,410	(4,780,407)	-	(2,944,997)
b) Financial leasing transactions	7,974,655	(4,703,155)	-	3,271,500
c) Disallowance under Section 43B of Income-tax Act, 1961	16,170,417	(5,324,369)	-	10,846,048
d) Provision for doubtful debts	453,893,508	224,915,662	-	678,809,170
e) Other asset	25,947,404	(2,085,189)	(21,591,189)	2,271,026
Net Asset:	505,821,394	208,022,542	(21,591,189)	692,252,747

^{*}Adjusted against provision for taxation of previous year as having no impact on the Profit and Loss Account.

- 11) (a) Based on past and current experience keeping in mind the economies of recovery / repossession of financed assets having a low ticket value, the company has assessed the value of underlying securities / assets in respect of certain lines of financing with a more practical approach leading to a provision against non – performing assets /overdue receivables being, made during the year, at an amount higher than that required under prudential norms stipulated by the Reserve Bank of India by Rs. 46,682,475/-.
 - (b) In respect of lines of business where the management has decided to wind down the portfolio / book due to adverse experiences, the company has determined an amount of expected loss based on experience and circumstances, which amount is higher than that required under the prudential norms stipulated by the Reserve Bank of India by Rs. 226,317,061/-.
 - (c) As a measure of prudence, for longer tenor loans, the company has proactively chosen to create a general provision for mortgages in the current year estimated at Rs. 25,700,000/- for the year.
- 12) The company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard-17 as prescribed by Companies (Accounting Standards) Rules, 2006, dealing with Segment Reporting.

13) Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (Revised) as prescribed by Companies (Accounting Standards) Rules, 2006, the details of which are as hereunder.

Amount To Be Recognized in Balance Sheet:	As at 31 March 2010 Rupees	As at 31 March 2009 Rupees
Present Value of Funded Obligations	29,213,502	24,870,941
Fair Value of Plan Assets	(53,022,566)	(34,774,330)
Amount not Recognized as an Asset [limit in Para 59 (b)]	8,525,897	754,934
Net Liability	(15,283,167)	(9,148,455)
Amounts in Balance Sheet		
Liability	1,274,481	_
Assets	(16,557,648)	(9,148,455)
Net Liability/(Asset)	(15,283,167)	(9,148,455)
Expense To Be Recognized in the Statement of Profit & Loss:		
Current Service Cost	7,022,154	3,950,149
Interest on Defined Benefit Obligation	2,218,750	1,725,307
Expected Return on Plan Assets	(2,649,575)	(869,667)
Net Actuarial Losses / (Gains) Recognized in Year	(3,596,950)	(10,252,622)
Effect of the limit in Para 59 (b)	7,770,963	754,934
Premium allocation difference and other charges transferred	-	14,457,556
Total, included in "Employee Emoluments"	10,765,342	9,765,657
Actual Return on Plan Assets	3,396,110	14,863,955
Reconciliation of Benefit Obligations & Plan Assets For the Period:		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	24,870,941	19,843,313
Current Service Cost	7,022,154	3,950,149
Interest Cost	2,218,750	1,725,307
Actuarial Losses / (Gain)	(2,850,415)	3,741,666
Benefits Paid	(2,047,928)	(4,389,494)
Closing Defined Benefit Obligation	29,213,502	24,870,941
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	34,774,330	11,210,999
Expected Return on Plan Assets	2,649,575	869,667
Actuarial Gain / (Losses)	746,535	13,994,288
Contributions by Employer	16,900,054	13,088,870
Benefits Paid	(2,047,928)	(4,389,494)
Closing Fair Value of Plan Assets	53,022,566	34,774,330
Summary of the Actuarial Assumptions		
Discount Rate	8.20%	7.00%
Expected Rate of Return on Assets	7.50%	7.50%
Salary Escalation Rate - Senior Staff	8.00%	7.00%
- Junior Staff	6.00%	6.00%

Particulars	As at 31 March 2010 Compensated Absences	As at 31 March 2009 Compensated Absences
Present Value of Unfunded Obligations Expense recognized in the Statement of P&L Discount Rate (p.a.) Salary Escalation Rate (p.a.) - Senior Staff Salary Escalation Rate (p.a.) - Junior Staff	22,479,828 11,271,364 8.20% 8.00% 6.00%	47,569,404 36,312,850 7.00% 7.00% 6.00%

Casual leave and earned leave which is considered as a short term benefit, is valued at its encashment value amounting to Rs. 5,295,691/-.

14) Employee Stock Option Plan:

The Board of Directors at its meeting held on 14 October 2009, approved an issue of Stock Options up to a maximum of 5% of the issued equity capital of the company aggregating to 1,829,803 equity shares in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders under Section 81(1A) of the Companies Act, 1956. The shareholders of the Company vide their special resolution passed through postal ballot on 15 December 2009 approved the issue of Equity Shares of the Company under one or more Employee Stock Option Scheme(s).

The Remuneration & Nomination Committee has approved the following grants to a list of senior level executives of the Company in accordance with the Stock Option Scheme.

Particulars	
Date of grant	12 January 2010
Exercise price	358.70
Options granted during the year	132,000
Options exercised during the year	Not Applicable
Options outstanding at the end of the year	132,000

Method used for accounting for share based payment plan:

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. The company issued grants on 12 January 2010 at Rs. 358.70 which was the closing price of previous date on the stock exchange with the highest trading volume for the day.

The fair value of options used to compute proforma net profit and earnings per share have been estimated on the date of grant using the Black - Scholes Model.

The key assumptions used in Black – Scholes Model for calculating fair value as on the date of grant are:

Variables	31 March 2010
1) Risk free interest rate	6.70%
2) Expected life	1 -5 years
3) Expected volatility	54.01%
4) Dividend yield	0.62%
5) Price of the underlying share in the market at the time of the option grant (Rs.)	358.70

Impact on fair value method on net profit and earnings per share

Had compensation cost for the stock option plans outstanding been determined based on fair value approach, the net profit and earnings per share would have been as per the proforma amounts indicated below:

Particulars	31 March 2010
	(Amount in Rs.)
Net profit (as reported)	894,076,602
Add : Stock – based employee compensation expense included in net income	-
Less: Stock based compensation expense determined under fair value based method (pro forma)	13,364,340
Net Profit (pro forma)	880,712,262
Basic Earnings per share (as reported)	24.43
Basic Earnings per share (pro forma)	24.07
Diluted earnings per share (as reported)	24.43
Diluted earnings per share (pro forma)	24.07

15) Disclosure of transactions with Related Parties as required by the Accounting Standard - 18 as prescribed by Companies (Accounting Standards) Rules, 2006:

Name of the related Nature of transar party and nature of relationship			2009 -	- 2010	2008 - 2009	
		Nature of transactions	Transaction value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet
			(Rs.)	(Rs.)	(Rs.)	(Rs.)
A.	Associates:					
1.	Bajaj Finserv Limited	Dividend paid Infrastructure payments (corporate office)	30,737,952 51,726,277	- 58,675,095	14,831,976 -	-
2.	Bajaj Allianz General Insurance Company Limited	Insurance service charges received Asset insurance Vehicle insurance Extended warranty premium paid Insurance premium paid Advance premium	741,997 419,943 11,317,498 1,832,800 2,575,429	515,172 - - - - - 1,608,345	2,490,979 739,038 413,094 9,025,448 6,348,855 7,517,714	2,076,442 - - - - 865,716
3.	Bajaj Allianz Life Insurance Company Limited	Leave and licence fees receivable / received Society maintenance charges receivable / received Insurance premium paid Premium advance Service Charges Other expenses	- 229,983,662 218,535,058 100,233,150 -	37,159 6,886 - 2,719,401 5,506,924 -	- 54,656,863 68,824,868 4,124,949 3,342,900	37,159 6,886 - 14,168,005 4,124,949
4.	Bajaj Auto Holdings Limited	Dividend paid	4,233,800	-	2,116,900	-
В.	Key Managerial Personnel:					
1.	Mr. Nanoo Pamnani Vice Chairman	Commission Sitting fees and expenses	4,600,000 245,000	4,600,000 -	4,600,000 137,000	4,600,000 -
2.	Mr. Rajeev Jain Chief Executive Officer	Remuneration Housing deposit Medical Advance	16,373,198 360,000 -	- 360,000 -	12,962,378 360,000 791,000	- 720,000 664,861

16) Applicable disclosures of transactions as required by the Accounting Standard – 19 as prescribed by Companies (Accounting Standards) Rules, 2006.

Finance lease:

Mumbai: 11 May 2010

	Rupees
Gross Investment	83,473
Net Investment	63,376

Maturity pattern of the gross/ PV of MLP rent:

Maturity pattern	Gross Rupees	Net Rupees
Less than one year Later than one year but not later than five years	83,473 -	63,376 -
Later than five years Unearned Finance Charges	-	- 20,097

Initial direct costs are charged to the Profit and Loss Account.

- 17) The disclosures required in terms of Paragraph 13 of the Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are given in the Annexure forming part of these Financial Statements.
- 18) Previous year's figures have been regrouped, wherever necessary, to make them comparable with those of the current period.

	Signatures to Schedule '1	'to'12'	
As per our attached report of even date		Rahul Bajaj Nanoo Pamnani	Chairman Vice Chairman
For DALAL & SHAH			
Firm Registration Number: 102021W		D S Mehta	
Chartered Accountants		D J Balaji Rao	
		Sanjiv Bajaj	Directors
Anish Amin	Anant Damle	Ranjan Sanghi	Directors
Partner	Company Secretary	Rajendra Lakhotia	
Membership Number: 40451		Rajiv Bajaj	

Pune: 11 May 2010

ANNEXURE (Forming part of the financial statements)

Schedule to the Balance Sheet

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

(Rs. in Lakhs)

Particulars		
Liabilities Side	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured (excluding interest accrued but not due Rs. 6137 lakhs) : Unsecured (excluding interest accrued but not due Rs. 267 lakhs) (Other than falling within the meaning of public deposit*)	125,000 5,000	Nil Nil
(b) Deferred Credits	Nil	Nil
(c) Term Loans (including interest accrued and due thereon Rs. 22 lakhs)	45,022	Nil
(d) Inter-corporate Loans and Borrowings	Nil	Nil
(e) Commercial Paper	54,000	Nil
(f) Public Deposits * (excluding interest accrued but not due Rs. 6 lakhs)	257	Nil
(g) Other Loans (specify nature) (Short term loan, Term loan, Cash Credit and Working Capital Demand Loan including interest accrued thereon)	93,397	Nil
* Please see Note 1 below		
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e. Debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	257	Nil
*Please see Note 1 below		

	Assets Side	Amount outstanding
(3)	Break - up of Loans and Advances including bills receivables (other than those included in (4) below) :	
	(a) Secured	Nil
	(b) Unsecured	Nil
(4)	Break up of Leased Assets and Assets under Finance and hypothecation loans counting Assets Finance activities	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Financial lease	1
	(b) Operating lease	Nil
	(ii) Stock under finance including financing charges under sundry debtors:	
	(a) Assets under finance, net of unmatured finance charges and advance EMI	180,518
	(b) Repossessed Assets	874

ANNEXURE (Forming part of the financial statements) (Contd.)

	(iii) Hypo	othecation loans counting towards asset financing activities:	
	(a)	Loans where assets have been repossessed	Nil
	(b)	Loans other than (a) above	Nil
(5)	Break-up	o of Investments	
	Current	Investments :	
	1.	Quoted: (i) Shares:	
		(a) Equity (b) Preference	Nil Nil
		(ii) Debentures and Bonds	Nil
		(iii) Units of mutual funds	Nil
		(iv) Government Securities (including trust securities)	Nil
		(v) Others (Please specify)	
		Certificates of Deposits with Banks	29,276
	2.	Unquoted:	Nil
		(i) Shares: (a) Equity (b) Preference	
		(ii) Debentures and Bonds	
		(iii) Units of mutual funds	
		(iv) Government Securities	
		(v) Others (Please specify)	
	Long Te	rm Investments :	
	1.	Quoted:	
		(i) Shares: (a) Equity (b) Preference	8 Nil
		(ii) Debentures and Bonds	Nil
		(iii) Units of mutual funds	Nil
		(iv) Government and Trust Securities	899
		(v) Others (Please specify)	Nil
	2.	Unquoted:	Nil
		(i) Shares: (a) Equity (b) Preference	
		(ii) Debentures and Bonds	
		(iii) Units of mutual funds	
		(iv) Government Securities	
		(v) Others (Investment in securitized assets)	

Borrower group-wise classification of all leased assets, stock under financing and loans and advances Please see Note 2 below

Ca	Category		Amount net of Provisions		
		Secured	Unsecured	Total	
1.	Related Parties **				
	(a) Subsidiaries	Nil	Nil	Nil	
	(b) Companies in the same group	1,446	Nil	1,446	
	(c) Other Related Parties	Nil	691	691	
2.	Other than Related parties	297,523	138,196	435,719	
	Total	298,969	138,887	437,856	

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

Category		Market Value/ Break up or fair value or NAV	Book Value (net of provision)
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group: (Book Value Rs. 34,772/-; Market value Rs. 221,475/-)	Nil	Nil
	(c) Other Related Parties	Nil	Nil
2.	Other than Related parties	30,185	30,183
	Total	30,185	30,183

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

(8)	Othe	r information	
	Partio	culars	Amount
	(i) C	Gross Non-Performing Assets	
	(;	a) Related parties	Nil
	(1	b) Other than related parties	31,846
	(ii) N	Net Non Performing Assets	
	(;	a) Related parties	Nil
	(1	b) Other than related parties	19,971
	(iii) A	Assets acquired in satisfaction of debt	Nil

Notes:

- 1. As defined in paragraph 2 (1) (xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2. Provisioning norms shall be applicable as prescribed in the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 3. All accounting standards and guidance notes issued by ICAI are applicable including for valuation of investments and other assets as also assets aquired in satisfation of debts. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

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

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

1	REGIS	TRAT	ION	DFTA	ILS

Registration No. 42961 State Code 11 **Balance Sheet date** 31 MARCH 2010

II CAPITAL RAISED DURING THE YEAR ENDED 31 MARCH 2010 Rs. in Thousands Public Issue, Calls in arrears received Right Issue Bonus Issue **Private Placement** Others

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS AS AT 31 MARCH 2010

Total Liabilities	43,792,996
Total Assets	43,792,996

SOURCES OF FUNDS

Paid -up Capital	365,966
Reserves and Surplus	11,159,439
Secured Loans	20,793,477
Unsecured Loans	11,474,114
	43,792,996

APPLICATION OF FUNDS

Net Fixed Assets	504,515
Investments	3,018,269
Deferred Tax Asset, net	692,253
Net Current Assets	39,577,959
	43.792.996

PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31 MARCH 2010

	PENFORMANCE OF THE COMPANT FOR THE TEAR ENDED 31 MARCH 2010			
i)) Turnover (Sale of products and other income)	9,161,571		
ii	i) Total Expenditure	7,818,612		
ii	ii) Profit before tax	1,342,959		
i١	v) Profit after tax	893,981		
٧	v) Adjustments for earlier years	95		
٧	vi) Net Profit	894,076		
٧	/ii) Earning per share Rs.(See Note 2)			
	(= 1/1 p +p/)			

(Face Value Rs.10/-) 24.43 Dividend Rate (%) 60

V GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Being a Finance Company - Not Applicable.

- The above particulars should be read along with the balance sheet as at 31 March 2010, the profit and loss account for the year ended on that date and the schedules forming part thereof.
- Earning per share is arrived at by dividing the Net Profit [Item IV (vi)] by total weighted average number of shares issued and subscribed as at the end of the year.

Rahul Bajaj Chairman Nanoo Pamnani Vice Chairman

D S Mehta D J Balaji Rao Sanjiv Bajaj **Anant Damle** Ranjan Sanghi Company Secretary Rajendra Lakhotia

Rajiv Bajaj Pune: 11 May 2010

Directors

					upees in Million
	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Income					
Income from Lending Business	8,095.76	5,090.64	4,090.39	3,489.56	2,014.97
Leasing Business	0.84	4.51	6.26	38.05	86.14
Other Income	1,064.97	898.73	930.85	490.34	326.24
Total	9,161.57	5,993.88	5,027.50	4,017.95	2,427.35
Expenses	5,725.55	3,784.36	2,975.35	2,094.10	1,214.11
Interest and Other Finance Charges	2,016.65	1,643.46	1,703.80	1,180.94	646.44
Depreciation	76.41	55.69	48.53	30.37	17.34
Profit Before Taxation	1,342.96	510.37	299.82	712.54	549.46
Provision for Taxation	448.98	171.22	98.60	240.32	172.61
(net of Deferred Tax Credit) Profit for the year	893.98	339.15	201.22	472.22	376.85
Profit before Appropriations	894.08	339.15	205.81	476.42	210.76
Front before Appropriations	094.06	339.13	203.01	470.42	210.70
Earning Per Share (EPS) Rupees	24.42	0.07	5.60	40.76	42.42
Basic	24.43	9.27	5.68	19.76	12.12
Diluted	24.43	9.27	5.68	18.79	11.71
Dividend %	60	20	10	30	40
Assets employed					
Net Fixed Assets	504.52	202.00	137.60	50.26	32.25
Investments	3,018.27	2,739.08	3,268.80	326.67	269.04
Net Working Capital	39,577.96	23,554.54	23,588.48	25,653.18	14,825.34
Deferred Tax Asset	692.25	505.82	274.04	163.14	11.46
Total	43,792.99	27,001.44	27,268.92	26,193.25	15,138.09
Financed by					
Shareholders' Funds					
Share Capital	365.96	365.96	365.96	353.49	209.94
Reserves	11,159.44	10,521.41	10,267.89	9,605.72	4,617.26
neserves					——————————————————————————————————————
	11,525.40	10,887.37	10,633.85	9,959.21	4,827.20
Preferential Warrant Application Money	-	-	-	51.16	123.27
Loan Funds	32,267.59	16,114.07	16,635.07	16,182.88	10,187.62

NC	OTES

NOTES





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