



100%
REAL DREAM SCHEMES
BAJAJ AUTO FINANCE
NO



NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Shareholders of Bajaj Auto Finance Limited will be held on Friday, 25th July, 2003 at 3.30 p.m. at the Registered Office of the Company at Mumbai - Pune Road, Akurdi, Pune - 411 035 to transact the following business :

ORDINARY BUSINESS :

- 1) To consider and adopt the Audited Balance Sheet as at 31st March, 2003 and the Profit & Loss Account for the year ended 31st March, 2003 and the Directors' and the Auditors' Reports thereon.
- 2) To declare a dividend.
- 3) To appoint a Director in place of Shri Ranjan Sanghi who retires by rotation and is eligible for re-appointment.
- 4) To appoint a Director in place of Shri Rajendra Lakhota who retires by rotation and is eligible for re-appointment.
- 5) To appoint Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

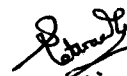
SPECIAL BUSINESS :

- 6) To consider, and if thought fit, to pass, with or without modification/s, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the applicable provisions of the Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003 and all other applicable laws, rules, regulations and guidelines and subject to such other approvals, consents and permissions as may be necessary in this regard, the consent of the Company be and is hereby accorded to voluntarily delist the Equity Shares of the Company from Pune Stock Exchange Limited and The Stock Exchange, Ahmedabad.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors
For BAJAJ AUTO FINANCE LIMITED



SUHAS PATWARDHAN
COMPANY SECRETARY

Pune
13th May, 2003

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
- 2) Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No.6 of the Notice is annexed hereto.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 12th July, 2003 to Friday, 25th July, 2003 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend. The payment of Dividend when declared, will be made on or after 30th July, 2003 to those Shareholders whose names appear :
 - a) as Members in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before 11th July, 2003; and
 - b) as Beneficial Owners as at the end of the day on 11th July, 2003, as per the data to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), in respect of the shares held in electronic form.

- 4) The unclaimed dividend in respect of the year 1994-95 has been transferred to the General Revenue Account of the Central Government on 28th October, 1998. Shareholders who have not encashed the Dividend Warrants for the said year are requested to claim the amount from the Registrar of Companies, Maharashtra, PMT Commercial Building, Deccan Gymkhana, Pune - 411 004.

Pursuant to Section 205A to 205C of the Companies Act, 1956, read with Investor Education & Protection Fund (awareness and protection of the investors) Rules, 2001, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer is required to be transferred by the Company to a fund called "Investor Education & Protection Fund" (the Fund) set up by the Central Government.

Accordingly, the unpaid / unclaimed dividend, to begin with, for the year 1995-96 shall become transferable to the said Fund on 4th October, 2003; followed by the transfers of the amounts of unpaid / unclaimed dividends every year in respect of the dividends for the subsequent years. Shareholders may kindly note that no claims shall lie thereafter against the Fund or the Company in respect of the amounts transferred as aforesaid.

Shareholders are, therefore, requested to verify their records and send claims, if any, for the relevant years from 1995-96 onwards before the respective amounts become due for transfer to the Fund.

- 5) Documents referred to in any of the items of the Notice are available for inspection at the Registered Office of the Company on any working day upto 25th July, 2003 during business hours of the Company.
- 6) The Shareholders may kindly note that as mandated by the Securities & Exchange Board of India (SEBI), the Equity Shares of the Company are traded in compulsory dematerialised form by all the investors since 26th June, 2000.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No.6 of the Notice :

At present, the Company's Equity Shares are listed on the following four Stock Exchanges :

- a) The Stock Exchange, Mumbai (BSE)
- b) National Stock Exchange of India Ltd. (NSE)
- c) Pune Stock Exchange Ltd. (PSE) and
- d) The Stock Exchange, Ahmedabad (ASE)

Due to the nationwide trading terminals of BSE and NSE, investors across the country now have access to on-line dealings in the Company's Equity Shares.

The Equity Shares of the Company are listed on PSE and ASE since 1994. However, it has been observed and also confirmed by PSE and ASE that during the last 3/4 years, the Equity Shares of the Company have not been traded at all on PSE and ASE. Thus, the listing on PSE and ASE is not providing any benefit to the investors.

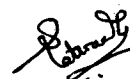
In terms of the Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines"), it is open for a company to voluntarily delist securities from any Stock Exchange, if the securities continue to remain listed on a Stock Exchange having nationwide trading terminals like BSE or NSE.

Considering this and in order to reduce the costs towards investor services, the Board of Directors in their meeting held on 13th May, 2003 have decided to voluntarily delist the Equity Shares of the Company from PSE and ASE, in line with the Delisting Guidelines, subject to the prior approval of Members by way of Special Resolution at the General Meeting. The proposed delisting of the Company's Equity Shares from PSE and ASE, as and when it takes place, will not affect the investors adversely. The Company's Equity Shares will continue to remain listed on BSE and NSE. The delisting from PSE and ASE will take effect after all approvals, permissions and sanctions are received.

The Directors recommend the Resolution for acceptance by the Members.

None of the Directors of the Company are, in any way, concerned with or interested in the Resolution.

By Order of the Board of Directors
For BAJAJ AUTO FINANCE LIMITED



SUHAS PATWARDHAN
COMPANY SECRETARY

Pune
13th May, 2003

bajaj auto finance ltd

Registered Office :
Mumbai-Pune Road, Akurdi,
Pune - 411 035.

PROXY

I /Weof.....

.....in the district of.....being member/members of

BAJAJ AUTO. FINANCE LIMITED hereby appoint

.....of.....

..... in the district of.....or failing him

.....of.....

..... in the district of.....as my/our

Proxy to vote for me / us on my / our behalf at the Sixteenth Annual General Meeting of the Company to be held on Friday, 25th July, 2003 at 3.30 p.m. and at any adjournment thereof.

Signed this day of 2003.

30 Ps.
Revenue
Stamp

Signature(s) of Member(s)
across the stamp

No. of Shares held :
Folio No.
DP ID No.
Client ID No.

NOTE : The Proxy, duly completed, must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



Contents

Board of Directors	2
Directors' Report	3
Corporate Governance	6
Management Discussion and Analysis	13
Auditors' Report	16
Balance Sheet and Profit & Loss Account	20

Board of Directors

Report



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Rahul Bajaj
Chairman

Ranjan Sanghi

Rajendra Lakhota

D.S. Mehta

Madhur Bajaj

Rajiv Bajaj

Naresh Patni

Dipak Poddar
Managing Director

Company Secretary
Suhas Patwardhan

Auditors
Dalal & Shah
Chartered Accountants

Bankers
Central Bank of India
State Bank of India

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

Sixteenth Annual General Meeting on
Friday, 25th July, 2003 at 3.30 p.m. at the
Registered Office of the company.

Directors' Report

1. The Directors present their Sixteenth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2003.

2. Working Results :

Your company disbursed under its various financing schemes, a total amount of **Rs.7,616** million during the year 2002-2003 as against Rs.5,799 million during the previous year 2001-2002.

The Stock on Hire as on 31st March, 2003 was **Rs.6,321** million as compared to Rs.5,389 million as on 31st March, 2002.

Profit before Depreciation	455,208,258	540,293,745
Depreciation	30,443,843	47,255,974
Profit before Taxation	424,764,415	493,037,771
Provision for Taxation	151,420,966	154,507,471
[net of Deferred Tax Credit]		
Profit for the year	273,343,449	338,530,300
Disposable surplus after earlier years adjustments	282,844,319	337,893,691
Appropriations :		
Transfer to Reserve Fund	57,000,000	68,000,000
Provision for		
Proposed Dividend	74,205,900	74,205,900
Provision for Dividend Tax	9,507,631	—
Balance carried to General Reserve	142,130,788	195,687,791

3. Financial Results :

	2002-2003 Rupees	2001-2002 Rupees
Income from		
Operations	951,699,417	927,506,053
Other Income	229,039,973	215,851,385
Total	1,180,739,390	1,143,357,438

4. Dividend :

The Directors have pleasure in recommending for the consideration of the Members at the Annual General Meeting, payment of Dividend of Rs.4.50 per Share (45 per cent) for the year ended 31st March, 2003 (previous year : 45 per cent). The total Dividend outgo including tax thereon will be Rs.83.7 million.

5. Branch Offices :

During the year under review, your company has opened branch offices at Amaravati, Amritsar, Bhavnagar, Durgapur, Jamshedpur, Jodhpur, Kopergaon, Mehsana, Mysore, Siliguri and Vellore. With the opening of these branches, the total number of branches has gone up to 57. The company now covers more than 200 towns through its branch network. Your company has offered finance schemes through these branches spread over various strategic locations throughout the country. In the current year, your company proposes to expand the branch network further by opening additional branches at various other locations across the country.

6. Prospects :

During the year under review, your company introduced attractive financing schemes for financing of two wheelers and consumer durables. The schemes were well received by the customers and the company was able to achieve its highest ever disbursements of Rs. 7,616 million.

In spite of the intense competition from Banks and Financial Institutions, your company expects to achieve satisfactory growth in the coming years by offering innovative financial products, expanding the reach with its branch network and developing effective risk management systems.

7. Resources :

Your company was able to reduce the cost of borrowed funds by mobilising funds from diverse sources at competitive rates.

During the year under review, the working capital limit from the consortium bankers was enhanced from Rs.703 million to Rs.1,650 million.

Your company issued Commercial Papers aggregating Rs.2,100 million during the year. The maximum amount outstanding at any time was Rs.1,000 million and the amount outstanding at the end of the year was Rs.600 million.

During the year under review, your company also raised Rs.600 million by way of Short Term Loan from the consortium bankers. The amount

outstanding at the end of the year against the Short Term Loan was Rs.300 million.

Your company received fresh deposits of Rs.282.07 million and with renewals of Rs.63.01 million, the total deposits mobilised during the year under review, stood at Rs.345.08 million. Public Deposits outstanding at the year-end were Rs.471.34 million and the number of depositors was 20531. At the end of the financial year under review, there were 216 deposits aggregating Rs.2.64 million which matured but remained unclaimed as on that date. The company had written to these depositors and as on date, deposits aggregating Rs.0.35 million have been repaid / renewed.

8. Credit Rating :

The Credit Rating and Information Services of India Limited (CRISIL) has re-affirmed the highest rating of "FAAA" for the Fixed Deposit programme of your company. This rating indicates very strong degree of safety with regard to timely payment of interest and principal. Your company is one of the very few Non-Banking Finance Companies (NBFCs) which enjoy such highest rating.

The company enjoys the highest rating of "P1+" from CRISIL for Rs.1,000 million Commercial Paper programme.

9. RBI Guidelines :

Your company continues to fulfil all the norms and standards laid down by the Reserve Bank of India (RBI) pertaining to non-performing assets, capital adequacy, statutory liquidity ratio etc. As against the RBI norm of 12 per cent, the capital adequacy ratio of your company is 35.2 per cent.

In line with the RBI guidelines for Asset-Liability Management (ALM) system for NBFCs, the company has constituted an Asset-Liability Committee.

10. Particulars in respect of conservation of energy etc. :

The company, being a Non-Banking Finance Company, not having any manufacturing or foreign exchange activity, the Directors have nothing to report on "Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo"

11. Particulars of Employees :

Particulars required under Section 217(2A) of the Companies Act, 1956, as amended, read with the Companies (Particulars of Employees) Rules, 1975 are given in Annexure forming part of this report.

12. Directors' Responsibility Statement :

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

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

13. Directors :

Shri Ranjan Sanghi and Shri Rajendra Lakhota, Directors, retire from the Board by rotation and being eligible, offer themselves for re-appointment.

14. 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.

15. Delisting of Equity Shares :

At present, the company's Equity Shares are listed on The Stock Exchange, Mumbai, National Stock Exchange of India Ltd., Pune Stock Exchange Ltd., and The Stock Exchange, Ahmedabad. It is proposed to voluntarily delist the Equity Shares of the company from Pune Stock Exchange Ltd., and The Stock Exchange, Ahmedabad subject to the approval of Shareholders.

16. Corporate Governance :

Your company complies with all the requirements pertaining to Corporate Governance, in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, including the non-mandatory requirements. A detailed report on Corporate Governance has been included in this report alongwith 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
13th May, 2003

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2003.

Name	Age (years)	Designation/ Nature of duties	Gross Remuneration (Rupees)	Qualifications	Total experience (years)	Date of commencement of employment	Last employment and designation
C.S. Ravindran	50	President	3,301,640	B.Sc., A.C.A.	27	17/4/1989	Goldstar Holding & Industries Ltd., President

- Notes: 1) Gross remuneration includes Salary, Allowances, Cost of other perquisites calculated on the basis of rules prescribed in this behalf by the Department of Company Affairs and company's contribution to Provident Fund, Superannuation Fund and other funds.
- 2) The aforesaid employee was employed throughout the financial year. He is not a relative of any Director of the company. Nature of his employment is contractual.