

BAJAJ FINANCE LIMITED

SEC/BM/2018/296

2 August 2018

THE MANAGER, BSE LIMITED DCS - CRD PHIROZE JEEJEEBHOY TOWERS DALAL STREET, <u>MUMBAI - 400 001</u>	THE MANAGER, LISTING DEPARTMENT NATIONAL STOCK EXCHANGE OF INDIA LTD. EXCHANGE PLAZA, C-1. BLOCK G, BANDRA - KURLA COMPLEX, BANDRA (EAST) <u>MUMBAI - 400 051</u>
SCRIP CODE: 500034	SCRIP CODE: BAJFINANCE – EQ

Dear Sir/Madam,

Sub: Submission of Annual Report pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015')

Pursuant to Regulation 34(1) of the SEBI Listing Regulations, 2015, we submit herewith a soft copy of the Annual Report for the financial year 2017-18, including Business Responsibility Statement and other documents as stated under Regulation 34(2) and 34(3) of the above referred Regulations.

Kindly acknowledge the receipt and take the same on record.

Thanking you,

Yours faithfully,
For **BAJAJ FINANCE LIMITED**

**ANANT DAMLE
COMPANY SECRETARY**

Encl.: As above



31st ANNUAL REPORT 2017-18

BAJAJ FINANCE LIMITED



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Corporate Information

Board of Directors

Rahul Bajaj
Chairman
Nanoo Pamnani
Vice Chairman
Sanjiv Bajaj
Vice Chairman
Rajeev Jain
Managing Director
Madhur Bajaj
Rajiv Bajaj
D S Mehta
D J Balaji Rao
Omkar Goswami
Dipak Poddar
Ranjan Sanghi
Rajendra Lakhotia
Gita Piramal

Audit Committee

Nanoo Pamnani
Chairman
Sanjiv Bajaj
D S Mehta
Omkar Goswami
Ranjan Sanghi

Stakeholders Relationship Committee

Ranjan Sanghi
Chairman
Nanoo Pamnani
Sanjiv Bajaj
D S Mehta
Gita Piramal

Nomination and Remuneration Committee

Nanoo Pamnani
Chairman
Rahul Bajaj
Sanjiv Bajaj
Omkar Goswami
Ranjan Sanghi
Rajendra Lakhotia

Corporate Social Responsibility Committee

Rahul Bajaj
Chairman
Nanoo Pamnani
Sanjiv Bajaj

Risk Management Committee

Nanoo Pamnani
Chairman
Sanjiv Bajaj
Rajeev Jain
Dipak Poddar
Rakesh Bhatt
Atul Jain
Sandeep Jain

Management

Nanoo Pamnani
Vice Chairman
Sanjiv Bajaj
Vice Chairman
Rajeev Jain
Managing Director
Rakesh Bhatt
Chief Operating Officer
Atul Jain
Chief Executive Officer (BHFL)
Anup Saha
President – Consumer Business

Chief Financial Officer

Sandeep Jain

Company Secretary

Anant Damle

Auditors

S R B C & CO LLP
Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye
Practising Company Secretary

Bankers

Central Bank of India
State Bank of India
IDBI Bank Ltd.
Syndicate Bank
Bank of India

Share Transfer Agent

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad – 500 032

Debenture Trustee

Catalyst Trusteeship Ltd.
GDA House, Plot No. 85,
Bhusari Colony (Right),
Paud Road, Pune – 411 038
Tel No.: (020) 25280081
Email ID: dt@ctltrustee.com

Registered Office

Akurdi, Pune – 411 035

Corporate Office

4th Floor, Bajaj Finserv Corporate Office,
Off Pune – Ahmednagar Road,
Viman Nagar, Pune – 411 014

CIN: L65910MH1987PLC042961

Leading the Way



Nanoo Pamnani
Vice Chairman



Sanjiv Bajaj
Vice Chairman



Rajeev Jain
Managing Director



Rakesh Bhatt
Chief Operating Officer



Atul Jain
Chief Executive Officer (BHFL)



Anup Saha
President-Consumer Business



Chairman's Letter

Dear Shareholder,

In February 2018, the Government of India's Central Statistics Office predicted a real GDP growth of 6.6% for 2017-18 (FY2018). If this indeed turns out to be true, the Country will have seen a lower growth of 50 basis points compared to 7.1% in the previous year, and a reduction of 120 basis point vis-à-vis what we witnessed in FY2016. However, some economists are claiming that the phase of declining growth rates has come to an end, and that we should see at least 7% growth in FY2019 and higher still in FY2020; I am hoping we will see even higher growth than India needs.

In this milieu of what I would call average GDP growth, I am satisfied to inform you that your Company, Bajaj Finance Ltd. (BFL), has continued to perform excellently. The numbers speak for themselves, and let me share these with you.

- In FY2018, new loans booked exceeded 15 million in numbers.
- Assets under management (standalone) grew by 34% to ₹ 80,444 crore.
- Assets under management (consolidated) grew by 40% to ₹ 84,033 crore.
- Total income rose by 33% to ₹ 13,329 crore.
- BFL's net NPA at 0.38% was among the lowest in the NBFC industry.
- Profit after tax grew by 44% to ₹ 2,647 crore.
- Capital adequacy as on 31 March 2018 was 24.71%, which was well above the RBI norms.

In a sentence, BFL has undoubtedly emerged as one of the leading diversified non-banking financial companies of India. I am, as you must also be, proud of its achievements — especially its ability to outperform itself quarter after quarter and year after year to post excellent results, and maintain some of the most robust operations and business practices in the Country.

Generating such superior performance on a regular and sustainable basis emphasises the capabilities and strengths of your Company's management team. As in the last year, let me, on your behalf, congratulate everyone at BFL, led by its two Vice-Chairmen, Nanoo Pamnani and Sanjiv Bajaj, and its Managing Director Rajeev Jain, for such excellent results.

As in the previous couple of years, BFL has done well across each of its products, spanning six major business verticals: consumer lending, SME lending, commercial lending, rural lending, deposit-taking, and partnership and services. When you read the chapter on 'Management Discussion and Analysis' in this Annual Report, you will see how well your Company has performed across each of these businesses.

To generate even greater business focus, we have formed a 100% subsidiary called Bajaj Housing Finance Ltd. (BHFL). BHFL is registered with the National Housing Bank as a housing finance company and is managed by a clearly separate team. BHFL is entirely focused on housing loans and associated mortgages. BHFL has just started business but given that the gene pool of the new team flows from that of BFL, I am sure that BHFL will deliver as good results as we are accustomed to see from its parent.

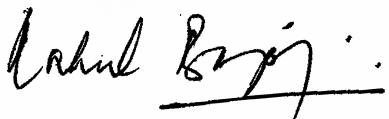
Chairman's Letter

My confidence in your Company is not just based on superior financial results. It has a great deal to do with BFL's unrelenting focus on internal controls, cost and risk management, best-in-class analytics and an approach that never knowingly sacrifices safety for profits. That is what allows me to sleep safely at night. As it should for you.

Last year, I had written, "I have no doubts that your Company will perform at least as well in FY2018 as it has in FY2017." It has. Now let me raise the bar. We, the Shareholders, want BFL to perform even better in FY2019. Because we know that it can.

Once again, my thanks to the entire BFL team. And to you for your support.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Rahul Bajaj". The signature is fluid and cursive, with a horizontal line underneath the name.

Rahul Bajaj
Chairman

17 May 2018

Management Discussion and Analysis

A listed Company, Bajaj Finance Ltd. ('BFL', 'Bajaj Finance' or 'the Company') is a subsidiary of Bajaj Finserv Ltd. and is engaged in the business of lending. It is a deposit taking Non-Banking Financial Company (NBFC-D) registered with the Reserve Bank of India (RBI), and has a diversified lending portfolio across retail, SMEs and commercial customers. BFL also operates through a 100% subsidiary called Bajaj Housing Finance Ltd. ('BHFL' or 'Bajaj Housing') which is registered with National Housing Bank as a Housing Finance Company (HFC). BHFL started its operations in financial year 2017-18 (FY2018), and all incremental home loans-cum-mortgage business is now done through BHFL.

Macroeconomic overview

FY2018 began in an uncertain environment with the economy coming to terms with the impact of demonetisation of ₹ 500 and ₹ 1,000 banknotes that came into effect on 8 November 2016. In the first quarter (April-June 2017), real GDP growth declined to 5.7% — the lowest in 12 successive quarters. The second quarter (July-September 2017) also saw disruption in economic activity on account of teething troubles that accompanied the nation-wide rollout of the Goods and Services Tax (GST). At 6.5%, while GDP growth in the second quarter was higher than the immediately previous one, it was nevertheless the third-lowest in 12 quarters.

The third quarter, however, has shown a much needed uptick — posting 7.2% GDP growth vis-à-vis the same quarter in the previous year, and the highest that India saw in five successive quarters. Some believe that the economy has finally recovered and that the Nation is now set for higher growth.

However, the second advance estimates of national income for FY2018 released by the Central Statistics Office (CSO) on 28 February 2018 suggest quite the opposite. The CSO estimates real GDP growth for FY2018 at 6.6%, which is 0.5% less than the 7.1% growth witnessed in FY2017. Despite this lower growth forecast, there is a positive trend relating to investments. There seems to have been a relatively sharp growth in gross fixed capital formation (GFCF). Consequently, after falling for several years, the share of GFCF to GDP has finally risen to 31.4% for FY2018. Although this is still less than what it needed to sustain a steady-state GDP growth of 7.5% to 8%, reversal of the downward trend should augur well for the economy. But that remains to be seen.

Table 1 gives data on real GDP and gross value added (GVA) growth over the last four financial years.

Table 1: Growth in Real GDP and GVA, India

	FY2015	FY2016	FY2017	FY2018 (E)
Real GDP growth	7.5%	8.2%	7.1%	6.6%
Real GVA growth	7.2%	8.1%	7.1%	6.4%

Source: Government of India,CSO. (E) denotes estimate.

There are, however, three disturbing trends:

- The first is the rising current account deficit (CAD). Slowdown in export growth and a sharp rise in imports driven by rapid growth in crude oil prices threatens India's CAD, which had crossed 2% of GDP during the quarter ended 31 December 2017. Though manageable, the room for manoeuvre is getting reduced, especially if crude oil prices remain above USD 70 per barrel.

- The second is the spectre of rising inflation. ‘Core inflation’ (that is, excluding food and fuel) averaged at 4.7% during FY2018, and the RBI is concerned about the possibility of it remaining above the medium-term target of 4% in FY2019. The minutes of the April meeting of the RBI’s Monetary Policy Committee reflect this worry, and the markets fear that the RBI may soon exit from its current neutral stance to one favouring monetary tightening.
- The third concern relates to non-performing loans and their impact on the balance sheets and profit and loss accounts of Indian banks, especially the state-owned entities. In February 2018, the RBI did away with all special dispensations hitherto available for restructuring non-performing assets (NPAs) and, thus, put an end to an entire class of stressed asset resolutions. The rationale behind the RBI’s decision was that the working of the new Insolvency and Bankruptcy Code (IBC) would pick up the slack and expeditiously resolve NPAs either through financial restructuring or liquidation. Unfortunately, despite an excellent IBC code, the actual working of the bankruptcy process through the national company law tribunals has not been as prompt as originally envisaged. Thus, the NPA overhang remains on the entire banking sector, especially on the state-owned banks, which has put a brake on bank lending needed to support 7.5% to 8% GDP growth. Moreover, the unearthing of some key lending frauds and malpractices have also reduced the bankers’ appetite for extending credit.

With the sharp decline in surplus liquidity since October 2017, market interest rates have been hardening. Bank lending rates have started rising since February 2018. In January-March 2018, interest rate on the benchmark 10-year government security has seen significant volatility from a low of 7.17% to a high of 7.78%. Short term rates for commercial paper have also been volatile. Given a longer term expectation of rise in interest rates, these may have their consequential impact on growth.

FY2019, therefore, could be a challenging year. The positive is the general sense that India should see higher GDP growth, subject to normal monsoons. The RBI in its monetary policy report dated 5 April 2018 has projected a GDP growth of 7.4% for FY2019, possibly rising to 7.7% in FY2020.

Thus, while BFL expects greater economic activity and possibly higher GDP growth, it is also prepared for greater uncertainties and perturbations especially in money supply and interest rates.

Industry overview

NBFCs continued to grow their share in the financial services industry. Data published by the RBI in its Financial Stability Reports dated 30 June 2017 and 21 December 2017 show that the NBFCs have outperformed scheduled commercial banks (SCBs) on growth in advances, asset quality and profitability. This growth momentum of NBFCs should result in their share in the financial services sector increasing in the near future. Table 2 gives the data.

Table 2: Comparison of growth in advances, asset quality and profitability of NBFCs and SCBs

Particulars	31 March 2017		30 September 2017	
	NBFCs	SCBs	NBFCs	SCBs
Growth in Advances	16.4%	4.4%	15.7%	6.2%
Gross Non-Performing Assets	4.4%	9.6%	4.9%	10.2%
Net Non-Performing Assets	2.2%	5.5%	2.4%	5.7%
Return on Assets (ROA)	1.8%	0.4%	1.9%	0.4%
Return on Equity (ROE)	6.8%	4.3%	7.6%	4.2%

Source: RBI's Financial Stability Reports dated 30 June 2017 and 21 December 2017.

The Company

BFL enjoyed yet another strong year of performance aided by a diversified product mix, robust volume growth, prudent operating costs and effective risk management. With assets under management (AUM) of ₹ 80,444 crore on standalone basis and ₹ 84,033 on consolidated basis, BFL has emerged as one of the leading diversified NBFCs in the country today. Highlights of the FY2018 results are given below.

Bajaj Finance Ltd.: Performance highlights, FY2018

- In FY2018, new loans booked exceeded 15 million in numbers.
- AUM, standalone: up 34% to ₹ 80,444 crore.
- AUM, consolidated: up 40% to ₹ 84,033 crore.
- Receivables under financing: up 36% to ₹ 77,125 crore.
- Total income: up 33% to ₹ 13,329 crore.
- Total operating cost: up 43% to ₹ 3,658 crore.
- Loan losses and provisions: ₹ 1,030 crore. BFL's net NPA at 0.38% was amongst the lowest in the NBFC industry.
- Profit before tax: up 44% to ₹ 4,056 crore.
- Profit after tax: up 44% to ₹ 2,647 crore.
- Capital adequacy as on 31 March 2018 was 24.71%, which is well above the RBI norms. Tier I adequacy was 19.68%.

BFL focuses on six broad categories: (i) Consumer Lending, (ii) SME Lending, (iii) Commercial Lending, (iv) Rural Lending, (v) Deposits, and (vi) Partnerships and Services.

The Company is present in 1,332 locations across the country, including 602 rural locations.

During FY2018, the Company raised approximately ₹ 4,500 crore through the Qualified Institutions Placement (QIP) route by issuing 26,627,218 equity shares of face value of ₹ 2 at a premium of ₹ 1,688 per share. This was the largest QIP of equity shares by any NBFC in India.

BFL's loan book continued to remain strong due its robust risk management practices. The Company's net NPA at 0.38% is amongst the lowest in the NBFC industry. This was despite the fact that the portfolio quality of BFL's mortgage businesses was under pressure owing to the stressed real estate market and elevated competition in the segment. Moreover, the SME businesses had shown increased delinquencies immediately after the GST roll out. Thankfully, this has now stabilised.

Prudent asset liability management (ALM) with continued focus on raising long term debts and a judicious mix of borrowings between banks, money markets and deposits have helped BFL drop its cost of borrowings by around 75 bps in FY2018. As of 31 March 2018, BFL's total borrowings stood at ₹ 61,567 crore.

Assets Under Management (AUM): A Snapshot

Chart A depicts BFL's standalone AUM over the last five years.

Chart B depicts the consolidated AUM.

Chart A: Standalone AUM (₹ In Crore)

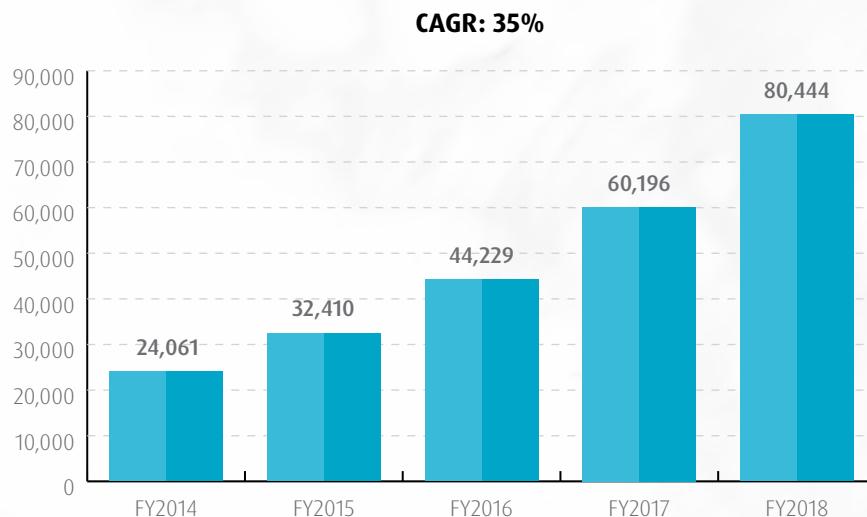


Chart B: Consolidated AUM (₹ In Crore)

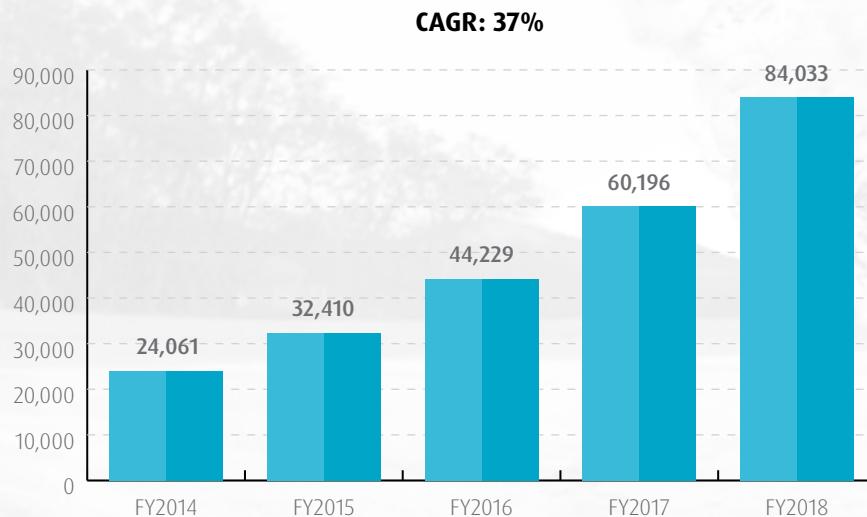


Table 3 breaks down the AUM across the major business verticals.

Table 3: Assets Under Management

Particulars	Standalone			Consolidated		
	FY2018	FY2017	% Change	FY2018	FY2017	% Change
Consumer Lending	36,730	27,159	35	39,161	27,159	44
SME Lending	25,320	22,082	15	26,366	22,082	19
Commercial Lending	12,375	7,883	57	12,375	7,883	57
Rural Lending	6,019	3,072	96	6,131	3,072	100
Total	80,444	60,196	34	84,033	60,196	40

Business update

Consumer Lending

BFL continued to be the dominant consumer durables and digital products lender in India in FY2018.

- It financed 9.9 million purchases against 7.2 million in the previous year, a growth of 38%.
- Its unique Existing Member Identification (EMI) card, with 12.9 million cards in operation, enables customers to avail instant finance after the first purchase.

BFL was the largest financier of Bajaj motorcycles and three-wheelers in FY2018.

- Gross deployments in FY2018 were ₹ 5,323 crore — a growth of 18% over FY2017.
- This was one of the few businesses which witnessed a sharp deterioration in the portfolio quality due to demonetisation in FY2017. That is now over, and the business has stabilised at pre-demonetisation levels.

Lifestyle products finance business financed approximately 315,000 transactions, which represented a growth of 33% from FY2017. It has extended its offerings in the healthcare segment for elective and non-elective procedures.

E-commerce consumer finance addresses the EMI financing needs of BFL customers shopping online with major e-commerce giants. It financed over 702,000 purchases on e-commerce platforms during FY2018 versus 167,000 purchases during FY2017, or a growth of 320% over the previous year.

Personal Loans Cross-sell (PLCS) and Salaried Personal Loans deployments grew, respectively, by 42% and 56% over FY2017; and their AUMs by 42% and 54%. PLCS business was fuelled by growing customer and distribution franchise, investment in the effective use of advance analytical capabilities, robust risk management and customer-centric loan processing capabilities.

In the Salaried Home Loans business, which is being offered through BHFL since February 2018, AUM on a consolidated basis grew by 90%.

SME Lending

SME lending offers secured and unsecured loans to its customers. Till January 2018, secured lending was being done by BFL through three product offerings: Loan Against Property, Lease Rental Discounting and Home Loans. From February 2018 incremental loans sourcing under these three categories as well as Developer Financing are being done through BHFL.

- Secured SME lending continued to be in a hyper-competitive state throughout FY2018 as it was a year earlier, with loan sourcing being dominated by various intermediaries. The Company is continuing with its initiative of 'Direct to Customer' to ensure low cost acquisition and a sustainable return on equity.

Unsecured lending is done through two product offerings: Business Loans to small and medium enterprises and self-employed, and Professional Loans.

- Business Loans: In an environment of increased competition, the Company's initiative of expanding beyond the top 40 markets helps diversify portfolio concentration risk beyond intensely competitive markets and deliver lower cost of loan acquisition.
- Professional Loans: A rapid growth of 79% in FY2018 was enabled by its 'Direct to Customer' (D2C) initiative, analytics based eligibility, sophisticated underwriting capability and introduction of loans to a new class of professional, viz., engineer.

Table 4 gives the summary of the AUM for SME businesses.

Table 4: AUM for the SME businesses

Particulars	Standalone			Consolidated			(₹ In Crore)
	FY2018	FY2017	% Change	FY2018	FY2017	% Change	
SME Mortgage Loans	13,781	14,438	(5)	14,825	14,438	3	
Business Loans	8,430	5,910	43	8,432	5,910	43	
Professional Loans	3,109	1,734	79	3,109	1,734	79	
Total	25,320	22,082	15	26,366	22,082	19	

Rural Lending

This business caters to needs of consumer and MSME customers in rural markets. In FY2018, BFL expanded its rural footprint by setting up branches in two new states and penetrating deeper in the existing states. At the end of FY2018, it was present in 602 locations across 10 states in India. The business had a consolidated AUM of ₹ 6,131 crore as on 31 March 2018 compared to ₹ 3,072 crore a year earlier, representing a growth of 100%.

The Company has discontinued its unsecured rural MSME loans business in FY2018 owing to higher delinquencies. Also, effective February 2018, all incremental rural mortgage loans are being done through BHFL.

Commercial Lending

Commercial lending comprises six products: Loan Against Securities, Financial Institution Group lending, Warehouse Receipt Financing, Working and Growth Capital Financing for the auto component business, Light Engineering and speciality chemical industry verticals. Commercial lending business closed FY2018 with an AUM of ₹ 12,375 crore, representing a growth of 57% over FY2017.

Deposits

As at the end of FY2018, BFL had a deposit book of ₹ 7,569 crore, which was a growth of 83% over the end of FY2017. The deposit book's contribution to BFL's overall borrowing was 12%. Investments made to expand retail and HNI deposits and online distribution channel partnership with reputed institutional players have helped to rapidly grow the deposits balance sheet in FY2018.

Partnerships and Services

In partnership with various financial service providers, the Company offers the following products to its customers: Life Insurance, Health Insurance, Extended Warranty, Comprehensive Asset Care, Co-branded Credit Card, Co-branded Wallets and Financial Fitness Reports.

BFL continued to grow its Co-branded Credit Cards business with RBL Bank. The number of cards-in-force stood at over 380,000 as on 31 March 2018.

BFL entered into a strategic partnership with One MobiKwik Systems Pvt. Ltd. ('MobiKwik') on 8 August 2017, and invested approximately ₹ 225 crore in the equity shares and cumulative compulsorily convertible preference shares (CCPS) of MobiKwik. Based on the capital structure of MobiKwik as on the date of investment, the Company will hold approximately 12.38% of equity in MobiKwik on a fully diluted basis post conversion of CCPS. This partnership should enable BFL to provide both debit and credit engagement tools for its existing customers. As a first step, the Company has launched a digitised EMI card for its existing and new customers in October 2017.

Financial performance

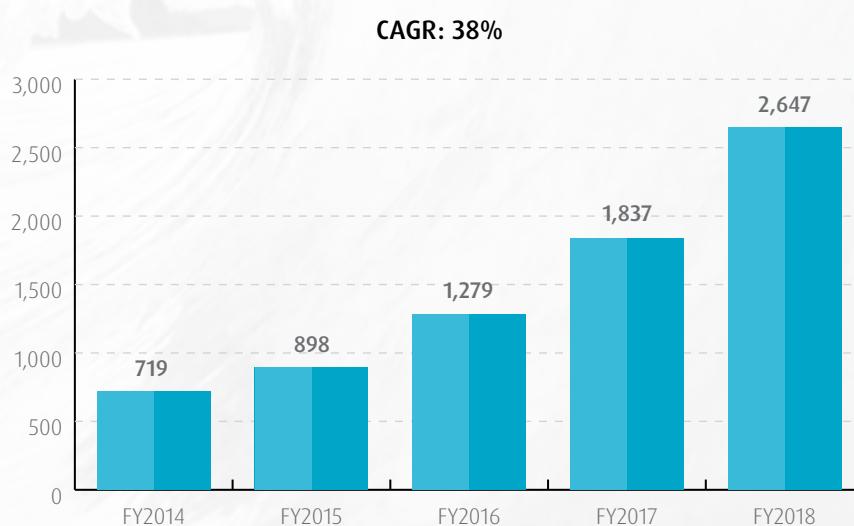
Table 5 gives BFL's standalone financial performance for FY2018 vis-à-vis the previous year.

Table 5: Standalone Financials

Particulars	FY2018	FY2017	(₹ In Crore) % Change
Total income	13,329	9,989	33
Interest and finance charges	4,585	3,803	21
Net interest income	8,744	6,186	41
Employee benefit expenses	1,401	932	50
Depreciation and amortisation	102	71	44
Other expenses	2,155	1,561	38
Pre-provisioning operating profit	5,086	3,622	40
Loan losses and provisions	1,030	804	28
Profit before tax	4,056	2,818	44
Profit after tax	2,647	1,837	44
Basic earnings per share (₹)	47.05	34.01	38
Diluted earnings per share (₹)	46.57	33.67	38
Book value per share (₹)	287.40	175.73	64

Chart C depicts profit after tax over the last five years.

Chart C: Standalone Profit After Tax (₹ In Crore)



Risk management and portfolio quality

As an NBFC, BFL is exposed to credit, liquidity and interest rate risk. It has continued to invest in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. Sustained efforts to strengthen the risk framework and portfolio quality have yielded consistently better outcomes for the Company.

BFL's balanced approach to portfolio management coupled with a rigorous portfolio review mechanism has enabled it to get early warning signals and take corrective actions. Majority of the portfolio continues to remain healthy and in the growth mode. With the use of sophisticated analytics, BFL has maintained its portfolio quality across the year and taken risk mitigating policy actions when required.

As mentioned before, BFL ended the year with a net NPA of 0.38%. The Company continues to have a conservative provisioning policy which is more stringent than the RBI norms.

Operational risk management

BFL identifies various operational risks inherent in its business model. The operational risks are risk of a loss resulting from inadequate or failed internal process, people and systems, or from external events. It has dedicated a new pillar — the 'Operational Risk Management Framework' — to effectively identify, measure, report, monitor and control such operational risks.

Analytics

BFL continues to evolve on its journey where analytics and technology are integral to the business strategy. Analytic capabilities are used and deployed for making appropriate product offering to customers, marketing campaign management, risk management and customer experience. There is a range of predictive models including propensity to purchase, application scorecards, behavioural scorecards, collection scorecards and fraud scorecards to aid customer lifecycle management.

The Company has, and will continue to, actively invest in analytics to create customised cross-sell propositions for its customer franchise, deliver attractive yet suitably differentiated propositions and enhance productivity, efficiency as well as profits. Recognising the rapidly evolving space in analytics, BFL has invested in building capabilities around Big Data and Machine Learning. In FY2018, multiple proofs of concept using Machine Learning algorithms were deployed for cross-sell and fraud management.

Asset liability management

BFL had a total borrowing of ₹ 61,567 crore as on 31 March 2018. Its 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. The Company continued to raise longer tenor borrowings in FY2018 as well, which included ₹ 3,938 crore of Tier-II subordinated debt as on 31 March 2018.

Till date, BFL has assigned ₹ 9,221 crore of its receivables including ₹ 2,156 crore assigned in FY2018. The net receivables due as on 31 March 2018 amounted to ₹ 3,319 crore.

The Company continues to closely monitor liquidity in the market; and as a part of its ALCO strategy, maintains a liquidity management desk to reduce this risk by maintaining a liquidity buffer.

Prudential ALM with continued focus on raising long term debts and a judicious mix of borrowings between banks, money markets and deposits have helped BFL to drop its cost of borrowings by around 75 bps in FY2018.

Technology

BFL has been a leader in technology adoption among NBFCs, and has continuously leveraged existing and emerging technologies to launch new products, enhance customer acquisition and servicing processes along with simplifying the back-office.

To enhance its advanced analytics initiatives as well as structured and unstructured data management, BFL has invested in a cloud based Enterprise Data Warehouse (EDW) which

supports complex data processing and analysis at a very large scale. EDW with integrated Big Data architecture has enabled significantly quicker processing of very large data workloads. BFL has also invested in machine learning infrastructure for its fraud detection models, propensity-based lead management prioritisation and natural language based customer email reading capability and its allocation.

Customer service

BFL places the customer at the centre of its products, policies and processes. The Company monitors customer interactions and provides mechanisms to its customers to have a superior experience through the design of its product, process and service mechanisms. It follows a customer lifecycle mapping to drive engagements and provide superior experiences. It provides customers multi-channel engagement options across call centres, IVR, bi-directional SMS, email, online portal, mobile applications and branches.

The Company has further enhanced its self-service mechanisms by investing in an intelligent natural-language processing based BOT solution, which provides customers self-servicing options. It has also strengthened its customer loyalty process through a tool called the Net Promoter Score, which measures outcomes at different life stages of customers, thus enabling it to objectively address areas of improvement.

Human resources

To the Company, its people are the most valuable resource. In an increasingly competitive market, BFL seriously focuses on attracting and retaining the right talent and it provides equal opportunity to employees to deliver their best. As at 31 March 2018, BFL, including its subsidiaries, had 15,266 full time employees. The Company added 3,787 employees in FY2018.

Awards

- *May 2017:* Featured among the 'Top 18 Best Employers in India', 2017 by Aon Hewitt.
- *June 2017:* India's Best Companies to work for 2017, by the 'Great Places to Work'.
- *February 2018:* EY Entrepreneur of the Year Award, 2018: to Sanjiv Bajaj, Vice-Chairman, BFL.
- *February 2018:* Awarded 'India's Leading NBFC - Other than Infrastructure Financing' by Dun and Bradstreet.
- *March 2018:* Awarded 'Best NBFC of the Year 2017' by Outlook Money for value proposition and innovations.
- *March 2018:* The Mint Corporate Strategy Award, recognising excellence in corporate governance.
- *April 2018:* Ranked amongst Top 25 Best Large Workplaces in Asia, 2018, by the 'Great Places to Work'.
- *April 2018:* Featured amongst India's Best Workplaces in BFSI (Banking, Financial Services and Insurance) - 2018, by the 'Great Places to Work'.

Internal control systems and their adequacy

BFL has an independent internal management assurance function which is commensurate with its size and scale. It evaluates the adequacy of all internal controls and processes, and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework. The Company has further strengthened its internal audit function by investing in domain specialists to increase effectiveness of controls. The Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of the internal controls.

Fulfilment of the RBI's norms and standards

BFL fulfils and often exceeds norms and standards laid down by the RBI relating to the recognition and provisioning of non-performing assets, capital adequacy, statutory liquidity ratio, etc. The capital adequacy ratio of the Company is 24.71%, which is well above the RBI norm of 15%.

Subsidiary

Bajaj Housing Finance Ltd.

Bajaj Housing Finance Ltd. (BHFL), a 100% subsidiary of Bajaj Finance Ltd., was granted a housing finance company license by the National Housing Bank (NHB) in September 2015 to carry on the business of (non-deposit taking) housing finance. BHFL started its lending operation from July 2017. It offers mainly the following products to its customers: (i) Home Loans, (ii) Loan Against Property and Lease Rental Discounting, and (iii) Developer Financing. It also has a dedicated vertical offering home loans and loan against property to rural individual and MSME customers. Effective February 2018, all incremental loans sourced under these products will be under BHFL. Tables 6 and 7 below give the snapshot of BHFL's operations in FY2018.

Table 6: Standalone Financials

Particulars	(₹ In Crore)	
	FY2018	FY2017
Total income	147.74	3.16
Interest and finance charges	49.56	0.35
Net interest income	98.18	2.81
Operating expenses	50.18	2.69
Pre-provisioning operating profit	48.00	0.12
Loan losses and provisions	15.00	–
Profit before tax	33.00	0.12
Profit after tax	22.31	0.12
Basic earnings per share (₹)	0.42	0.004

Table 7: Assets Under Management

Particulars	(₹ In Crore)	
	FY2018	
Housing Loans (including top ups)	2,906	
Loan Against Property	452	
Developer Financing	69	
Rural MSME Loans	36	
Unsecured Loans	126	
Total	3,589	

Introducing flexible repayment options on Home Loans



Presents Flexi Hybrid Home Loan – a unique home loan with multiple repayment options.



Enjoy up to 4 years of principal holiday period

Pay just interest amount as EMI for up to 4 years, and for balance tenor you pay the principal and interest on the amount outstanding



Home Loan Balance Transfer Facility

Refinance your existing home loan with Bajaj Finserv, with minimal paperwork and faster processing



Top-up Loan

Finance your additional requirements with a high-value top-up loan over and above your existing Home Loan

Consolidated Financial Statements

Table 8 gives a summary of the consolidated financial performance for FY2018

Table 8: Consolidated Financials

Particulars	FY2018	FY2017	(₹ In Crore) % Change
Total income	13,466	9,992	35
Interest and finance charges	4,635	3,804	22
Net interest income	8,831	6,188	43
Operating expenses	3,690	2,567	44
Pre-provisioning operating profit	5,141	3,621	42
Loan losses and provisions	1,045	804	30
Profit before tax	4,096	2,817	45
Profit after tax	2,674	1,836	46
Basic earnings per share (₹)	47.54	34.01	40
Diluted earnings per share (₹)	47.05	33.67	40
Book value per share (₹)	287.87	175.73	64

Cautionary Statement

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

Corporate Governance

Given below are the Company's corporate governance policies and practices for FY2018. As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

Philosophy

The commitment of the Bajaj Group to the highest standards of good corporate governance practices predates SEBI Regulations and clause 49 of the erstwhile Listing Agreement. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Bajaj Group. Bajaj Finance Ltd. ('the Company') maintains the same tradition and commitment.

Board of Directors

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

Composition

In compliance with the provisions of the Listing Regulations, the Company has a combination of executive and non-executive directors with one woman director. The Company has a non-executive chairman. According to provisions of the Listing Regulations, if the non-executive chairman is a promoter, at least one half of the board of the company should consist of independent directors.

As on 31 March 2018, the Board of the Company consisted of thirteen directors, of whom eight were non-executive independent directors, four were non-executive non-independent directors and one was executive director. The Board has no institutional nominee directors. As Table 1 shows, the Company is in compliance with the Listing Regulations.

Number of meetings of the Board

During FY2018, the Board of Directors met eight times on: 17 May 2017, 19 July 2017, 13 September 2017, 14 September 2017, 16 October 2017, 1 February 2018, 12 March 2018 and 13 March 2018. The gap between any two meetings has been less than one hundred and twenty days.

Non-executive directors' compensation

A sitting fee of ₹ 50,000 per meeting is paid to non-executive directors, including independent directors, for every meeting of the Board or Committee of the Board attended by them.

Members of the Company, vide an ordinary resolution passed at the annual general meeting held on 19 July 2017, have by way of an enabling provision approved the payment of a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of sections 197 and 198 of the Companies Act, 2013, as amended, to one or more or to all non-executive directors as may be decided by the Board of Directors at its discretion from time to time for a period of five years commencing from 1 April 2017.

In view of the additional duties and responsibilities cast upon the directors by the Companies Act, 2013, and the Listing Regulations and considering the substantial growth in the business of the Company in the last few years, the Board of Directors has approved payment of commission to non-executive directors (independent and non-independent) at the rate of ₹100,000 per meeting of the Board and/or Committee of the Board attended by them w.e.f. 1 April 2015, subject to the aggregate being within the overall ceiling of one percent of the net profits. The Board of Directors at its meeting held on 12 March 2018, has also approved payment of an amount of ₹10,000,000 to Nanoo Pamnani, Vice Chairman and non-executive independent director, as additional commission for the extra services rendered by him, at the request of the Management, during FY2018.

The Company does not have stock option plan for any of its directors other than the Managing Director.

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for FY2018

Name of director	Category	Relationship with other directors	No. of Board meetings attended (out of 8)	Whether attended AGM
Rahul Bajaj	Chairman, non-executive	Father of Rajiv Bajaj and Sanjiv Bajaj	8	Yes
Nanoo Pamnani	Vice Chairman, non-executive, independent	-	7	Yes
Sanjiv Bajaj	Vice Chairman, non-executive	Son of Rahul Bajaj and brother of Rajiv Bajaj	8	Yes
Rajeev Jain	Managing Director, executive	-	8	Yes
Madhur Bajaj	Non-executive	-	8	Yes
Rajiv Bajaj	Non-executive	Son of Rahul Bajaj and brother of Sanjiv Bajaj	6	Yes
D S Mehta	Non-executive, independent	-	6	Yes
D J Balaji Rao	Non-executive, independent	-	7	Yes
Omkar Goswami	Non-executive, independent	-	6	No
Dipak Poddar	Non-executive, independent	-	8	Yes
Ranjan Sanghi	Non-executive, independent	-	8	Yes
Rajendra Lakhota	Non-executive, independent	-	8	Yes
Gita Piramal	Non-executive, independent	-	8	Yes

Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. The directors have separate and independent access to officers of the Company.

In addition to items which are required to be placed before the Board for its noting or approval, information is provided on various significant items. In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under the Listing Regulations. The independent directors of the Company have assessed the quantity, quality and timely flow of information between the Management and the Board and found it to be in line with the expectations.

With a view to leveraging technology and moving towards paperless systems for the preservation of environment, the Company has adopted a web-based application for transmitting Board/Committee meeting papers. The directors of the Company receive the meeting papers in electronic form through this secured application. The application meets the high standards of security and integrity that is required for storage and transmission of Board/Committee meeting papers in electronic form.

Pursuant to the Regulations of RBI for Non-Banking Financial Companies ('the NBFC Regulations'), the following information was also placed before the Board at regular intervals:

- Risk management system, risk management policy and strategy followed
- Compliance with the corporate governance standards
- Minutes of Asset Liability Committee meetings
- Compliance with the fair practices code
- Functioning of the grievance redressal mechanism at various levels of management

Orderly succession to Board and Senior Management

The Company has a Board approved policy for orderly succession for appointments to the Board and to the Senior Management.

Directorships and memberships of Board Committees

Table 2: Directorships/committee positions as on 31 March 2018

Name of director	Directorships			Committee positions in listed and unlisted public limited companies	
	In listed companies	In unlisted public limited companies	In private limited companies	As member (including as chairman)	As chairman
Rahul Bajaj	4	2	8	-	-
Nanoo Pamnani	5	2	-	10	5
Sanjiv Bajaj	6	4	7	7	-
Rajeev Jain	2	-	-	-	-
Madhur Bajaj	6	-	3	-	-
Rajiv Bajaj	4	-	2	-	-
D S Mehta	3	1	2	4	1
D J Balaji Rao	6	-	-	7	3
Omkar Goswami	7	1	2	7	-
Dipak Poddar	4	4	6	5	1
Ranjan Sanghi	3	2	3	5	3
Rajendra Lakhota	2	2	5	2	-
Gita Piramal	4	-	2	6	1

Note: For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013/section 25 of the Companies Act, 1956 have been excluded. Only audit committee and stakeholders relationship committee are considered for the purpose of reckoning committee positions.

None of the directors of the Company holds office as a director, including as an alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public limited companies.

None of the directors of the Company serves as an independent director in more than seven listed companies or in more than three listed companies in case he is a whole-time director in any listed company.

None of the directors is either a member in more than ten committees or a chairman in more than five committees across all public limited companies in which he is a director.

Review of legal compliance reports

During FY2018, the Board periodically reviewed legal compliance reports with respect to the various laws applicable to the Company as prepared and placed before it by the Management.

Code of conduct

The Listing Regulations require listed companies to lay down a code of conduct for directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013.

Accordingly, the Company has a Board approved code of conduct for all Board members and Senior Management of the Company. The said code has been placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>

All the Board members and Senior Management personnel have affirmed compliance with the code for the year ended 31 March 2018. A declaration to this effect signed by the Managing Director is given elsewhere in this Annual Report.

Maximum tenure of independent directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and the Listing Regulations.

Formal letter of appointment to independent directors

The Company has issued a formal letter of appointment to independent directors as provided in the Companies Act, 2013. The terms and conditions of appointment of independent directors are placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees, Chairperson and individual directors. The manner in which such formal annual evaluation was made by the Board is given below:

- Pursuant to the Guidance note on board evaluation issued by the SEBI, revised performance evaluation criteria for the Board, Committees of the Board, Chairperson and directors were approved by the Nomination and Remuneration Committee at its meeting held on 14 March 2017. The revised criteria were placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>
- Based on the said criteria, rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of performance of the Board, its Committees, Chairperson and directors (except for the director being evaluated) for FY2018.
- A consolidated summary of the ratings given by each of the directors was then prepared, based on which a report of performance evaluation was prepared in respect of the performance of the Board, its Committees, Chairperson and directors during FY2018.
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and Board at their meetings held on 12 March 2018.

- Under law, as per the report of performance evaluation, the Board shall determine, *inter alia*, whether to continue the term of appointment of the independent director. During FY2018, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment did not arise.

Details of the evaluation carried out by the independent directors at their meeting held on 12 March 2018 have been furnished in a separate para elsewhere in this Report.

Remuneration policy

The Board, on the recommendation of the Nomination and Remuneration Committee, has framed a remuneration policy, providing (a) criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees.

The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The detailed remuneration policy is placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>

Board diversity policy

Pursuant to the Listing Regulations, the Board through its Nomination and Remuneration Committee has devised a policy on Board diversity.

The objective of the policy is to ensure that the Board is comprised of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition as at present broadly meets with the above objective.

Familiarisation programmes for independent directors

With a view to familiarising the independent directors with the Company's operations, as required under the Listing Regulations, the Company held programmes for independent directors for familiarising them with the Company, NBFC industry, business model of the Company, their roles, rights and responsibilities, etc. Details of such familiarisation programmes are placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>

Whistle blower policy/vigil mechanism

Pursuant to the Companies Act, 2013 and the Listing Regulations, the Company has a Board approved whistle blower policy/vigil mechanism to enable directors and employees to report to the Management their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

This mechanism provides safeguards against victimisation of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The whistle blower policy/vigil mechanism has been appropriately communicated to the employees within the organisation and has been put on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>

During FY2018, none of the employees has been denied access to the Audit Committee under this policy.

Dividend distribution policy

Pursuant to regulation 43A of the Listing Regulations, the Board of Directors, at its meeting held on 27 October 2016, has formulated a Dividend Distribution Policy. The Policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its members.

As a green initiative, the Dividend Distribution Policy is placed on the Company's website
<https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>

A physical copy of the Policy will be made available to any member on request.

Subsidiary companies

The Company has two subsidiaries, viz., Bajaj Housing Finance Ltd. (BHFL) and Bajaj Financial Securities Ltd. (BFinsec) (being 100% subsidiary of BHFL). On 13 November 2017, BHFL has listed its privately placed non-convertible debentures on the wholesale debt market segment of BSE Ltd. and has become a debt listed company. BFinsec continues to be an unlisted subsidiary of the Company. None of these subsidiaries is a material subsidiary under the Listing Regulations.

During FY2018, the Audit Committee reviewed the financial statements (in particular, the investments made) of the unlisted subsidiary companies, viz., BHFL and BFinsec.

Minutes of the Board meetings of the subsidiary companies were regularly placed before the Board of the Company. The Board periodically reviewed the statement of all significant transactions and arrangements, if any, entered into by the unlisted subsidiaries.

Pursuant to the requirements of the Listing Regulations, the Company has adopted a policy for determining material subsidiaries. The policy is available on the Company's website
<https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>

Related party transactions

All related party transactions which were entered into during FY2018 were on an arm's length basis and in the ordinary course of business under the Companies Act, 2013 and not material under the Listing Regulations and hence did not require members' prior approval under the Companies Act, 2013 and the Listing Regulations.

During FY2018, transactions with related parties were entered with the approval of the Audit Committee pursuant to provisions of Companies Act, 2013 and the Listing Regulations. The details of such transactions were placed before the Audit Committee for noting/review.

A statement showing the disclosure of transactions with related parties as required under Accounting Standard – 18 issued by Institute of Chartered Accountants of India is set out separately in this Annual Report.

During FY2018, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

Pursuant to the requirements of the NBFC Regulations, a policy on materiality of related party transactions and dealing with related party transactions is given below and is also placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>

Policy on materiality of related party transactions and dealing with related party transactions

The Company has a Board approved policy on materiality of related party transactions and dealings with the related party transactions as follows:

1. All Related Party Transactions (RPTs) of the Company covered under the Companies Act, 2013 and clause 49 of the Listing Agreement will be approved by the Audit Committee of the Board from time to time.
2. Consent of the Board and the Shareholders would be taken in respect of all RPTs, except in the following cases:
 - i. Where the transactions are below the threshold limits specified in the Companies Act, 2013 and Rules thereunder or the Listing Agreement, as may be applicable; or
 - ii. Where the transactions are entered into by the Company in its ordinary course of business and are on an arm's length basis; or
 - iii. Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 and Rules thereunder, clause 49 of the Listing Agreement and other applicable provisions for the time being in force.

The above policy is subject to change from time to time.

The policy meets the requirements of the Listing Regulations.

Disclosures

Suitable disclosures have been made in the financial statements, together with the Management's explanation in the event of any treatment being different from that prescribed in the accounting standards.

Audit Committee

Pursuant to the Companies Act, 2013, the Listing Regulations and the NBFC Regulations, the Company has constituted an Audit Committee. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013, the Listing Regulations and the NBFC Regulations.

In compliance with the Companies Act, 2013 and the Listing Regulations, out of five, four members of the Audit Committee, including the Chairman, are independent directors. All the members are non-executive directors and are financially literate and have accounting or related financial management expertise.

The terms of reference are in accordance with the Companies Act, 2013, the Listing Regulations and the NBFC Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions of the Company with related parties, etc.

Meetings and attendance

During FY2018, the Audit Committee met four times on: 17 May 2017, 19 July 2017, 16 October 2017 and 1 February 2018. The gap between any two meetings has been less than one hundred and twenty days.

The meetings were scheduled well in advance. In addition to the members of the Audit Committee, these meetings were attended by the heads of finance and internal audit, executives considered necessary for providing inputs to the Committee and representatives of the statutory auditors.

The company secretary acted as the secretary to the Audit Committee.

Nanoo Pamnani, Chairman of the Audit Committee, was present at the annual general meeting of the Company held on 19 July 2017 to answer members' queries.

Table 3: Composition of the Audit Committee and attendance record of members for FY2018

Name of director	Category	No. of meetings attended (out of 4)
Nanoo Pamnani	Chairman, non-executive, independent	3
Sanjiv Bajaj	Non-executive	4
D S Mehta	Non-executive, independent	4
Omkar Goswami	Non-executive, independent	3
Ranjan Sanghi	Non-executive, independent	4

Nomination and Remuneration Committee

Pursuant to the Companies Act, 2013, the Listing Regulations and the NBFC Regulations, the Company has constituted a Nomination and Remuneration Committee.

During FY2018, in line with the provisions of the Companies (Amendment) Act, 2017, and the SEBI Guidance note on board evaluation, the terms of reference of the Committee were revised by the Board at its meeting held on 1 February 2018. The revised terms of reference of the Committee pertain to, *inter alia*, formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of independent directors and the Board, devising a policy on Board diversity, etc.

The Committee acts as a Nomination Committee, as per the NBFC Regulations, to ensure 'fit and proper' status of the directors to be appointed/re-appointed and recommend their appointment/re-appointment to the Board of Directors.

The Committee also acts as a Compensation Committee for implementation of the Employee Stock Option Scheme, 2009.

Meetings and attendance

During FY2018, the Committee met four times on: 17 May 2017, 16 October 2017, 1 February 2018 and 12 March 2018. Directors who are not the members of the Committee were also invited to attend meetings of the Committee.

Nanoo Pamnani, Chairman of the Nomination and Remuneration Committee, was present at the annual general meeting of the Company held on 19 July 2017 to answer members' queries.

Table 4: Composition of the Nomination and Remuneration Committee and attendance record of members for FY2018

Name of director	Category	No. of meetings attended (out of 4)
Nanoo Pamnani	Chairman, non-executive, independent	3
Rahul Bajaj	Non-executive	4
Sanjiv Bajaj	Non-executive	4
Omkar Goswami	Non-executive, independent	4
Ranjan Sanghi	Non-executive, independent	4
Rajendra Lakhota	Non-executive, independent	4

Risk Management Committee

Pursuant to the NBFC Regulations and the Listing Regulations, the Company has constituted a Risk Management Committee consisting of composition as specified therein.

The terms of reference of the Committee which, *inter alia*, include, to manage the integrated risk, to lay down procedures to inform the Board about risk assessment and minimisation procedures in the Company, to frame, implement and monitor the risk management plan for the Company, etc.

The Company has a Board approved risk management policy. The Committee and the Board periodically review the Company's risk assessment and minimisation procedures to ensure that the Management identifies and controls risk through a properly defined framework.

Meetings and attendance

During FY2018, the Committee met two times on: 14 September 2017 and 12 March 2018. Directors who are not the members of the Committee were also invited to attend meetings of the Committee.

Table 5: Composition of the Risk Management Committee and attendance record of members for FY2018

Name of director/senior executive	Category	No. of meetings attended (out of 2)
Nanoo Pamnani	Chairman, non-executive, independent director	2
Sanjiv Bajaj	Non-executive director	2
Rajeev Jain	Managing Director, executive	2
Dipak Poddar	Non-executive, independent director	2
Rakesh Bhatt	Senior executive	2
Atul Jain	Senior executive	2
Sandeep Jain	Senior executive	2

Bharath Vasudevan, senior executive, attended both the meetings of the Committee, being the permanent invitee.

Stakeholders Relationship Committee

Pursuant to the Companies Act, 2013 and the Listing Regulations, the Company has constituted a Stakeholders Relationship Committee. The Committee looks into the grievances of security holders, including debenture holders and fixed deposit holders, in addition to the equity shareholders of the Company.

Meetings and attendance

During FY2018, the Committee met on 1 February 2018 to, *inter alia*, review the status of investors' services rendered. Directors who are not the members of the Committee were also invited to attend meeting of the Committee. The secretarial auditor as well as the company secretary were also present. The Committee was apprised of all the major developments on matters relating to investors. In addition, the Committee also looked into matters that can facilitate better investor services and relations.

During FY2018, 16 complaints from investors were received on various matters, which were duly resolved and no action remained to be taken.

Ranjan Sanghi, Chairman of the Stakeholders Relationship Committee, was present at the annual general meeting of the Company held on 19 July 2017 to answer members' queries.

Anant Damle, company secretary, has been appointed as compliance officer of the Company.

Table 6: Composition of the Stakeholders Relationship Committee and attendance record of members for FY2018

Name of director	Category	No of meetings attended (out of 1)
Ranjan Sanghi	Chairman, non-executive, independent	1
Nanoo Pamnani	Non-executive, independent	1
Sanjiv Bajaj	Non-executive	1
D S Mehta	Non-executive, independent	1
Gita Piramal	Non-executive, independent	1

Meeting of independent directors

Pursuant to the Companies Act, 2013 and the Listing Regulations, the independent directors shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 12 March 2018 and:

- noted the report on performance evaluation for FY2018 from the Chairman of the Board;
- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive director and non-executive directors;
- assessed the quantity, quality and timely flow of information between the Management and the Board and found it to be in line with the expectations;
- felt that the number of persons directly reporting to the Managing Director needs to be reduced to a single digit; and
- felt that there is a need to have proper succession planning for senior levels of Management and to identify and retain talent at all levels and that the result of such an exercise be discussed with the Board once in every financial year.

Omkar Goswami was elected Chairman for the meeting. Leave of absence was granted to one independent director.

Duplicate Share Certificate Issuance Committee

To meet the requirements of the Companies Act, 2013 and the Listing Regulations, the Company has constituted a Duplicate Share Certificate Issuance Committee of the Board to approve the issuance of duplicate share certificates in lieu of original share certificates lost or misplaced.

Meetings and attendance

During FY2018, the Committee met on 5 February 2018.

Table 7: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of members for FY2018

Name of director	Category	No. of meetings attended (out of 1)
Rahul Bajaj	Chairman, non-executive	1
Nanoo Pamnani	Non-executive, independent	1
Sanjiv Bajaj	Non-executive	1
Rajeev Jain	Managing Director, executive	1

Remuneration of directors

Pecuniary relationship or transactions of non-executive directors

During FY2018, there were no pecuniary relationships or transactions of any non-executive directors with the Company except five fixed deposits (FD) amounting to ₹ 5.01 crore were renewed by D S Mehta, director, on the terms and conditions of the FD scheme of the Company.

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

The criteria of making payments to non-executive directors are placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>

Details of remuneration of directors

All non-executive directors are paid sitting fees and commission and one independent director is paid additional commission as per the details provided in the annexure to the Directors' Report in section VI(B) of Form MGT-9, i.e., extract of the Annual Return.

During FY2018, the Company has paid remuneration to Rajeev Jain, Managing Director (MD) as provided in detail in the annexure to the Directors' Report in section VI(A) of Form MGT-9.

The tenure of the MD is for five years with notice period of three months or salary in lieu thereof. The performance pay/bonus of MD is based on the performance of the Company and his contribution for the same. During FY2018, 151,750 stock options were granted to the MD at a grant price of ₹ 1,347.75, being the closing market price on NSE on the day preceding the day of grant, which will vest over a period of four years (25% every year) after a period of one year from the date of grant. The vested options will be exercisable over a period of five years from the date of vesting. The MD is also entitled to other perquisites and benefits mentioned in the agreement entered into with the Company.

The Company currently has no stock option plans for any of its directors other than the MD. During FY2018, none of the directors, other than the MD, were paid any performance-linked incentive.

During FY2018, the Company did not advance loans to any of its directors.

Shareholding of directors

Information on shares held by directors in the Company as on 31 March 2018 is provided in the annexure to the Directors' Report in section IV(v) of Form MGT-9.

Management

Management discussion and analysis

This is given as a separate chapter in this Annual Report.

Disclosure of material transactions

Pursuant to the Listing Regulations, the Senior Management is required to make disclosures to the Board relating to all material, financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. During FY2018, as per the disclosures made by the Senior Management, there were no such transactions.

Compliances regarding insider trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has a Board approved code of conduct to regulate, monitor and report trading by insiders ('code of conduct') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('code of fair disclosure'). The code of conduct and code of fair disclosure framed by the Company have helped in ensuring compliance with the requirements.

Means of communication

Quarterly, half yearly and annual financial results are published in Business Standard (all editions) and Sakal (Pune edition) along with the official press release. An abridged version of the financial results is also published in Mint (all editions), Hindustan Times (all editions), Hindu Business Line (all editions), Economic Times (all editions), Financial Express (all editions) and Anand Bazar Patrika (all editions). The Company also sends the half-yearly financial results, along with a detailed write-up, to all members.

The Company has a website www.bajajfinserv.in/finance which, under the section of 'investor relations', contains all important public domain information including financial results, various policies framed/approved by the Board, presentations made to the media, analysts and institutional investors, schedule and transcripts of earnings call with investors, matters concerning the shareholders, details of the corporate contact persons, etc. All financial and other vital official news releases are also communicated to BSE and NSE. The Company discloses material events or information to BSE and NSE, which are subsequently placed on its website.

Sections 20 and 136 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 permit companies to deliver the documents electronically to the registered email IDs of the members.

During FY2018, the Company, sent documents such as notice calling the annual general meeting, postal ballot notice, audited financial statements, Directors' Report, Auditors' Report, half yearly unaudited financial statements, etc. in electronic form to the email IDs provided by the members to the Company/made available by them to the Company through the depositories. Members desiring to receive the said documents in physical form were sent physical documents, upon request.

All Financial and other vital news releases and documents under the Listing Regulations are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

Information on general body meetings

The last three annual general meetings of the Company were held at the registered office of the Company at Akurdi, Pune - 411 035 on the following dates and time:

28th AGM	22 July 2015	at 12 noon
29th AGM	26 July 2016	at 12 noon
30th AGM	19 July 2017	at 12.15 p.m.

Details of special resolution(s) passed at the last three annual general meetings (AGMs) and through postal ballot during FY2018

I. Special resolutions passed at the last three AGMs:

At the 30th AGM held on 19 July 2017, one special resolution was passed pertaining to issue of non-convertible debentures through private placement.

At the 29th AGM held on 26 July 2016, one special resolution was passed pertaining to issue of non-convertible debentures through private placement.

At the 28th AGM held on 22 July 2015, one special resolution was passed pertaining to issue of non-convertible debentures through private placement.

II. Special resolutions passed through postal ballot during FY2018:

- a) on 24 August 2017, one special resolution was passed pertaining to issue of securities through Qualified Institutions Placement to Qualified Institutional Buyers for an aggregate amount up to ₹ 4,500 crore.
- b) on 9 March 2018, two special resolutions were passed pertaining to:
 - i. increase in the borrowing powers of the Company from ₹ 75,000 crore to ₹ 100,000 crore under section 180(1)(c) of the Companies Act, 2013; and
 - ii. creation of charge/security on the Company's assets with respect to borrowing up to a maximum of ₹ 100,000 crore under section 180(1)(a) of the Companies Act, 2013.

Shyamprasad D Limaye, practising company secretary, was appointed as scrutineer for conducting the postal ballot in a fair and transparent manner. Details of voting on the resolutions are as follows:

Sr. No.	Particulars	Votes [No. of shares and (%)]	
		In favour	Against
a)	issue of securities through Qualified Institutions Placement	443,861,772 (99.9988%)	5,442 (0.0012%)
b)	increase in the borrowing powers	462,668,789 (99.6121%)	1,801,811 (0.3879%)
c)	creation of charge/security on the Company's assets with respect to borrowing	462,664,070 (99.6119%)	1,802,564 (0.3881%)

III. No special resolution is proposed to be conducted through postal ballot.

Procedure for postal ballot

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Company provides facility to the members to exercise votes through electronic voting system ('remote e-voting'), in addition to physical ballot to all its members. Postal ballot notices and forms are dispatched along with the postage pre-paid business reply envelope to members/beneficial owners through email at their registered email IDs and through physical copy to the members who have not registered their email IDs. The Company also publishes notice in the newspapers for the information of the members. Voting rights are reckoned on the equity shares held by the members as on the cut-off date.

Pursuant to the provisions of the Companies Act, 2013, the Company appoints scrutiniser for conducting the postal ballot process in a fair and transparent manner. The scrutiniser submits his consolidated report to the Chairman and the voting results are announced by the Chairman by placing the same along with the scrutiniser's report on the Company's website, besides being communicated to the stock exchanges. The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the company for receipt of duly completed postal ballot forms or remote e-voting.

Details of capital market non-compliance, if any

There was no non-compliance by the Company of any legal requirements nor have any penalty/ies or stricture/s been imposed on the Company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets at any time in the past.

Compliance certificate

The MD and CFO have certified to the Board with regard to the financial statements and other matters as required under the Listing Regulations.

Report on corporate governance

This chapter, read together with the information given in the section on 'General Shareholder Information', constitute the report on corporate governance during FY2018. A section on 'Management Discussion and Analysis' for FY2018 is also included in this Annual Report.

The Company duly submits the quarterly compliance report to the stock exchanges.

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Over
7 mn
members

Available on
1 mn+
products

Accepted at
43,000+
stores

Across
950
cities



Auditors' certificate on corporate governance

The Company has obtained a certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in the Listing Regulations. This certificate is annexed to the Directors' Report.

Compliance of mandatory and discretionary requirements under the Listing Regulations

Mandatory

The Company has complied with the mandatory requirements of the Listing Regulations.

Discretionary

The Company has also complied with the discretionary requirements as under:

A. The Board

A Chairman's office has been made available for the non-executive Chairman and he is allowed reimbursement of expenses incurred in performance of his duties.

B. 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 members.

C. Modified opinion(s) in the audit report

The Company confirms that its financial statements are with unmodified audit opinion.

D. Separate posts of Chairperson and Managing Director/CEO

The Company has appointed separate persons to the post of Chairman and Managing Director.

E. Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

General Shareholder Information

31st Annual general meeting

Date	19 July 2018
Time	12.15 p.m.
Venue	Registered office of the Company at Akurdi, Pune – 411 035

Financial calendar for FY2019

Unaudited first quarter financial results	July 2018
Unaudited second quarter financial results	October 2018
Unaudited third quarter financial results	January 2019
Audited annual financial results	May 2019
Mailing of Annual Reports	June 2019
Annual general meeting	July 2019

Dividend

Board of Directors of the Company has proposed a dividend of ₹ 4 per equity share (200%) of face value of ₹ 2 for FY2018, subject to approval by the members at the annual general meeting. Dividend paid in the previous year was ₹ 3.60 per equity share (180%) of face value of ₹ 2.

Dates of book closure

The register of members and share transfer books of the Company will remain closed from **Saturday, 7 July 2018** to **Thursday, 19 July 2018** (both days inclusive) for the purpose of payment of dividend.

Date of dividend payment

Dividend on equity shares, if declared, at the annual general meeting, will be credited/dispatched between **Tuesday, 24 July 2018** and **Friday, 27 July 2018** as under:

- a) to all those members holding shares in physical form, after giving effect to all valid share transfers lodged with the Company/share transfer agent of the Company, i.e., Karvy Computershare Pvt. Ltd. ('Karvy') on or before closing hours on **Friday, 6 July 2018**; and
- b) to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as of the end of the day on **Friday, 6 July 2018**.

Payment of dividend

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company shall use any electronic mode of payment approved by the RBI for making payment to the members. Accordingly, dividend, if declared, will be paid through electronic mode, where the bank account details of the members required for this purpose are available. Where dividend payments are made through electronic mode, intimation regarding such remittance would be sent separately to the members. In case where the dividend cannot

be paid through electronic mode, the same will be paid by warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on the warrants.

For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, on or before Friday, 6 July 2018, updated particulars of their bank account, to Karvy along with a photocopy of a 'cancelled' cheque of the bank account and self-attested copy of PAN card.

Beneficial owners holding shares in electronic form are requested to furnish their bank account details to their respective depository participants and make sure that such changes are recorded by them correctly on or before Friday, 6 July 2018. The request to update particulars of bank account should be signed as per the specimen signature registered with Karvy/depository participants, as the case may be.

Unclaimed dividend

Unclaimed dividend up to FY1995 has been transferred to the general revenue account of the Central Government. Members who have not encashed their dividend warrants for the period prior to and including FY1995 are requested to claim the amount from Registrar of Companies, Maharashtra, Pune, Block A, 1st and 2nd Floor, PCNTDA Green Building, Near Akurdi Railway Station, Pune – 411 044.

Pursuant to section 205C of the Companies Act, 1956 and section 124(5) of the Companies Act, 2013, any amount transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the 'Investor Education and Protection Fund' set up by the Central Government. Accordingly, the unclaimed dividend amounts from FY1996 to FY2010 were transferred by the Company to the said fund in the years 2003 to 2017, respectively.

Unclaimed dividend for FY2011 shall become due for transfer to the said fund in August 2018. Communication has been sent to the members having unclaimed dividend for FY2011, requesting them to claim the same. Members are requested to verify their records and send the claim, if any, for FY2011, by writing to Karvy at mohsin.mohd@karvy.com, before the amount becomes due for transfer to the said fund.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('the IEPF Rules') the Company has uploaded the details of unclaimed dividend, unclaimed deposits and unclaimed interest on deposits on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-unclaimed-dividends> as well as the website specified by the Ministry of Corporate Affairs <http://www.iepf.gov.in/IEPF/services.html>

Transfer of shares to IEPF

Pursuant to section 124(6) of the Companies Act, 2013, as amended, and the IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to demat account of the IEPF Authority. Accordingly, during FY2018, the Company has transferred 345,090 equity shares of face value of ₹ 2 pertaining to 304 shareholders, whose dividend from FY2010 had remained unclaimed for a consecutive period of seven years, to demat account of the IEPF Authority.

In due compliance of the provisions of rule 6(3) of the IEPF Rules, the Company will send individual letters through speed post to all such members requesting them to claim the amount of unpaid dividend on or before the Company proceeds with the transfer of related shares to demat account of the IEPF Authority.

The Company will also be publishing notice in the newspapers intimating the members of the said provisions and these details will be made available on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-unclaimed-dividends>

As provided under the IEPF Rules, a member can claim such dividend and shares transferred to the fund by following the procedure prescribed in the IEPF Rules which is available on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-unclaimed-dividends>

Share transfer agent

The Company has appointed Karvy as its share transfer agent. All physical transfers, transmission, transposition, issue of duplicate share certificates, issue of demand drafts in lieu of dividend warrants, etc. as well as requests for dematerialisation/rematerialisation of shares are processed at Karvy. The work related to dematerialisation/rematerialisation is handled by Karvy through its connectivity with NSDL and CDSL.

Share transfer system

Share transfers received by the Company and Karvy are registered within 15 days from the date of receipt, provided the documents are complete in all respects. The total number of shares transferred in physical category during FY2018 was 43,190 versus 37,537 during FY2017, the details of which were placed before the Board of Directors on quarterly basis.

Dematerialisation/rematerialisation of shares and liquidity

During FY2018, 360,576 shares were dematerialised compared to 242,409 shares during FY2017.

During FY2018, 183 shares were rematerialised compared to 127 shares during FY2017.

Distribution of shares as on 31 March 2018 is given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2018		Position as on 31 March 2017	
	No. of shares	% of total shares	No. of shares	% of total shares
Physical	1,987,977	0.34	2,683,550	0.49
Demat:				
NSDL	561,236,749	97.11	534,317,476	97.17
CDSL	14,743,662	2.55	12,889,064	2.34
Sub Total	575,980,411	99.66	547,206,540	99.51
Total	577,968,388	100.00	549,890,090	100.00

Stock code

1. BSE Ltd.	500034
2. National Stock Exchange of India Ltd.	BAJFINANCE - EQ
3. ISIN for depositories (NSDL and CDSL)	INE296A01024

Listing on stock exchanges

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

The non-convertible debentures issued on private placement basis are listed on the wholesale debt market segment of BSE.

Annual listing fees, as prescribed, have been paid to the said stock exchanges up to 31 March 2019.

Market price data

Table 2 gives the monthly highs and lows of the Company's shares on the BSE and NSE.

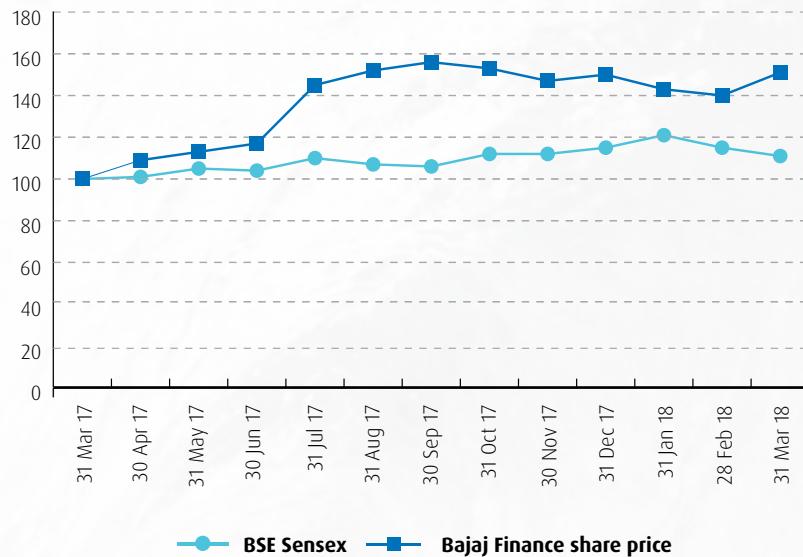
Table 2: Monthly highs and lows of Bajaj Finance Ltd. shares during FY2018 (₹ vis-à-vis BSE Sensex)

Month	BSE		NSE		Closing BSE Sensex
	High (₹)	Low (₹)	High (₹)	Low (₹)	
Apr - 17	1,350.00	1,152.60	1,349.90	1,162.00	29,918.40
May - 17	1,373.90	1,190.40	1,374.00	1,190.55	31,145.80
Jun - 17	1,431.00	1,316.85	1,432.90	1,313.90	30,921.61
Jul - 17	1,740.50	1,366.80	1,739.80	1,366.50	32,514.94
Aug - 17	1,839.70	1,590.05	1,837.40	1,590.00	31,730.49
Sep - 17	1,989.00	1,760.50	1,985.90	1,759.00	31,283.72
Oct - 17	1,972.45	1,701.00	1,973.70	1,700.10	33,213.13
Nov - 17	1,845.70	1,709.00	1,848.00	1,707.05	33,149.35
Dec - 17	1,796.05	1,630.55	1,797.60	1,627.05	34,056.83
Jan - 18	1,865.00	1,632.75	1,843.00	1,632.60	35,965.02
Feb - 18	1,761.70	1,514.40	1,760.00	1,511.20	34,184.04
Mar - 18	1,797.00	1,595.00	1,798.00	1,594.20	32,968.68

Chart: Performance in comparison to BSE Sensex

Bajaj Finance Ltd. stock performance Vs BSE Sensex,
indexed to 100 on 31 March 2017

Bajaj Finance Ltd. Vs BSE Sensex



Distribution of shareholding

Table 3 gives details about the pattern of shareholding in various categories as on 31 March 2018 and 31 March 2017, while Table 4 gives the data according to size class as on 31 March 2018.

Table 3: Distribution of shareholding across categories

Categories	31 March 2018		31 March 2017	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters and Promoter Group	318,678,085	55.14	318,583,070	57.94
Resident Individuals	55,575,438	9.62	56,461,918	10.27
Bodies Corporates	29,032,893	5.02	30,433,472	5.53
Mutual Funds/Financial Institutions/Banks	45,933,388	7.95	29,479,004	5.36
Foreign Institutional Investors/Foreign Portfolio Investors	112,459,901	19.46	105,896,219	19.26
Non Resident Individuals/Foreign Nationals	5,194,457	0.90	4,717,711	0.86
Alternative Investment Funds	1,072,671	0.18	164,300	0.03
Others	10,021,555	1.73	4,154,396	0.75
Total	577,968,388	100.00	549,890,090	100.00

Table 4: Distribution of shareholding according to size class as on 31 March 2018

Range of holding	No. of members	% to total members	No. of shares held	% to total shares
1 – 1000	124,112	94.05	16,139,746	2.79
1001 – 5000	5,615	4.26	11,759,705	2.04
5001 – 10000	838	0.64	6,128,418	1.06
10001 – 100000	1,085	0.82	33,180,914	5.74
100001 – 500000	229	0.17	52,201,143	9.03
500001 – 1000000	45	0.03	31,042,756	5.37
1000001 and above	35	0.03	427,515,706	73.97
Total	131,959	100.00	577,968,388	100.00

Shareholders and investors grievances

The Stakeholders Relationship Committee constituted by the Board of Directors, consisting of five directors, looks into the grievances of security holders viz., shareholders, debenture holders and deposit holders. Queries/complaints received from security holders are promptly attended to. Queries/complaints received during FY2018 related to non-receipt of share certificate/non-receipt of duplicate share certificate/non-receipt of annual report/non-transfer of shares and non-receipt of dividend. As on 31 March 2018, there was no query/complaint pending redressal.

During FY2018, 16 complaints were received on various matters, which were duly resolved and no action remained to be taken.

Demat suspense account with HDFC Bank for unclaimed shares

According to the provisions of the Listing Regulations, the Company has a demat account titled 'Bajaj Finance Ltd. – Unclaimed Suspense Account' with HDFC Bank Ltd., Pune to which unclaimed shares were transferred. Seven thousand shares of face value of ₹ 2 pertaining to seven members were lying in the aforesaid account at the beginning of the year.

Pursuant to section 124(6) of the Companies Act, 2013, as amended, and the IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to demat account of the IEPF Authority. Accordingly, during FY2018, the Company has transferred three thousand shares of face value of ₹ 2 pertaining to three members of the Company, whose dividend from FY2010 had remained unclaimed for a consecutive period of seven years, to demat account of the IEPF Authority.

The remaining four thousand shares pertaining to four members will be transferred to the concerned members on lodgment of the claim, after proper verification. Till such time, the voting rights on these shares will remain frozen.

Nomination

Individual members holding shares in physical form can nominate a person in whose name the shares are to be transferred in the event of death. Members can avail the nomination facility by submitting the prescribed nomination form SH-13 (a copy of which is placed on the Company's website <https://www.bajajfinserv.in/shareholders-nomination-form>) to Karvy. The nomination form will be sent by Karvy upon request. Nomination facility for shares held in electronic form is available with depository participants.

Voting through electronic means

Pursuant to provision of the Companies Act, 2013 and the Listing Regulations, every listed company is required to provide to its members the facility to exercise their right to vote at general meetings by electronic means.

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

The members holding shares as on **13 July 2018**, being the cut-off date fixed for determining voting rights of members, are entitled to vote on the items put up in the notice of annual general meeting, through such remote e-voting facility. The remote e-voting shall be open from **16 July 2018 (9.00 a.m.) till 18 July 2018 (5.00 p.m.)**.

The Company shall also be making arrangements to provide for e-voting facility at the venue of the annual general meeting. Only members, who have not already cast their votes by remote e-voting, shall be able to exercise their right of voting at the meeting.

The Board has appointed Shyamprasad D Limaye, practising company secretary, as scrutineer for the e-voting process.

Detailed procedure for remote e-voting is given in the notice of the thirty-first annual general meeting which is placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>

Members may get in touch with the company secretary for further assistance.

Outstanding convertible instruments/ADRs/GDRs/warrants

The Company does not have any outstanding convertible instruments/ADRs/GDRs/warrants as on 31 March 2018.

Qualified institutions placement (QIP)

Details of QIP of equity shares made during FY2018 have been given in the Directors' Report.

Address for correspondence

Investors and members can correspond with the share transfer agent or the Company at the following address:

Share transfer agent

Karvy Computershare Pvt. Ltd.

Unit: Bajaj Finance Ltd.
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032

Contact persons

M S Madhusudhan
Mohd. Mohsinuddin
Tel No.: (040) 67162222, Extn.1562
Fax No.: (040) 23001153
Email ID: mohsin.mohd@karvy.com/einward.ris@karvy.com
Website: www.karvy.com

Company

Registered office

Akurdi, Pune - 411 035

Corporate office extn.

Secretarial Department
3rd Floor, Panchshil Tech Park,
Viman Nagar, Pune - 411 014
Tel No.: (020) 30186403
Fax No.: (020) 30186364
Email ID: investor.service@bajajfinserv.in
Website: www.bajajfinserv.in/finance

Additional information

- During FY2018, the Company has not sanctioned loans to any of its directors and there are no outstanding 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, no significant event has taken place which will have an impact on the performance of the Company during FY2018.
- Profile of fixed deposits as on 31 March 2018:

Period of deposit (months)	No. of depositors	Amount (₹ In Crore)	% to total deposits
12 - 23	12,703	1,952.11	34.21
24 - 35	18,310	1,149.39	20.15
36 - 60	70,169	2,603.52	45.64
Total	101,182	5,705.02	100.00

As on 31 March 2018, six fixed deposits amounting to ₹ 4.44 lakh had matured and remained unclaimed.

Directors' Report

The directors present their thirty-first Annual Report and the standalone and consolidated audited financial statements for FY2018.

Financial results

The highlights of the standalone financial results are as under:

Particulars	FY2018	FY2017	(₹ In Crore)	% change over FY2017
Total income	13,329	9,989		33
Interest and finance charges	4,585	3,803		21
Net interest income	8,744	6,186		41
Operating expenses	3,618	2,536		43
CSR expenditure	40	28		43
Pre-provisioning operating profit	5,086	3,622		40
Loan losses and provisions	1,030	804		28
Profit before tax	4,056	2,818		44
Profit after tax	2,647	1,837		44
Balance brought forward from previous year	3,692	2,411		
Profit available for appropriations	6,339	4,247		
Appropriations				
Transfer to Reserve Fund u/s 45-IC(1) of the RBI Act, 1934	(530)	(368)		
Transfer to General Reserve	-	(184)		
Transfer to Infrastructure Reserve	-	(3)		
Dividend paid	(198)	-		
Tax on dividend	(40)	-		
Adjustment of dividend to ESOP Trust	1	-		
Balance carried to Balance Sheet	5,571	3,692		

Due to rounding off, numbers presented in above table may not add up precisely to the totals provided.

A summary of consolidated financial performance for FY2018 consolidating the results of wholly owned subsidiary, Bajaj Housing Finance Ltd. (BHFL) along with its subsidiary Bajaj Financial Securities Ltd. (BFinsec) is given below:

Particulars	FY2018	FY2017	(₹ In Crore)
Total income	13,466	9,992	
Interest and finance charges	4,635	3,804	
Net interest income	8,831	6,188	
Operating expenses	3,690	2,567	
Loan losses and provisions	1,045	804	
Profit before tax	4,096	2,817	
Profit after tax	2,674	1,836	

Performance and financial position of subsidiaries

During FY2018, BHFL commenced operations and all incremental home loans-cum-mortgage business was done through BHFL. There were no major business operations in BFinsec. The Profit after tax for FY2018 of BHFL was ₹ 22.31 crore as against ₹ 0.12 crore for FY2017 and of BFinsec was ₹ 7.06 crore as against ₹ 0.48 crore for FY2017.

Dividend

The directors recommend for consideration of the members at the ensuing annual general meeting, payment of dividend of ₹ 4 per equity share (200%) of face value of ₹ 2 for FY2018. The amount of dividend and tax thereon aggregate to ₹ 278.71 crore.

Dividend paid for FY2017 was ₹ 3.60 per equity share (180%) of face value of ₹ 2. The amount of dividend and tax thereon aggregated to ₹ 238.26 crore.

Capital infusion

During FY2018, pursuant to provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Companies Act, 2013 and the approval of members and of the Board of Directors, the Company made Qualified Institutions Placement of 26,627,218 equity shares of face value of ₹ 2 at a price of ₹ 1,690 per equity share (inclusive of premium of ₹ 1,688 per equity share) to Qualified Institutional Buyers aggregating to approximately ₹ 4,500 crore.

Share capital

During FY2018, the Company allotted equity shares of face value of ₹ 2 as follows:

- a) 26,627,218 equity shares to Qualified Institutional Buyers under Qualified Institutions Placement.
- b) 1,451,080 equity shares, at the applicable grant prices, to the Trustees of BFL Employee Welfare Trust under the Employee Stock Option Scheme, 2009.

As on 31 March 2018, paid-up share capital of the Company stood at ₹ 1,155,936,776 consisting of 577,968,388 equity shares of face value of ₹ 2 fully paid-up.

Increase in borrowing powers

During FY2018, pursuant to section 180(1)(c) of the Companies Act, 2013, the Company increased the limit on the borrowing powers of the Board of Directors from ₹ 75,000 crore to ₹ 100,000 crore, to meet its growing business needs.

Working results

The Assets Under Management (AUM) as on 31 March 2018 were ₹ 80,444 crore as compared to ₹ 60,196 crore as on 31 March 2017, an increase of 34% over the previous year. The consolidated AUM as on 31 March 2018 stood at ₹ 84,033 crore, an increase of 40% over the previous year.

The receivables under financing activity as on 31 March 2018 were ₹ 77,125 crore as compared to ₹ 56,834 crore as on 31 March 2017, an increase of 36% over the previous year. The consolidated receivables under financing activity as on 31 March 2018 stood at ₹ 80,714 crore, an increase of 42% over the previous year.

Total income during FY2018 increased to ₹ 13,329 crore from ₹ 9,989 crore during FY2017, an increase of 33% over the previous year.

The profit before tax for FY2018 was ₹ 4,056 crore, as against ₹ 2,818 crore for FY2017, an increase of 44% over the previous year. The profit after tax for FY2018 was ₹ 2,647 crore as compared to ₹ 1,837 crore for FY2017, an increase of 44% over the previous year. This has been due to the Company's healthy net interest margin, operating efficiencies and prudent risk management.

The Company had an excellent year aided by strong volume growth across all its lines of businesses. During FY2018, the Company launched various new products and variants to strengthen its business model and continue its growth momentum.

The Company's current provisioning standards are more stringent than RBI prudential norms. In line with its conservative approach, the Company continues to strengthen its provisioning norms beyond the RBI regulations by accelerating the provisioning to an early stage of delinquencies based on the past experience and emerging trends.

The Company's loan losses and provisions increased from ₹ 804 crore in FY2017 to ₹ 1,030 crore in FY2018 taking into account the increased business. The Company ended FY2018 with a net NPA of 0.38%.

Operations

Detailed information on the operations of the different products of the Company and details on the state of affairs of the Company are covered in the 'Management Discussion and Analysis'.

Extract of annual return

The extract of annual return as provided under section 92(3) the Companies Act, 2013, in the prescribed Form MGT-9 is annexed to this Report.

Number of meetings of the Board

Eight meetings of the Board were held during FY2018, as per details given in the annexed 'Corporate Governance Report'.

Directors' responsibility statement

In compliance of section 134(5) of the Companies Act, 2013, the directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Declaration by independent directors

The independent directors have submitted the declaration of independence, as required under section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

Policy on directors' appointment and remuneration

The policy on directors' appointment and remuneration is given in the annexed 'Corporate Governance Report'.

Particulars of loans, guarantees and investments

The Company, being a non-banking finance company registered with the RBI and engaged in the business of giving loans, is exempt from complying with the provisions of section 186 of the Companies Act, 2013 in respect of loans and guarantees. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Report.

During FY2018, the Company made following significant strategic investments:

- One MobiKwik Systems Pvt. Ltd. (MobiKwik) - approximately ₹ 225 crore by subscribing to the equity shares and Series D cumulatively convertible preference shares.
- Bajaj Housing Finance Ltd. (a wholly owned subsidiary) - an amount of ₹ 1,200 crore by subscribing to 1,200,000,000 equity shares of the face value of ₹ 10 on rights basis.

Information regarding investments covered under the provisions of section 186 of the Companies Act, 2013, is detailed in the financial statements.

Related party transactions

During FY2018, transactions with related parties were entered with the approval of the Audit Committee pursuant to provisions of Companies Act, 2013 and the Listing Regulations. The details of such transactions were placed before the Audit Committee for noting/review.

All related party transactions entered into during FY2018 were on an arm's length basis and in the ordinary course of business under the Companies Act, 2013 and not material under the Listing Regulations and hence did not require members' prior approval under the Companies Act, 2013 and the Listing Regulations. During FY2018, there were no related party transactions requiring disclosure under section 134 of the Companies Act, 2013.

A policy on materiality of related party transactions and dealing with related party transactions is placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents> and is also included in this Annual Report.

Material changes and commitments

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

Conservation of energy

The Company has taken, *inter alia*, following measures to reduce energy consumption:

- switched from conventional lighting systems to LED lights at most of the branches in metro areas.
- selecting and designing offices to facilitate maximum natural light utilisation.

Technology absorption

The details pertaining to technology absorption have been explained in the annexed 'Management Discussion and Analysis'.

Foreign exchange earnings and outgo

During FY2018, the Company did not have any foreign exchange earnings and, foreign exchange outgo amounted to ₹ 31.54 crore (FY2017 ₹ 17.56 crore).

Risk management

The Board of Directors has adopted a risk management policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

Corporate social responsibility

During FY2018, the Company spent ₹ 39.56 crore on corporate social responsibility (CSR). Detailed information report on the CSR policy and the CSR initiatives taken during FY2018 is given in the annexed 'Annual Report on CSR activities'.

Formal annual evaluation

Information on the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees, Chairperson and individual directors is given in the annexed 'Corporate Governance Report'.

Directors and key managerial personnel (KMP)

According to the provisions of the Companies Act, 2013, Rajeev Jain (DIN 01550158), Managing Director, retires from the Board by rotation this year and, being eligible, has offered his candidature for re-appointment.

Brief details of Rajeev Jain, Managing Director, who is seeking re-appointment are given in the notice of annual general meeting.

There was no change in the directors and KMP during the FY2018.

Significant and material orders

During FY2018, no significant and material orders were passed by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

Adequacy of internal financial controls

The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational which include its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance.

This ensures orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

Employee stock option scheme

During FY2018, there has been no change in the Employee Stock Option Scheme, 2009 ('the ESOP scheme') of the Company. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ('the SBEB Regulations').

Disclosures pertaining to the ESOP Scheme pursuant to the SBEB Regulations are placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>. Grant wise details of options vested, exercised and cancelled are provided in the notes to the standalone financial statements.

Deposits

During FY2018, the Company accepted fixed deposits (FDs) of ₹ 3,662.23 crore. FDs outstanding at the year end were ₹ 5,705.02 crore. As on 31 March 2018, there were six FDs amounting to ₹ 4.44 lakh which had matured and remained unclaimed.

Pursuant to provisions of the RBI Act, 1934, the Company has created a charge on statutory liquid assets amounting to ₹ 612.67 crore in favour of the trustee for FD holders.

During FY2018, the Company accepted inter corporate deposits (ICDs) of ₹ 2,377.33 crore. ICDs outstanding as on 31 March 2018 were ₹ 1,863.98 crore.

Overall deposits outstanding as on 31 March 2018 were ₹ 7,569 crore.

During FY2018, there was no default in repayment of deposits or payment of interest thereon.

Credit rating

During FY2018, the Company retained or upgraded its credit ratings owing to high capital adequacy, strong promoter support, tightened credit acceptance criteria and robust asset liability management. During FY2018, the Company has been upgraded from "ICRA AA+(Positive)" to "ICRA AAA (Stable)" for its long term debt programme from ICRA Ratings.

The Company enjoys the following ratings from various credit rating agencies.

Long term debt rating

- "CRISIL AAA/Stable" for its long term borrowing programme, which comprises of ₹ 22,052.80 crore for the non-convertible debenture (NCD) programme, ₹ 3,300 crore for the lower tier II bond/subordinate debt programme, ₹ 21,000 crore for its bank loan rating programme and "FAAA/Stable" for the fixed deposit programme.
- "ICRA AAA(Stable)" for its long term borrowing programme, which comprises of ₹ 3,238 crore for the NCD programme and ₹ 1,700 crore for the lower tier II bond/subordinate debt programme and "MAAA(Stable)" for the fixed deposit programme.
- "IND AAA/Stable" for its long term borrowing programme, which comprises of ₹ 10,000 crore for the NCD programme, ₹ 2,000 crore for the subordinate debt programme and ₹ 30,000 crore for its bank loan rating programme.
- "CARE AAA/Stable" for its long term borrowing programme, which comprises of ₹ 1,545 crore for the NCD programme, ₹ 3,455 crore for the subordinate debt programme.

Short term debt rating

- "CRISIL A1+" for its short-term debt programme with a programme size of ₹ 15,000 crore
- "CRISIL A1+" for its short-term bank loan facilities
- "ICRA A1+" for its short-term debt programme with a programme size of ₹ 15,000 crore
- "IND A1+" for its short-term bank loan facilities

All of the above ratings indicate a high degree of safety with regard to timely payment of interest and principal.

RBI guidelines

The Company continues to fulfill all the norms and standards laid down by the RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norm of 15%, the capital adequacy ratio of the Company was 24.71% as on 31 March 2018. In line with the RBI guidelines for asset liability management (ALM) system for NBFCs, the Company has an Asset Liability Committee which meets monthly to review its ALM risks and opportunities.

The Company is also in compliance with the NBFC - Corporate Governance (Reserve Bank) Directions, 2015.

Policy on dividend distribution

The policy on dividend distribution is given in the annexed 'Corporate Governance Report'.

Presentation of financial statements

The financial statements of the Company for the year ended 31 March 2018 have been disclosed as per schedule III to the Companies Act, 2013.

Consolidated financial statements

The directors also present the audited consolidated financial statements, incorporating the duly audited financial statements of the subsidiaries, prepared in compliance with the Companies Act, 2013, Accounting Standard-21 and the Listing Regulations.

A separate statement containing the salient features of its subsidiaries in the prescribed Form AOC-1 is attached to the standalone financial statements.

Statutory disclosures

- A summary of the key financials of the Company's subsidiaries is included in this Annual Report. A copy of audited financial statements for each of the subsidiary companies will be made available to the members of the Company, seeking such information at any point of time.
- The audited financial statements for each of the subsidiary companies will be made available for inspection by any member of the Company at its registered office during 10.00 a.m. to 12 noon.
- The financial results are placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relations-financial-information>
- Details as required under the provisions of section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this Report.
- Details as required under the provisions of section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any member on request, as per provisions of section 136(1) of the said Act.
- The directors' responsibility statement as required by section 134(5) of the Companies Act, 2013, appears in a preceding paragraph.
- Pursuant to the provisions of the Companies Act, 2013, no fraud was reported by auditors of the Company to the Audit Committee during FY2018.

- Disclosures as prescribed by Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and other NBFC regulations have been made in this Annual Report.
- Pursuant to RBI Master Direction-Information Technology Framework for the NBFC sector, the Company has constituted an IT Strategy Committee to review the IT strategies in line with the corporate strategies, board policy reviews, cyber security arrangements and any other matter related to IT governance.
- Cash Flow Statement for FY2018 is attached to the Balance Sheet.
- The Company has a policy on prevention of sexual harassment at the workplace. No case of sexual harassment was reported during FY2018.

Inclusion in NIFTY 50 Index

With effect from 29 September 2017, the Company has been included in the NIFTY 50 Index of National Stock Exchange of India Ltd.

Mint Corporate Strategy Award - 'Shaping' category

During FY2018, BFL has been conferred the prestigious Mint Corporate Strategy Award - 'Shaping' category in recognition of excellence in corporate governance.

The nominated firms are evaluated for one of the four strategic environments, namely – Classic, Adaptive, Shaping and Renewal. The parameters of evaluation were Gross sales (CAGR), Profit margin (%), Return on Capital Employed (ROCE) (%), Debt Equity Ratio (D/E) and Soft score.

Corporate governance

Pursuant to the Listing Regulations, a separate section titled 'Corporate Governance' has been included in this Annual Report, along with the Reports on 'Management Discussion and Analysis' and 'General Shareholder Information'.

All Board members and Senior Management personnel have affirmed compliance with the code of conduct for FY2018. A declaration to this effect signed by the Managing Director of the Company is included in this Annual Report.

The Managing Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as specified in the Listing Regulations.

A certificate from auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report.

Business responsibility report

Pursuant to the provisions of the Listing Regulations, the Company is required to give Business Responsibility Report ('BRR') in the Annual Report.

As a green initiative, the BRR for FY2018 has been placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relation-annual-reports> A physical copy of the BRR will be made available to any members on request.

Secretarial standards of ICSI

Pursuant to the approval from the Ministry of Corporate Affairs (MCA), the Institute of Company Secretaries of India (ICSI) has, on 14 June 2017, revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) effective from 1 October 2017. The Company is compliant with the same.

EMI Network Card goes digital on the Bajaj Finserv Wallet App



Insta Credit

With the Bajaj Finserv Wallet App, you can now transfer Rs. 5,000 to your Wallet balance using your digital EMI Network Card



Digital EMI Card

No more hassle of carrying the EMI Network Card every time you go shopping. Activate your digital EMI Network Card on the Wallet app and enjoy hassle free shopping on the EMI Network.



Debit & Credit Facility

From shopping to bill payments, the Bajaj Finserv Wallet App lets you transact with ease of a few simple steps



Increased Security

With the Bajaj Finserv Wallet App, you can block or unblock your EMI Network Card giving you added security against physical fraud

BAJAJ FINANCE LIMITED

Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013, S R B C & CO LLP, Chartered Accountants, were appointed as statutory auditors of the Company at the 30th annual general meeting (AGM) of the Company for a period from the conclusion of the said AGM till the conclusion of the 35th AGM subject to ratification of their appointment by the members at every AGM held thereafter.

MCA vide its notification dated 7 May 2018, has brought into effect certain provisions of the Companies (Amendment) Act, 2017, thereby amending provisions of the Companies Act, 2013, including section 139 of the Act, whereby the requirement of ratification of appointment of statutory auditors at every subsequent AGM has been done away with.

However, pursuant to the provisions of Companies Act, 2013, a resolution to delegate the authority to the Board of Directors to fix the remuneration of statutory auditors of the Company for the years 2018-19 onwards is proposed in the notice of the ensuing AGM for the approval of the members.

The Audit Report submitted by S R B C & CO LLP, for FY2018 does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013, the Board has re-appointed Shyamprasad D Limaye, company secretary in practice (FCS No. 1587, CP No. 572), to undertake secretarial audit of the Company.

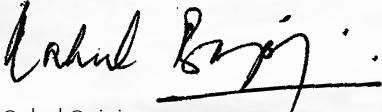
A report from the secretarial auditor in the prescribed Form MR-3 is annexed to this Report. The same does not contain any qualification, reservation or adverse remark or disclaimer.

Acknowledgement

The Board of Directors takes this opportunity to express its sincere appreciation for the support and co-operation from its members, RBI and other regulators, banks, financial institutions and the trustees for debenture holders and FD holders.

The Board of Directors also places on record its sincere appreciation of the commitment and hard work put in by the Management and the employees of the Company and thanks them for yet another excellent year.

On behalf of the Board of Directors


Rahul Bajaj
Chairman

Pune: 17 May 2018

Annual Report on CSR activities

1. Brief outline of Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Introduction

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

Bajaj Group believes that the true and full measure of growth, success and progress lies beyond Balance Sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, the Bajaj Group addresses the needs of communities residing in the vicinity of its facilities, taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure and community development, and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment. It is the reason behind the smiles that light up a million faces.

Its goodwill resonates in the two simple words that live in the collective consciousness of Indians – 'Hamara Bajaj'.

Guiding principles

The Bajaj group believes that social investments should:

- **Benefit Generations:** The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for Self-Reliance and Growth:** To usher in a growth oriented society and thereby a very strong and prosperous nation- by educating each and every Indian.
- **Promote Health:** The Company believes that good health is a prerequisite for both education and productivity.
- **Encourage for Self Help:** To guide and do hand holding for self-help, individually and collectively, to create excellence for self and for the team.
- **Be Focused:** The Company believes that activities should be preferably focused around locations where the Company has its presence and hence can effectively guide, monitor and implement specific projects.
- **Target those who need it the most:** Care for the sections of the society that are socially and economically at the lowest rung irrespective of their religion or caste or language or colour.
- **Sustain Natural Resources:** The Company encourages balanced development and ensure least adverse impact on environment - 'Growth with Mother Nature's blessings'.

CSR policy

A detailed CSR policy was framed by the Company with the approval of the CSR Committee and the Board of Directors, on 14 May 2014. The policy, *inter alia*, covers the following:

- Philosophy
- Scope
- List of CSR activities
- Modalities of execution of projects/programmes
- Implementation through CSR cell
- Monitoring assessment of projects/programmes

CSR policy gives an overview of the projects or programmes which are proposed to be undertaken by the Company in the coming years.

The CSR policy is placed on the Company's website

<https://www.bajajfinserv.in/media/finance/downloads/corporate-social-responsibility-policy.pdf>

2. Composition of the CSR Committee:

The Company has constituted a Committee of the Board of Directors, titled 'Corporate Social Responsibility Committee' with the following members:

- Rahul Bajaj – Chairman
- Nanoo Pamnani – Member
- Sanjiv Bajaj – Member

During FY2018, the Committee met four times on: 11 July 2017, 17 August 2017, 20 November 2017 and 12 February 2018.

3. Average net profit of the Company for last three financial years prior to FY2018: ₹ 1,970.18 crore

4. Prescribed CSR expenditure (2% of the amount as in item No. 3 above): ₹ 39.40 crore

Society must profit from profit itself

The words of our founding father that inspire our CSR initiatives



The Corporate Social Responsibility (CSR) activities of Bajaj Finserv Group are guided by the vision and philosophy of its Founder, late Shri Jamnalal Bajaj, who embodied the concept of Trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Finserv Group believes that the true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Finserv Group takes sustainable initiatives in the areas of health, education, employability and women empowerment.



Healthcare



Education



Employability



Women
Empowerment

5. Details of CSR spent during the financial year:

Particulars		(₹ In Crore)					
a. Total amount to be spent		39.40					
b. Amount spent		39.56					
c. Amount unspent, if any (a-b)		Nil					
d. Manner in which the amount is spent is detailed below:							
Sr. No.	Name of implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of the project/programme (Local area or State/District)	Amount outlay/ approved	Amount spent direct/ overheads	Cumulative expenditure up to FY2018
1.	Bandhan Konnagar	Funding support to School for the Children for their Holistic and Optimistic Learning (SCHOOL)	Education (ii)	West Bengal	12.00	9.50	9.50
2.	Smile Train India	Free cleft reconstruction surgeries of children from poor families	Healthcare (i)	India	19.20	6.00	6.00
3.	Shri Vithalrao Joshi Charities Trust's BKL Walawalkar Hospital	Installation of medical equipments for Comprehensive Cardiac Care Centre	Healthcare (i)	Chiplun	3.20	2.90	2.90
4.	The Banyan	Medication, rehabilitation and training to people with mental illness	Healthcare (i)	Maharashtra, Tamil Nadu	6.00	2.00	6.00
5.	Poona blind Men Association	Construction of OT Complex	Healthcare (i)	Maharashtra	4.60	1.60	1.60
6.	Impact India Foundation	Supporting 3 Life Line Express Projects	Healthcare (i)	Rajasthan	3.00	1.41	1.41
7.	Ummeed Child Development Center	Funding support to children with developmental disabilities	Special Education (ii)	Mumbai	7.11	1.11	1.11
8.	Bhartiya Yuva Shakti Trust (BYST) c/o CII	Enhancing vocational skills, livelihood enhancement projects	Enhancing Vocational Skills, Livelihood Enhancement(ii)	New Delhi	1.00	1.00	1.00
9.	Hrudaya Cure a Little Heart Foundation	Funding support for 120 surgeries of children diagnosed with Congenital Heart Disease	Healthcare (i)	Hyderabad	1.00	1.00	1.00
10.	Others such as, JBGVS, Child Rights and You (CRY), Jeevoday Education Society, Ummeed Child Development Center, The Akanksa Foundation, Committed Communities Development Trust (CCDT), Parinaam Foundation, etc.	For different projects, such as Pilot on Bio Gas Grid, addressing issues of child health and nutrition, promoting education of mentally disabled children, treatment of children with developmental disabilities, funding support for promoting education, Crisis Intervention centre for children who are in crisis/orphan, livelihood enhancement projects for urban ultra poor families, etc.	Education (ii), Healthcare (i), Setting up Homes and Hostels (iii), Livelihood enhancement (ii), etc.	For different locations in Maharashtra, Rajasthan, Bengaluru and PAN-India	27.45	12.45	19.27
		Total (A)			38.97		
		Overhead expenses (restricted to 5% of total CSR expenditure) (B)			0.59		
		Grand Total (A+B)			39.56		

Note:

All amount mentioned above as spent relate to amount spent through implementing agency, unless stated otherwise.

6. In case the Company fails to spend the 2% of the average net profit of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board Report:

Not applicable since 2% of the average net profit of the last three financial years has been spent as shown above.

In addition to what is stated above, Bajaj Group implements many CSR initiatives of substantial value through its Group Charitable Trusts operating at various locations in the country. Major initiatives that continued and/or that were taken up anew by the Bajaj Group through such entities during FY2018 are given in an annexure to this report. This annexure is placed on the Company's website <https://www.bajajfinserv.in/finance-investor-relation-annual-reports> and a physical copy of the same will be made available to any member on request.

7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:

The CSR Committee confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Rahul Bajaj
Chairman of the Committee

Rajeev Jain
Managing Director

Pune: 17 May 2018

Extract of annual return (Form MGT-9)

As on 31 March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

Particulars	Details
CIN	L65910MH1987PLC042961
Registration date	25 March 1987
Name of the Company	Bajaj Finance Ltd.
Category/Sub-category of the Company	Public Company, Limited by shares, NBFC
Address of the registered office and contact details	Akurdi, Pune - 411 035 Tel No.: (020) 30186403 Fax No.: (020) 30186364 Email ID: investor.service@bajajfinserv.in website: www.bajajfinserv.in/finance
Whether listed company	Yes (BSE Ltd. and National Stock Exchange of India Ltd.)
Name, Address and Contact details of the Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
	Contact Persons: M S Madhusudan/Mohd. Mohsinuddin Tel No.: (040) 67162222 Fax No.: (040) 23001153 Toll Free No.: 18003454001 Email ID: mohsin.mohd@karvy.com / einward.ris@karvy.com Website: www.karvy.com

II. Principal business activities of the Company

Sr. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Non-Banking Finance Company engaged in lending and allied activities	65923	100

III. Particulars of holding, subsidiary and associate companies

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held as on 31 March 2018	Applicable section
1.	Bajaj Finserv Ltd. Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi - 411035	L65923PN2007PLC130075	Holding	54.99	2(46)
2.	Bajaj Housing Finance Ltd. Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi - 411 035	U65910PN2008PLC132228	Subsidiary	100.00	2(87)(ii)
3.	Bajaj Financial Securities Ltd. Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi - 411 035	U67120PN2010PLC136026	Subsidiary	100.00	2(87)(ii)

IV. Shareholding pattern (Equity share capital breakup as percentage of total equity)

i) Category-wise shareholding

Category of shareholders	No. of shares held at the beginning of the year (as on 1 April 2017)				No. of shares held at the end of the year (as on 31 March 2018)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters and promoter group									
(1) Indian									
a) Individual/HUF	766,000	0	766,000	0.14	861,015	0	861,015	0.15	0.01
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	317,817,070	0	317,817,070	57.80	317,817,070	0	317,817,070	54.99	(2.81)
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	318,583,070	0	318,583,070	57.94	318,678,085	0	318,678,085	55.14	(2.80)
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of promoters and promoter group (A) = (A)(1) + (A)(2)									
	318,583,070	0	318,583,070	57.94	318,678,085	0	318,678,085	55.14	(2.80)
B. Public shareholding									
(1) Institutions									
a) Mutual Funds/AIF	29,297,761	14,000	29,311,761	5.33	46,042,389	1,000	46,043,389	7.97	2.64
b) Banks/FI	324,543	7,000	331,543	0.06	957,670	5,000	962,670	0.17	0.11
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s).	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	4,883,999	0	4,883,999	0.84	0.84
g) FIIs/FPIs	105,896,219	0	105,896,219	19.26	112,459,901	0	112,459,901	19.46	0.20
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	135,518,523	21,000	135,539,523	24.65	164,343,959	6,000	164,349,959	28.44	3.79
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	30,357,192	76,280	30,433,472	5.53	28,990,113	42,780	29,032,893	5.02	(0.51)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	36,661,096	2,475,920	39,137,061	7.12	37,628,227	1,833,847	39,462,074	6.82	(0.30)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	16,460,927	100,000	16,560,927	3.01	15,259,389	100,000	15,359,389	2.66	(0.35)

i) Category-wise shareholding (Contd.)

Category of shareholders	No. of shares held at the beginning of the year (as on 1 April 2017)			No. of shares held at the end of the year (as on 31 March 2018)			% change during the year		
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) Others (specify)									
i) Directors	763,975	0	763,975	0.14	753,975	0	753,975	0.13	(0.01)
ii) Clearing Members	420,178	0	420,178	0.08	1,196,051	0	1,196,051	0.21	0.13
iii) Non Resident Indians	3,318,874	10,350	3,329,224	0.60	3,474,529	5,350	3,479,879	0.60	0.00
iv) NRI Non-Repatriation	1,388,487	0	1,388,487	0.25	1,714,578	0	1,714,578	0.30	0.05
v) Trusts	3,734,218	0	3,734,218	0.68	3,596,415	0	3,596,415	0.62	(0.06)
vi) Foreign Nationals	0	0	0	0	0	0	0	0	0
vii) IEPF	0	0	0	0	345,090	0	345,090	0.06	0.06
Sub-total (B)(2)	93,104,947	2,662,550	95,767,497	17.41	92,958,367	1,981,977	94,940,344	16.42	(0.99)
Total Public Shareholding (B)=(B)(1) + (B)(2)	228,623,470	2,683,550	231,307,020	42.06	257,302,326	1,987,977	259,290,303	44.86	2.80
C. Shares held by Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	547,206,540	2,683,550	549,890,090	100.00	575,980,411	1,987,977	577,968,388	100.00	0

ii) Shareholding of promoters and promoter group

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)			Shareholding at the end of the year (as on 31 March 2018)			% change in shareholding during the year	
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares		
1.	Bajaj Finserv Ltd.	317,816,130	57.80	0	317,816,130	54.99	0	(2.81)	
2.	Rahul Bajaj	186,000	0.03	0	186,000	0.03	0	0.00	
3.	Madhur Bajaj	186,000	0.03	0	186,000	0.03	0	0.00	
4.	Jamnalal Sons Pvt. Ltd.	940	0.00	0	940	0.00	0	0.00	
5.	Sanjiv Bajaj	394,000	0.07	0	482,000	0.08	0	0.01	
6.	Suman Jain	0	0	0	7,015	0.00	0	0.00	
	Total	318,583,070	57.94	0	318,678,085	*55.14	0	(2.80)	

^{*}change in % of the promoters' and promoter group's shareholding as compared to the shareholding as on 1 April 2017 is due to the allotment of equity shares through Qualified Institutions Placement to Qualified Institutional Buyers and to the Trustees of BFL Employee Welfare Trust under the Employee Stock Option Scheme, 2009 of the Company.

iii) Change in promoters' and promoter group's shareholding

Name of shareholder	Particulars	Shareholding at the beginning of the year (as on 1 April 2017)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	318,583,070	57.94		
Suman Jain	11 July 2017 Purchase	7,015	0.00	318,590,085	57.94
Sanjiv Bajaj	8 December 2017 Purchase	88,000	0.02	318,678,085	55.28
	At the end of the year	318,678,085	*55.14		

*change in % of the promoters' and promoter group's shareholding as compared to the shareholding as on 1 April 2017 is mainly due to the allotment of equity shares through Qualified Institutions Placement to Qualified Institutional Buyers and to the Trustees of BFL Employee Welfare Trust under the Employee Stock Option Scheme, 2009 of the Company.

iv) Shareholding pattern of top ten shareholders (Other than directors, promoters and holders of GDRs and ADRs)

Sr. No.	Name of shareholder	Particulars	Shareholding at the beginning of the year (as on 1 April 2017)		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Maharashtra Scooters Ltd.	At the beginning of the year				
			18,974,660	3.45		
		At the end of the year (31 March 2018)			18,974,660	*3.28
2.	Government of Singapore	At the beginning of the year				
		07 April 2017 Sale	(4,801)	(0.00)	14,083,188	2.56
		14 April 2017 Sale	(6,977)	(0.00)	14,076,211	2.56
		21 April 2017 Sale	(1,703)	(0.00)	14,074,508	2.56
		28 April 2017 Sale	(751)	(0.00)	14,073,757	2.56
		05 May 2017 Sale	(123,205)	(0.02)	13,950,552	2.54
		26 May 2017 Sale	(1,998)	(0.00)	13,948,554	2.54
		02 June 2017 Sale	(47,158)	(0.01)	13,901,396	2.53
		09 June 2017 Purchase	8,024	0.00	13,909,420	2.53
		23 June 2017 Sale	(1,832)	(0.00)	13,907,588	2.53
		30 June 2017 Sale	(195,200)	(0.04)	13,712,388	2.49
		07 July 2017 Purchase	20,250	0.00	13,732,638	2.50
		21 July 2017 Sale	(28,511)	(0.01)	13,704,127	2.49
		11 August 2017 Purchase	5,408	0.00	13,709,535	2.49
		18 August 2017 Sale	(2,146)	(0.00)	13,707,389	2.49
		01 September 2017 Sale	(46,967)	(0.01)	13,660,422	2.48
		08 September 2017 Sale	(88,906)	(0.02)	13,571,516	2.47
		15 September 2017 Purchase	9,447,775	1.64	23,019,291	3.99
		22 September 2017 Sale	(12,380)	(0.00)	23,006,911	3.99
		06 October 2017 Purchase	12,212	0.00	23,019,123	3.99
		27 October 2017 Sale	(49,042)	(0.01)	22,970,081	3.98
		03 November 2017 Purchase	20,197	0.00	22,990,278	3.99
		17 November 2017 Sale	(1,307)	(0.00)	22,988,971	3.99
		01 December 2017 Sale	(72,807)	(0.01)	22,916,164	3.97
		08 December 2017 Sale	(172,060)	(0.03)	22,744,104	3.95
		15 December 2017 Sale	(8,703)	(0.00)	22,735,401	3.94
		22 December 2017 Sale	(7,795)	(0.00)	22,727,606	3.94
		05 January 2018 Purchase	59,147	0.01	22,786,753	3.95
		12 January 2018 Sale	(140,123)	(0.02)	22,646,630	3.93

*change in % as compared to the shareholding as on 1 April 2017 is mainly due to the allotment of equity shares through Qualified Institutions Placement to Qualified Institutional Buyers and to the Trustees of BFL Employee Welfare Trust under the Employee Stock Option Scheme, 2009 of the Company.

**iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)			Cumulative shareholding during the year	
		Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		19 January 2018 Sale	(484,799)	(0.08)	22,161,831	3.84
		26 January 2018 Purchase	31,176	0.01	22,193,007	3.85
		02 February 2018 Sale	(77,975)	(0.01)	22,115,032	3.84
		09 February 2018 Sale	(4,885)	(0.00)	22,110,147	3.84
		16 February 2018 Sale	(31,060)	(0.01)	22,079,087	3.83
		02 March 2018 Sale	(38,533)	(0.01)	22,040,554	3.81
		09 March 2018 Sale	(48,199)	(0.01)	21,992,355	3.81
		30 March 2018 Purchase	19,675	0.00	22,012,030	3.81
		At the end of the year (31 March 2018)			22,012,030	3.81
3.	Smallcap World Fund, Inc	At the beginning of the year	6,087,160	1.11		
		02 March 2018 Sale	(533,671)	(0.09)	5,553,489	0.96
		09 March 2018 Sale	(316,329)	(0.05)	5,237,160	0.91
		At the end of the year (31 March 2018)			5,237,160	0.91
4.	Axis Mutual Fund Trustee Ltd. A/C Axis Mutual Fund	At the beginning of the year	5,740,767	1.04		
		14 April 2017 Purchase	200,000	0.04	5,940,767	1.08
		21 April 2017 Purchase	78,605	0.01	6,019,372	1.09
		28 April 2017 Sale	(4,000)	(0.00)	6,015,372	1.09
		05 May 2017 Purchase	100,000	0.02	6,115,372	1.11
		12 May 2017 Purchase	75,000	0.01	6,190,372	1.13
		19 May 2017 Sale	(11,000)	(0.00)	6,179,372	1.12
		26 May 2017 Sale	(50,079)	(0.01)	6,129,293	1.11
		26 May 2017 Purchase	32,000	0.01	6,161,293	1.12
		09 June 2017 Sale	(110,000)	(0.02)	6,051,293	1.10
		16 June 2017 Sale	(17,800)	(0.00)	6,033,493	1.10
		23 June 2017 Purchase	585,000	0.11	6,618,493	1.20
		30 June 2017 Purchase	35,000	0.01	6,653,493	1.21
		07 July 2017 Purchase	100,000	0.02	6,753,493	1.23
		14 July 2017 Purchase	275,000	0.05	7,028,493	1.28
		21 July 2017 Sale	(500,364)	(0.09)	6,528,129	1.19
		21 July 2017 Purchase	188,000	0.03	6,716,129	1.22
		28 July 2017 Purchase	100,517	0.02	6,816,646	1.24
		04 August 2017 Sale	(314,850)	(0.06)	6,501,796	1.18
		04 August 2017 Purchase	272,483	0.05	6,774,279	1.23
		11 August 2017 Sale	(25,853)	(0.00)	6,748,426	1.23
		11 August 2017 Purchase	109,800	0.02	6,858,226	1.25
		18 August 2017 Sale	(381,940)	(0.07)	6,476,286	1.18
		18 August 2017 Purchase	45,000	0.01	6,521,286	1.19
		25 August 2017 Sale	(52,543)	(0.01)	6,468,743	1.18
		25 August 2017 Purchase	10,000	0.00	6,478,743	1.18
		01 September 2017 Purchase	35,000	0.01	6,513,743	1.18
		08 September 2017 Sale	(623,398)	(0.11)	5,890,345	1.07
		08 September 2017 Purchase	3,400	0.00	5,893,745	1.07
		15 September 2017 Purchase	295,857	0.05	6,189,602	1.04
		15 September 2017 Sale	(4,000)	(0.00)	6,185,602	1.07
		22 September 2017 Sale	(89,154)	(0.02)	6,096,448	1.06

**iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)			Cumulative shareholding during the year		
		Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
		29 September 2017	Sale	(30,710)	(0.01)	6,065,738	1.05
		06 October 2017	Purchase	505	0.00	6,066,243	1.05
		13 October 2017	Sale	(50,753)	(0.01)	6,015,490	1.04
		27 October 2017	Purchase	100,000	0.02	6,115,490	1.06
		31 October 2017	Sale	(31)	(0.00)	6,115,459	1.06
		10 November 2017	Purchase	100,000	0.02	6,215,459	1.08
		10 November 2017	Sale	(99,000)	(0.02)	6,116,459	1.06
		17 November 2017	Purchase	17,000	0.00	6,133,459	1.06
		24 November 2017	Purchase	362,000	0.06	6,495,459	1.13
		01 December 2017	Sale	(34,000)	(0.01)	6,461,459	1.12
		01 December 2017	Purchase	58,000	0.01	6,519,459	1.13
		08 December 2017	Sale	(170,309)	(0.03)	6,349,150	1.10
		08 December 2017	Purchase	235,000	0.04	6,584,150	1.14
		15 December 2017	Sale	(162,744)	(0.03)	6,421,406	1.11
		15 December 2017	Purchase	161,000	0.03	6,582,406	1.14
		22 December 2017	Purchase	569,538	0.10	7,151,944	1.24
		22 December 2017	Sale	(600,000)	(0.10)	6,551,944	1.14
		29 December 2017	Sale	(110,000)	(0.02)	6,441,944	1.12
		29 December 2017	Purchase	600,000	0.10	7,041,944	1.22
		05 January 2018	Sale	(32)	(0.00)	7,041,912	1.22
		12 January 2018	Purchase	50,000	0.01	7,091,912	1.23
		26 January 2018	Purchase	125,003	0.02	7,216,915	1.25
		26 January 2018	Sale	(11,865)	(0.00)	7,205,050	1.25
		02 February 2018	Purchase	326,000	0.06	7,531,050	1.31
		02 February 2018	Sale	(1,999)	(0.00)	7,529,051	1.31
		09 February 2018	Purchase	595,000	0.10	8,124,051	1.41
		16 February 2018	Sale	(50,000)	(0.01)	8,074,051	1.40
		09 March 2018	Purchase	250,000	0.04	8,324,051	1.44
		16 March 2018	Purchase	149,990	0.03	8,474,041	1.47
		16 March 2018	Sale	(22,578)	(0.00)	8,451,463	1.46
		23 March 2018	Purchase	21,010	0.00	8,472,473	1.47
		30 March 2018	Sale	(329,604)	(0.06)	8,142,869	1.41
		30 March 2018	Purchase	59,788	0.01	8,202,657	1.42
		At the end of the year (31 March 2018)				8,202,657	1.42
5.	New Horizon Opportunities Master Fund	At the beginning of the year					
		07 July 2017	Sale	(60,000)	(0.01)	4,850,000	0.88
		01 December 2017	Sale	(59,000)	(0.01)	4,791,000	0.83
		08 December 2017	Sale	(141,000)	(0.02)	4,650,000	0.81
		At the end of the year (31 March 2018)				4,650,000	0.80
6.	Birla Sun Life Trustee Company Pvt. Ltd. A/C	At the beginning of the year					
		21 April 2017	Purchase	18,000	0.00	4,534,508	0.82
		28 April 2017	Sale	(124,000)	(0.02)	4,410,508	0.80
		28 April 2017	Purchase	12,500	0.00	4,423,008	0.80
		05 May 2017	Purchase	143,500	0.03	4,566,508	0.83
		12 May 2017	Purchase	11,000	0.00	4,577,508	0.83

**iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)		% of total shares of the Company	Cumulative shareholding during the year		
		Particulars	No. of shares		No. of shares	% of total shares of the Company	
		19 May 2017	Purchase	50,000	0.01	4,627,508	0.84
		26 May 2017	Purchase	65,000	0.01	4,692,508	0.85
		09 June 2017	Purchase	25,000	0.00	4,717,508	0.86
		16 June 2017	Sale	(18,000)	(0.00)	4,699,508	0.85
		21 July 2017	Sale	(17,500)	(0.00)	4,682,008	0.85
		28 July 2017	Sale	(83,000)	(0.02)	4,599,008	0.84
		11 August 2017	Sale	(145,000)	(0.03)	4,454,008	0.81
		18 August 2017	Sale	(21,000)	(0.00)	4,433,008	0.81
		18 August 2017	Purchase	150,000	0.03	4,583,008	0.83
		01 September 2017	Sale	(11,141)	(0.00)	4,571,867	0.83
		01 September 2017	Purchase	13,500	0.00	4,585,367	0.83
		08 September 2017	Sale	(110,000)	(0.02)	4,475,367	0.81
		15 September 2017	Purchase	2,466,295	0.43	6,941,662	1.20
		29 September 2017	Purchase	8,000	0.00	6,949,662	1.21
		06 October 2017	Purchase	20,835	0.00	6,970,497	1.21
		20 October 2017	Purchase	105,000	0.02	7,075,497	1.23
		27 October 2017	Purchase	113,000	0.02	7,188,497	1.25
		31 October 2017	Purchase	8,000	0.00	7,196,497	1.25
		10 November 2017	Sale	(5,000)	(0.00)	7,191,497	1.25
		17 November 2017	Purchase	12,543	0.00	7,204,040	1.25
		01 December 2017	Purchase	11,500	0.00	7,215,540	1.25
		08 December 2017	Sale	(401,500)	(0.07)	6,814,040	1.18
		08 December 2017	Purchase	12,000	0.00	6,826,040	1.18
		15 December 2017	Purchase	10,000	0.00	6,836,040	1.19
		29 December 2017	Sale	(57,000)	(0.01)	6,779,040	1.18
		12 January 2018	Sale	(297,500)	(0.05)	6,481,540	1.12
		12 January 2018	Purchase	8,600	0.00	6,490,140	1.13
		19 January 2018	Sale	(11,800)	(0.00)	6,478,340	1.12
		19 January 2018	Purchase	64	0.00	6,478,404	1.12
		26 January 2018	Sale	(98,000)	(0.02)	6,380,404	1.11
		02 February 2018	Sale	(21,500)	(0.00)	6,358,904	1.10
		09 February 2018	Sale	(116,275)	(0.02)	6,242,629	1.08
		16 February 2018	Sale	(195)	(0.00)	6,242,434	1.08
		02 March 2018	Sale	(35,580)	(0.01)	6,206,854	1.07
		02 March 2018	Purchase	32	0.00	6,206,886	1.07
		09 March 2018	Sale	(6,500)	(0.00)	6,200,386	1.07
		09 March 2018	Purchase	76	0.00	6,200,462	1.07
		16 March 2018	Sale	(26,000)	(0.00)	6,174,462	1.07
		23 March 2018	Sale	(102,158)	(0.02)	6,072,304	1.05
		23 March 2018	Purchase	32	0.00	6,072,336	1.05
		30 March 2018	Sale	(1,060)	(0.00)	6,071,276	1.05
		30 March 2018	Purchase	64	0.00	6,071,340	1.05
		At the end of the year (31 March 2018)				6,071,340	1.05

**iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)			Cumulative shareholding during the year	
		Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	Trustees of BFL Employee Welfare Trust	At the beginning of the year	3,057,500	0.56		
		06 April 2017 Transfer of shares on exercise of options	(39,000)	(0.01)	3,018,500	0.55
		24 April 2017 Transfer of shares on exercise of options	(2,000)	(0.00)	3,016,500	0.55
		04 May 2017 Transfer of shares on exercise of options	(4,500)	(0.00)	3,012,000	0.55
		08 May 2017 Transfer of shares on exercise of options	(6,250)	(0.00)	3,005,750	0.55
		16 May 2017 Transfer of shares on exercise of options	(11,250)	(0.00)	2,994,500	0.54
		18 May 2017 Transfer of shares on exercise of options	(11,250)	(0.00)	2,983,250	0.54
		19 May 2017 Transfer of shares on exercise of options	(123,500)	(0.02)	2,859,750	0.52
		22 May 2017 Transfer of shares on exercise of options	(1,750)	(0.00)	2,858,000	0.52
		23 May 2017 Transfer of shares on exercise of options	(3,300)	(0.00)	2,854,700	0.52
		24 May 2017 Transfer of shares on exercise of options	(8,500)	(0.00)	2,846,200	0.52
		25 May 2017 Transfer of shares on exercise of options	(18,500)	(0.00)	2,827,700	0.51
		26 May 2017 Transfer of shares on exercise of options	(65,750)	(0.01)	2,761,950	0.50
		29 May 2017 Transfer of shares on exercise of options	(112,550)	(0.02)	2,649,400	0.48
		30 May 2017 Transfer of shares on exercise of options	(97,490)	(0.02)	2,551,910	0.46
		31 May 2017 Transfer of shares on exercise of options	(16,750)	(0.00)	2,535,160	0.46
		03 June 2017 Transfer of shares on exercise of options	(16,930)	(0.00)	2,518,230	0.46
		06 June 2017 Transfer of shares on exercise of options	(8,250)	(0.00)	2,509,980	0.46
		07 June 2017 Transfer of shares on exercise of options	(3,250)	(0.00)	2,506,730	0.46
		12 June 2017 Transfer of shares on exercise of options	(18,400)	(0.00)	2,488,330	0.45
		13 June 2017 Transfer of shares on exercise of options	(20,150)	0.00	2,468,180	0.45

**iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)			Cumulative shareholding during the year		
		Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
		14 June 2017	Transfer of shares on exercise of options	(16,125)	(0.00)	2,452,055	0.45
		16 June 2017	Transfer of shares on exercise of options	(45,875)	(0.01)	2,406,180	0.44
		19 June 2017	Transfer of shares on exercise of options	(12,000)	(0.00)	2,394,180	0.44
		20 June 2017	Transfer of shares on exercise of options	(14,000)	(0.00)	2,380,180	0.43
		21 June 2017	Transfer of shares on exercise of options	(4,100)	(0.00)	2,376,080	0.43
		22 June 2017	Transfer of shares on exercise of options	(24,245)	(0.00)	2,351,835	0.43
		27 June 2017	Transfer of shares on exercise of options	(13,200)	(0.00)	2,338,635	0.43
		29 June 2017	Transfer of shares on exercise of options	(37,550)	(0.01)	2,301,085	0.42
		03 July 2017	Transfer of shares on exercise of options	(7,100)	(0.00)	2,293,985	0.42
		17 July 2017	Transfer of shares on exercise of options	(2,250)	(0.00)	2,291,735	0.42
		18 July 2017	Transfer of shares on exercise of options	(9,000)	(0.00)	2,282,735	0.42
		20 July 2017	Transfer of shares on exercise of options	(14,875)	(0.00)	2,267,860	0.41
		21 July 2017	Transfer of shares on exercise of options	(5,500)	(0.00)	2,262,360	0.41
		24 July 2017	Transfer of shares on exercise of options	(7,375)	(0.00)	2,254,985	0.41
		25 July 2017	Transfer of shares on exercise of options	(13,000)	(0.00)	2,241,985	0.41
		26 July 2017	Transfer of shares on exercise of options	(101,500)	(0.02)	2,140,485	0.39
		27 July 2017	Transfer of shares on exercise of options	(28,250)	(0.01)	2,112,235	0.38
		28 July 2017	Transfer of shares on exercise of options	(20,125)	(0.00)	2,092,110	0.38
		29 July 2017	Transfer of shares on exercise of options	(7,100)	(0.00)	2,085,010	0.38
		31 July 2017	Transfer of shares on exercise of options	(25,750)	(0.00)	2,059,260	0.37

**iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)			Cumulative shareholding during the year		
		Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
—	—	01 August 2017	Transfer of shares on exercise of options	(11,250)	(0.00)	2,048,010	0.37
—	—	02 August 2017	Transfer of shares on exercise of options	(17,750)	(0.00)	2,030,260	0.37
—	—	05 August 2017	Transfer of shares on exercise of options	(10,000)	(0.00)	2,020,260	0.37
—	—	07 August 2017	Transfer of shares on exercise of options	(10,850)	(0.00)	2,009,410	0.37
—	—	08 August 2017	Transfer of shares on exercise of options	(13,425)	(0.00)	1,995,985	0.36
—	—	10 August 2017	Transfer of shares on exercise of options	(33,500)	(0.01)	1,962,485	0.36
—	—	11 August 2017	Transfer of shares on exercise of options	(48,500)	(0.01)	1,913,985	0.35
—	—	14 August 2017	Transfer of shares on exercise of options	(5,750)	(0.00)	1,908,235	0.35
—	—	17 August 2017	Transfer of shares on exercise of options	(8,875)	(0.00)	1,899,360	0.35
—	—	18 August 2017	Transfer of shares on exercise of options	(14,900)	(0.00)	1,884,460	0.34
—	—	24 August 2017	Transfer of shares on exercise of options	(9,750)	(0.00)	1,874,710	0.34
—	—	29 August 2017	Transfer of shares on exercise of options	(53,000)	(0.01)	1,821,710	0.33
—	—	30 August 2017	Transfer of shares on exercise of options	(4,000)	(0.00)	1,817,710	0.33
—	—	31 August 2017	Transfer of shares on exercise of options	(22,825)	(0.00)	1,794,885	0.33
—	—	04 September 2017	Transfer of shares on exercise of options	(3,050)	(0.00)	1,791,835	0.33
—	—	15 September 2017	Transfer of shares on exercise of options	(1,350)	(0.00)	1,790,485	0.31
—	—	22 September 2017	Transfer of shares on exercise of options	(4,775)	(0.00)	1,785,710	0.31
—	—	23 September 2017	Transfer of shares on exercise of options	(1,500)	(0.00)	1,784,210	0.31
—	—	26 September 2017	Transfer of shares on exercise of options	(1,155)	(0.00)	1,783,055	0.31
—	—	28 September 2017	Transfer of shares on exercise of options	(3,600)	(0.00)	1,779,455	0.31
—	—	06 October 2017	Transfer of shares on exercise of options	(750)	(0.00)	1,778,705	0.31

**iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)			Cumulative shareholding during the year		
		Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
		10 October 2017	Transfer of shares on exercise of options	(2,500)	(0.00)	1,776,205	0.31
		12 October 2017	Transfer of shares on exercise of options	(51,750)	(0.01)	1,724,455	0.30
		17 October 2017	Transfer of shares on exercise of options	(16,925)	(0.00)	1,707,530	0.30
		18 October 2017	Transfer of shares on exercise of options	(600)	(0.00)	1,706,930	0.30
		25 October 2017	Transfer of shares on exercise of options	(500)	(0.00)	1,706,430	0.30
		31 October 2017	Transfer of shares on exercise of options	(4,050)	(0.00)	1,702,380	0.30
		07 November 2017	Transfer of shares on exercise of options	(500)	(0.00)	1,701,880	0.30
		15 November 2017	Transfer of shares on exercise of options	(8,300)	(0.00)	1,693,580	0.29
		20 November 2017	Transfer of shares on exercise of options	(8,000)	(0.00)	1,685,580	0.29
		21 November 2017	Transfer of shares on exercise of options	(2,000)	(0.00)	1,683,580	0.29
		30 November 2017	Transfer of shares on exercise of options	(5,175)	(0.00)	1,678,405	0.29
		04 December 2017	Transfer of shares on exercise of options	(510)	(0.00)	1,677,895	0.29
		07 December 2017	Transfer of shares on exercise of options	(49,500)	(0.01)	1,628,395	0.28
		12 December 2017	Transfer of shares on exercise of options	(3,000)	(0.00)	1,625,395	0.28
		18 December 2017	Transfer of shares on exercise of options	(450)	(0.00)	1,624,945	0.28
		02 January 2018	Transfer of shares on exercise of options	(9,750)	(0.00)	1,615,195	0.28
		05 January 2018	Transfer of shares on exercise of options	(2)	(0.00)	1,615,193	0.28
		06 January 2018	Transfer of shares on exercise of options	(1,250)	(0.00)	1,613,943	0.28
		09 January 2018	Transfer of shares on exercise of options	(5,325)	0.00	1,608,618	0.28
		19 January 2018	Transfer of shares on exercise of options	(4,373)	(0.00)	1,604,245	0.28
		23 January 2018	Transfer of shares on exercise of options	(25,500)	(0.00)	1,578,745	0.27

**iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)			Cumulative shareholding during the year		
		Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
		24 January 2018	Transfer of shares on exercise of options	(500)	(0.00)	1,578,245	0.27
		31 January 2018	Transfer of shares on exercise of options	(28,750)	(0.00)	1,549,495	0.27
		02 February 2018	Transfer of shares on exercise of options	(400)	(0.00)	1,549,095	0.27
		03 February 2018	Transfer of shares on exercise of options	(1,500)	(0.00)	1,547,595	0.27
		07 February 2018	Transfer of shares on exercise of options	(250)	(0.00)	1,547,345	0.27
		08 February 2018	Transfer of shares on exercise of options	(9,000)	(0.00)	1,538,345	0.27
		09 February 2018	Transfer of shares on exercise of options	(6,725)	(0.00)	1,531,620	0.27
		21 February 2018	Transfer of shares on exercise of options	(4,750)	(0.00)	1,526,870	0.26
		22 February 2018	Allotment of shares	1,451,080	0.25	2,977,950	0.52
		28 February 2018	Transfer of shares on exercise of options	(2,000)	(0.00)	2,975,950	0.51
		01 March 2018	Transfer of shares on exercise of options	(2,500)	(0.00)	2,973,450	0.51
		06 March 2018	Transfer of shares on exercise of options	(15,000)	(0.00)	2,958,450	0.51
		13 March 2018	Transfer of shares on exercise of options	(4,000)	(0.00)	2,954,450	0.51
		19 March 2018	Transfer of shares on exercise of options	(110,000)	(0.02)	2,844,450	0.49
		28 March 2018	Transfer of shares on exercise of options	(10,250)	(0.00)	2,834,200	0.49
		At the end of the year (31 March 2018)				2,834,200	0.49
8.	Motilal Oswal Most Focused Midcap 30 Fund	At the beginning of the year		3,039,661	0.55		
		14 April 2017	Purchase	34,692	0.01	3,074,353	0.56
		05 May 2017	Sale	(79,872)	(0.01)	2,994,481	0.54
		26 May 2017	Purchase	103,999	0.02	3,098,480	0.56
		02 June 2017	Purchase	74,814	0.01	3,173,294	0.58
		09 June 2017	Purchase	36,996	0.01	3,210,290	0.58
		16 June 2017	Purchase	13,000	0.00	3,223,290	0.59
		23 June 2017	Purchase	3,388	0.00	3,226,678	0.59
		30 June 2017	Purchase	116,479	0.02	3,343,157	0.61
		21 July 2017	Purchase	92,000	0.02	3,435,157	0.62
		25 August 2017	Purchase	23,799	0.00	3,458,956	0.63

**iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)			Cumulative shareholding during the year		
		Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
		08 September 2017	Sale	(13,000)	(0.00)	3,445,956	0.63
		15 September 2017	Purchase	118,343	0.02	3,564,299	0.62
		15 September 2017	Sale	(10,331)	(0.00)	3,553,968	0.62
		22 September 2017	Sale	(5,300)	(0.00)	3,548,668	0.62
		29 September 2017	Sale	(30,000)	(0.01)	3,518,668	0.61
		29 September 2017	Purchase	43,500	0.01	3,562,168	0.62
		06 October 2017	Sale	(16,092)	(0.00)	3,546,076	0.62
		06 October 2017	Purchase	1,293	0.00	3,547,369	0.62
		13 October 2017	Sale	(25,683)	(0.00)	3,521,686	0.61
		20 October 2017	Sale	(6,370)	(0.00)	3,515,316	0.61
		27 October 2017	Purchase	62,000	0.01	3,577,316	0.62
		31 October 2017	Purchase	40,500	0.01	3,617,816	0.63
		03 November 2017	Sale	(29)	(0.00)	3,617,787	0.63
		10 November 2017	Sale	(33,534)	(0.01)	3,584,253	0.62
		17 November 2017	Sale	(302,462)	(0.05)	3,281,791	0.57
		24 November 2017	Sale	(11,310)	(0.00)	3,270,481	0.57
		08 December 2017	Purchase	70,000	0.01	3,340,481	0.58
		15 December 2017	Purchase	69,500	0.01	3,409,981	0.59
		26 January 2018	Sale	(19,801)	(0.00)	3,390,180	0.59
		02 February 2018	Purchase	75,000	0.01	3,465,180	0.60
		09 February 2018	Purchase	190,935	0.03	3,656,115	0.63
		09 February 2018	Sale	(10)	(0.00)	3,656,105	0.63
		16 February 2018	Purchase	42,676	0.01	3,698,781	0.64
		23 February 2018	Purchase	85,120	0.01	3,783,901	0.65
		02 March 2018	Purchase	122,212	0.02	3,906,113	0.68
		09 March 2018	Purchase	96,852	0.02	4,002,965	0.69
		16 March 2018	Purchase	15,247	0.00	4,018,212	0.70
		30 March 2018	Sale	(75,000)	(0.01)	3,943,212	0.68
		30 March 2018	Purchase	28,645	0.00	3,971,857	0.69
		At the end of the year (31 March 2018)				3,971,857	0.69

**iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs) (Contd.)**

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2017)			Cumulative shareholding during the year	
		Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9.	New World Fund Inc	At the beginning of the year	3,025,000	0.55		
		15 September 2017 Purchase	518,000	0.09	3,543,000	0.61
		24 November 2017 Sale	(292,000)	(0.05)	3,251,000	0.56
		At the end of the year (31 March 2018)			3,251,000	0.56
10.	Abu Dhabi Investment Authority - Behave	At the beginning of the year	3,015,508	0.55		
		21 April 2017 Sale	(374,390)	(0.07)	2,641,118	0.48
		19 May 2017 Sale	(218,089)	(0.04)	2,423,029	0.44
		26 May 2017 Sale	(10,200)	(0.00)	2,412,829	0.44
		02 June 2017 Sale	(6,745)	(0.00)	2,406,084	0.44
		16 June 2017 Sale	(472,946)	(0.09)	1,933,138	0.35
		23 June 2017 Purchase	2,370	0.00	1,935,508	0.35
		01 September 2017 Sale	(63,720)	(0.01)	1,871,788	0.34
		08 September 2017 Purchase	4,518	0.00	1,876,306	0.34
		15 September 2017 Purchase	1,080	0.00	1,877,386	0.33
		22 September 2017 Purchase	448	0.00	1,877,834	0.33
		22 September 2017 Sale	(168,220)	(0.03)	1,709,614	0.30
		13 October 2017 Sale	(73,900)	(0.01)	1,635,714	0.28
		27 October 2017 Sale	(208,100)	(0.04)	1,427,614	0.25
		17 November 2017 Sale	(66,030)	(0.01)	1,361,584	0.24
		24 November 2017 Sale	(117,392)	(0.02)	1,244,192	0.22
		01 December 2017 Sale	(5,195)	(0.00)	1,238,997	0.21
		08 December 2017 Sale	(2,541)	(0.00)	1,236,456	0.21
		02 March 2018 Purchase	11,127	0.00	1,247,583	0.22
		09 March 2018 Purchase	16,341	0.00	1,263,924	0.22
		23 March 2018 Sale	(3,366)	(0.00)	1,260,558	0.22
		30 March 2018 Purchase	6,582	0.00	1,267,140	0.22
		30 March 2018 Sale	(6,582)	(0.00)	1,260,558	0.22
		At the end of the year (31 March 2018)			1,260,558	0.22

v) Shareholding of directors and key managerial personnel

Sr. No.	Name of director and key managerial personnel	Shareholding of each director and each key managerial personnel	Shareholding at the beginning of the year (as on 1 April 2017)		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Rahul Bajaj	At the beginning of the year		186,000	0.03	
		At the end of the year (31 March 2018)			186,000	0.03
2.	Madhur Bajaj	At the beginning of the year		186,000	0.03	
		At the end of the year (31 March 2018)			186,000	0.03
3.	Sanjiv Bajaj	At the beginning of the year		394,000	0.07	
		08 December 2017	Purchase	88,000	0.02	482,000
		At the end of the year (31 March 2018)			482,000	0.08
4.	Rajendra Lakhotia	At the beginning of the year		763,975	0.14	
		08 June 2017	Sale	(6,000)	(0.00)	757,975
		09 June 2017	Sale	(4,000)	(0.00)	753,975
		At the end of the year (31 March 2018)			753,975	0.13
5.	Sandeep Jain	At the beginning of the year		0	0	
		22 May 2017	Purchase (ESOPs)	7,250	0.00	7,250
		06 November 2017	Purchase (ESOPs)	4,000	0.00	11,250
		20 March 2018	Purchase (ESOPs)	2,000	0.00	13,250
		At the end of the year (31 March 2018)			13,250	0.00
6.	Anant Damle	At the beginning of the year		83,580	0.02	
		22 May 2017	Purchase (ESOPs)	9,750	0.00	93,330
		15 November 2017	Purchase	50	0.00	93,380
		30 November 2017	Purchase	100	0.00	93,480
		01 December 2017	Purchase	20	0.00	93,500
		04 December 2017	Purchase	80	0.00	93,580
		06 December 2017	Purchase	20	0.00	93,600
		06 February 2018	Purchase	25	0.00	93,625
		21 February 2018	Purchase	25	0.00	93,650
		At the end of the year (31 March 2018)			93,650	0.02

V. Indebtedness

(Indebtedness of the Company including interest outstanding/accrued but not due for payment)

Particulars	(Amount in ₹)			
	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	359,678,886,070	91,536,125,093	41,281,569,386	492,496,580,549
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	13,811,939,616	1,864,325,110	1,548,775,243	17,225,039,969
Total (i+ii+iii)	373,490,825,686	93,400,450,203	42,830,344,629	509,721,620,518
Change in Indebtedness during the financial year				
● Addition	205,153,819,493	480,876,955,226	61,234,306,423	747,265,081,142
● Reduction	107,639,590,692	486,176,450,203	25,987,202,815	619,803,243,710
Net Change	97,514,228,801	(5,299,494,977)	35,247,103,608	127,461,837,431
Indebtedness at the end of the financial year				
i) Principal Amount	454,321,614,881	85,658,687,485	75,689,986,337	615,670,288,702
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	16,683,439,606	2,442,267,740	2,387,461,900	21,513,169,246
Total (i+ii+iii)	471,005,054,487	88,100,955,225	78,077,448,237	637,183,457,949

VI. Remuneration of directors and key managerial personnel

A. Remuneration to managing director, whole-time directors and/or manager

Sr. No.	Particulars of remuneration	Rajeev Jain (MD)
1.	Gross salary	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	90,417,876#
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	611,076
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	0
2.	Stock Options (perquisite value of stock options exercised during the year)	324,163,275
3.	Sweat Equity	0
4.	Commission	0
	- as % of profit	
	- others	
5.	Others	0
	Total (A)*	91,028,952
	Ceiling as per the Companies Act, 2013	2,034,701,499

* Does not include the perquisite value of stock options exercised during FY2018.

Includes ₹ 43,716,195 paid towards performance linked incentives and variable pay.

B. Remuneration to other directors:

Sr. No.	Name of director	Fee for attending Board/Committee meetings (₹)	Commission (₹)	Total amount (₹)
I. Independent directors				
1.	Nanoo Parmiani	800,000	11,600,000	12,400,000
2.	D S Mehta	550,000	1,100,000	1,650,000
3.	D J Balaji Rao	350,000	700,000	1,050,000
4.	Omkar Goswami	650,000	1,300,000	1,950,000
5.	Dipak Poddar	500,000	1,000,000	1,500,000
6.	Ranjan Sanghi	850,000	1,700,000	2,550,000
7.	Rajendra Lakhota	600,000	1,200,000	1,800,000
8.	Gita Piramal	450,000	900,000	1,350,000
Total (I)		4,750,000	19,500,000	24,250,000
II. Non-independent, non-executive				
1.	Rahul Bajaj	600,000	1,200,000	1,800,000
2.	Sanjiv Bajaj	9,50,000	1,900,000	2,850,000
3.	Madhur Bajaj	400,000	800,000	1,200,000
4.	Rajiv Bajaj	300,000	600,000	900,000
Total (II)		2,250,000	4,500,000	6,750,000
Total (B)=(I+II)		7,000,000	24,000,000	31,000,000
Total Managerial Remuneration (A+B)				
Overall ceiling as per the Companies Act, 2013				
4,476,343,298				

Note: Overall ceiling as per the Companies Act, 2013, is not applicable to sitting fees.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(Amount in ₹)

Sr. No.	Particulars of remuneration	Key managerial personnel		
		Sandeep Jain Chief Financial Officer	Anant Damle Company Secretary	Total
1.	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,030,093	5,634,211	24,664,304
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	832,400	246,940	1,079,340
c)	Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	0	0	0
2.	Stock Options (perquisite value of stock options exercised during the year)	18,437,595	11,042,265	29,479,860
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
-	as % of profit			
-	others			
5.	Others	0	0	0
Total*		19,862,493	5,881,151	25,743,644

*Does not include the perquisite value of stock options exercised during FY2018.

VII. Penalties/punishment/compounding of offences

During FY2018, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

Remuneration details under rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, for the financial year ended 31 March 2018

Name of director/key managerial personnel	Ratio of remuneration of director to median remuneration of employees	% Increase in remuneration in the financial year
A. Whole-time director		
Rajeev Jain - Managing Director	227.95	29.25
B. Non-executive directors		
Rahul Bajaj - Chairman	3.00	20.00
Nanoo Pamnani - Vice Chairman	28.97	(1.69)
Sanjiv Bajaj - Vice Chairman	4.74	5.56
Madhur Bajaj	2.00	14.29
Rajiv Bajaj	1.50	0.00
D S Mehta	2.75	(15.38)
D J Balaji Rao	1.75	16.67
Omkar Goswami	3.25	30.00
Dipak Poddar	2.50	25.00
Ranjan Sanghi	4.24	6.25
Rajendra Lakhota	3.00	20.00
Gita Piramal	2.25	28.57
C. Key managerial personnel		
Rajeev Jain - Managing Director	29.25	
Sandeep Jain - Chief Financial Officer	85.08	
Anant Damle - Company Secretary	7.50	
D. % increase in median remuneration of employees other than Managing Director		
		22.08
E. Number of permanent employees on the rolls of the Company as on 31 March 2018		
		14,840

Notes:

- Remuneration payable to non-executive directors is based on the number of meetings of the Board and/or Committees attended by them during the year.
- Remuneration to directors does not include sitting fee paid to them for attending Board and/or Committee meetings.
- As approved by the Board, Nanoo Pamnani, is being paid an additional commission of ₹1 crore, for certain additional services rendered by him during the year, at the request of the Management.

Notes on disclosures under rule 5

1. Average percentage increase in salary of employees other than Managing Director is 11.48%.
2. Percentage increase in remuneration of Managing Director is 29.25%. The increase in remuneration of Managing Director is keeping in view his duties and responsibilities, the performance of the Company and trend of remuneration in the industry.
3. The remuneration paid as above was as per the Remuneration Policy of the Company.

Secretarial audit report (Form MR-3)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2018

To The Members of
Bajaj Finance Ltd.
(CIN: L65910MH1987PLC042961)
Akurdi, Pune 411 035

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bajaj Finance Ltd. (hereinafter called as 'the Company'). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2018, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (vi) Rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Deposit taking Non-Banking Financial Companies with classification as a 'Loan Company'; which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, rules, regulations, directions, guidelines, standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive, non-executive and independent directors. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions were carried unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the period, the Company has:

1. on 12 September 2017, allotted 26,627,218 equity shares of face value of ₹ 2 to the Qualified Institutional Buyers under Qualified Institutions Placement.
2. on 22 February 2018, allotted 1,451,080 equity shares of face value of ₹ 2 to the trustees of BFL Employee Welfare Trust under ESOS 2009.
3. on 9 March 2018, increased the borrowing powers of the Company from ₹ 75,000 crore to ₹ 100,000 crore under section 180(1)(c) of the Companies Act, 2013 and creation of charge/security on the Company's assets with respect to borrowings up to a maximum of ₹ 100,000 crore under section 180(1)(a) of the Companies Act, 2013.
4. allotted debentures on private placement basis, from time to time totalling to an amount of ₹ 11,028.85 crore and complied with the rules and regulations under various Acts.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards.

Shyamprasad D Limaye
FCS No. 1587
CP No. 572

Pune: 17 May 2018

Independent Auditors' Report on compliance with the conditions of Corporate Governance

[As per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To the Members of
Bajaj Finance Ltd.
Pune

1. The Corporate Governance Report prepared by Bajaj Finance Ltd. (hereinafter 'the Company'), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ('the Listing Regulations') ('Applicable criteria') with respect to Corporate Governance for the year ended 31 March 2018. This report is required by the Company for annual submission to the stock exchanges and to be sent to the members of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified the composition of the Board of Directors;
 - iii. Obtained and read the minutes of the relevant committees consisting of directors from 1 April 2017 to 31 March 2018;

#ThePlaceToBe

What do you want to be?

A question you had millions of answers to while growing up

But one that now brings upon stories of nostalgia and long-lost paths

Did we give up on the dreams we started with?

Did we let go of the passion and burning desire to do something we Love?

Why?

We believe that passion makes great workplaces

A workplace that lets you pursue your best self

Drives openness of ideas and thoughts

Gives the flexibility to carve what you want to build

A place where you learn, achieve, stumble, still get up and go for GREAT

We've spent the last 10 years building such a workplace

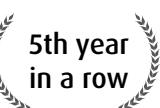
Where the only thing that matters is the unyielding passion to do

This is what shapes us

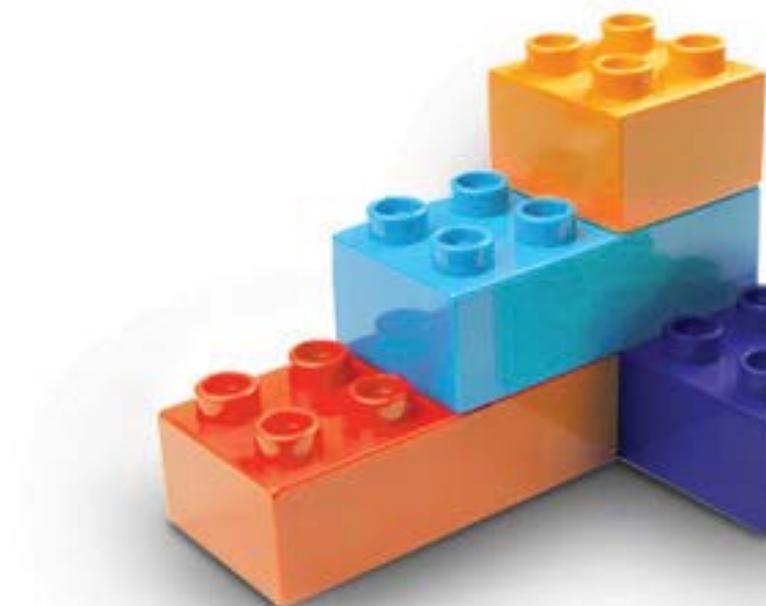
This is what defines us

This is what makes us

The Place To Be.



BAJAJ FINANCE LIMITED



- iv. Obtained necessary representations and declarations from directors of the Company including the independent directors;
- v. Verified documents necessary to ascertain relevant facts mentioned in the Corporate Governance Report; and
- vi. Performed necessary inquiries with the Management and also obtained necessary specific representations from Management.

The above mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable, for the year ended 31 March 2018, referred to in paragraph 2 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Arvind Sethi
Partner
Membership No: 089802

Pune: 17 May 2018

Declaration on Code of Conduct

To,

The Board of Directors

Bajaj Finance Ltd.

I, Rajeev Jain, Managing Director of Bajaj Finance Ltd. hereby declare that all the Board members and senior managerial personnel have affirmed compliance with the code of conduct of the Company laid down for them for the year ended 31 March 2018.

Rajeev Jain
Managing Director

Pune: 17 May 2018

Standalone Financial Statements

Independent Auditors' Report on the Standalone Financial Statements

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

We have audited the accompanying standalone financial statements of Bajaj Finance Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit, and its cash flows for the year ended on that date.

Other matter

The financial statements of the Company for the year ended 31 March 2017, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 17 May 2017.

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by Law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report;
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note no. 24 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
 Partner
 Membership Number: 089802
 Pune: 17 May 2018

Annexure 1 to Independent Auditors' Report

Annexure 1 referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the Management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the Management, the title deeds of immovable properties included in property, plant and equipment/fixed assets are held in the name of the Company.
2. The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
5. In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under, to the extent applicable, have been complied with. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
6. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.
7. (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the dues outstanding of income tax, sales tax,, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute, are as follows:

(₹ In Crore)

Name of the Statute	Nature of disputed dues	Amount disputed	Amount paid*	Period to which the amount relates	Forum where dispute is pending
Employees State Insurance Act, 1948	ESIC contribution	4.46	Nil	FY 1999-2000 to FY 2006-07	Employees State Insurance Court
Employees State Insurance Act, 1948	ESIC contribution	0.68	Nil	FY 1991-92 to FY 2002-03	Deputy Director Employee State Insurance Corporation
Income Tax Act, 1961	Income Tax	5.14	Nil	FY 2007-08, FY 2011-12 and FY 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.62	Nil	FY 1996-97 to FY 2002-03, FY 2005-06 and FY 2008-09	Income Tax Appellate Tribunal (Pune)
Income Tax Act, 1961	Income Tax	35.12	Nil	FY 1995-96 to FY 2010-11	Mumbai High Court
Finance Act, 1994	Service Tax	1243.79**	10.00	FY 2010-11 -September 2016	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	53.87	Nil	July 2012 to March 2016	Commissioner (Goods and Service Tax)
Finance Act, 1994	Service Tax	2.53	0.19	FY 2007-08 to September 2015	Customs, Excise and Service Tax Appellate Tribunal

Annexure 1 to Independent Auditors' Report (Contd.)

(₹ In Crore)

Name of the Statute	Nature of disputed dues	Amount disputed	Amount paid*	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	0.04	Nil	FY 2014-15 and FY 2015-16	Commissioner (Appeals)
Finance Act, 1994	Service Tax	0.54	0.03	FY 2012-13 and FY 2013-14	Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	Value Added Tax	0.86	Nil	FY 2005-06 to FY 2008-09	Additional Commissioner, Sales Tax
Kerala Value Added Tax Act, 2003	Value Added Tax	0.09	Nil	FY 2005-06	VAT Appellate Tribunal
Rajasthan Value Added Tax Act, 2003	Value Added Tax	1.29	Nil	FY 2008-09 to July 2014	Supreme Court of India
Rajasthan Value Added Tax Act, 2003	Value Added Tax	0.15	Nil	July 2014 to March 2017	VAT Appellate Tribunal

* paid under protest

** Includes interest and penalty

8. In our opinion and according to the information and explanations given by the Management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.
9. According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer or further public offer.
Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given by the Management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
13. According to the information and explanations given by the Management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has complied with provisions of section 42 of the Act in respect of the private placement of equity shares during the year. According to the information and explanations given by the Management, we report that the amount raised have been used for the purposes for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.
15. According to the information and explanations given by the Management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
16. According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 089802
Pune: 17 May 2018

Annexure 2 to Independent Auditors' Report

Annexure 2 referred to in paragraph 2 (f) under the heading 'Report on other legal and regulatory requirements' of our report of even date

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Bajaj Finance Ltd. (the 'Company') as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone financial statement.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

Annexure 2 to Independent Auditors' Report (Contd.)

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 089802
Pune: 17 May 2018

Balance Sheet

Particulars	Note No.	(₹ In Crore)		
		As at 31 March		
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	3	115.03	109.37	
Reserves and surplus	4	16,403.26	9,490.94	
		16,518.29	9,600.31	
Non-current liabilities				
Long-term borrowings	5	43,167.89	33,115.96	
Other long-term liabilities	6	487.53	484.87	
Long-term provisions	7	1,121.68	1,085.62	
		44,777.10	34,686.45	
Current liabilities				
Current maturities of long-term borrowings	5	7,827.83	7,211.27	
Short-term borrowings	8	10,571.31	8,922.42	
Trade payables	9			
– Total outstanding dues of micro enterprises and small enterprises		0.43	0.18	
– Total outstanding dues of creditors other than micro enterprises and small enterprises		453.56	308.86	
Other current liabilities	9	3,292.07	2,791.63	
Short-term provisions	7	188.43	209.32	
		22,333.63	19,443.68	
Total		83,629.02	63,730.44	
ASSETS				
Non-current assets				
Fixed assets	10			
– Property, plant and equipment		343.87	285.90	
– Intangible assets		120.79	75.23	
		464.66	361.13	
Non-current investments	11	2,365.58	1,090.30	
Deferred tax assets (net)	12	386.41	369.07	
Receivables under financing activity	13	43,807.32	32,028.10	
Long-term loans and advances	14	79.91	59.86	
		47,103.88	33,908.46	
Current assets				
Current investments	11	1,294.88	2,984.40	
Receivables under financing activity	13	34,203.92	25,654.78	
Cash and bank balances	15	228.73	325.80	
Short-term loans and advances	14	256.64	501.17	
Other current assets	16	540.97	355.83	
		36,525.14	29,821.98	
Total		83,629.02	63,730.44	

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Rajeev Jain
Managing Director

Rahul Bajaj
Chairman

per Arvind Sethi
Partner
Membership Number: 089802

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Vice Chairman

Pune: 17 May 2018

Anant Damle
Company Secretary

Nanoo Pamnani
Vice Chairman and
Chairman – Audit Committee

Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2018	2017
INCOME			
Revenue from operations	17	13,287.77	9,963.02
Other income	18	41.45	25.95
Total income (I)		13,329.22	9,988.97
EXPENDITURE			
Employee benefits expense	19	1,401.43	931.67
Finance costs	20	4,584.74	3,803.37
Depreciation and amortisation	10	101.96	71.16
Loan losses and provisions	21	1,030.19	803.89
Other expenses	22	2,154.54	1,561.36
Total expenditure (II)		9,272.86	7,171.45
Profit before tax (I-II)		4,056.36	2,817.52
Tax expense:			
- Current tax		1,427.00	1,070.00
- Deferred tax expense/(credit)		(17.34)	(89.03)
Total tax expense		1,409.66	980.97
Profit after tax		2,646.70	1,836.55
Earnings per share:	23		
(Nominal value per share ₹ 2)			
- Basic (₹)		47.05	34.01
- Diluted (₹)		46.57	33.67
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			
As per our report of even date		On behalf of the Board of Directors	
For S R B C & CO LLP Chartered Accountants ICAI Firm Registration Number: 324982E/E300003		Rajeev Jain Managing Director	Rahul Bajaj Chairman
per Arvind Sethi Partner Membership Number: 089802		Sandeep Jain Chief Financial Officer	Sanjiv Bajaj Vice Chairman
Pune: 17 May 2018		Anant Damle Company Secretary	Nanoo Pamnani Vice Chairman and Chairman – Audit Committee

Cash Flow Statement

(₹ In Crore)

Particulars	For the year ended 31 March	
	2018	2017
A. Cash flow from operating activities		
Profit before tax	4,056.36	2,817.52
Adjustments for:		
Depreciation and amortisation	101.96	71.16
Amortisation of premium on Government securities	1.63	1.13
Finance costs	4,584.74	3,803.37
Share issue expenses	-	0.09
Loan loss and provisions	1,030.19	803.89
Marked to market losses on investments	-	22.97
Liabilities no longer required written back	(7.07)	(7.81)
Provision no longer required	(12.54)	(12.44)
Profit on sale of investments	(198.90)	(162.19)
(Profit)/loss on sale of assets	0.37	(0.51)
	5,500.38	4,519.66
Cash from operations before working capital changes	9,556.74	7,337.18
Changes in working capital:		
Increase in trade payables	157.49	85.70
Increase in short-term provisions	0.72	2.80
Increase in long-term provisions	47.82	353.54
Increase in other current liabilities	95.45	1,226.76
Increase/(decrease) in other long-term liabilities	(14.96)	20.05
(Increase) in long-term loans and advances	(28.33)	(5.61)
(Increase)/decrease in short-term loans and advances	244.71	(43.42)
(Increase) in other current assets	(185.45)	(112.66)
	317.45	1,527.16
	9,874.19	8,864.34
Taxes paid (net of refunds)	(1,472.56)	(1,006.10)
Finance costs paid	(4,155.92)	(3,166.92)
	(5,628.48)	(4,173.02)
	4,245.71	4,691.32
(Increase) in receivables under financing activity, current	(8,549.14)	(7,161.10)
(Increase) in receivables under financing activity, non-current	(12,788.39)	(7,970.20)
	(21,337.53)	(15,131.30)
Net cash used in operating activities (A)	(17,091.82)	(10,439.98)
Carried forward	(17,091.82)	(10,439.98)

Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2018	2017
Brought forward	(17,091.82)	(10,439.98)
B. Cash flow from investing activities		
Capital expenditure including advances	(207.04)	(148.96)
Sale proceeds of property, plant and equipment and intangibles	1.02	3.25
Purchase of investments	(215,928.49)	(130,394.49)
Sale of investments	216,540.00	127,491.96
Net cash generated (used) from investing activities (B)	405.49	(3,048.24)
C. Cash flow from financing activities		
Dividends paid	(196.83)	(38.18)
Dividend distribution tax	(40.30)	(7.68)
Share issue expenses	(29.26)	(1.06)
Proceeds from borrowings	72,772.09	126,898.58
Repayment of borrowings	(60,454.72)	(114,673.63)
Issue of equity share capital (including securities premium)	4,537.97	337.91
Net cash generated from financing activities (C)	16,588.95	12,515.94
Net (decrease) in cash and cash equivalents (A+B+C)	(97.38)	(972.28)
Cash and cash equivalents at the beginning of the year	324.62	1,296.90
Cash and cash equivalents at the end of the year	227.24	324.62

Components of cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Cash and cash equivalents comprises of		
i. Cash on hand	60.86	44.06
ii. Balances with scheduled banks in current accounts	166.38	280.56
Total cash and cash equivalents at the end of the year	227.24	324.62

1. The above cash flow statement have been prepared under the indirect method set out in Accounting Standard-3, 'Cash Flow Statement' notified pursuant to the Companies (Accounts) Rules, 2014.
 2. All figures in brackets indicate outflow.

As per our report of even date

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
 Partner
 Membership Number: 089802

Pune: 17 May 2018

On behalf of the Board of Directors

Rajeev Jain
 Managing Director

Sandeep Jain
 Chief Financial Officer

Anant Damle
 Company Secretary

Rahul Bajaj
 Chairman

Sanjiv Bajaj
 Vice Chairman

Nanoo Pamnani
 Vice Chairman and
 Chairman - Audit Committee

Notes to financial statements for the year ended 31 March 2018

1 Corporate information

Bajaj Finance Ltd. ('the Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a non-banking financial company ('NBFC') registered with the Reserve Bank of India ('RBI') with effect from 5 March 1998 with Registration No. A-13.00243. The Company is engaged in the business of lending and primarily deals in financing of two and three-wheelers, consumer durables, small business loans, personal loans, mortgage loans, loan against securities, etc. The RBI vide its letter dated 7 October 2010, has re-classified the Company as a 'Loan Company' from an 'Asset Finance Company'.

2 Basis of preparation

The financial statements have been prepared in conformity with generally accepted accounting principles in India ('Indian GAAP') to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act, 2013 ('the Act'), read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on an accrual basis and under the historical cost convention except as detailed in note no. 2.1(j)(i).

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The complete financial statements have been prepared along with all disclosures.

All assets and liabilities have been classified as current and non-current as per the criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of its assets and liabilities, except for receivables considered doubtful, which are shown as non-current.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on Management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost includes purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

Gain or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

(c) Depreciation on property, plant and equipment

- i. Depreciation is provided on a pro rata basis for all property, plant and equipment on straight line method over the useful life of assets, except buildings which is determined on written down value method.
- ii. Depreciation on leasehold improvements is provided for on straight line method over the primary period of lease of premises.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

2.1 Summary of significant accounting policies (Contd.)

- iii. Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- iv. Assets having unit value up to ₹ 5,000 is charged off fully in the year of purchase of assets.
- v. Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013.
- vi. Property, plant and equipment which are depreciated over useful life different than those indicated in Schedule II are as under:

Nature of assets	Useful life as per Schedule II	Useful life adopted by the Company
Motor vehicles	8 years	4 years

(d) Intangible assets and amortisation thereof

Costs relating to acquisition and development of computer software are capitalised in accordance with the AS-26 'Intangible Assets' issued by the Institute of Chartered Accountants of India ('ICAI') and are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life.

(e) Impairment of assets

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment, based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investment are carried in the financial statements at lower of cost and fair value except for certificate of deposits, commercial papers and treasury bills, which are valued at carrying cost determined in accordance with the NBFC Master Directions.

Quoted current investments for the purpose of valuation are grouped under categories and are carried at lower of cost or market value/net realisable value for each category.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Long-term fixed income securities are stated at cost less amortisation of premium/discount as the case may be.
[Refer note no. 2.1 (j)(ii)(d)]

(g) Receivables under financing activity and provisioning/write-off of Assets

Receivables under financing activity represent principal and matured finance charges outstanding at the close of the year but net of amount written off.

The provisioning/write-off on overdue assets is as per the Management estimates, subject to the minimum provision required as per the NBFC Master Directions.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

2.1 Summary of significant accounting policies (Contd.)

The Company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets (NPAs) and delinquent assets not yet NPAs as considered necessary including by accelerating provision to an early stage based on past experience, emerging trends and estimates which is disclosed under 'Long-term provisions' in note no.7 to the financial statements. However, the Company ensures that the said provisions are not lower than the provisions stipulated in the NBFC Master Directions.

Contingent provision against standard asset, as required by the NBFC Master Directions, is also made by the Company on the standard assets outstanding which is disclosed under 'Provisions' in note no. 7 to the financial statements.

(h) Operating leases

As a lessee: Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

(i) Foreign currency translation

Initial recognition:

Foreign currency transactions are recorded at exchange rate prevailing on date of transaction.

Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences:

Exchange differences arising on the settlement of monetary items or on monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(j) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Revenue from operations

Interest, finance charges, service charges etc. are recognised as income on accrual basis with reference to the terms of contractual commitments such as interest subsidy and finance agreements entered into with borrowers, as the case may be, except in the case of delinquent assets provided for, penal, dishonour, foreclosure charges etc., where income is recognised on realisation basis.

ii. Income from investment

- a. Dividend income is recognised when the Company's right to receive dividend is established by the Balance Sheet date.
- b. Interest on securities is accounted for on accrual basis except where the ultimate collection cannot be established with reasonable certainty.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

2.1 Summary of significant accounting policies (Contd.)

- c. Profit/loss earned on sale of investments is recognised on settlement date basis. Profit or loss on sale of investments is determined on the basis of weighted average cost method. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.
- d. In order to reflect the contracted yield as interest income, the premium/discount on long-term fixed income securities is amortised with reference to the 'yield to maturity' prevailing on acquisition.

iii. Income from assignment

- a. In case of assignment of loans, the loans assigned are derecognised when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned loans. On derecognition, loss arising is recognised upfront, however premium is amortised based on receivables over the remaining tenure of loans.
- b. Income on retained interest in the assigned asset, if any, is accounted on accrual basis except in case of non-performing assets wherein interest income is recognised on receipt basis as per master directions.
- c. Servicing fee received is accounted for based on the underlying deal structure of the transaction as per the agreement.

iv. Profit/loss on sale of non-performing assets

Gain/loss on sale of non-performing assets is recognised in line with the extant RBI guidelines.

v. Other income

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

(k) Retirement and other employee benefits

i. Gratuity

Payment for present liability of future payment of gratuity is being fully made to the approved gratuity fund viz. Bajaj Auto Ltd. Gratuity Fund Trust, which covers the same under cash accumulation policy and debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALICL). However, any deficits in plan assets managed by LIC and BALICL as compared to actuarial liability determined using the projected unit credit method are recognised as a liability in accordance with AS-15 'Employee benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

ii. Superannuation

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

iii. Provident fund

Retirement benefit in the form of provident fund is a defined benefit obligation. Contributions are made to Bajaj Auto Ltd. Provident Fund Trust. Deficits, if any, of the fund as compared to aggregate liability is additionally contributed by the Company and recognised as an expense. Shortfall in fund assets over present obligation determined using the projected unit credit method by an appointed actuary is recognised as a liability.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

2.1 Summary of significant accounting policies (Contd.)

iv. Privilege leave

Privilege leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment, the liability using the projected unit credit method is recognised at the actuarially determined value by an appointed actuary.

v. Defined contribution to Employees' Pension Scheme, 1995 is made to Government provident fund authority.

(l) Income taxes

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 or the substantively enacted rate of tax to the extent the timing differences are expected to crystallise, in case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with reasonable certainty that there would be adequate future taxable income against which deferred tax assets can be realised. However, deferred tax asset arising on account of unabsorbed depreciation and business losses are recognised only if there is virtual certainty supported by convincing evidence that there would be adequate future taxable income against which the same can be realised/set off.

(m) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(p) Cash and cash equivalent

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand and balance with bank including fixed deposit and short-term highly liquid investment with an original maturity of three months or less.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

2.1 Summary of significant accounting policies (Contd.)

(q) Employee Stock Option Scheme

The Company operates its Employee Stock Option Scheme through a trust formed for the purpose. Equity shares are issued to the trust on the basis of the Company's expectation of the options being exercised by its employees. Cost of benefit, if any, is recognised as an expense by the Company. The Company uses intrinsic value method to account for the compensation cost of stock options to employees of the Company. The balance equity shares not exercised and held by the trust are disclosed as a reduction from the share capital and securities premium account with an equivalent adjustment to the subscription loan advanced to the trust. (Refer note no. 29)

(r) Borrowing costs

All borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

(s) Share issue expenses

Share issue expenses are debited to securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

2.2 Change in accounting estimates

During the year, the Company has revised its estimate for charging off receivables under financing activity considered as bad debts. Had the Company applied the estimates followed in the previous year, the profit before tax for the period would have been higher by ₹ 57.43 crore.

3 Share Capital

(₹ In Crore)

As at 31 March

Particulars	2018	2017
Authorised		
750,000,000 equity shares of ₹ 2 each (#Previous year 750,000,000 equity shares of ₹ 2 each)	150.00	150.00
Issued		
577,968,388 equity shares of ₹ 2 each (#Previous year 549,890,090 equity shares of ₹ 2 each)	115.59	109.98
Subscribed and paid up		
577,968,388 equity shares of ₹ 2 each fully called up and paid up (#Previous year 549,890,090 equity shares of ₹ 2 each fully called up and paid up)	115.59	109.98
Less: 2,834,200 equity shares of ₹ 2 each (Previous year 3,057,500 of ₹ 2 each) held in trust for employees under ESOP Scheme (See footnote 'e' below)	0.56	0.61
	115.03	109.37

During previous year 2016-17, pursuant to approval of the Members -

- (i) Authorised share capital of the Company was increased and subdivided from ₹ 75 crore consisting of 75,000,000 equity shares of face value of ₹ 10 each to ₹ 150 crore consisting of 750,000,000 equity shares of face value of ₹ 2 each, consequent to the decision to subdivide issued capital of 53,872,190 equity shares of face value of ₹ 10 each as on the record date i.e. 10 September 2016 (end of the day), into 269,360,950 equity shares of face value of ₹ 2 each and declaration of bonus shares as stated in (ii) below.
- (ii) On 14 September 2016, the Allotment Committee of the Board of Directors allotted 269,360,950 equity shares of face value of ₹ 2 each as bonus shares in the proportion of one bonus equity share for every one equity share of face value of ₹ 2 held as on the record date, by capitalising an amount of ₹ 538,721,900 from securities premium account. The bonus shares were listed on BSE Ltd. and National Stock Exchange of India Ltd. w.e.f. 19 September 2016. Other than this, Company has not allotted any bonus shares in previous years.
- (iii) Consequently,
 - (a) In terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the exercise price and the number of warrants earlier issued to the promoter, Bajaj Finserv Ltd. and equity shares offered on rights basis held in abeyance, were proportionately adjusted and
 - (b) In terms of the Employee Stock Option Scheme, 2009 of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme, 2009 were proportionately adjusted.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

3 Share Capital (Contd.)

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year (Subscribed and paid up)	549,890,090	109.98	53,872,190	53.87
Adjusted no. of shares on account of sub-division of equity share #	-	-	269,360,950	53.87
Add: Issue of bonus shares during the year to eligible shareholders #	-	-	269,360,950	53.87
Add: Issued during the year - Employee Stock Option Plan	1,451,080	0.29	1,918,040	0.39
Add: Issued during the year to eligible Qualified Institutional Buyers @	26,627,218	5.32	-	-
Add: Issued during the year to promoter on account of conversion of warrants +	-	-	9,250,000	1.85
Add: Issue of shares on rights basis (₹ Nil, Previous year ₹ 300)*	-	-	150	-
	577,968,388	115.59	549,890,090	109.98
Less: Equity shares held in trust for employees under ESOP scheme (See footnote 'e' below)	2,834,200	0.56	3,057,500	0.61
Outstanding at the end of the year	575,134,188	115.03	546,832,590	109.37

+ During previous year 2016-17, Bajaj Finserv Ltd. (Promoter) exercised the option to convert 9,250,000 warrants, issued on preferential basis, upon payment of ₹ 306.08 crore being balance 75% amount of the issue consideration and accordingly 9,250,000 equity shares of the face value of ₹ 2 each were allotted to Bajaj Finserv Ltd. on 23 November 2016 at a premium of ₹ 439.20 per equity share. The funds received upon allotment have been utilised for meeting funding requirements of the business activities of the Company as per the objects of the issue.

@ On 12 September 2017, the Company through Qualified Institutions Placement (QIP) allotted 26,627,218 equity shares to the eligible Qualified Institutional Buyers (QIB) at a price of ₹ 1,690 per equity share of ₹ 2 face value (inclusive of premium of ₹ 1,688 per share) aggregating ₹ 4,500 crore. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Funds received in the QIP of equity shares have been utilised for the purpose mentioned in the objects of the issue in the offer document.

* The Company during the year 2012-13 had issued equity shares on rights basis of which 8,590 shares (of face value of ₹ 2 each, adjusted for sub-division and issue of bonus shares) were held in abeyance pending adjudication of title/claim from respective shareholders. Of these, 150 shares (of face value of ₹ 2 each) were allotted during previous year 2016-17 at a premium of ₹ 108 per share.

(b) Terms/rights/restrictions attached to equity shares

- (i) The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (ii) Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations-2009, 9,250,000 equity shares held by Bajaj Finserv Ltd. are restricted from transfer up to 11 December 2019.

(c) Shares held by Holding Company (Face value ₹ 2 per share)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Bajaj Finserv Ltd.*	317,816,130	63.56	317,816,130	63.56

* An associate of Bajaj Holdings & Investments Ltd.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

3 Share Capital (Contd.)

(d) Details of shareholders holding more than 5% shares in the Company (Face value ₹ 2 per share)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Ltd.*	317,816,130	54.99%	317,816,130	57.80%

*An associate of Bajaj Holdings & Investments Ltd.

(e) Shares reserved for issue under Employee Stock Option Plan

Particulars	No. of Stock options/ Equity shares
a. Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2009 of the Company drawn in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines) (i.e. 5% of the then subscribed and paid up share capital)	25,071,160
b. Options granted under the scheme up to 31 March 2018	23,528,900
c. Options cancelled up to 31 March 2018 and added back to pool for future grants	3,219,970
d. Balance available under the scheme for future grants (d=a-b+c)	4,762,230
e. Equity shares allotted to BFL Employee Welfare Trust up to 31 March 2018	15,789,000
f. Stock Options exercised up to 31 March 2018	12,954,800
g. Balance stock options available with BFL Employee Welfare trust on 31 March 2018 (g=e-f)	2,834,200

Consequent to the opinion expressed by the 'Expert Advisory Committee' of the Institute of Chartered Accountants of India on the applicability of clause 22A.1 of the SEBI Guidelines, the balance unexercised equity shares held by the trust at the close of the year have been reduced against the share capital as if the trust is administered by the Company itself. The securities premium related to the unexercised equity shares held by the trust at the close of the year aggregating ₹ 917,873,582 (As at 31 March 2017 ₹ 622,283,779) has also been reduced from securities premium account and adjusted against the loan outstanding from the trust.

Dividends declared by the Company do not accrete to unexercised options. Accordingly, any dividend received by the ESOP trust is remitted to the Company and adjusted against the source from which dividend has been paid.

(f) Proposed dividend

The final dividend proposed on equity shares for the year is as follows:

Particulars	As at 31 March	
	2018	2017
Face value	₹ 2 each	₹ 2 each
Dividend per share	₹ 4.00 each	₹ 3.60 each
Amount of dividend (including tax on dividend)	₹ 278.71 crore	₹ 238.26 crore

Standalone Financial Statements

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

4 Reserves and surplus

Particulars	(₹ In Crore)		
	As at 31 March	2018	2017
Securities Premium Account			
Balance as at the beginning of the year		3,772.50	3,371.98
Add: Received during the year:			
- On issue of shares under Employee Stock Option Plan		67.20	49.09
- On issue of shares under qualified institutional buyers		4,494.67	-
- On issue of right shares held in abeyance (Previous year ₹16,200)		-	-
- On conversion of warrants into 9,250,000 equity shares		-	406.26
Less: - On issue of bonus shares		-	53.87
- Share issue expenses as per section 52 of the Companies Act, 2013		29.26	0.96
		8,305.11	3,772.50
Less: Premium on unexercised equity shares held in trust for employees under the ESOP scheme [See note no. 3(e)]		91.79	62.23
Balance as at the end of the year		8,213.32	3,710.27
Reserve Fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934			
Balance as at the beginning of the year		1,293.75	925.75
Add: Set aside during the year		530.00	368.00
Balance as at the end of the year		1,823.75	1,293.75
General Reserve			
Balance as at the beginning of the year		785.60	601.60
Add: Set aside during the year		-	184.00
Balance as at the end of the year		785.60	785.60
Infrastructure Reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961			
Balance as at the beginning of the year		9.25	5.75
Add: Set aside during the year		-	3.50
Balance as at the end of the year		9.25	9.25
Surplus in the Statement of Profit and Loss			
Balance as at the beginning of the year		3,692.07	2,410.85
Profit for the year		2,646.70	1,836.55
		6,338.77	4,247.40
Less: Appropriations:			
- Transfer to Reserve Fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		530.00	368.00
- Transfer to Infrastructure Reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961		-	3.50
- Transfer to General Reserve		-	184.00
- Dividend paid		197.96	-
- Tax on dividend		40.30	-
- Adjustment of dividend to ESOP trust [See note no. 3(e)]		(0.83)	(0.17)
Total appropriations		767.43	555.33
Balance as at the end of the year		5,571.34	3,692.07
		16,403.26	9,490.94

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings

Particulars	(₹ In Crore)			
	Non-current		Current maturity	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
(A) Secured				
Privately placed redeemable non-convertible debentures/bonds secured by pari passu charge by mortgage of Company's Flat No. 103, Nayan Co-operative Hsg Society, CTS 2718, Plot No. 11, ICS Colony, Shivaji Nagar, Pune - 411016 and/or Company's office at Unit No. 806 admeasuring 2280 sq. ft. 8th Floor, Block A of Wing Delta, Raheja Towers, Anna Salai, Mount Road, Chennai - 600 002 and book debts/loan receivables under financing activity as stated in the respective information memorandum	21,949.73	15,651.37	3,815.00	4,009.50
From banks, against hypothecation of assets under finance, book debts and other receivables	13,283.75	11,768.75	2,750.00	2,367.86
Total (A)	35,233.48	27,420.12	6,565.00	6,377.36
(B) Unsecured				
Privately placed partly paid redeemable non-convertible debentures	444.55	124.10	-	-
Privately placed Subordinated (Tier II) redeemable non-convertible debentures	3,938.30	3,338.30	-	-
Term loan from bank	-	-	-	100.00
Fixed deposits				
- From public	2,338.91	1,729.18	651.95	476.87
- From others	620.65	380.26	450.88	207.04
Inter-corporate deposits	592.00	124.00	160.00	50.00
Total (B)	7,934.41	5,695.84	1,262.83	833.91
Total (A + B)	43,167.89	33,115.96	7,827.83	7,211.27

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(C) Details of privately placed secured redeemable non-convertible debentures

(₹ In Crore)

Date of maturity	Repayment schedule	of face value		Non-current		Current maturity	
		₹ 1 Crore	₹ 0.10 Crore	As at 31 March		As at 31 March	
				2018	2017	2018	2017
Sep 26	Bullet repayment	-	10.00	10.00	10.00	-	-
Jul 26	Bullet repayment	-	47.50	47.50	47.50	-	-
Mar 26	Bullet repayment	-	171.00	171.00	171.00	-	-
Oct 25	Bullet repayment	-	5.00	5.00	5.00	-	-
Aug 25	Bullet repayment	-	90.00	90.00	90.00	-	-
Apr 25	Bullet repayment	-	170.00	170.00	170.00	-	-
Nov 24	Bullet repayment	-	1,100.00	1,100.00	100.00	-	-
May 24	Bullet repayment	-	1,000.00	1,000.00	-	-	-
Apr 24	Bullet repayment	-	165.00	165.00	165.00	-	-
Apr 23	Bullet repayment	-	165.00	165.00	165.00	-	-
Dec 22	Bullet repayment	-	300.00	300.00	-	-	-
Oct 22	Bullet repayment	-	8.00	8.00	8.00	-	-
Apr 22	Bullet repayment	-	32.80	32.80	3.80	-	-
Mar 22	Bullet repayment	-	60.50	60.50	60.50	-	-
Feb 22	Bullet repayment	-	140.00	140.00	140.00	-	-
Jan 22	Bullet repayment	-	167.00	167.00	167.00	-	-
Dec 21	Bullet repayment	-	30.00	30.00	30.00	-	-
Nov 21	Bullet repayment	-	80.00	80.00	80.00	-	-
Oct 21	Bullet repayment	-	101.00	101.00	101.00	-	-
Sep 21	Bullet repayment	-	7.00	7.00	7.00	-	-
Aug 21	Bullet repayment	-	212.00	212.00	212.00	-	-
Jul 21	Bullet repayment	-	118.50	118.50	118.50	-	-
Jun 21	Bullet repayment	-	371.00	371.00	6.00	-	-
May 21	Bullet repayment	-	90.50	90.50	85.00	-	-
Apr 21	Bullet repayment	-	744.20	744.20	130.00	-	-
Mar 21	Bullet repayment	-	186.20	186.20	186.20	-	-
Feb 21	Bullet repayment	-	25.00	25.00	25.00	-	-
Jan 21	Bullet repayment	-	52.00	52.00	52.00	-	-
Dec 20	Bullet repayment	-	1,110.00	1,108.20	25.00	-	-
Nov 20	Bullet repayment	-	1,205.00	1,204.96	-	-	-
Oct 20	Bullet repayment	-	407.00	407.00	7.00	-	-
Sep 20	Bullet repayment	-	107.00	107.00	107.00	-	-
Aug 20	Bullet repayment	-	1,281.50	1,281.50*	83.50	-	-
Jul 20	Bullet repayment	-	216.20	216.20	216.20	-	-
Jun 20	Bullet repayment	-	3,517.00	3,517.00*	1,879.00	-	-

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(C) Details of privately placed secured redeemable non-convertible debentures (Contd.)

(₹ In Crore)

Date of maturity	Repayment schedule	of face value		Non-current		Current maturity	
		₹ 1 Crore	₹ 0.10 Crore	As at 31 March		As at 31 March	
				2018	2017	2018	2017
May 20	Bullet repayment	-	1,453.30	1,453.30*	221.30	-	-
Apr 20	Bullet repayment	-	1,091.10	1,091.10*	1,054.40*	-	-
Mar 20	Bullet repayment	-	820.80	820.80	820.80	-	-
Feb 20	Bullet repayment	-	359.00	359.00	359.00	-	-
Jan 20	Bullet repayment	-	314.00	314.00	314.00	-	-
Dec 19	Bullet repayment	-	560.00	560.00*	560.00*	-	-
Nov 19	Bullet repayment	-	490.00	490.00	490.00	-	-
Oct 19	Bullet repayment	-	206.00	206.00*	206.00*	-	-
Sep 19	Bullet repayment	-	965.40	955.47*	948.67*	-	-
Aug 19	Bullet repayment	-	686.90	686.90*	686.90*	-	-
Jul 19	Bullet repayment	-	779.10	779.10*	779.10*	-	-
Jun 19	Bullet repayment	-	24.00	24.00	24.00	-	-
May 19	Bullet repayment	-	161.30	161.30	161.30	-	-
Apr 19	Bullet repayment	-	557.70	557.70	557.70*	-	-
Mar 19	Bullet repayment	-	965.00	-	965.00*	965.00*	-
Feb 19	Bullet repayment	-	77.00	-	77.00	77.00	-
Jan 19	Bullet repayment	-	100.00	-	100.00	100.00	-
Dec 18	Bullet repayment	-	84.00	-	84.00	84.00	-
Nov 18	Bullet repayment	-	73.00	-	73.00	73.00	-
Oct 18	Bullet repayment	-	109.50	-	109.50*	109.50	-
Aug 18	Bullet repayment	-	401.00	-	401.00	401.00	-
Jul 18	Bullet repayment	-	207.90	-	207.90	207.90	-
Jun 18	Bullet repayment	-	436.80	-	436.80*	436.80	-
May 18	Bullet repayment	-	209.00	-	209.00*	209.00*	-
Apr 18	Bullet repayment	-	1,151.80	-	1,151.80*	1,151.80	-
Mar 18	Bullet repayment	-	181.50	-	-	-	181.50
Feb 18	Bullet repayment	-	29.10	-	-	-	29.10
Jan 18	Bullet repayment	595.00	96.50	-	-	-	691.50*
Dec 17	Bullet repayment	-	199.90	-	-	-	199.90
Nov 17	Bullet repayment	-	388.00	-	-	-	388.00
Oct 17	Bullet repayment	125.00	332.80	-	-	-	457.80*
Sep 17	Bullet repayment	-	261.60	-	-	-	261.60
Aug 17	Bullet repayment	-	445.20	-	-	-	445.20*
Jul 17	Bullet repayment	-	76.60	-	-	-	76.60*
Jun 17	Bullet repayment	-	548.50	-	-	-	548.50*

Notes to financial statements for the year ended 31 March 2016 (Contd.)

5 Long-term borrowings (Contd.)

(C) Details of privately placed secured redeemable non-convertible debentures (Contd.)

(₹ In Crore)

Date of maturity	Repayment schedule	of face value		Non-current		Current maturity	
		₹ 1 Crore	₹ 0.10 Crore	As at 31 March	2018	2017	As at 31 March
May 17	Bullet repayment	-	88.20	-	-	-	88.20
Apr 17	Bullet repayment	-	641.60	-	-	-	641.60*
		-		21,949.73	15,651.37	3,815.00	4,009.50

Note

- As at 31 March 2018, of the total non-current and current secured zero coupon bonds, ₹ 3,342.80 crore and ₹ 1,647 crore, respectively were issued at a premium.

- As at 31 March 2018, of the total non-current secured zero coupon bonds issued, ₹ 100 crore were issued at a discount.

*Related parties are current holders of ₹ 830 crore in aggregate of the referenced issue (Previous year ₹ 885 crore). See note no.31 for disclosures.

- Interest rates range from 7.25% p.a. to 10.00% p.a. as at 31 March 2018. For zero coupon bonds, the interest rate is on XIRR basis.

(D) Terms of repayment of bank loans - secured

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current		Current maturity	
		As at 31 March	2018	As at 31 March	2018
Dec 22	Bullet repayment	300.00	-	-	-
Sep 22	Bullet repayment	100.00	-	-	-
Aug 22	Bullet repayment	100.00	-	-	-
Jun 22	Bullet repayment	365.00	-	-	-
May 22	Bullet repayment	300.00	-	-	-
Mar 22	Bullet repayment	1,250.00	-	-	-
	2 annual payment of ₹ 62.50 crore starting Nov 21	125.00	-	-	-
	4 semi annual payment of ₹ 50 crore starting Sep 21	200.00	-	-	-
	2 semi annual payment of ₹ 135 crore starting Sep 21	270.00	270.00	-	-
	2 semi annual payment of ₹ 90 crore starting Aug 21	180.00	180.00	-	-
	2 semi annual payment of ₹ 75 crore starting Jul 21	150.00	150.00	-	-
Jun 21	Bullet repayment	150.00	150.00	-	-
	4 semi annual payment of ₹ 37.50 crore starting Jun 21	150.00	-	-	-
Mar 21	Bullet repayment	300.00	200.00	-	-
	2 semi annual payment of ₹ 50 crore starting March 21	100.00	-	-	-
Feb 21	Bullet repayment	100.00	100.00	-	-
Jan 21	Bullet repayment	200.00	-	-	-
Dec 20	Bullet repayment	-	100.00	-	-
	2 semi annual payment of ₹ 175 crore starting Dec 20	350.00	350.00	-	-
	4 semi annual payment of ₹ 25 crore starting Nov 20	100.00	-	-	-
Oct 20	Bullet repayment	750.00	150.00	-	-
	2 annual payment of ₹ 75 crore starting Oct 20	150.00	150.00	-	-

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(D) Terms of repayment of bank loans - secured (Contd.)

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current		Current maturity	
		As at 31 March		As at 31 March	
		2018	2017	2018	2017
Sep 20	Bullet repayment	100.00	200.00	-	-
	4 semi annual payment of ₹ 25 crore starting Sep 20	100.00	100.00	-	-
	2 semi annual payment of ₹ 250 crore starting Sep 20	500.00	500.00	-	-
Aug 20	Bullet repayment	500.00	100.00	-	-
	2 semi annual payment of ₹ 50 crore starting Aug 20	100.00	100.00	-	-
Jul 20	Bullet repayment	100.00	-	-	-
Jun 20	Bullet repayment	250.00	250.00	-	-
	2 semi annual payment of ₹ 125 crore starting Jun 20	250.00	250.00	-	-
	8 quarterly payment of ₹ 31.25 crore starting Jun 20	250.00	250.00	-	-
May 20	Bullet repayment	450.00	100.00	-	-
	8 quarterly payment of ₹ 12.50 crore starting May 20	100.00	100.00	-	-
	2 semi annual payment of ₹ 50 crore starting May 20	100.00	100.00	-	-
Mar 20	Bullet repayment	350.00	350.00	-	-
	2 semi annual payment of ₹ 50 crore starting Mar 20	100.00	100.00	-	-
Feb 20	Bullet repayment	100.00	100.00	-	-
Jan 20	Bullet repayment	100.00	100.00	-	-
Dec 19	Bullet repayment	400.00	400.00	-	-
	2 annual payment of ₹ 25 crore starting Dec 19	50.00	50.00	-	-
Nov 19	Bullet repayment	200.00	200.00	-	-
Oct 19	Bullet repayment	100.00	100.00	-	-
	2 semi annual payment of ₹ 50 crore starting Oct 19	100.00	100.00	-	-
Sep 19	Bullet repayment	100.00	100.00	-	-
	2 annual payment of ₹ 25 crore starting Sep 19	50.00	50.00	-	-
	2 semi annual payment of ₹ 75 crore starting Sep 19	150.00	150.00	-	-
	4 semi annual payment of ₹ 25 crore starting Sep 19	100.00	100.00	-	-
Aug 19	Bullet repayment	100.00	100.00	-	-
	4 semi annual payment of ₹ 50 crore starting Jul 19	200.00	200.00	-	-
	2 semi annual payment of ₹ 50 crore starting Jul 19	100.00	100.00	-	-
Jun 19	Bullet repayment	200.00	200.00	-	-
	4 semi annual payment of ₹ 100 crore starting Jun 19	400.00	400.00	-	-
	8 quarterly payment of ₹ 18.75 crore starting Jun 19	150.00	150.00	-	-
	4 quarterly payment of ₹ 87.50 crore starting Jun 19	350.00	350.00	-	-
	2 semi annual payment of ₹ 50 crore starting Jun 19	100.00	100.00	-	-
	2 semi annual payment of ₹ 125 crore starting May 19	250.00	250.00	-	-
	4 semi annual payment of ₹ 87.50 crore starting May 19	350.00	350.00	-	-

Notes to financial statements for the year ended 31 March 2016 (Contd.)

5 Long-term borrowings (Contd.)

(D) Terms of repayment of bank loans - secured (Contd.)

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current		Current maturity	
		As at 31 March		As at 31 March	
		2018	2017	2018	2017
Mar 19	Bullet repayment	-	50.00	50.00	-
	4 semi annual payment of ₹ 37.50 crore starting Mar 19	112.50	150.00	37.50	-
	4 quarterly payment of ₹ 37.50 crore starting Mar 19	112.50	150.00	37.50	-
Jan 19	Bullet repayment	-	100.00	100.00	-
Dec 18	Bullet repayment	-	400.00	200.00	-
	4 quarterly payment of ₹ 25 crore starting Dec 18	50.00	100.00	50.00	-
	4 quarterly payment of ₹ 75 crore starting Sep 18	75.00	300.00	225.00	-
	4 semi annual payment of ₹ 25 crore starting Sep 18	50.00	100.00	50.00	-
	4 semi annual payment of ₹ 25 crore starting Aug 18	50.00	100.00	50.00	-
Jun 18	Bullet repayment	-	100.00	100.00	-
	4 semi annual payment of ₹ 25 crore starting Jun 18	50.00	100.00	50.00	-
	4 quarterly payment of ₹ 62.50 crore starting Jun 18	-	250.00	250.00	-
	4 quarterly payment of ₹ 50 crore starting May 18	-	200.00	200.00	-
Apr 18	Bullet repayment	-	100.00	-	-
	4 semi annual payment of ₹ 25 crore starting Apr 18	50.00	-	50.00	-
	4 semi annual payment of ₹ 50 crore starting Apr 18	-	200.00	-	-
	4 quarterly payment of ₹ 25 crore starting Apr 18	-	100.00	100.00	-
Mar 18	Bullet repayment	-	-	-	100.00
	4 quarterly payment of ₹ 25 crore starting Mar 18	-	75.00	75.00	25.00
	4 semi annual payment of ₹ 12.50 crore starting Mar 18	-	37.50	-	12.50
Jan 18	Bullet repayment	-	-	-	250.00
Dec 17	Bullet repayment	-	-	-	200.00
	4 semi annual payment of ₹ 87.50 crore starting Dec 17	-	-	-	87.50
	4 semi annual payment of ₹ 125 crore starting Dec 17	-	-	250.00	-
	4 semi annual payment of ₹ 12.50 crore starting Dec 17	-	37.50	-	-
	4 semi annual payment of ₹ 100 crore starting Dec 17	100.00	-	-	-
	4 semi annual payment of ₹ 50 crore starting Dec 17	-	150.00	-	-
	4 quarterly payment of ₹ 137.50 crore starting Dec 17	-	275.00	275.00	275.00
	4 semi annual payment of ₹ 25 crore starting Dec 17	25.00	75.00	-	-
Oct 17	Bullet repayment	-	-	-	100.00
	4 semi annual payment of ₹ 162.50 crore starting Sep 17	-	-	325.00	-
	4 semi annual payment of ₹ 37.50 crore starting Sep 17	-	-	-	75.00
	4 semi annual payment of ₹ 150 crore starting Sep 17	-	-	-	300.00
	4 semi annual payment of ₹ 187.50 crore starting Sep 17	-	375.00	-	-
Aug 17	Bullet repayment	-	-	-	150.00
	4 semi annual payment of ₹ 25 crore starting Aug 17	-	50.00	50.00	50.00

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(D) Terms of repayment of bank loans - secured (Contd.)

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current		Current maturity	
		As at 31 March		As at 31 March	
		2018	2017	2018	2017
Jul 17	Bullet repayment	-	-	-	100.00
Jun 17	Bullet repayment	-	-	-	235.00
	4 semi annual payment of ₹ 62.50 crore starting Jun 17	-	125.00	125.00	125.00
May 17	Bullet repayment	-	-	-	50.00
	4 semi annual payment of ₹ 25 crore starting May 17	-	50.00	-	50.00
	4 semi annual payment of ₹ 25 crore starting Mar 17	-	25.00	25.00	50.00
	4 semi annual payment of ₹ 50 crore starting Apr 17	-	-	50.00	-
	7 quarterly payment of ₹ 36.43 crore starting Feb 16	-	-	-	72.86
	16 quarterly payment of ₹ 6.25 crore starting Feb 16	18.75	43.75	25.00	25.00
	7 quarterly payment of ₹ 15 crore starting Dec 15	-	-	-	15.00
	7 quarterly payment of ₹ 20 crore starting Nov 15	-	-	-	20.00
		13,283.75	11,768.75	2,750.00	2,367.86

Note: Interest rates range from 7.27% p.a.p.m. to 8.45% p.a.p.m. as at 31 March 2018.

(E) Details of privately placed unsecured redeemable non-convertible debentures issued at face value of ₹ 0.10 crore

(₹ In Crore)

Date of maturity	Non-current		Current maturity	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Jun 32*	200.00	-	-	-
Oct 29**	244.55	124.10	-	-
	444.55	124.10	-	-

Note

- As at 31 March 2018, partially called and paid unsecured debentures of ₹ 444.55 crore.
- * Amount to be called and paid is ₹ 120.45 crore in Oct 2018.
- ** Amount to be called and paid is ₹ 200 crore each in Jun 2018, Jun 2019, Jun 2020 and Jun 2021.
- Interest rate at 8.06% p.a. to 8.10% p.a. as at 31 March 2018.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(F) Details of privately placed unsecured redeemable non-convertible debentures - subordinated debt issued at face value of ₹ 0.10 crore

(₹ In Crore)

Date of maturity	Non-current		
	As at 31 March	2018	2017
Jun 27		600.00	-
Dec 26		105.00	105.00
Sep 26		500.00*	500.00*
Aug 26		485.00*	485.00*
Jul 26		970.00*	970.00*
Nov 25		250.00	250.00
Oct 25		40.00	40.00
Sep 24		452.50	452.50
Apr 23		50.00	50.00
Jan 23		49.70*	49.70*
Aug 22		157.40	157.40
May 21		50.00	50.00
Oct 20		36.20*	36.20*
Sep 20		27.50	27.50
Jul 20		50.00	50.00
Jun 20		50.00*	50.00*
Apr 20		65.00	65.00
		3,938.30	3,338.30

Note

- Interest rates range from 8.05% p.a. to 10.21% p.a. as at 31 March 2018.

* Related parties are current holders of ₹ 112.50 crore of the referenced issue (Previous year ₹ 87.50 crore). See note no. 31 for disclosures.

(G) Terms of repayment of bank loans - unsecured

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current		Current maturity	
		As at 31 March	2018	2017	As at 31 March
Jun 17	Bullet repayment	-	-	-	100.00
			-	-	100.00

Note: Interest rate at 9.20% p.a. as at 31 March 2017.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(H) Terms of repayment of fixed deposits

(₹ In Crore)

Maturing up to	Non-current		Current maturity	
	As at 31 March 2018	2017	As at 31 March 2018	2017
Mar 23	211.87	-	-	-
Mar 22	291.13	247.41	-	-
Mar 21	968.62	179.40	-	-
Mar 20	1,487.94	721.69	-	-
Mar 19	-	960.94	1,102.83	-
Mar 18	-	-	-	683.91
	2,959.56	2,109.44	1,102.83	683.91

Note

- Interest rates range from 7.05% p.a. to 10.00% p.a. as at 31 March 2018.
- Repayment is on completion of fixed term ranging from 12 months to 60 months.
- Includes fixed deposits from related parties ₹ Nil crore (Previous year ₹ 51.78 crore). See note no.31 for disclosures.

(I) Terms of repayment of inter-corporate deposits

(₹ In Crore)

Maturing up to	Non-current		Current maturity	
	As at 31 March 2018	2017	As at 31 March 2018	2017
Mar 20	592.00	-	-	-
Mar 19	-	124.00	160.00	-
Mar 18	-	-	-	50.00
	592.00	124.00	160.00	50.00

Note: Interest rates range from 7.40% p.a. to 8.10% p.a. as at 31 March 2018.

6 Other long-term liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Security deposits	51.59	33.60
Other Payables	23.00	56.04
Interest accrued but not due	412.94	395.23
	487.53	484.87

Note: Includes payables to related party ₹ Nil crore (Previous year ₹ Nil crore).

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

7 Provisions

Particulars	(₹ In Crore)			
	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
(A) Provision for employee benefits				
- Gratuity	24.48	14.36	-	-
- Privilege leave entitlements	-	-	21.40	20.68
- Other long-term service benefit	5.53	5.52	-	-
Total (A)	30.01	19.88	21.40	20.68
(B) Other provisions				
- For contingent provision against standard assets	183.95	136.33	142.16	109.21
- For restructured standard assets	11.16	70.54	-	-
- For Non-Performing Assets (NPAs)	862.41	722.08	-	-
- For delinquent receivables not yet NPAs	23.85	126.74	-	-
- Provision retained on sale of NPAs	10.30	10.05	-	-
- For tax (net of advance tax ₹ 3,108.11 crore, Previous year ₹ 1,589.23 crore)	-	-	24.87	79.43
Total (B)	1,091.67	1,065.74	167.03	188.64
Total (A + B)	1,121.68	1,085.62	188.43	209.32

Movement of provisions

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Provision for delinquencies		
[See note no. 2.1(g)]		
Opening balance at the beginning of the year	848.82	516.47
Add: Net additions during the year	1,009.17	720.65
Less: Bad debts/advances written off during the year	971.73	388.30
Closing balance at the end of the year	886.26	848.82

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

8 Short-term borrowings

Particulars	(₹ In Crore)		
	As at 31 March	2018	2017
(A) Secured			
From banks, against hypothecation of assets under finance, book debts and other receivables:			
– Cash credit	1,149.65	1,234.26	
– Working capital demand loan	850.00	500.00	
– Overdraft facility	414.41	86.15	
– Short-term loan	160.00	–	
Collateralised borrowing and lending obligation, against Government securities held by the Company	1,059.62	350.00	
Total (A)	3,633.68	2,170.41	
(B) Unsecured			
From banks			
– Overdraft facility	500.00	502.52	
– Working capital demand loan	–	500.00	
Fixed deposits			
– From public	318.89	191.06	
– From others	1,323.74	534.56	
Inter-corporate deposits	1,111.98	435.18	
Borrowings by issue of commercial papers	3,683.02	4,588.69	
Total (B)	6,937.63	6,752.01	
Total (A+B)	10,571.31	8,922.42	
(C) Terms of repayment of secured collateralised borrowing and lending obligation			
	(₹ In Crore)		
	As at 31 March		
Date of maturity	2018	2017	
Apr 18	1,059.62	–	
Apr 17	–	350.00	
	1,059.62	350.00	

Note: Interest rate at 6.60% p.a. as at 31 March 2018.

(D) Terms of repayment of secured working capital demand loan from bank

Date of maturity	(₹ In Crore)		
	As at 31 March	2018	2017
Apr 18	850.00	–	
Apr 17	–	500.00	
	850.00	500.00	

Note: Interest rate at 8.00% p.a.p.m. as at 31 March 2018.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

8 Short-term borrowings (Contd.)

(E) Terms of repayment of secured short-term Loan

Date of maturity	As at 31 March	
	2018	2017
Jun 18	160.00	-
	160.00	-

Note: Interest rate at 7.06% p.a.p.m. as at 31 March 2018.

(F) Terms of repayment of unsecured working capital demand loan from bank

Date of maturity	As at 31 March	
	2018	2017
Apr 17	-	500.00
	-	500.00

Note: Interest rate stood at 8.20% p.a.p.m. as at 31 March 2017.

(G) Terms of repayment of commercial papers

Date of maturity	As at 31 March	
	2018	2017
Nov 18	23.95	-
Aug 18	790.22	-
Jul 18	49.03	-
Jun 18	296.55	-
May 18	2,004.94	-
Apr 18	518.33	-
Mar 18	-	46.85
Feb 18	-	32.95
Jan 18	-	23.69
Nov 17	-	215.52
Aug 17	-	24.29
Jul 17	-	48.88*
Jun 17	-	222.25
May 17	-	3,924.48
Apr 17	-	49.78
	3,683.02	4,588.69

Note:

- Interest rates range from 6.84% p.a. to 7.92% p.a. as at 31 March 2018.
- Face Value of commercial paper is ₹ 3,730 crore as at 31 March 2018 (Previous year ₹ 4,645 crore).
- * Related parties are current holders of ₹ Nil crore of the referenced issue (Previous year ₹ 25 crore).

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

8 Short-term borrowings (Contd.)

(H) Terms of repayment of fixed deposits

Date of maturity	As at 31 March	
	2018	2017
Mar 19	74.33	-
Feb 19	191.08	-
Jan 19	56.72	-
Dec 18	126.26	-
Nov 18	211.99	-
Oct 18	84.55	-
Sep 18	26.33	-
Aug 18	271.66	-
Jul 18	28.04	-
Jun 18	478.82	-
May 18	60.56	-
Apr 18	32.29	-
Mar 18	-	17.38
Feb 18	-	35.22
Jan 18	-	27.36
Dec 17	-	57.85
Nov 17	-	94.40
Oct 17	-	69.65
Sep 17	-	62.22
Aug 17	-	31.02
Jul 17	-	112.97
Jun 17	-	143.26
May 17	-	48.56
Apr 17	-	25.73
	1,642.63	725.62

Note: Interest rates range from 7.20% p.a. to 8.20% p.a. as at 31 March 2018.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

8 Short-term borrowings (Contd.)

(I) Terms of repayment of inter-corporate deposits

Date of maturity	As at 31 March	
	2018	2017
Mar 19	156.00	-
Jan 19	90.00	-
Dec 18	50.00	-
Nov 18	215.15	-
Oct 18	41.00	-
Sep 18	135.41	-
Aug 18	12.00	-
Jul 18	35.00	-
Jun 18	213.73	-
May 18	124.00	-
Apr 18	39.69	-
Mar 18	-	125.00
Jan 18	-	75.00
Sep 17	-	30.00
Aug 17	-	10.00
Jul 17	-	20.00
Jun 17	-	20.00
May 17	-	150.00
Apr 17	-	5.18
	1,111.98	435.18

Note: Interest rates range from 6.55% p.a. to 7.95% p.a. as at 31 March 2018.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

9 Trade payables and other current liabilities

Particulars	As at 31 March	
	2018	2017
(A) Trade payables		
Total outstanding dues of micro enterprises and small enterprises #	0.43	0.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	453.56	308.86
Total (A)	453.99	309.04
(B) Other current liabilities		
Interest accrued but not due*	1,738.38	1,327.27
Interest accrued and due (Previous year ₹ 23,317)	0.01	
Income received in advance	-	8.76
Unclaimed dividend	1.47	1.17
Others:		
Statutory dues	193.36	83.97
Security deposits	2.43	-
Employee benefits payable**	169.94	90.35
Temporary overdraft as per books only	825.78	1,048.83
Other/miscellaneous payables +	360.70	231.28
Total (B)	3,292.07	2,791.63

Note

* Includes payable to related parties aggregating ₹ Nil crore (Previous year ₹ 6.65 crore)

** Includes payable to related parties aggregating ₹ 5.16 crore (Previous year ₹ 4.37 crore)

+ Includes payable to related parties aggregating ₹ 2.71 crore (Previous year ₹ 2.71 crore)

- There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	0.43	0.18
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end (₹ 43,126) (since paid)	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	2.71	1.39
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	0.07	0.07
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (₹ 43,126) (since paid)	-	-

Standalone Financial Statements

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

10 Fixed assets

Current year

Particulars	Gross block at cost					Depreciation and amortisation			Net block	
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	As at 1 April 2017	Deductions/ adjustments	For the Year	As at 31 March 2018	As at 31 March 2018	
A) Property, plant and equipment (a)										
Leasehold improvements	48.45	14.63	-	63.08	25.77	-	12.88	38.65	24.43	
Other assets:										
- Land freehold (b)	2.26	-	-	2.26	-	-	-	-	2.26	
- Building (c)	156.46	-	-	156.46	40.14	-	5.69	45.83	110.63	
- Computers	94.32	32.22	2.65	123.89	49.20	2.26	22.34	69.28	54.61	
- Office equipments	52.90	29.31	0.51	81.70	25.35	0.36	13.50	38.49	43.21	
- Furniture and fixtures	77.97	40.32	1.30	116.99	20.53	0.92	12.91	32.52	84.47	
- Vehicles	24.32	17.52	1.96	39.88	9.79	1.49	7.32	15.62	24.26	
Total (A)	456.68	134.00	6.42	584.26	170.78	5.03	74.64	240.39	343.87	
B) Intangible assets (d)										
Computer software	129.83	72.88	4.59	198.12	54.60	4.59	27.32	77.33	120.79	
Total (B)	129.83	72.88	4.59	198.12	54.60	4.59	27.32	77.33	120.79	
Total (A+B)	586.51	206.88	11.01	782.38	225.38	9.62	101.96	317.72	464.66	

Previous year

Particulars	Gross block at cost				Depreciation and amortisation			Net block	
	As at 1 April 2016	Additions	Deductions/ adjustments	As at 31 March 2017	As at 1 April 2016	Deductions/ adjustments	For the Year	As at 31 March 2017	As at 31 March 2017
A) Property, plant and equipment (a)									
Leasehold improvements	36.19	12.33	0.07	48.45	14.62	0.04	11.19	25.77	22.68
Other assets:									
- Land freehold (b)	2.26	-	-	2.26	-	-	-	-	2.26
- Building (c)	158.50	-	2.04	156.46	34.68	0.60	6.06	40.14	116.32
- Computers	78.28	30.86	14.82	94.32	46.74	14.78	17.24	49.20	45.12
- Office equipments	37.98	15.76	0.84	52.90	17.04	0.78	9.09	25.35	27.55
- Furniture and fixtures	48.77	31.21	2.01	77.97	15.17	1.49	6.85	20.53	57.44
- Vehicles	16.55	10.84	3.07	24.32	7.33	2.42	4.88	9.79	14.53
Total (A)	378.53	101.00	22.85	456.68	135.58	20.11	55.31	170.78	285.90
B) Intangible assets (d)									
Computer software	82.80	47.03	-	129.83	38.75	-	15.85	54.60	75.23
Total (B)	82.80	47.03	-	129.83	38.75	-	15.85	54.60	75.23
Total (A+B)	461.33	148.03	22.85	586.51	174.33	20.11	71.16	225.38	361.13

(a) See note no. 2.1(b) and 2.1(c)

(b) Represents share in undivided portion of land, on purchase of office premises

(c) Includes cost of shares in co-operative society ₹ 500 (Previous year ₹ 250)

(d) See note no. 2.1(d)

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
(A) In Government securities				
Other than trade				
Quoted				
Long-term				
8.60% Government of India Stock, 2028 of the face value of ₹ 20 crore	22.68	22.68	-	-
8.08% Government of India Stock, 2022 of the face value of ₹ 10 crore	-	10.24	-	-
8.15% Government of India Stock, 2026 of the face value of ₹ 20 crore	22.01	22.01	-	-
8.28% Government of India Stock, 2027 of the face value of ₹ 5 crore	-	5.14	-	-
8.40% Government of India Stock, 2024 of the face value of ₹ 65 crore	-	67.11	-	-
8.38% Tamilnadu State Development Loan, 2026 of the face value of ₹ 10 crore	-	10.01	-	-
8.49% Tamilnadu State Development Loan, 2026 of the face value of ₹ 15 crore	-	15.02	-	-
8.49% Tamilnadu State Development Loan, 2026 of the face value of ₹ 10 crore	10.01	-	-	-
8.67% Karnataka State Development Loan, 2026 of the face value of ₹ 8.94 crore	8.95	8.95	-	-
7.59% Government of India Stock, 2029 of the face value of ₹ 150 crore	157.48	157.48	-	-
7.59% Government of India Stock, 2029 of the face value of ₹ 125 crore	-	-	-	137.95
7.59% Government of India Stock, 2026 of the face value of ₹ 10 crore	-	-	-	10.71
7.72% Government of India Stock, 2025 of the face value of ₹ 185 crore	195.52	195.53	-	-
7.72% Government of India Stock, 2025 of the face value of ₹ 50 crore	-	-	-	54.55
7.88% Government of India Stock, 2030 of the face value of ₹ 25 crore	-	24.87	-	-
8.83% Government of India Stock, 2023 of the face value of ₹ 15 crore	-	15.60	-	-
7.88% Government of India Stock, 2022 of the face value of ₹ 125 crore	-	-	-	141.81
8.35% Government of India Stock, 2022 of the face value of ₹ 25 crore	-	25.52	-	-
7.16% Government of India Stock, 2023 of the face value of ₹ 90 crore	-	87.70	-	-
7.68% Government of India Stock, 2023 of the face value of ₹ 95 crore	-	95.38	-	-
7.42% Maharashtra State Development Loan, 2022 of the face value of ₹ 15.95 crore	15.79	-	-	-
7.55% Maharashtra State Development Loan, 2021 of the face value of ₹ 22.38 crore	22.38	-	-	-
7.56% Andhra Pradesh State Development Loan, 2021 of the face value of ₹ 27.22 crore	27.23	-	-	-
7.77% Andhra Pradesh State Development Loan, 2021 of the face value of ₹ 100 crore	100.11	-	-	-
8.65% Gujarat State Development Loan, 2021 of the face value of ₹ 5 crore	5.15	-	-	-
9.19% Karnataka State Development Loan, 2021 of the face value of ₹ 5 crore	5.24	-	-	-
	592.55	763.24	-	345.02
Less: amortisation of premium (Refer note no. 2.1(f))	(2.35)	(0.94)	-	-
Less: Marked to market losses on investments	-	-	-	(24.16)
	590.20	762.30	-	320.86
Short-term				
Treasury Bills - 182 day TB 30082018	-	-	292.18	-
Treasury Bills - 182 day TB 05072018	-	-	112.19	-
Treasury Bills - 182 day TB 12072018	-	-	156.66	-
Treasury Bills - 182 day TB 14062018	-	-	122.99	-
Treasury Bills - 182 day TB 21062018	-	-	17.88	-
Treasury Bills - 182 day TB 26072018	-	-	182.75	-
Treasury Bills - 364 day TB 07062018	-	-	98.86	-
Treasury Bills - 364 day TB 10052018	-	-	153.95	-
Treasury Bills - 91 day TB 12042018	-	-	37.38	-
Total (A)	590.20	762.30	1,174.84	320.86

Standalone Financial Statements

Notes to financial statements for the year ended 31 March 2016 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
(B) In Mutual Funds				
Quoted				
- (87,558,919) Reliance Banking and PSU Debt Fund - Direct Growth Plan - BPAG	-	-	-	102.56
- (16,418,455) Kotak Bond (Short Term) - Direct Plan - Growth	-	-	-	51.30
- (16,606,212) Birla Sun Life Short Term Fund - Growth - Direct Plan	-	-	-	102.53
- (32,536,184) L&T Short Term Opportunities Fund Direct Plan - Growth	-	-	-	51.19
- (112,754,496) HDFC Short Term Opportunities Fund - Direct Plan - Growth Option	-	-	-	203.05
- (59,355,710) IDFC Super Saver Income Fund - Short Term Plan - Growth (Direct Plan)	-	-	-	202.04
- (32,073,791) Reliance Short Term Fund - Direct Growth Plan - Growth Option - STAG	-	-	-	100.87
- (897,371) Invesco India Short Term Fund - Direct Plan - Growth	-	-	-	200.00
- (1,109,429) Axis Liquid Fund - Direct Growth - CFDG	-	-	-	200.00
- (7,655,927) Birla Sun Life Cash Plus - Growth - Direct Plan	-	-	-	200.00
- (430,075) DSP BlackRock Liquidity Fund - Direct Plan - Growth	-	-	-	100.00
- (8,890,505) ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	-	200.00
- (749,448) Kotak Floater Short Term - Direct Plan - Growth	-	-	-	200.00
- (897,075) L&T Liquid Fund Direct Growth	-	-	-	200.00
- (2,617,305) SBI Ultra Short Term Debt Fund - Direct Plan - Growth	-	-	-	550.00
1,792,845 (-) Aditya Birla Sun Life Cash Plus - Growth- Direct Plan	-	-	50.00	-
210,076 (-) L&T Liquid Fund Direct Growth	-	-	50.00	-
Total (B)			100.00	2,663.54
(C) In fully paid equity shares				
Trade				
Unquoted				
Long-term				
In wholly owned subsidiary				
1,550,000,000 (350,000,000) Shares of ₹ 10 in Bajaj Housing Finance Ltd.	1,528.00	328.00	-	-
	1,528.00	328.00	-	-
Other than trade				
Quoted				
Long-term				
75 (75) Shares of ₹ 10 each in Bajaj Holdings and Investments Ltd. (₹ 19,646 Previous year ₹ 19,646)	-	-	-	-
150 (150) Shares of ₹ 10 each in Bajaj Auto Ltd. (₹ 7,685, Previous year ₹ 7,685)	-	-	-	-
Sub - Total (₹ 27,331, Previous year ₹ 27,331)	-	-	-	-
Unquoted				
Long-term				
10 (-) Shares of ₹ 10 each in One MobiKwik Systems Private Ltd.	0.01	-	-	-
	0.01	-	-	-
Total (C)	1,528.01	328.00	-	-
(D) In fully paid preference shares				
Other than trade				
Unquoted				
Long-term				
315,314 (-) Series D Cumulative Compulsorily Convertible Preference Shares (CCCPs) of ₹ 100 each in One MobiKwik Systems Private Ltd.	224.99	-	-	-
	224.99	-	-	-
Total (D)				

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
(E) In Securitised assets				
Unquoted				
Long-term				
Pass Through Certificates representing securitisation of loan receivables in Visage Holdings and Finance Private Ltd.	7.00	-	13.84	-
Pass Through Certificates representing securitisation of loan receivables in Indian School Finance Company Private Ltd.	15.38	-	6.20	-
Total (E)	22.38	-	20.04	-
Total (A+B+C+D+E)	2,365.58	1,090.30	1,294.88	2,984.40

Particulars	Book value		Market value	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Quoted	1,865.04	3,746.70	1,851.11	3,766.00
Unquoted	1,795.42	328.00		

Note

Open ended mutual funds though not listed are quoted on National Stock Exchange (NSE) and are transactable through the exchange with fund houses at previous day close Net Asset Value (NAV). Hence considered as quoted.

12 Deferred tax assets (net)

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
A) Deferred tax liability		
On account of timing difference in:		
- Depreciation and amortisation	(11.68)	(16.34)
- Other liabilities	(3.28)	(3.04)
Gross deferred tax liability	Total (A)	(14.96)
		(19.38)
B) Deferred tax asset		
On account of timing difference in:		
- Disallowance u/s 43B of the Income Tax Act, 1961	19.34	13.50
- Provision for doubtful debts	357.71	351.40
- Other assets	24.32	23.55
Gross deferred tax asset	Total (B)	401.37
		388.45
	Total (A+B)	386.41
		369.07

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

13 Receivables under financing activity

(Good unless otherwise stated)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March 2018	2017	As at 31 March 2018	2017
(A) Secured				
(i) Against hypothecation of automobiles, equipments, durables etc. [Includes overdue installments ₹ 460.52 crore (Previous year ₹ 586.06 crore)]	5,418.91	3,611.53	14,856.70	12,261.53
(ii) Against equitable mortgage of immovable property under finance agreements [Includes overdue installments ₹ 7.07 crore (Previous year ₹ 12.39 crore)]	15,903.47	13,881.57	1,075.17	1,712.03
(iii) Infrastructure finance: Against joint hypothecation of plant and machinery, immovable property and other assets [Includes overdue installments ₹ 13.58 crore (Previous year ₹ 39.83 crore)]	45.78	245.50	5.63	55.56
(iv) Loan against securities (secured by pledge of securities) [Includes overdue installments ₹ 4.06 crore (Previous year ₹ 2.16 crore)]	965.12	502.84	5,515.09	3,661.53
TOTAL (A)	22,333.28	18,241.44	21,452.59	17,690.65
(B) Unsecured +				
Loans at agreement values less installments received [Includes overdue installments ₹ 330.64 crore (Previous year ₹ 216.06 crore)]	21,474.04	13,786.66	12,751.33	7,964.13
TOTAL (B)	21,474.04	13,786.66	12,751.33	7,964.13
TOTAL (A + B)	43,807.32	32,028.10	34,203.92	25,654.78

+ Includes receivables from related parties amounting to ₹ 42.63 crore (Previous year ₹ 33.97 crore)

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

14 Loans and advances, unsecured

(Good unless otherwise stated)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Capital advances	2.80	2.64	-	-
Security deposits	51.74	23.04	-	0.34
Advances/Security deposits to related parties	1.09	0.90	4.93	0.94
Advance tax (net of provision for taxation ₹ 1,911.66 crore, Previous year ₹ 1,948.98 crore)	24.28	33.28	-	-
Advances to dealers	-	-	204.61	465.22
Advances recoverable in cash or kind, unsecured, considered good	-	-	47.10	34.67
Advances recoverable in cash or kind, unsecured, considered doubtful	-	-	4.75	4.93
Less: Provision	-	-	(4.75)	(4.93)
	79.91	59.86	256.64	501.17

15 Cash and bank balances

Particulars	(₹ In Crore)	
	Current	
	As at 31 March 2018	As at 31 March 2017
(A) Cash and cash equivalents		
Cash on hand	60.86	44.06
Cash equivalents - Bank balance in cash credit/current accounts	166.38	280.56
Total (A)	227.24	324.62
(B) Other bank balances		
Earmarked balances with bank (against fixed deposit maturities and unclaimed dividend)	1.49	1.18
Total (B)	1.49	1.18
Total (A + B)	228.73	325.80

Standalone Financial Statements

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

16 Other current assets

Particulars	As at 31 March	
	2018	2017
Interest receivable on investments	8.18	15.95
Interest subsidy receivable	457.84	296.64
Receivables from related parties	13.31	7.71
Other receivables	61.64	35.53
	540.97	355.83

17 Revenue from operations

Particulars	For the year ended 31 March	
	2018	2017
Finance activity:		
(i) Interest on loans including interest subsidy	11,354.89	8,692.39
(ii) Service and administration charges	885.43	565.64
	12,240.32	9,258.03
Other operating revenue:		
(i) Interest:		
(a) On deposits	-	0.93
(b) On Government securities	91.70	63.67
Less: Amortisation of premium	(1.63)	(1.13)
(c) Penal and others	384.35	230.65
	474.42	294.12
(ii) Profit on sale of current investments, net*	198.90	162.19
(iii) Bad debt recoveries	72.89	30.15
(iv) Foreclosure income	24.67	46.06
(v) Miscellaneous charges and receipts	276.57	172.47
	1,047.45	704.99
	13,287.77	9,963.02

* Consequent to deployment of temporary idle funds to defray cost of borrowings, hence classified under 'Other operating revenue'.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

18 Other income

Particulars	(₹ In Crore)	
	2018	2017
Dividend from non-current investment (₹ 10,688, Previous year ₹ 1,313)		
Provisions no longer required	12.54	12.44
Liabilities no longer required written back	7.07	7.81
Interest on income tax refunds, net	1.86	3.33
Profit on sale of assets	-	0.51
Miscellaneous income	19.98	1.86
	41.45	25.95

19 Employee benefits expense

Particulars	(₹ In Crore)	
	2018	2017
Employees' emoluments (Includes Managerial remuneration):		
– Salaries, wages and bonus	1,307.58	858.71
– Contribution to provident and other funds	61.27	42.73
– Staff welfare expenses	32.58	30.23
	1,401.43	931.67

20 Finance costs

Particulars	(₹ In Crore)	
	2018	2017
Interest expenses	4,123.36	3,354.87
Discount in respect of commercial papers issued	426.54	411.95
Other financing costs	34.84	36.55
	4,584.74	3,803.37

21 Loan losses and provisions

Particulars	(₹ In Crore)	
	2018	2017
Contingent provision against standard assets	80.57	64.02
Provision for restructured standard assets	9.50	17.86
Provision for delinquencies and doubtful advances	940.12	722.01
	1,030.19	803.89

Standalone Financial Statements

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

22 Other expenses

Particulars	(₹ In Crore)		
	For the year ended 31 March	2018	2017
Insurance		2.88	2.56
Rent		48.32	31.05
Commission to non-executive directors		2.62	2.47
Communication expenses		54.78	33.41
Outsourcing/back office expenses		173.15	147.65
Travelling expenses		159.21	101.22
Information technology expenses		140.51	92.80
Sourcing and credit cost		186.83	132.26
Recovery costs		494.52	317.96
Bank charges		82.08	49.26
Rates and taxes		0.84	0.72
Payment to auditor*		0.63	0.62
Loss on sale of assets, net		0.37	-
Dealer incentive		294.45	309.35
Advertisement and publicity		163.93	67.93
Marked to market losses on investments, net		-	22.97
Expenditure towards Corporate Social Responsibility activities**		39.56	28.38
Sundry expenses		309.86	220.75
	2,154.54	1,561.36	

* Payment to auditor (net of service tax/GST credit availed) #

Particulars	For the year ended 31 March	
	2018	2017
As auditor:		
- Audit fee	0.36	0.36
- Tax audit fee	0.05	0.05
- Limited review	0.10	0.07
In other capacity:		
- Other services (certification fees)	0.10	0.12
- Reimbursement of expenses	0.02	0.02
	0.63	0.62

Excludes fees of ₹ 0.33 crore in respect of fund raised through qualified institutional placement, adjusted against securities premium.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

22 Other expenses (Contd.)

** Corporate Social Responsibility expenditure

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
(a) Gross amount required to be spent by the Company during the year	39.40	28.37
(b) Amount spent in cash during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	39.56	28.38

23 Computation of Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Particulars	For the year ended 31 March	
	2018	2017
A) Basic		
(i) Computation of Profit (numerator):		
- Net Profit attributable to shareholders (₹ In Crore)	2,646.70	1,836.55
(ii) Computation of weighted average number of shares (denominator):		
- Number of shares outstanding at the beginning of the year (as adjusted for sub-division and bonus issue)	546,832,590	535,495,160
- Weighted average number of equity shares issued and outstanding during the year	15,720,892	4,491,258
Adjusted weighted average equity shares	562,553,482	539,986,418
Basic EPS (₹)	47.05	34.01
B) Diluted		
(i) Computation of Profit (numerator):		
- Net Profit attributable to shareholders (₹ In Crore)	2,646.70	1,836.55
(ii) Computation of weighted average number of shares (denominator):		
- Number of shares outstanding at the beginning of the year (as adjusted for sub-division and bonus issue)	546,832,590	535,495,160
- Weighted average number of equity shares issued and outstanding during the year	15,720,892	4,491,258
- Number of options outstanding at the close of the year*	5,811,764	5,451,986
Adjusted weighted average equity shares	568,365,246	545,438,404
Diluted EPS (₹)	46.57	33.67

* Dilutive equity shares under ESOPs

Standalone Financial Statements

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

24 Contingent liability not provided for

Particulars	As at 31 March	
	2018	2017
Disputed claims against the Company not acknowledged as debts	31.27	17.29
VAT matters under appeal	2.39	2.24
ESI matters under appeal	5.14	5.14
Service tax matters under appeal:		
- On interest subsidy	1,243.80	1,147.10
- On others	3.11	4.43
Income tax matters:		
- Appeals by the Company	8.90	12.93
- Appeals by the Income tax department	32.98	32.98

- (i) The Company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals/defense.
- (ii) The Commissioner, Service Tax Commissionerate, Pune, through an order dated 31 March 2017, has confirmed the demand of ₹ 644.65 crore for service tax and penalties of ₹ 198.95 crore from the Company in relation to the interest subsidy the Company received from manufacturers and dealers in the period 1 April 2010 to 30 September 2016. In addition, the Commissioner has demanded the payment of interest on the service tax amount confirmed up until the date the Company pays the service tax demanded, which as at 31 March 2018 totalled ₹ 400.20 crore. In accordance with legal advice, the Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai disputing the demands. The Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.
- (iii) The Company has received a show cause notice from service tax authorities claiming service tax on penal interest/charges, aggregating ₹ 53.87 crore. The Company, in line with the opinion obtained from a legal counsel is of view that the said demand is not tenable and has filed reply on 23 March 2018.
- (iv) It is not practicable for the Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

25 Capital and other commitments

Particulars	As at 31 March	
	2018	2017
(A) Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances)	41.32	17.77
(B) Other commitments:		
The Company's capital commitments towards partially disbursed loans	63.83	222.51

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

26 Expenditure in foreign currency and unhedged exposure

(i) Foreign currency expenditure

Particulars	(₹ In Crore)	
	For the year ended 31 March 2018	2017
Travelling expenses	0.34	0.55
Software expenses	26.58	16.00
Other expenses	4.62	1.01

(ii) Unhedged foreign currency exposures payable

Particulars	As at 31 March 2018		As at 31 March 2017	
	Foreign Currency	₹ In Crore	Foreign Currency	₹ In Crore
USD	932,079	6.14	124,445	0.82
Pound	9,461	0.09	-	-

27 Segment information

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS-17 on 'Segment reporting'. The Company operates in a single geographical segment, i.e. domestic.

- 28** Liability for long-term 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:

(A) Gratuity

Particulars	(₹ In Crore)	
	As at 31 March 2018	2017
Amount to be recognised in Balance Sheet		
Present value of funded obligations	78.72	57.36
Fair value of plan assets	(54.34)	(43.14)
Amount not recognised as an asset [limit in para 59(b)]	0.10	0.14
Net liability	24.48	14.36
Amounts in Balance Sheet		
Liability (Non-current as shown in note no.7)	24.48	14.36
Assets	-	-
Net liability/(asset)	24.48	14.36
Expense to be recognised in the Statement of Profit and Loss		
Current service cost	11.76	7.44
Interest on defined benefit obligation	4.98	3.49
Expected return on plan assets	(3.49)	(2.81)
Net actuarial losses/(gains) recognised in year	8.16	10.24
Effect of the limit in para 59(b)	(0.04)	(0.55)
Premium allocation difference and other charges transferred	-	-
Total, included in employee benefits expense	21.37	17.81
Actual return on plan assets	2.42	3.60

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

(A) Gratuity (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	57.36	37.46
Current service cost	11.76	7.44
Interest cost	4.98	3.49
Actuarial losses/(gain)	7.09	11.03
Liabilities assumed on acquisition/(settled on divestiture)	(0.45)	-
Benefits paid	(2.02)	(2.06)
Closing defined benefit obligation	78.72	57.36
Change in fair value of assets		
Opening fair value of plan assets	43.14	35.74
Expected return on plan assets	3.49	2.81
Actuarial gain/(losses)	(1.07)	0.78
Contributions by employer	11.24	5.87
Assets assumed on acquisition/(settled on divestiture)	(0.45)	-
Benefits paid	(2.02)	(2.06)
Closing fair value of plan assets	54.33	43.14

Summary of the actuarial assumptions

Particulars	2018		2017	
Discount rate	7.75%		7.35%	
Expected rate of return on assets	7.50%		7.50%	
Salary escalation rate	11.00%		10.00%	

(₹ In Crore)
As at 31 March

Particulars	2018		2017	
Expected contribution to fund in the next year	19.50		9.50	

Category of plan assets	2018		2017	
Insurer managed funds	100%		100%	

(₹ In Crore)

Particulars	As at 31 March				
	2018	2017	2016	2015	2014
Experience adjustments					
Defined benefit obligation	78.72	57.37	37.46	26.83	16.39
Plan assets	54.34	43.14	35.74	25.15	23.34
Surplus/(deficit)	(24.38)	(14.21)	(1.72)	(1.67)	6.95
Experience adjustments on plan liabilities	13.80	6.90	3.82	1.76	2.18
Experience adjustments on plan assets	(1.07)	0.78	0.48	0.71	0.36

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

(B) Compensated absences

Particulars	(₹ In Crore)		
	As at 31 March	2018	2017
Present value of unfunded obligations		21.40	20.68
Expense recognised in the Statement of Profit and Loss		19.56	16.88
Discount rate (p.a.)		7.75%	7.35%
Salary escalation rate (p.a.)		11.00%	10.00%

(C) Long-term service benefit liability

Particulars	(₹ In Crore)		
	2018	2017	
Present value of unfunded obligations		5.53	5.52
Expense recognised in the Statement of Profit and Loss		0.01	5.52
Discount rate (p.a.)		7.75%	7.35%

(D) Provident fund

In case of certain employees, the Provident Fund contribution is made to Bajaj Auto Ltd. Provident Fund Trust. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident Fund liability based on the assumptions listed below and determined that there is no shortfall as of 31 March 2018. The assumptions used in determining the present value of obligation of interest rate guarantee under deterministic approach are:

Particulars	(₹ In Crore)		
	As at 31 March	2018	2017
Amount to be recognised in Balance Sheet			
Present value of funded obligations		240.79	176.35
Fair value of plan assets		240.79	176.35
Net liability		-	-
Amounts in Balance Sheet			
Liability		-	-
Assets		-	-
Net liability/(asset)		-	-
Expense to be recognised in the Statement of Profit and Loss			
Current service cost		18.08	12.29
Interest on defined benefit obligation		13.90	11.03
Expected return on plan assets		(17.67)	(12.94)
Net actuarial losses/(gains) recognised in year		3.77	1.91
Total, included in employee benefits expense		18.08	12.29
Reconciliation of benefit obligations and plan assets for the period			
Change in defined benefit obligation			
Opening defined benefit obligation		176.35	131.18
Current service cost		18.08	12.29
Interest cost		13.90	11.03
Actuarial losses/(gain)		3.76	1.76
Employees contribution		37.02	26.02
Liabilities assumed on acquisition/(settled on divestiture)		2.26	3.43
Benefits paid		(10.58)	(9.36)
Closing defined benefit obligation		240.79	176.35

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Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

D) Provident fund (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Change in fair value of assets		
Opening fair value of plan assets	176.35	131.18
Expected return on plan assets	17.67	12.94
Actuarial gain/(losses)	(0.01)	(0.15)
Employer contributions during the period	18.08	12.29
Employee contributions during the period	37.02	26.02
Assets acquired on acquisition/(distributed on divestiture)	2.26	3.43
Benefits paid	(10.58)	(9.36)
Closing fair value of plan assets	240.79	176.35

Summary of the actuarial assumptions

Particulars	2018	2017
Discount rate	7.75%	7.35%
Expected rate of return on assets	8.64%	8.90%
Discounting rate for remaining term to maturity of investment (p.a.)	7.65%	7.15%
Average historic yield on investment (p.a.)	8.54%	8.70%
Guaranteed rate of return (p.a.)	8.55%	8.65%

Particulars	2018	2017
Expected contribution to fund in the next year	20.07	13.52

Category of plan assets	2018	2017
Government of India securities	50%	52%
Corporate bonds	30%	30%
Special deposit scheme	5%	6%
Others	15%	12%

Particulars	As at 31 March				
	2018	2017	2016	2015	2014
Experience adjustments					
Defined benefit obligation	240.79	176.35	131.18	92.71	71.84
Plan assets	240.79	176.35	131.18	92.71	71.84
Surplus/(deficit)	-	-	-	-	-
Experience adjustments on plan liabilities	3.76	1.76	7.78	(0.38)	0.81
Experience adjustments on plan assets	(0.01)	(0.15)	6.62	(0.39)	0.34

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

29 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 then issued equity capital of the Company aggregating to 1,829,803 equity shares of the face value of ₹10 each 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 shareholders, at the Annual General Meeting held on 16 July 2014, approved an additional issue of 677,313 stock options i.e. from 1,829,803 to 2,507,116 options of the face value of ₹10 each under the Stock Options schemes of the Company i.e. Employee Stock Option Plan 2009.

Pursuant to the sub-division of each equity share of face value of ₹10 into five equity shares of face value of ₹2 on 10 September 2016 and allotment of bonus equity share in the proportion of one equity share of face value of ₹2 for every one equity share on 14 September 2016, the aggregate number of equity shares which would be available for future grants under the Employee Stock Option Scheme, 2009 were adjusted from 2,507,116 equity shares of face value of ₹10 to 25,071,160 equity shares equity shares of face value of ₹2 each.

The Nomination and Remuneration Committee has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Under the scheme, twelve grants have been made, details of which as on 31 March 2018 are given as under:

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-
21-Jul-10	54.20	3,267,500	105,620	-	2,842,510	319,370	105,620
28-Jul-11	70.52	3,762,000	220,250	-	3,114,750	427,000	220,250
16-May-12	87.61	3,595,000	714,620	-	2,301,130	579,250	714,620
15-May-13	138.04	3,949,300	1,265,165	-	1,831,135	853,000	1,265,165
1-Nov-13	135.31	197,000	-	-	49,250	147,750	-
16-Jul-14	219.66	2,816,000	951,900	556,000	985,850	322,250	1,507,900
20-May-15	448.16	1,935,000	425,050	757,500	424,950	327,500	1,182,550
24-May-16	765.37	1,430,000	206,900	946,875	122,725	153,500	1,153,775
17-May-17	1,347.75	1,120,750	-	1,067,900	-	52,850	1,067,900
16-Oct-17	1,953.05	16,350	-	16,350	-	-	16,350
1-Feb-18	1,677.85	120,000	-	120,000	-	-	120,000
Total		23,528,900	3,889,505	3,464,625	12,954,800	3,219,970	7,354,130

Above disclosures have been adjusted for sub-division of shares and issue of bonus shares thereon.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

29 Employee stock option plan (Contd.)

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 fair value of options used to compute pro-forma 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:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in market at the time of the option grant (₹)	Fair Value per option (₹)
12-Jan-10	6.70%	1-5 years	54.01%	0.62%	35.87	10.12
21-Jul-10	7.42%	3.5-6.5 years	55.38%	1.28%	54.20	27.48
28-Jul-11	8.27%	3.5-6.5 years	53.01%	1.42%	70.52	34.92
16-May-12	8.36%	3.5-6.5 years	49.58%	1.37%	87.61	42.27
15-May-13	7.32%	1-5 years	29.97%	1.09%	138.04	49.80
1-Nov-13	8.71%	1-5 years	32.83%	1.11%	135.31	54.39
16-Jul-14	8.66%	1-5 years	38.01%	0.73%	219.66	97.94
20-May-15	7.76%	3-5-6.5 years	34.88%	0.36%	448.16	191.40
24-May-16	7.38%	0.5-6.5 years	33.13%	0.47%	765.37	309.83
17-May-17	6.89%	0.5-6.5 years	34.23%	0.05%	1,347.75	565.29
16-Oct-17	6.69%	0.5-6.5 years	34.51%	0.04%	1,953.05	816.23
1-Feb-18	7.42%	0.5-6.5 years	34.05%	0.04%	1,677.85	719.29

Above disclosures have been adjusted for sub-division of shares and issue of bonus shares thereon.

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

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

Particulars	(₹ In Crore)	
	2018	2017
Net profit (as reported)	2,646.70	1,836.55
Add: Stock based employee compensation expense included in net income	-	-
Less: Stock based compensation expense determined under fair value based method (pro-forma)	48.40	30.52
Net Profit (pro-forma)	2,598.30	1,806.03
Basic earnings per share (as reported) (₹)	47.05	34.01
Basic earnings per share (pro-forma) (₹)	46.19	33.45
Diluted earnings per share (as reported) (₹)	46.57	33.67
Diluted earnings per share (pro-forma) (₹)	45.72	33.11

30 Disclosures required by various Reserve Bank of India Regulations, to the extent applicable, pertaining to Non-Banking Financial Companies are set out in Annexure to and forming an integral part of these Financial Statements.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

31 Disclosure of transactions with related parties as required by Accounting Standard 18

Name of related party and nature of relationship	Nature of transaction	2018		2017	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(A) Holding Company, Subsidiaries and Fellow Subsidiaries					
1. Bajaj Finserv Ltd. (Holding Company)	Dividend paid	114.41	-	21.60	-
	Contribution to equity (317,816,130 shares of ₹ 2 each)	-	(63.56)	-	(63.56)
	Equity contribution received (including securities premium)	-	-	306.08	-
	Business support charges paid	10.07	-	8.68	-
	Business support charges received	0.31	-	0.26	-
	Licence fee paid (₹ 505, Previous year ₹ 505)	-	-	-	-
	Non-convertible debentures issued	-	(635.00)	-	(450.00)
	Commercial papers issued	-	-	-	(25.00)
	Non-convertible debentures redemption	-	-	95.00	-
	Interest paid on non-convertible debentures	39.12	-	34.12	-
	Fixed deposits accepted	-	-	-	(50.00)
	Fixed deposits repaid	50.00	-	100.00	-
	Interest incurred on fixed deposits	2.71	-	9.50	(6.39)
	Asset sale	0.09	-	-	-
	Other receipts	0.07	-	-	-
2. Bajaj Housing Finance Ltd. (Subsidiary)	Contribution to equity (1,200,000,000 shares of ₹ 10 each (Previous year 300,000,000 shares)	1,200.00	1,528.00	300.00	328.00
	Assets sale	-	-	2.21	-
	Security deposit paid	0.08	0.08	-	-
	Rent Paid	0.18	-	-	-
	Business support charges received	17.75	2.17	-	-
	Business support charges paid (Previous year outstanding ₹ 3,700)	1.98	-	-	-
3. Bajaj Financial Securities Ltd. (Subsidiary)	Fixed deposits accepted	-	-	-	(0.11)
	Fixed deposits repaid	0.11	-	-	-
	Interest incurred on fixed deposits	0.01	-	0.01	(0.03)
4. Bajaj Allianz Life Insurance Company Ltd. (Fellow Subsidiary)	Insurance expenses	3.02	0.03	1.99	0.23
	Insurance premium adjusted (including cancellation receipts)	261.68	1.40	126.04	3.79
	Commission income	3.60	0.93	0.02	0.01
	Non-convertible debentures issued	-	(137.50)	-	(282.50)
	Non-convertible debentures redemption	30.00	-	-	-
	Interest paid on non-convertible debentures	25.56	-	29.05	-
	Rent and maintenance expenses	0.93	-	0.84	-
	Security deposit for property paid	-	0.60	-	0.60
	Business support charges received	0.19	0.03	0.04	0.04
	Other receipts	2.91	-	0.75	-
5. Bajaj Allianz General Insurance Company Ltd. (Fellow Subsidiary)	Insurance expenses	13.65	(1.09)	1.06	(0.10)
	Insurance premium adjusted (including cancellation receipts)	318.14	3.49	309.72	(2.86)
	Commission income	28.59	8.28	40.05	7.40
	Non-convertible debentures issued	-	(90.00)	-	(160.00)
	Non-convertible debentures redemption	60.00	-	-	-
	Interest paid on non-convertible debentures	15.51	-	12.47	-
	Business support charges received	0.10	-	-	-
	Other income	1.19	-	0.01	-

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

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

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2018		2017	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(B) Individuals controlling voting power/exercising significant influence and their relatives					
1. Rahul Bajaj (Chairman)	Sitting fees	0.06	-	0.05	-
	Commission	0.12	(0.11)	0.10	(0.09)
2. Sanjiv Bajaj (Vice Chairman)	Sitting fees	0.10	-	0.09	-
	Commission	0.19	(0.17)	0.18	(0.16)
3. Madhur Bajaj (Director)	Sitting fees	0.04	-	0.04	-
	Commission	0.08	(0.07)	0.07	(0.06)
4. Rajiv Bajaj (Director)	Sitting fees	0.03	-	0.03	-
	Commission	0.06	(0.05)	0.06	(0.05)
5. Shekhar Bajaj	Nil	-	-	-	-
6. Niraj Bajaj	Nil	-	-	-	-
(C) Key Managerial Personnels and their relatives					
1. Rajeev Jain (Managing Director)	Remuneration	10.06	(5.16)	8.45	(4.37)
	ESOPs exercised-perquisite	32.42	-	-	-
(D) Enterprises over which anyone in (B) and (C) exercises significant influence					
1. Bajaj Auto Ltd.	Interest subsidy received	23.78	1.87	8.33	-
	Business support charges paid	26.36	(0.56)	20.95	-
	Business support charges received	0.51	0.03	0.65	-
	Security deposit paid	-	0.21	-	0.21
	Investment in equity shares (₹ 7,685)	-	-	-	-
	Dividend received (₹ 8,250, Previous year ₹ 750)	-	-	-	-
2. Bajaj Holdings & Investments Ltd.	Business support charges paid	2.54	-	2.54	-
	Business support charges received	0.31	-	0.26	-
	Investment in equity shares (₹ 19,646)	-	-	-	-
	Dividend received (₹ 2,438, Previous year ₹ 562)	-	-	-	-
	Other receipts	0.03	-	-	-
	Other payments	0.03	-	-	-
3. Mukand Ltd.	Loan given	25.00	42.63	25.00	33.97
	Principal repayment received	16.34	-	21.96	-
	Income received	4.30	-	3.50	-
4. Hind Musafir Agency Ltd.	Services received	33.34	(0.66)	22.37	(2.24)
5. Bajaj Electricals Ltd.	Assets purchased	0.14	0.01	0.20	-
6. Jamnalal Sons Pvt. Ltd.	Dividend paid (₹ 3,384, Previous year ₹ 658)	-	-	-	-
	Contribution to equity (940 shares of ₹ 2 each - ₹ 1,880)	-	-	-	-
	Security deposit paid	0.10	0.19	-	0.09
	Rent and other expenses (Previous year outstanding ₹ 42,306)	0.39	-	0.22	-
7. Hercules Hoists Ltd.	Fixed deposits accepted	-	-	-	(1.67)
	Fixed deposits repaid	1.67	-	6.70	-
	Interest incurred on fixed deposits	0.01	-	0.70	(0.23)
8. Maharashtra Scooters Ltd.	Business support charges received	0.12	-	0.10	0.03
	Non-convertible debentures issued	-	(80.00)	-	(80.00)
	Interest on non-convertible debentures issued	7.20	-	7.20	-
	Contribution to equity (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
	Dividend paid	6.83	-	1.33	-
9. Bajaj Auto Holdings Ltd.	Non-convertible debentures redemption	-	-	5.00	-
	Interest on non-convertible debentures issued	-	-	0.47	-

Notes

1. Transaction values are excluding taxes and duties.
2. Amount in bracket denotes credit balance.
3. Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.
4. Related parties as defined under clause 3 of the Accounting Standard-18- 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. Accordingly, disclosure have been made in respective notes to financial statements as required by schedule III to Companies Act, 2013.

Notes to standalone financial statements for the year ended 31 March 2018 (Contd.)

32 Operating leases

The Company's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. Certain agreements provide for cancellation by either party or certain agreements contain clause for escalation of lease payments. The non-cancellable operating lease agreements are ranging from 36 to 60 months. There are no sub-leases. Lease payments during the year are charged to the Statement of Profit and Loss.

Details of non-cancellable leases are as follows:

Particulars	(₹ In Crore)	
	As at 31 March 2018	2017
Operating lease payments recognised during the year	48.32	31.05
Minimum Lease Obligations:		
- Not later than one year	4.50	4.53
- Later than one year but not later than five years	12.80	15.22
- Later than five years	0.68	0.13

33 In accordance with the Reserve Bank of India circular no. RBI/2006-07/225 DNBS (PD) C.C No. 87/03.02.004/2006-07 dated 4 January 2007, the Company has created a floating charge on the statutory liquid assets comprising of investment in Government securities to the extent of ₹ 612.67 crore (Previous year ₹ 557.38 crore) in favor of trustees representing the public deposit holders of the Company.

34 Previous period financial statements were audited by the Company's previous auditors and figures have been regrouped/rearranged, wherever necessary, to conform to current period presentation.

35 Amounts less than ₹ 50,000 have been shown at actual against respective line items statutorily required to be disclosed.

Signatures to Notes 1 to 35

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 089802
Pune: 17 May 2018

On behalf of the Board of Directors

Rajeev Jain
Managing Director

Rahul Bajaj
Chairman

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Vice Chairman

Anant Damle
Company Secretary

Nanoo Pamnani
Vice Chairman and
Chairman - Audit Committee

Annexure (Forming part of the financial statements)

I Schedule to Balance Sheet**As required in terms of paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007**

Particulars	Amount Outstanding	Amount Overdue	(₹ In Crore)
Liabilities Side			
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid			
(a) Debentures: Secured (including interest accrued thereon ₹ 1,668.35 crore)	27,433.08	-	-
Unsecured (including interest accrued thereon ₹ 242.11 crore) (Other than falling within the meaning of public deposit*)	4,624.96	-	-
(b) Deferred credits	-	-	-
(c) Term loans (including interest accrued thereon ₹ 0.73 crore)	16,034.48	-	-
(d) Inter-corporate loans and borrowings (including interest accrued thereon ₹ 115.96 crore)	4,375.21	-	-
(e) Commercial paper	3,683.02	-	-
(f) Public deposits* (including interest accrued thereon ₹ 122.79 crore)	3,432.54	-	-
(g) Other loans (CBLO, short-term loans, cash credit and working capital demand loan-including interest accrued thereon ₹ 1.38 crore)	4,135.06	-	-

* Please see note no. 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	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-
(c) Other public deposits*	3,432.54	-	-

* Please see note no. 1 below

Particulars	Amount Outstanding	(₹ In Crore)
Asset Side		
(3) Break-up of loans and advances including bills receivables (other than those included in (4) below)		
(a) Secured	23,510.26	-
(b) Unsecured	35,102.89	-
(4) Break up of leased assets and assets under finance and hypothecation loans counting towards asset finance activities		
(i) Lease assets including lease rentals under sundry debtors	-	-
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock under finance including financing charges under sundry debtors	-	-
(a) Assets under finance, net of unmatured finance charges and advance EMI	20,258.71	-
(b) Repossessed assets	16.90	-
(iii) Hypothecation loans counting towards asset financing activities	-	-
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

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

I Schedule to Balance Sheet (Contd.)

(₹ In Crore)

Particulars	Amount Outstanding
(5) Break up of investments	
Current investments	
(1) Quoted:	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	100.00
(iv) Government securities	1,174.84
(v) Others	-
(2) Unquoted:	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others (Investment in securitised assets)	20.04
Long-term investments	
(1) Quoted:	
(i) Shares: (a) Equity (₹ 27,331, Previous year ₹ 27,331)	
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	590.20
(v) Others	-
(2) Unquoted:	
(i) Shares: (a) Equity	1,528.01
(b) Preference	224.99
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others (Investment in securitised assets)	22.38

(6) Borrower group-wise classifications of all leased assets, stock under financing and loans and advances (Please see note no. 2 below)

(₹ In Crore)

Category	Amount net of provisions		
	Secured	Unsecured	Total
(1) Related parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	19.33	19.33
(c) Other related parties	-	42.63	42.63
(2) Other than related parties	43,785.87	35,040.93	78,826.80
	43,785.87	35,102.89	78,888.76

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

I Schedule to Balance Sheet (Contd.)

(7) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) (Please see note no. 3 below)

Category	Market value/Break up or Fair value or NAV \$	Book value (net of provisions)	(₹ In Crore)
(1) Related parties**			
(a) Subsidiaries	1,528.00	1,528.00	
(b) Companies in the same group: (₹ 27,331)			
(c) Other related parties	-	-	
(2) Other than related parties	2,118.53	2,132.46	
	3,646.53	3,660.46	

** As per Accounting Standard of ICAI (Please see note no. 3).

\$ Government securities valued at cost less amortisation of premium.

(8) Other information

Particulars	Amount	(₹ In Crore)
(i) Gross non-performing assets		
(a) Related parties		-
(b) Other than related parties		1,163.80
(ii) Net non-performing assets		
(a) Related parties		-
(b) Other than related parties		296.64
(iii) Assets acquired in satisfaction of debt		-

Notes

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

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

II The Disclosures of restructured accounts as required by the NBFC Master Directions issued by RBI

(₹ In Crore)

Type of restructuring - Others ⁺	Asset classification				
	Standard	Sub-standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (opening figures)					
No. of borrowers (Nos.)	2.00	574.00	17.00	-	593.00
Amount outstanding	205.43	110.56	5.78	-	321.77
provision thereon	70.54	30.72	5.78	-	107.04
No. of borrowers (Nos.)	-	130.00	-	-	130.00
Amount outstanding	-	24.37	-	-	24.37
provision thereon	-	15.18	-	-	15.18
No. of borrowers (Nos.)	170.00	(170.00)	-	-	-
Amount outstanding	25.67	(25.67)	-	-	-
provision thereon	9.50	(9.50)	-	-	-
No. of borrowers (Nos.)	-	-	-	-	-
Amount outstanding	-	-	-	-	-
provision thereon	-	-	-	-	-
No. of borrowers (Nos.)	-	(49.00)	49.00	-	-
Amount outstanding	-	(1.55)	1.55	-	-
provision thereon	-	(1.33)	1.33	-	-
No. of borrowers (Nos.)	(1.00)	(140.00)	(17.00)	-	(158.00)
Amount outstanding	(172.21)	(61.37)	(5.80)	-	(239.38)
provision thereon	(68.88)	(11.91)	(5.58)	-	(86.37)
No. of borrowers (Nos.)	171.00	345.00	49.00	-	565.00
Amount outstanding	58.89	46.34	1.53	-	106.76
provision thereon	11.16	23.16	1.53	-	35.85

+ Since the disclosure of restructured advance account pertains to section 'Others', the first two sections, namely, 'Under CDR Mechanism' and 'Under SME Debt Restructuring Mechanism' as per format prescribed in the guidelines are not included above.

* Includes movement of amount outstanding and provision thereon of the existing restructured accounts.

Represents movement by asset classification.

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

III The disclosures as required by the NBFC Masters Directions issued by RBI

(1) Capital

(₹ In Crore)

As at 31 March

Particulars	2018	2017
(i) CRAR (%)	24.71%	20.30%
(ii) CRAR Tier I capital (%)	19.68%	14.56%
(iii) CRAR Tier II capital (%)	5.03%	5.74%
(iv) Amount of subordinated debt raised as Tier-II capital* (Raised during the year ₹ 600 crore, previous year ₹ 2,060 crore)	3,938.30	3,338.30
(v) Amount raised by issue of perpetual debt instruments	-	-

* Discounted value of ₹ 3,739.66 crore (Previous year ₹ 3,236.82 crore) considered for Tier II capital against the book value of ₹ 3,938.30 crore (Previous year ₹ 3,338.30 crore).

(2) Investments

(₹ In Crore)

As at 31 March

Particulars	2018	2017
(A) Value of investments		
(i) Gross value of investments		
- In India	3,662.81	4,099.80
- Outside India	-	-
(ii) Provisions for depreciation/amortisations		
- In India	2.35	25.10
- Outside India	-	-
(iii) Net value of investments:		
- In India	3,660.46	4,074.70
- Outside India	-	-
(B) Movement of provisions held towards depreciation/amortisations on investments		
(i) Opening balance	25.10	1.84
(ii) Add: Provisions made during the year	1.63	23.26
(iii) Less: Write off/write back of excess provisions during the year	(24.38)	-
(iv) Closing balance	2.35	25.10

(3) Derivatives

A) Forward rate agreement/interest rate swap

The Company has not traded in forward rate agreement/interest rate swap during the current and previous year.

B) Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

C) Disclosures on risk exposure in derivatives

The Company has no transaction/exposure in derivatives during the current and previous year.

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

III The disclosures as required by the NBFC Masters Directions issued by RBI (Contd.)

(4) Disclosures relating to securitisation

A) Outstanding amount of securitised assets as per books of the SPVs

The Company has not entered into securitisation transactions during the current and previous year.

B) Details of financial assets sold to securitisation/reconstruction company for asset reconstruction^{*}

Particulars	(₹ In Crore)	
	2018	2017
(i) No. of accounts	203	45
(ii) Aggregate value (net of provisions) of accounts sold	71.82	21.08
(iii) Aggregate consideration	78.80	24.39
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/(loss) over net book value	6.98	3.31

^{*}Includes 16 number of accounts (Previous year 1) which were written-off with aggregate consideration of ₹ 2.55 crore (Previous year ₹ 0.02 crore).

C) Details of assignment transactions undertaken

Particulars	(₹ In Crore)	
	2018	2017
(i) No. of accounts	6,357	4,339
(ii) Aggregate value (net of provisions) of accounts sold, Gross Exposure	2,156.11	3,053.71
(iii) Aggregate consideration for assigned portion	2,156.11	3,053.71
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/loss over net book value	-	-

D) Details of non-performing financial assets purchased/sold

a) Details of non-performing financial assets purchased:

The Company has not purchased any non-performing financial asset during the current and previous year.

b) Details of Non-performing Financial Assets sold (Other than sale to ARCs)^{*}

Particulars	(₹ In Crore)	
	2018	2017
(i) No. of accounts sold	96,772	34,022
(ii) Aggregate outstanding	183.96	90.55
(iii) Aggregate consideration received	19.87	28.32

^{*}Includes 95,697 number of accounts (Previous year 29,532 number) which were written-off with aggregate outstanding of ₹ 152.70 crore (Previous year 69.46 crore) and consideration received thereon ₹ 7.52 crore (Previous year ₹ 2.62 crore).

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

III The disclosures as required by the NBFC Masters Directions issued by RBI (Contd.)

(5) Asset Liability Management maturity pattern of certain items of assets and liabilities

(₹ In Crore)

Particulars	Up to 1 month	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Public deposits	85.59	86.07	58.50	176.66	564.01	1,848.41	490.51	-	3,309.75
Advances (Receivables under financing activity)	6,270.06	3,738.99	4,001.72	8,414.89	11,778.26	19,952.83	9,052.22	14,802.27	78,011.24
Investments	1,081.95	1.64	1.68	199.86	9.75	169.42	28.83	2,167.33	3,660.46
Borrowings (Other than public deposits)	2,848.25	2,509.15	2,105.42	2,834.73	7,130.76	27,036.33	6,972.10	6,820.54	58,257.28
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

(6) Exposures

A) Exposures to real estate sector

(₹ In Crore)

As at 31 March

Category	2018	2017
(i) Direct exposure		
(a) Residential mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
(a)	6,534.07	9,696.07
(b) Commercial real estate Lending secured by mortgages on commercial real estates	2,745.81	2,725.51
(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
(ii) Indirect exposure		

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

III The disclosures as required by the NBFC Masters Directions issued by RBI (Contd.)

B) Exposure to capital market

Particulars	(₹ In Crore)		
	As at 31 March	2018	2017
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;			-
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;			-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;		6,480.21	4,164.37
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;			-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;			-
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;			-
(vii) Bridge loans to companies against expected equity flows/issues;			-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)			-
Total exposure to capital market		6,480.21	4,164.37

C) Details of financing of parent company products

The Company does not have any financing of parent company products during the current and previous year.

D) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded

The Company has not exceeded the prudential exposure limits during the current and previous year.

E) Unsecured advances

Total loans and advances includes ₹ 34,561.92 crore which are unsecured advances (Previous year ₹ 22,311.82 crore)

(7) Registration obtained from other financial sector regulators

Regulator	Registration No.	Date of registration/renewal
Insurance Regulatory and Development Authority		
As a corporate agent for:		
Bajaj Allianz Life Insurance Company Ltd.		
Bajaj Allianz General Insurance Company Ltd.		
Max Bupa Health Insurance Company Ltd.	CA0101	01-Apr-2016/ 31-Mar-2019
Future Generali Life Insurance Company Ltd.		
HDFC Life Insurance Company Ltd.		
TATA AIG General Insurance Company Ltd.		

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

III The disclosures as required by the NBFC Masters Directions issued by RBI (Contd.)

(8) Details of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators on the Company during the current and previous year.

(9) Details of Ratings assigned by credit rating agencies and migration of ratings during the year

Rating agency	Programme	Rating assigned	Migration in ratings during the year
India Ratings	Non-convertible Debenture	IND AAA/Stable	Nil
	Subordinate Debt	IND AAA/Stable	Nil
	Long-term Bank Rating	IND AAA/Stable	Nil
	Short-term Bank Rating	IND A1+	Nil
CRISIL	Non-convertible Debenture	CRISIL AAA/Stable	Nil
	Lower Tier II Bond	CRISIL AAA/Stable	Nil
	Fixed Deposit	FAAA/Stable	Nil
	Long-term Bank Rating	CRISIL AAA/Stable	Nil
	Short-term Bank Rating	CRISIL A1+	Nil
	Subordinate Debt	CRISIL AAA/Stable	Nil
ICRA	Short-term Debt	CRISIL A1+	Nil
	Non-convertible Debenture	ICRA AAA/Stable	Rating upgraded from ICRA AA+/Positive to ICRA AAA/Stable
	Lower Tier II Bond	ICRA AAA/Stable	Rating upgraded from ICRA AA+/Positive to ICRA AAA/Stable
	Fixed Deposit	MAAA(Stable)	Nil
CARE	Subordinate Debt	ICRA AAA/Stable	Rating upgraded from ICRA AA+/Positive to ICRA AAA/Stable
	Short-term Debt	ICRA A1+	Nil
	Non-convertible Debenture	CARE AAA/Stable	Nil
	Subordinate Debt	CARE AAA/Stable	Nil

(10) Remuneration of non-executive director

Details of remuneration of directors are disclosed as part of the Directors' Report.

(11) Provisions and contingencies

(₹ In Crore)

For the year ended 31 March

Break up of 'Provisions and Contingencies' shown in the Statement of Profit and Loss	2018	2017
Provisions for depreciation/amortisation on Investment	1.63	24.10
Provision for non-performing assets	71.45	309.23
Provision for income tax/deferred tax and tax adjustments of earlier years	1,409.66	980.97
Provision for standard assets	80.57	64.02
Other provision and contingencies:		
Provision for restructured standard assets	9.50	17.86
Provision for delinquent receivables not yet NPAs, net	(102.89)	23.12

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

III The disclosures as required by the NBFC Masters Directions issued by RBI (Contd.)

(12) Draw Down from Reserves

During the year, the Company has not drawn down any amount from reserves.

(13) Concentration of deposits, advances, exposures and NPAs

(₹ In Crore)

Particulars	As at 31 March 2018
(a) Concentration of deposits	
Total deposits of 20 largest depositors	
	3,794.41
Percentage of deposits of 20 largest depositors to total deposits of the Company	50.13%
(b) Concentration of advances	
Total advances to 20 largest borrowers	3,035.77
Percentage of advances to 20 largest borrowers to total advances of the Company	3.89%
(c) Concentration of exposures (including off-Balance Sheet exposure)	
Total exposures to 20 largest borrowers/customers	3,035.77
Percentage of exposures to 20 largest borrowers/customers to total exposure of the Company on borrowers/customers	3.89%
(d) Concentration of NPAs	
Total exposure to top 4 NPA accounts	18.02
(e) Sector wise NPAs	
Sector	% of NPAs to total advances in the sector
Agriculture and allied activities	0.00%
MSME	0.00%
Corporate borrowers	0.32%
Services	0.00%
Unsecured personal loans	1.63%
Auto loans	5.65%
Other personal loans	0.84%

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

III The disclosures as required by the NBFC Masters Directions issued by RBI (Contd.)

(14) Movement of NPAs

Particulars	(₹ In Crore)	
	2018	2017
(i) Net NPAs to net advances (%)	0.38%	0.44%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	982.38	538.57
(b) Additions during the year	932.06	759.83
(c) Reductions during the year (Including loans written-off)	750.64	316.02
(d) Closing balance	1,163.80	982.38
(iii) Movement of net NPAs		
(a) Opening balance	255.38	122.93
(b) Additions during the year	224.17	209.67
(c) Reductions during the year	182.91	77.22
(d) Closing balance	296.64	255.38
(iv) Movement of provisions for NPAs (excluding provisions for standard assets)		
(a) Opening balance	727.00	415.64
(b) Provisions made during the year	707.89	550.16
(c) Write offs/write back of excess provisions	567.73	238.80
(d) Closing balance	867.16	727.00

(15) Disclosure of complaints

Particulars	For the year ended 31 March	
	2018	2017 [#]
Customer complaints		
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	12,425	595
(c) No. of complaints redressed during the year	12,200	595
(d) No. of complaints pending at the end of the year	225	-

*Escalations to RBI only

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

IV The disclosure of gold loan portfolio as required by RBI Master Directions issued by RBI

Particulars	As at 31 March	
	2018	2017
Total gold loan portfolio	655.01	543.96
Total assets	78,011.24	57,682.88
Gold loan portfolio as % of total assets	0.84%	0.94%

V The disclosure of gold auction as required by RBI Master Directions issued by RBI

Particulars	As at 31 March	
	2018	2017
Number of loan accounts	Nil	Nil
Outstanding amount	Nil	Nil
Value fatched on auctions	Nil	Nil

**Statement containing salient features of the financial statements of subsidiaries/
associate companies/joint ventures**

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

	(₹ In Crore)	
1 Name of the subsidiary	Bajaj Housing Finance Ltd.	Bajaj Financial Securities Ltd.
2 The date since when subsidiary was acquired	01.11.2014	01.11.2014
3 Reporting period for the subsidiary concerned, if different from the Holding company's reporting period	01.04.2017 – 31.03.2018	01.04.2017 – 31.03.2018
4 Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA
5 Share capital	1,550.00	14.00
6 Reserves and surplus	(2.82)	5.64
7 Total assets	4,715.57	21.45
8 Total liabilities	3,168.39	1.82
9 Investments	1,006.10	21.41
10 Turnover	147.74	8.89
11 Profit before taxation	33.00	8.80
12 Provision for taxation (net)	10.69	1.74
13 Profit after taxation	22.31	7.06
14 Proposed dividend	NA	NA
15 % of shareholding	100%	100%*

* Held by Bajaj Housing Finance Ltd.

Part B: Associates and Joint Ventures – Not Applicable

On behalf of the Board of Directors

Rajeev Jain
Managing Director

Rahul Bajaj
Chairman

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Vice Chairman

Anant Damle
Company Secretary

Nanoo Pamnani
Vice Chairman and
Chairman – Audit Committee

Pune: 17 May 2018

Consolidated Financial Statements

Independent Auditors' Report on the Consolidated Financial Statements

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

We have audited the accompanying consolidated financial statements of Bajaj Finance Ltd. (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), comprising of the consolidated Balance Sheet as at 31 March 2018, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2018, its consolidated profit, and its consolidated cash flows for the year ended on that date.

Other matter

The consolidated financial statements of the Company for the year ended 31 March 2017, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 17 May 2017.

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

Report on other legal and regulatory requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by Law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in 'Annexure 1' to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer note no. 24 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts for the year ended 31 March 2018;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India for the year ended 31 March 2018.

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
 Partner
 Membership Number: 089802
 Pune: 17 May 2018

Annexure 1 to Independent Auditors' Report

Annexure 1 referred to in paragraph (f) under the heading 'Report on other legal and regulatory requirements' of our report of even date

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of Bajaj Finance Ltd. as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Bajaj Finance Ltd. (hereinafter referred to as the 'Holding Company') and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, with reference to these consolidated financial statements assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

Annexure 1 to Independent Auditors' Report (Contd.)

- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 089802
Pune: 17 May 2018

Consolidated Financial Statements

Consolidated Balance Sheet

Particulars	Note No.	(₹ In Crore)		
		As at 31 March 2018	2017	
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	3	115.03	109.37	
Reserves and surplus	4	16,430.62	9,490.89	
		16,545.65	9,600.26	
Non-current liabilities				
Long-term borrowings	5	45,896.31	33,115.96	
Other long-term liabilities	6	500.21	484.87	
Long-term provisions	7	1,136.34	1,085.62	
		47,532.86	34,686.45	
Current liabilities				
Current maturities of long-term borrowings	5	7,827.83	7,211.16	
Short-term borrowings	8	10,757.11	8,922.42	
Trade payables	9			
- Total outstanding dues of micro enterprises and small enterprises		0.45	0.18	
- Total outstanding dues of creditors other than micro enterprises and small enterprises		460.34	309.09	
Other current liabilities	9	3,509.10	2,791.63	
Short-term provisions	7	191.00	209.32	
		22,745.83	19,443.80	
Total		86,824.34	63,730.51	
ASSETS				
Non-current assets				
Fixed assets	10			
- Property, plant and equipment		346.15	287.51	
- Intangible assets		120.84	75.23	
		466.99	362.74	
Goodwill on consolidation		3.27	3.27	
Non-current investments	11	837.58	762.30	
Deferred tax assets (net)	12	386.41	369.07	
Receivables under financing activity	13	47,267.92	32,028.15	
Long-term loans and advances	14	81.55	59.90	
		49,043.72	33,585.43	
Current assets				
Current investments	11	2,308.39	3,307.21	
Receivables under financing activity	13	34,332.18	25,654.78	
Cash and bank balances	15	339.46	326.09	
Short-term loans and advances	14	261.66	501.17	
Other current assets	16	538.93	355.83	
		37,780.62	30,145.08	
Total		86,824.34	63,730.51	

Summary of significant accounting policies

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Rajeev Jain
Managing Director

Rahul Bajaj
Chairman

per Arvind Sethi
Partner
Membership Number: 089802

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Vice Chairman

Pune: 17 May 2018

Anant Damle
Company Secretary

Nanoo Pamnani
Vice Chairman and
Chairman - Audit Committee

Consolidated Statement of Profit and Loss

Particulars	Note No.	(₹ In Crore)	
		For the year ended 31 March	
INCOME			
Revenue from operations	17	13,442.04	9,966.71
Other income	18	23.87	25.48
Total income (I)		13,465.91	9,992.19
EXPENDITURE			
Employee benefits expense	19	1,419.59	931.67
Finance costs	20	4,634.33	3,803.71
Depreciation and amortisation	10	102.07	71.17
Loan losses and provisions	21	1,045.19	803.89
Other expenses	22	2,168.53	1,564.34
Total expenditure (II)		9,369.71	7,174.78
Profit before tax (I-II)		4,096.20	2,817.41
Tax expense:			
- Current tax		1,439.43	1,070.06
- Deferred tax expense/(credit)		(17.34)	(89.03)
Total tax expense		1,422.09	981.03
Profit after tax		2,674.11	1,836.38
Earnings per share:	23		
(Nominal value per share ₹ 2)			
- Basic (₹)		47.54	34.01
- Diluted (₹)		47.05	33.67
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements			
As per our report of even date		On behalf of the Board of Directors	
For S R B C & CO LLP Chartered Accountants ICAI Firm Registration Number: 324982E/E300003		Rajeev Jain Managing Director	Rahul Bajaj Chairman
per Arvind Sethi Partner Membership Number: 089802		Sandeep Jain Chief Financial Officer	Sanjiv Bajaj Vice Chairman
Pune: 17 May 2018		Anant Damle Company Secretary	Nanoo Pamnani Vice Chairman and Chairman – Audit Committee

Consolidated Cash Flow Statement

(₹ In Crore)

Particulars	For the year ended 31 March	
	2018	2017
A. Cash flow from operating activities		
Profit before tax	4,096.20	2,817.41
Adjustments for:		
Depreciation and amortisation	102.07	71.17
Amortisation of premium on Government securities	1.63	1.13
Finance costs	4,634.33	3,803.71
Share issue expenses	-	2.60
Loan loss and provisions	1,045.19	803.89
(Profit)/loss on sale of assets	0.37	0.26
Marked to market losses on investments	-	22.97
Liabilities no longer required written back	(7.07)	(7.84)
Provision no longer required	(12.69)	(12.45)
Profit on sale of investments	(256.10)	(165.83)
	5,507.73	4,519.61
Cash from operations before working capital changes	9,603.93	7,337.02
Changes in working capital:		
Increase in trade payables	164.21	85.96
Increase in short-term provisions	1.01	2.80
Increase in long-term provisions	48.02	353.54
Increase in other current liabilities	308.86	1,226.74
Increase/(decrease) in other long-term liabilities	(14.96)	20.05
(Increase) in long-term loans and advances	(29.62)	(5.65)
(Increase)/decrease in short-term loans and advances	239.69	(43.43)
(Increase) in other current assets	(183.41)	(111.22)
	533.80	1,528.79
	10,137.73	8,865.81
Taxes paid (net of refunds)	(1,483.57)	(1,006.14)
Finance costs paid	(4,189.21)	(3,167.27)
	(5,672.78)	(4,173.41)
	4,464.95	4,692.40
(Increase) in receivables under financing activity, current	(8,677.40)	(7,161.10)
(Increase) in receivables under financing activity, non-current	(16,248.94)	(7,970.25)
	(24,926.34)	(15,131.35)
Net cash used in operating activities (A)	(20,461.39)	(10,438.95)
Carried forward	(20,461.39)	(10,438.95)

Consolidated Cash Flow Statement (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2018	2017
Brought forward	(20,461.39)	(10,438.95)
B. Cash flow from investing activities		
Capital expenditure including advances	(207.88)	(149.14)
Sale proceeds of property, plant and equipment and intangibles	1.02	1.04
Purchase of investments	(226,238.74)	(130,736.40)
Sale of investments	227,416.77	127,837.74
Net cash generated (used) from investing activities (B)	971.17	(3,046.76)
C. Cash flow from financing activities		
Dividends paid	(196.83)	(38.18)
Dividend distribution tax	(40.30)	(7.68)
Share issue expenses	(29.26)	(3.57)
Proceeds from borrowings	77,076.31	126,898.58
Repayment of borrowings	(61,844.61)	(114,673.63)
Issue of equity share capital (including securities premium)	4,537.97	337.91
Net cash generated from financing activities (C)	19,503.28	12,513.43
Net increase/(decrease) in cash and cash equivalents (A+B+C)	13.06	(972.28)
Cash and cash equivalents at the beginning of the year	324.91	1,297.19
Cash and cash equivalents at the end of the year	337.97	324.91

Components of cash and cash equivalents

(₹ In Crore)

As at 31 March

Particulars	2018		2017	
Cash and cash equivalents comprises of				
i. Cash on hand	60.86		44.06	
ii. Balances with scheduled banks in:				
Current accounts	177.11		280.85	
Deposits with original maturity of less than three months	100.00		-	
Total cash and cash equivalents at the end of the year	337.97		324.91	

1. The above cash flow statement have been prepared under the indirect method set out in Accounting Standard-3, 'Cash Flow Statement' notified pursuant to the Companies (Accounts) Rules, 2014.

2. All figures in brackets indicate outflow.

As per our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 089802

Pune: 17 May 2018

Rajeev Jain
Managing Director

Sandeep Jain
Chief Financial Officer

Anant Damle
Company Secretary

Rahul Bajaj
Chairman

Sanjiv Bajaj
Vice Chairman

Nanoo Pamnani
Vice Chairman and
Chairman – Audit Committee

Notes to consolidated financial statements for the year ended 31 March 2018

1 Corporate information

Bajaj Finance Ltd. ('the Parent Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Parent Company is a non-banking financial company ('NBFC') registered with the Reserve Bank of India ('RBI') with effect from 5 March 1998 with Registration No. A-13.00243. The Group is engaged in the business of lending and primarily deals in financing of two and three-wheelers, consumer durables, small business loans, personal loans, mortgage loans, loan against securities, etc. The RBI vide its letter dated 7 October 2010, has re-classified the Company as a 'Loan Company' from an 'Asset Finance Company'.

2 (a) Basis of preparation of consolidated financial statements

The consolidated financial statements comprise of the financial statements of Bajaj Finance Ltd. and its subsidiaries (hereinafter collectively referred to as the 'Group')

The financial statements have been prepared in conformity with generally accepted accounting principles in India ('Indian GAAP') to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Direction -Non-Banking Financial Company - Systemically Important Non-Demand taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI and National Housing Bank Guidelines/Regulations ('NHB directions') to the extent applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention except as detailed in note no. 2.1(j)(i).

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The complete financial statements have been prepared along with all disclosures.

All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of its assets and liabilities, except for receivables considered doubtful, which are shown as non-current.

(b) Principles of consolidation

- The consolidated financial statements are prepared in accordance with AS 21-Consolidated Financial Statements issued by the Institute of Chartered Accountants of India (ICAI). The financial statements of the Group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India.

The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions resulting in unrealised profits or losses.

The excess of the cost to the Parent Company of its investments in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the financial statements as goodwill.

- The subsidiary companies considered in preparation of consolidated financial statements are:

Name of the Company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Bajaj Housing Finance Ltd.*	India	100%	Subsidiary
Bajaj Financial Securities Ltd.**	India	100%	Subsidiary

* The consolidated results of Bajaj Housing Finance Ltd. include 100% interest in Bajaj Financial Securities Ltd. as a subsidiary.

** Bajaj Financial Securities Ltd. is wholly owned subsidiary of Bajaj Housing Finance Ltd.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group.

- iii. Disclosure in terms of Schedule III of the Companies Act, 2013:

Name of the Company	Net Assets (i.e. total assets minus total liabilities)		Share in Profit or Loss	
	As a % of consolidated net assets	Amount	As a % of consolidated profit & loss	Amount
Bajaj Finance Ltd.	90.53%	14,978.83	98.91%	2,644.74
Bajaj Housing Finance Ltd.	9.35%	1,547.18	0.83%	22.31
Bajaj Financial Securities Ltd.	0.12%	19.64	0.26%	7.06

- iv. Minority interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the date of investments.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on Management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost includes purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

Gain or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

(c) Depreciation on property, plant and equipment

- i. Depreciation is provided on a pro-rata basis for all property, plant and equipment on straight line method over the useful life of assets, except buildings which is determined on written down value method.
- ii. Depreciation on leasehold improvements is provided for on straight line method over the primary period of lease of premises.
- iii. Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- iv. Assets having unit value up to ₹ 5,000 is charged off fully in the year of purchase of assets.
- v. Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

2.1 Summary of significant accounting policies (Contd.)

- vi. Property, plant and equipment which are depreciated over useful life different than those indicated in Schedule II are as under:

Nature of assets	Useful life as per Schedule II	Useful life adopted by the Group
Motor vehicles	8 years	4 years

(d) Intangible assets and amortisation thereof

Costs relating to acquisition and development of computer software are capitalised in accordance with the AS 26 'Intangible Assets' issued by the Institute of Chartered Accountants of India and are amortised using the straightline method over a period of five years, which is the Management's estimate of its useful life.

(e) Impairment of assets

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment, based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statements at lower of cost and fair value except for certificate of deposits, commercial papers and treasury bills which are valued at carrying cost determined in accordance with the NBFC Master Directions/NHB directions.

Quoted current investments for the purpose of valuation are grouped under categories and are carried at lower of cost or market value/net realisable value for each category.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Long-term fixed income securities are stated at cost less amortisation of premium/discount as the case may be [Refer note no. 2.1(j)(ii)(d)].

(g) Receivables under financing activity and provisioning/write-off of assets

Receivables under financing activity represent principal and matured finance charges outstanding at the close of the year but net of amount written off.

The provisioning/write-off on overdue assets is as per the Management estimates, subject to the minimum provision required as per the NBFC Master Directions/NHB directions.

The Group assesses all receivables for their recoverability and accordingly, makes provisions for non-performing assets (NPAs) and delinquent assets not yet NPAs as considered necessary including by accelerating provision to an early stage based on past experience, emerging trends and estimates which is disclosed under 'Long-term provisions' in note no.7 to the financial statements. However, the Group ensures that the said provisions are not lower than the provisions stipulated in the NBFC Master Directions/NHB directions.

Contingent provision against standard asset, as required by the NBFC Master Directions/NHB directions, is also made by the Group on the standard assets outstanding which is disclosed under 'Provisions' in note no. 7 to the financial statements.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

2.1 Summary of significant accounting policies (Contd.)

(h) Operating leases

As a lessee: Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

(i) Foreign currency translation

Initial recognition:

Foreign currency transactions are recorded at exchange rate prevailing on date of transaction.

Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences:

Exchange differences arising on the settlement of monetary items or on monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(j) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

i. Revenue from operations

Interest, finance charges, service charges etc. are recognised as income on accrual basis with reference to the terms of contractual commitments such as interest subsidy and finance agreements entered into with borrowers, as the case may be, except in the case of delinquent assets provided for, penal, dishonour, foreclosure charges etc., where income is recognised on realisation basis.

ii. Income from investment

- a. Dividend income is recognised when the Group's right to receive dividend is established by the Balance Sheet date.
- b. Interest on securities is accounted for on accrual basis except where the ultimate collection cannot be established with reasonable certainty.
- c. Profit/loss earned on sale of investments is recognised on settlement date basis. Profit or loss on sale of investments is determined on the basis of weighted average cost method. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.
- d. In order to reflect the contracted yield as interest income, the premium/discount on long-term fixed income securities is amortised with reference to the 'yield to maturity' prevailing on acquisition.

iii. Income from assignment

- a. In case of assignment of loans, the loans assigned are de-recognised when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned loans. On de-recognition, loss arising is recognised upfront, however premium is amortised based on receivables over the remaining tenure of loans.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

2.1 Summary of significant accounting policies (Contd.)

- b. Income on retained interest in the assigned asset, if any, is accounted on accrual basis except in case of non-performing assets wherein interest income is recognised on receipt basis as per NBFC master directions/ NHB directions.
- c. Servicing fee received is accounted for based on the underlying deal structure of the transaction as per the agreement.

iv. Profit/loss on sale of non-performing assets

Gain/loss on sale of non-performing assets is recognised in line with the extant RBI guidelines/NHB directions.

v. Other income

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

(k) Retirement and other employee benefits

i. Gratuity

Payment for present liability of future payment of gratuity is being fully made to the approved gratuity fund viz. Bajaj Auto Ltd. Gratuity Fund Trust, which covers the same under cash accumulation policy and debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALICL). However, any deficits in plan assets managed by LIC and BALICL as compared to actuarial liability determined using the projected unit credit method are recognised as a liability in accordance with AS-15 'Employee benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

ii. Superannuation

Defined contribution to superannuation fund is being made as per the scheme of the relevant Group companies.

iii. Provident fund

Parent Company:

Retirement benefit in the form of Provident fund is a defined benefit obligation. Contributions are made to Bajaj Auto Ltd. Provident Fund Trust. Deficits, if any, of the fund as compared to aggregate liability is additionally contributed by the Parent Company and recognised as an expense. Shortfall in fund assets over present obligation determined using the projected unit credit method by an appointed actuary is recognised as a liability.

Bajaj Housing Finance Ltd.:

Retirement benefit in the form of provident fund is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

iv. Privilege leave

Privilege leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Group. As accumulated leave can be availed and/or encashed at any time during the tenure of employment, the liability using the projected unit credit method is recognised at the actuarially determined value by an appointed actuary.

v. Defined contribution to Employees' Pension Scheme, 1995 is made to Government provident fund authority.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

2.1 Summary of significant accounting policies (Contd.)

(l) Income taxes

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 or the substantively enacted rate of tax to the extent the timing differences are expected to crystallise, in case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with reasonable certainty that there would be adequate future taxable income against which deferred tax assets can be realised. However, deferred tax asset arising on account of unabsorbed depreciation and business losses are recognised only if there is virtual certainty supported by convincing evidence that there would be adequate future taxable income against which the same can be realised/set off.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on accounting for credit available in respect of minimum alternative tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as 'MAT Credit Entitlement.' The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(m) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

(p) Cash and cash equivalent

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand and balance with bank including fixed deposit and short-term highly liquid investment with an original maturity of three months or less.

Consolidated Financial Statements

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

(q) Employee Stock Option Scheme

The Parent Company operates its Employee Stock Option Scheme through a trust formed for the purpose. Equity shares are issued to the trust on the basis of the Parent Company's expectation of the options being exercised by its employees. Cost of benefit, if any, is recognised as an expense by the Parent Company. The Parent Company use intrinsic value method to account for the compensation cost of stock options to employees of the Parent Company. The balance equity shares not exercised and held by the trust are disclosed as a reduction from the share capital and securities premium account with an equivalent adjustment to the subscription loan advanced to the trust. (Refer note no. 29)

(r) Borrowing costs

All borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

(s) Share issue expenses

Share issue expenses are debited to securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

2.2 Change in accounting estimates

During the year, the Parent Company has revised its estimate for charging off receivables under financing activity considered as bad debts. Had the Parent Company applied the estimates followed in the previous year, the profit before tax for the period would have been higher by ₹ 57.43 crore.

3 Share Capital

(₹ In Crore)

As at 31 March

Particulars	2018	2017
Authorised		
750,000,000 equity shares of ₹ 2 each (#Previous year 750,000,000 equity shares of ₹ 2 each)	150.00	150.00
Issued		
577,968,388 equity shares of ₹ 2 each (#Previous year 549,890,090 equity shares of ₹ 2 each)	115.59	109.98
Subscribed and paid up		
577,968,388 equity shares of ₹ 2 each fully called up and paid up (#Previous year 549,890,090 equity shares of ₹ 2 each fully called up and paid up)	115.59	109.98
Less: 2,834,200 equity shares of ₹ 2 each (Previous year 3,057,500 of ₹ 2 each) held in trust for employees under ESOP Scheme (See footnote 'e' below)	0.56	0.61
	115.03	109.37

During previous year 2016-17, pursuant to approval of the Members -

- (i) Authorised share capital of the Company was increased and subdivided from ₹ 75 crore consisting of 75,000,000 equity shares of face value of ₹ 10 each to ₹ 150 crore consisting of 750,000,000 equity shares of face value of ₹ 2 each, consequent to the decision to subdivide issued capital of 53,872,190 equity shares of face value of ₹ 10 each as on the record date, i.e. 10 September 2016 (end of the day), into 269,360,950 equity shares of face value of ₹ 2 each and declaration of bonus shares as stated in (ii) below.
- (ii) On 14 September 2016, the Allotment Committee of the Board of Directors allotted 269,360,950 equity shares of face value of ₹ 2 each as bonus shares in the proportion of one bonus equity share for every one equity share of face value of ₹ 2 held as on the record date, by capitalising an amount of ₹ 538,721,900 from securities premium account. The bonus shares were listed on BSE Ltd. and National Stock Exchange of India Ltd. w.e.f. 19 September 2016. Other than this, Group has not allotted any bonus shares in previous years.
- (iii) Consequently,
 - (a) In terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the exercise price and the number of warrants earlier issued to the promoter, Bajaj Finserv Ltd. and equity shares offered on rights basis held in abeyance, were proportionately adjusted and
 - (b) In terms of the Employee Stock Option Scheme, 2009 of the Parent Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme, 2009 were proportionately adjusted.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

3 Share Capital (Contd.)

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year (Subscribed and paid up)	549,890,090	109.98	53,872,190	53.87
Adjusted no. of shares on account of sub-division of equity share #	-	-	269,360,950	53.87
Add: Issue of bonus shares during the year to eligible shareholders #	-	-	269,360,950	53.87
Add: Issued during the year - Employee Stock Option Plan	1,451,080	0.29	1,918,040	0.39
Add: Issued during the year to eligible Qualified Institutional Buyers @	26,627,218	5.32	-	-
Add: Issued during the year to promoter on account of conversion of warrants +	-	-	9,250,000	1.85
Add: Issue of shares on rights basis (₹ Nil, Previous year ₹ 300)*	-	-	150	-
	577,968,388	115.59	549,890,090	109.98
Less: Equity shares held in trust for employees under ESOP scheme (See footnote 'e' below)	2,834,200	0.56	3,057,500	0.61
Outstanding at the end of the year	575,134,188	115.03	546,832,590	109.37

+ During previous year 2016-17, Bajaj Finserv Ltd. (Promoter) exercised the option to convert 9,250,000 warrants, issued on preferential basis, upon payment of ₹ 306.08 crore being balance 75% amount of the issue consideration and accordingly 9,250,000 equity shares of the face value of ₹ 2 each were allotted to Bajaj Finserv Ltd. on 23 November 2016 at a premium of ₹ 439.20 per equity share. The funds received upon allotment have been utilised for meeting funding requirements of the business activities of the Parent Company as per the objects of the issue.

@ On 12 September 2017, the Parent Company through Qualified Institutions Placement (QIP) allotted 26,627,218 equity shares to the eligible Qualified Institutional Buyers (QIB) at a price of ₹ 1,690 per equity share of ₹ 2 face value (inclusive of premium of ₹ 1,688 per share) aggregating ₹ 4,500 crore. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Funds received in the QIP of equity shares have been utilised for the purpose mentioned in the objects of the issue in the offer document.

* The Parent Company during the year 2012-13 had issued equity shares on rights basis of which 8,590 shares (of face value of ₹ 2 each, adjusted for sub-division and issue of bonus shares) were held in abeyance pending adjudication of title/claim from respective shareholders. Of these, 150 shares (of face value of ₹ 2 each) were allotted during previous year 2016-17 at a premium of ₹ 108 per share.

(b) Terms/rights/restrictions attached to equity shares

- (i) The Parent Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders of the Parent Company.
- (ii) Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations - 2009, 9,250,000 equity shares held by Bajaj Finserv Ltd. are restricted from transfer up to 11 December 2019.

(c) Shares held by Holding Company (Face value ₹ 2 per share)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Bajaj Finserv Ltd.*	317,816,130	63.56	317,816,130	63.56

* An associate of Bajaj Holdings & Investments Ltd.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

3 Share Capital (Contd.)

(d) Details of shareholders holding more than 5% shares in the Company (Face value ₹ 2 per share)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Ltd.*	317,816,130	54.99%	317,816,130	57.80%

*An associate of Bajaj Holdings & Investments Ltd.

(e) Shares reserved for issue under Employee Stock Option Plan

Particulars	No. of stock options/ Equity shares
a. Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2009 of the Company drawn in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines,1999 (SEBI Guidelines) (i.e. 5% of the then subscribed and paid up share capital)	25,071,160
b. Options granted under the scheme up to 31 March 2018	23,528,900
c. Options cancelled up to 31 March 2018 and added back to pool for future grants	3,219,970
d. Balance available under the scheme for future grants (d=a-b+c)	4,762,230
e. Equity shares allotted to BFL Employee Welfare Trust up to 31 March 2018	15,789,000
f. Stock Options exercised up to 31 March 2018	12,954,800
g. Balance stock options available with BFL Employee Welfare trust on 31 March 2018 (g=e-f)	2,834,200

Consequent to the opinion expressed by the 'Expert Advisory Committee' of the Institute of Chartered Accountants of India on the applicability of clause 22A.1 of the SEBI guidelines, the balance unexercised equity shares held by the trust at the close of the year have been reduced against the share capital as if the trust is administered by the Parent Company itself. The securities premium related to the unexercised equity shares held by the trust at the close of the year aggregating ₹ 917,873,582 (As at 31 March 2017 ₹ 622,283,779) has also been reduced from securities premium account and adjusted against the loan outstanding from the trust.

Dividends declared by the Parent Company do not accrete to unexercised options. Accordingly, any dividend received by the ESOP trust is remitted to the Parent Company and adjusted against the source from which dividend has been paid.

(f) Proposed dividend

The final dividend proposed on equity shares for the year is as follows:

Particulars	As at 31 March	
	2018	2017
Face value	₹ 2 each	₹ 2 each
Dividend per share	₹ 4.00 each	₹ 3.60 each
Amount of dividend (including tax on dividend)	₹ 278.71 crore	₹ 238.26 crore

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

4 Reserves and surplus

Particulars	(₹ In Crore)		
	As at 31 March	2018	2017
Securities Premium Account			
Balance as at the beginning of the year		3,772.50	3,371.98
Add: Received during the year:			
- On issue of shares under Employee Stock Option Plan		67.20	49.09
- On issue of shares under Qualified Institutional Buyers		4,494.67	-
- On issue of right shares held in abeyance (Previous year- ₹ 16,200)		-	-
- On conversion of warrants into 9,250,000 equity shares		-	406.26
Less: - On issue of bonus shares		-	53.87
- Share issue expenses as per section 52 of the Companies Act, 2013		29.26	0.96
		8,305.11	3,772.50
Less: Premium on unexercised equity shares held in trust for employees under the ESOP scheme [See note no. 3(e)]		91.79	62.23
Balance as at the end of the year		8,213.32	3,710.27
Reserve Fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934			
Balance as at the beginning of the year		1,293.75	925.75
Add: Set aside during the year		530.00	368.00
Balance as at the end of the year		1,823.75	1,293.75
Reserve Fund in terms of section 29C of the National Housing Bank Act, 1987			
Balance as at the beginning of the year		0.03	0.01
Add: Set aside during the year		4.46	0.02
Balance as at the end of the year		4.49	0.03
General Reserve			
Balance as at the beginning of the year		785.60	601.60
Add: Set aside during the year		-	184.00
Balance as at the end of the year		785.60	785.60
Infrastructure Reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961			
Balance as at the beginning of the year		9.25	5.75
Add: Set aside during the year		-	3.50
Balance as at the end of the year		9.25	9.25
Surplus in the Statement of Profit and Loss			
Balance as at the beginning of the year		3,691.99	2,410.96
Profit for the year		2,674.11	1,836.38
		6,366.10	4,247.34
Less: Appropriations:			
- Transfer to Reserve Fund in terms of section 45IC(1) of the Reserve Bank of India Act, 1934		530.00	368.00
- Transfer to Reserve Fund in terms of section 29C of the National Housing Bank Act, 1987		4.46	0.02
- Transfer to Infrastructure Reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961		-	3.50
- Transfer to General Reserve		-	184.00
- Dividend paid		197.96	-
- Tax on dividend		40.30	-
- Adjustment of dividend to ESOP Trust (See note no. 3(e))		(0.83)	(0.17)
Total appropriations		771.89	555.35
Balance as at the end of the year		5,594.21	3,691.99
		16,430.62	9,490.89

Consolidated Financial Statements

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings

Particulars	(₹ In Crore)			
	Non-current		Current maturity	
	As at 31 March 2018	2017	As at 31 March 2018	2017
(A) Secured				
Privately placed redeemable non-convertible debentures/bonds secured by pari passu charge by mortgage of Parent Company's Flat No. 103, Nayan Co-operative Hsg Society, CTS 2718, Plot No. 11, ICS Colony, Shivaji Nagar, Pune - 411016 and/or Company's office at Unit No. 806 admeasuring 2280 sq. ft. 8th Floor, Block A of Wing Delta, Raheja Towers, Anna Salai, Mount Road, Chennai - 600 002 and book debts/loan receivables under financing activity as stated in the respective information memorandum	23,978.15	15,651.37	3,815.00	4,009.50
From banks, against hypothecation of assets under finance, book debts and other receivables	13,983.75	11,768.75	2,750.00	2,367.86
Total (A)	37,961.90	27,420.12	6,565.00	6,377.36
(B) Unsecured				
Privately placed partly paid redeemable non-convertible debentures	444.55	124.10	-	-
Privately placed Subordinated (Tier II) redeemable non-convertible debentures	3,938.30	3,338.30	-	-
Term loan from bank	-	-	-	100.00
Fixed deposits				
- From public	2,338.91	1,729.18	651.95	476.87
- From others	620.65	380.26	450.88	206.93
Inter-corporate deposits	592.00	124.00	160.00	50.00
Total (B)	7,934.41	5,695.84	1,262.83	833.80
Total (A+B)	45,896.31	33,115.96	7,827.83	7,211.16

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

C) Details of privately placed secured redeemable non-convertible debentures

(₹ In Crore)

Date of maturity	Repayment schedule	of face value		Non-current		Current maturity	
		₹ 1 Crore	₹ 0.10 Crore	As at 31 March		As at 31 March	
				2018	2017	2018	2017
Sep 26	Bullet repayment	-	10.00	10.00	10.00	-	-
Jul 26	Bullet repayment	-	47.50	47.50	47.50	-	-
Mar 26	Bullet repayment	-	171.00	171.00	171.00	-	-
Oct 25	Bullet repayment	-	5.00	5.00	5.00	-	-
Aug 25	Bullet repayment	-	90.00	90.00	90.00	-	-
Apr 25	Bullet repayment	-	170.00	170.00	170.00	-	-
Nov 24	Bullet repayment	-	1,100.00	1,100.00	100.00	-	-
May 24	Bullet repayment	-	1,000.00	1,000.00	-	-	-
Apr 24	Bullet repayment	-	165.00	165.00	165.00	-	-
Apr 23	Bullet repayment	-	165.00	165.00	165.00	-	-
Dec 22	Bullet repayment	-	300.00	300.00	-	-	-
Oct 22	Bullet repayment	-	8.00	8.00	8.00	-	-
Apr 22	Bullet repayment	-	32.80	32.80	3.80	-	-
Mar 22	Bullet repayment	-	60.50	60.50	60.50	-	-
Feb 22	Bullet repayment	-	140.00	140.00	140.00	-	-
Jan 22	Bullet repayment	-	167.00	167.00	167.00	-	-
Dec 21	Bullet repayment	-	30.00	30.00	30.00	-	-
Nov 21	Bullet repayment	-	80.00	80.00	80.00	-	-
Oct 21	Bullet repayment	-	101.00	101.00	101.00	-	-
Sep 21	Bullet repayment	-	7.00	7.00	7.00	-	-
Aug 21	Bullet repayment	-	212.00	212.00	212.00	-	-
Jul 21	Bullet repayment	-	118.50	118.50	118.50	-	-
Jun 21	Bullet repayment	-	451.00	450.91	6.00	-	-
May 21	Bullet repayment	-	923.60	925.91	85.00	-	-
Apr 21	Bullet repayment	-	1,753.10	1,757.30	130.00	-	-
Mar 21	Bullet repayment	-	186.20	186.20	186.20	-	-
Feb 21	Bullet repayment	-	25.00	25.00	25.00	-	-
Jan 21	Bullet repayment	-	52.00	52.00	52.00	-	-
Dec 20	Bullet repayment	-	1,110.00	1,108.20	25.00	-	-
Nov 20	Bullet repayment	-	1,305.00	1,304.96	-	-	-
Oct 20	Bullet repayment	-	407.00	407.00	7.00	-	-
Sep 20	Bullet repayment	-	107.00	107.00	107.00	-	-
Aug 20	Bullet repayment	-	1,281.50	1,281.50*	83.50	-	-
Jul 20	Bullet repayment	-	216.20	216.20	216.20	-	-
Jun 20	Bullet repayment	-	3,517.00	3,517.00*	1,879.00	-	-
May 20	Bullet repayment	-	1,453.30	1,453.30*	221.30	-	-

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(C) Details of privately placed secured redeemable non-convertible debentures (Contd.)

(₹ In Crore)

Date of maturity	Repayment schedule	of face value		Non-current		Current maturity	
		₹ 1 Crore	₹ 0.10 Crore	As at 31 March		As at 31 March	
				2018	2017	2018	2017
Apr 20	Bullet repayment	-	1,091.10	1,091.10*	1,054.40*	-	-
Mar 20	Bullet repayment	-	820.80	820.80	820.80	-	-
Feb 20	Bullet repayment	-	359.00	359.00	359.00	-	-
Jan 20	Bullet repayment	-	314.00	314.00	314.00	-	-
Dec 19	Bullet repayment	-	560.00	560.00*	560.00*	-	-
Nov 19	Bullet repayment	-	490.00	490.00	490.00	-	-
Oct 19	Bullet repayment	-	206.00	206.00*	206.00*	-	-
Sep 19	Bullet repayment	-	965.40	955.47*	948.67*	-	-
Aug 19	Bullet repayment	-	686.90	686.90*	686.90*	-	-
Jul 19	Bullet repayment	-	779.10	779.10*	779.10*	-	-
Jun 19	Bullet repayment	-	24.00	24.00	24.00	-	-
May 19	Bullet repayment	-	161.30	161.30	161.30	-	-
Apr 19	Bullet repayment	-	557.70	557.70	557.70*	-	-
Mar 19	Bullet repayment	-	965.00	-	965.00*	965.00*	-
Feb 19	Bullet repayment	-	77.00	-	77.00	77.00	-
Jan 19	Bullet repayment	-	100.00	-	100.00	100.00	-
Dec 18	Bullet repayment	-	84.00	-	84.00	84.00	-
Nov 18	Bullet repayment	-	73.00	-	73.00	73.00	-
Oct 18	Bullet repayment	-	109.50	-	109.50*	109.50	-
Aug 18	Bullet repayment	-	401.00	-	401.00	401.00	-
Jul 18	Bullet repayment	-	207.90	-	207.90	207.90	-
Jun 18	Bullet repayment	-	436.80	-	436.80*	436.80	-
May 18	Bullet repayment	-	209.00	-	209.00*	209.00*	-
Apr 18	Bullet repayment	-	1,151.80	-	1,151.80*	1,151.80	-
Mar 18	Bullet repayment	-	181.50	-	-	-	181.50
Feb 18	Bullet repayment	-	29.10	-	-	-	29.10
Jan 18	Bullet repayment	595.00	96.50	-	-	-	691.50*
Dec 17	Bullet repayment	-	199.90	-	-	-	199.90
Nov 17	Bullet repayment	-	388.00	-	-	-	388.00
Oct 17	Bullet repayment	125.00	332.80	-	-	-	457.80*
Sep 17	Bullet repayment	-	261.60	-	-	-	261.60
Aug 17	Bullet repayment	-	445.20	-	-	-	445.20*
Jul 17	Bullet repayment	-	76.60	-	-	-	76.60*
Jun 17	Bullet repayment	-	548.50	-	-	-	548.50*

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(C) Details of privately placed secured redeemable non-convertible debentures (Contd.)

Date of maturity	Repayment schedule	of face value		Non-current		Current maturity	
		₹ 1 Crore	₹ 0.10 Crore	As at 31 March		As at 31 March	
				2018	2017	2018	2017
May 17	Bullet repayment	-	88.20	-	-	-	88.20
Apr 17	Bullet repayment	-	641.60	-	-	-	641.60*
				23,978.15	15,651.37	3,815.00	4,009.50

Note

- As at 31 March 2018, of the total non-current and current secured zero coupon bonds, ₹ 5,184.80 crore and ₹ 1,647 crore, respectively were issued at a premium.

- As at 31 March 2018, of the total non-current secured zero coupon bonds issued, ₹ 100 crore were issued at a discount.

* Related parties are current holders of ₹ 830 crore in aggregate of the referenced issue (previous year ₹ 885 crore) (See note no.30 for disclosures)

- Interest rates range from 7.25% p.a. to 10.00% p.a. as at 31 March 2018. For zero coupon bonds, the interest rate is on XIRR basis

D) Terms of repayment of bank loans - secured

Date of maturity	Repayment schedule	Non-current		Current maturity	
		As at 31 March		As at 31 March	
		2018	2017	2018	2017
Dec 22	Bullet repayment	300.00	-	-	-
Sep 22	Bullet repayment	100.00	-	-	-
Aug 22	Bullet repayment	100.00	-	-	-
Jun 22	Bullet repayment	365.00	-	-	-
May 22	Bullet repayment	300.00	-	-	-
Mar 22	Bullet repayment	1,250.00	-	-	-
	2 annual payment of ₹ 62.50 crore starting Nov 21	125.00	-	-	-
	4 semi-annual payment of ₹ 50 crore starting Sep 21	200.00	-	-	-
	2 semi-annual payment of ₹ 135 crore starting Sep 21	270.00	270.00	-	-
	2 semi-annual payment of ₹ 90 crore starting Aug 21	180.00	180.00	-	-
	2 semi-annual payment of ₹ 75 crore starting Jul 21	150.00	150.00	-	-
Dec 21	2 annual payment of ₹ 100 crore starting Dec 21	200.00	-	-	-
Jun 21	Bullet repayment	150.00	150.00	-	-
	4 semi-annual payment of ₹ 37.50 crore starting June 21	150.00	-	-	-
Mar 21	Bullet repayment	300.00	200.00	-	-
	2 semi-annual payment of ₹ 50 crore starting March 21	100.00	-	-	-
Feb 21	Bullet repayment	100.00	100.00	-	-
Jan 21	Bullet repayment	200.00	-	-	-

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(D) Terms of repayment of bank loans - secured (Contd.)

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current		Current maturity	
		As at 31 March		As at 31 March	
		2018	2017	2018	2017
Dec 20	Bullet repayment	50.00	100.00	-	-
	2 semi-annual payment of ₹ 175 crore starting Dec 20	350.00	350.00	-	-
	4 semi-annual payment of ₹ 25 crore starting Nov 20	100.00	-	-	-
	12 quarterly payment of ₹ 8.33 crore starting Jun 20	100.00	-	-	-
	12 quarterly payment of ₹ 4.17 crore starting Apr 20	50.00	-	-	-
	12 quarterly payment of ₹ 4.17 crore starting Mar 20	50.00	-	-	-
	4 quarterly payment of ₹ 50.00 crore starting Mar 20	200.00	-	-	-
	12 quarterly payment of ₹ 4.17 crore starting Feb 20	50.00	-	-	-
Oct 20	Bullet repayment	750.00	150.00	-	-
	2 annual payment of ₹ 75 crore starting Oct 20	150.00	150.00	-	-
Sep 20	Bullet repayment	100.00	200.00	-	-
	4 semi-annual payment of ₹ 25 crore starting Sep 20	100.00	100.00	-	-
	2 semi-annual payment of ₹ 250 crore starting Sep 20	500.00	500.00	-	-
Aug 20	Bullet repayment	500.00	100.00	-	-
	2 semi-annual payment of ₹ 50 crore starting Aug 20	100.00	100.00	-	-
Jul 20	Bullet repayment	100.00	-	-	-
Jun 20	Bullet repayment	250.00	250.00	-	-
	2 semi-annual payment of ₹ 125 crore starting Jun 20	250.00	250.00	-	-
	8 quarterly payment of ₹ 31.25 crore starting Jun 20	250.00	250.00	-	-
May 20	Bullet repayment	450.00	100.00	-	-
	8 quarterly payment of ₹ 12.50 crore starting May 20	100.00	100.00	-	-
	2 semi-annual payment of ₹ 50 crore starting May 20	100.00	100.00	-	-
Mar 20	Bullet repayment	350.00	350.00	-	-
	2 semi-annual payment of ₹ 50 crore starting Mar 20	100.00	100.00	-	-
Feb 20	Bullet repayment	100.00	100.00	-	-
Jan 20	Bullet repayment	100.00	100.00	-	-
Dec 19	Bullet repayment	400.00	400.00	-	-
	2 annual payment of ₹ 25 crore starting Dec 19	50.00	50.00	-	-
Nov 19	Bullet repayment	200.00	200.00	-	-
Oct 19	Bullet repayment	100.00	100.00	-	-
	2 semi-annual payment of ₹ 50 crore starting Oct 19	100.00	100.00	-	-
Sep 19	Bullet repayment	100.00	100.00	-	-
	2 annual payment of ₹ 25 crore starting Sep 19	50.00	50.00	-	-
	2 semi-annual payment of ₹ 75 crore starting Sep 19	150.00	150.00	-	-
	4 semi-annual payment of ₹ 25 crore starting Sep 19	100.00	100.00	-	-
Aug 19	Bullet repayment	100.00	100.00	-	-
	4 semi-annual payment of ₹ 50 crore starting Jul 19	200.00	200.00	-	-
	2 semi-annual payment of ₹ 50 crore starting Jul 19	100.00	100.00	-	-

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(D) Terms of repayment of bank loans - secured (Contd.)

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current		Current maturity	
		As at 31 March		As at 31 March	
		2018	2017	2018	2017
Jun 19	Bullet repayment	200.00	200.00	-	-
	4 semi-annual payment of ₹ 100 crore starting Jun 19	400.00	400.00	-	-
	8 quarterly payment of ₹ 18.75 crore starting Jun 19	150.00	150.00	-	-
	4 quarterly payment of ₹ 87.50 crore starting Jun 19	350.00	350.00	-	-
	2 semi-annual payment of ₹ 50 crore starting Jun 19	100.00	100.00	-	-
	2 semi-annual payment of ₹ 125 crore starting May 19	250.00	250.00	-	-
	4 semi-annual payment of ₹ 87.50 crore starting May 19	350.00	350.00	-	-
Mar 19	Bullet repayment	-	50.00	50.00	-
	4 semi-annual payment of ₹ 37.50 crore starting Mar 19	112.50	150.00	37.50	-
	4 quarterly payment of ₹ 37.50 crore starting Mar 19	112.50	150.00	37.50	-
Jan 19	Bullet repayment	-	100.00	100.00	-
Dec 18	Bullet repayment	-	400.00	200.00	-
	4 quarterly payment of ₹ 25 crore starting Dec 18	50.00	100.00	50.00	-
	4 quarterly payment of ₹ 75 crore starting Sep 18	75.00	300.00	225.00	-
	4 semi-annual payment of ₹ 25 crore starting Sep 18	50.00	100.00	50.00	-
	4 semi-annual payment of ₹ 25 crore starting Aug 18	50.00	100.00	50.00	-
Jun 18	Bullet repayment	-	100.00	100.00	-
	4 semi-annual payment of ₹ 25 crore starting Jun 18	50.00	100.00	50.00	-
	4 quarterly payment of ₹ 62.50 crore starting Jun 18	-	250.00	250.00	-
	4 quarterly payment of ₹ 50 crore starting May 18	-	200.00	200.00	-
Apr 18	Bullet repayment	-	100.00	-	-
	4 semi-annual payment of ₹ 25 crore starting Apr 18	50.00	-	50.00	-
	4 semi-annual payment of ₹ 50 crore starting Apr 18	-	200.00	-	-
	4 quarterly payment of ₹ 25 crore starting Apr 18	-	100.00	100.00	-
Mar 18	Bullet repayment	-	-	-	100.00
	4 quarterly payment of ₹ 25 crore starting Mar 18	-	75.00	75.00	25.00
	4 semi-annual payment of ₹ 12.50 crore starting Mar 18	-	37.50	-	12.50
Jan 18	Bullet repayment	-	-	-	250.00
Dec 17	Bullet repayment	-	-	-	200.00
	4 semi-annual payment of ₹ 87.50 crore starting Dec 17	-	-	-	87.50
	4 semi-annual payment of ₹ 125 crore starting Dec 17	-	-	250.00	-
	4 semi-annual payment of ₹ 12.50 crore starting Dec 17	-	37.50	-	-
	4 semi-annual payment of ₹ 100 crore starting Dec 17	100.00	-	-	-
	4 semi-annual payment of ₹ 50 crore starting Dec 17	-	150.00	-	-
	4 quarterly payment of ₹ 137.50 crore starting Dec 17	-	275.00	275.00	275.00
	4 semi-annual payment of ₹ 25 crore starting Dec 17	25.00	75.00	-	-

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(D) Terms of repayment of bank loans - secured (Contd.)

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current		Current maturity	
		As at 31 March		As at 31 March	
		2018	2017	2018	2017
Oct 17	Bullet repayment	-	-	-	100.00
	4 semi-annual payment of ₹ 162.50 crore starting Sep 17	-	-	325.00	-
	4 semi-annual payment of ₹ 37.50 crore starting Sep 17	-	-	-	75.00
	4 semi-annual payment of ₹ 150 crore starting Sep 17	-	-	-	300.00
	4 semi-annual payment of ₹ 187.50 crore starting Sep 17	-	375.00	-	-
Aug 17	Bullet repayment	-	-	-	150.00
	4 semi-annual payment of ₹ 25 crore starting Aug 17	-	50.00	50.00	50.00
Jul 17	Bullet repayment	-	-	-	100.00
Jun 17	Bullet repayment	-	-	-	235.00
	4 semi-annual payment of ₹ 62.50 crore starting Jun 17	-	125.00	125.00	125.00
May 17	Bullet repayment	-	-	-	50.00
	4 semi-annual payment of ₹ 50 crore starting May 17	-	-	50.00	-
	4 semi-annual payment of ₹ 25 crore starting May 17	-	50.00	-	50.00
	4 semi-annual payment of ₹ 25 crore starting Mar 17	-	25.00	25.00	50.00
	16 quarterly payment of ₹ 6.25 crore starting Feb 16	18.75	43.75	25.00	25.00
	7 quarterly payment of ₹ 36.43 crore starting Feb 16	-	-	-	72.86
	7 quarterly payment of ₹ 15 crore starting Dec 15	-	-	-	15.00
	7 quarterly payment of ₹ 20 crore starting Nov 15	-	-	-	20.00
		13,983.75	11,768.75	2,750.00	2,367.86

Note: Interest rates range from 7.27% p.a. payable monthly to 8.45% p.a. payable monthly as at 31 March 2018

(E) Details of privately placed unsecured redeemable non-convertible debentures issued at face value of ₹ 0.10 crore

(₹ In Crore)

Date of maturity	Non-current		Current maturity	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Jun 32*	200.00	-	-	-
Oct 29**	244.55	124.10	-	-
	444.55	124.10		

Note

- As at 31 March 2018, partially called and paid unsecured debentures of ₹ 444.55 crore.

* Amount to be called and paid is ₹ 120.45 crore in Oct 2018.

** Amount to be called and paid is ₹ 200 crore each in Jun 2018, Jun 2019, Jun 2020 and Jun 2021.

- Interest rate at 8.06% p.a. to 8.10% p.a. as at 31 March 2018

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(F) Details of privately placed unsecured redeemable non-convertible debentures - Subordinated debt issued at face value of ₹ 0.10 crore

Date of maturity	Non-current	
	As at 31 March	
	2018	2017
Jun 27	600.00	-
Dec 26	105.00	105.00
Sep 26	500.00*	500.00*
Aug 26	485.00*	485.00*
Jul 26	970.00*	970.00*
Nov 25	250.00	250.00
Oct 25	40.00	40.00
Sep 24	452.50	452.50
Apr 23	50.00	50.00
Jan 23	49.70*	49.70*
Aug 22	157.40	157.40
May 21	50.00	50.00
Oct 20	36.20*	36.20*
Sep 20	27.50	27.50
Jul 20	50.00	50.00
Jun 20	50.00*	50.00*
Apr 20	65.00	65.00
	3,938.30	3,338.30

Note

- Interest rates range from 8.05% p.a. to 10.21% p.a. as at 31 March 2018

* Related parties are current holders of ₹ 112.50 crore of the referenced issue (Previous year ₹ 87.50 crore). See note no. 30 for disclosures.

(G) Terms of repayment of bank loans - unsecured

Date of maturity	Repayment schedule	Non-current		Current maturity	
		As at 31 March		As at 31 March	
		2018	2017	2018	2017
Jun 17	Bullet repayment	-	-	-	100.00
		-	-	-	100.00

Note: Interest rate at 9.20% p.a. as at 31 March 2017.

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

5 Long-term borrowings (Contd.)

(H) Terms of repayment of fixed deposits

Maturing up to	(₹ In Crore)			
	Non-current		Current maturity	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Mar 23	211.87	-	-	-
Mar 22	291.13	247.41	-	-
Mar 21	968.62	179.40	-	-
Mar 20	1,487.94	721.69	-	-
Mar 19	-	960.94	1,102.83	-
Mar 18	-	-	-	683.80
	2,959.56	2,109.44	1,102.83	683.80

Note

- Interest rates range from 7.05% p.a. to 10.00% p.a. as at 31 March 2018.
- Repayment is on completion of fixed term ranging from 12 months to 60 months.
- Includes fixed deposits from related parties ₹ Nil crore (Previous year ₹ 51.78 crore). See note no.30 for disclosures.

(I) Terms of repayment of inter-corporate deposits

Maturing up to	(₹ In Crore)			
	Non-current		Current maturity	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Mar 20	592.00	-	-	-
Mar 19	-	124.00	160.00	-
Mar 18	-	-	-	50.00
	592.00	124.00	160.00	50.00

Note: Interest rates range from 7.40% p.a. to 8.10% p.a. as at 31 March 2018.

6 Other long-term liabilities

Particulars	As at 31 March	
	2018	2017
Security deposits	51.59	33.60
Other payables	23.00	56.04
Interest accrued but not due	425.62	395.23
Total	500.21	484.87

Note: Includes payables to related party ₹ Nil (Previous year ₹ Nil).

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

7 Provisions

Particulars	(₹ In Crore)			
	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
(A) Provision for employee benefits				
– Gratuity	24.61	14.36	–	–
– Privilege leave entitlements	–	–	21.69	20.68
– Other long-term service benefit	5.60	5.52	–	–
Total (A)	30.21	19.88	21.69	20.68
(B) Other provisions:				
– For contingent provision against standard assets	198.41	136.33	142.70	109.21
– For restructured standard assets	11.16	70.54	–	–
– For tax (net of advance tax ₹ 3,108.11 crore, Previous year ₹ 1,589.23 crore)	–		26.61	79.43
– For non-performing assets (NPAs)	862.41	722.08	–	–
– For delinquent receivables not yet NPAs	23.85	126.74	–	–
– Provision retained on sale of NPAs	10.30	10.05	–	–
Total (B)	1,106.13	1,065.74	169.31	188.64
Total (A+B)	1,136.34	1,085.62	191.00	209.32

Movement of provisions

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Provision for delinquencies		
[See note no. 2.1(g)]		
Opening balance at the beginning of the year	848.82	516.47
Add: Net additions during the year	1,009.17	720.65
Less: Bad debts/advances written off during the year	971.73	388.30
Closing balance at the end of the year	886.26	848.82

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

8 Short-term borrowings

Particulars	(₹ In Crore)		
	As at 31 March	2018	2017
(A) Secured			
From Banks, against hypothecation of assets under finance, book debts and other receivables:			
- Cash credit	1,260.45	1,234.26	
- Working capital demand loan	850.00	500.00	
- Other short-term loans/Overdraft facility	489.41	86.15	
- Short-term loan	160.00	-	
Collateralised borrowing and lending obligation, against Government securities held by the Group	1,059.62	350.00	
Total (A)	3,819.48	2,170.41	
(B) Unsecured			
From banks			
- Overdraft facility	500.00	502.52	
- Working capital demand loan	-	500.00	
Fixed deposits			
- From public	318.89	191.06	
- From others	1,323.74	534.56	
Inter-corporate deposits	1,111.98	435.18	
Borrowings by issue of commercial papers	3,683.02	4,588.69	
Total (B)	6,937.63	6,752.01	
Total (A+B)	10,757.11	8,922.42	

(C) Terms of repayment of secured collateralised borrowing and lending obligation

Date of maturity	(₹ In Crore)		
	As at 31 March	2018	2017
Apr 18	1,059.62	-	
Apr 17	-	350.00	
	1,059.62	350.00	

Note: Interest rate at 6.60% p.a. as at 31 March 2018.

(D) Terms of repayment of secured working capital demand loan from bank

Date of maturity	(₹ In Crore)		
	As at 31 March	2018	2017
Apr 18	850.00	-	
Apr 17	-	500.00	
	850.00	500.00	

Note: Interest rate at 8.00% p.a. payable monthly as at 31 March 2018.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

8 Short-term borrowings (Contd.)

(E) Terms of repayment of secured short-term Loan

Date of maturity	As at 31 March	
	2018	2017
Jun 18	160.00	-
	160.00	-

Note: Interest rate at 7.06% p.a. payable monthly as at 31 March 2018.

(F) Terms of repayment of unsecured working capital demand loan from bank

Date of maturity	As at 31 March	
	2018	2017
Apr 17	-	500.00
	-	500.00

Note: Interest rate stood at 8.20% p.a. payable monthly as at 31 March 2017.

(G) Terms of repayment of commercial papers

Date of maturity	As at 31 March	
	2018	2017
Nov 18	23.95	-
Aug 18	790.22	-
Jul 18	49.03	-
Jun 18	296.55	-
May 18	2,004.94	-
Apr 18	518.33	-
Mar 18	-	46.85
Feb 18	-	32.95
Jan 18	-	23.69
Nov 17	-	215.52
Aug 17	-	24.29
Jul 17	-	48.88*
Jun 17	-	222.25
May 17	-	3,924.48
Apr 17	-	49.78
	3,683.02	4,588.69

Note:

- Interest rates range from 6.84% p.a. to 7.92% p.a. as at 31 March 2018.

- Face Value of commercial paper is ₹ 3,730 crore as at 31 March 2018 (Previous year ₹ 4,645 crore).

* Related parties are current holders of ₹ Nil of the referenced issue face value (Previous year ₹ 25 crore).

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

8 Short-term borrowings (Contd.)

(H) Terms of repayment of fixed deposits

Date of maturity	(₹ In Crore)		
	As at 31 March	2018	2017
Mar 19		74.33	-
Feb 19		191.08	-
Jan 19		56.72	-
Dec 18		126.26	-
Nov 18		211.99	-
Oct 18		84.55	-
Sep 18		26.33	-
Aug 18		271.66	-
Jul 18		28.04	-
Jun 18		478.82	-
May 18		60.56	-
Apr 18		32.29	-
Mar 18		-	17.38
Feb 18		-	35.22
Jan 18		-	27.36
Dec 17		-	57.85
Nov 17		-	94.40
Oct 17		-	69.65
Sep 17		-	62.22
Aug 17		-	31.02
Jul 17		-	112.97
Jun 17		-	143.26
May 17		-	48.56
Apr 17		-	25.73
		1,642.63	725.62

Note: Interest rates range from 7.20% p.a. to 8.20% p.a. as at 31 March 2018.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

8 Short-term borrowings (Contd.)

(i) Terms of repayment of inter-corporate deposits

Date of maturity	As at 31 March	
	2018	2017
Mar 19	156.00	-
Jan 19	90.00	-
Dec 18	50.00	-
Nov 18	215.15	-
Oct 18	41.00	-
Sep 18	135.41	-
Aug 18	12.00	-
Jul 18	35.00	-
Jun 18	213.73	-
May 18	124.00	-
Apr 18	39.69	-
Mar 18	-	125.00
Jan 18	-	75.00
Sep 17	-	30.00
Aug 17	-	10.00
Jul 17	-	20.00
Jun 17	-	20.00
May 17	-	150.00
Apr 17	-	5.18
	1,111.98	435.18

Note: Interest rates range from 6.55% p.a. to 7.95% p.a. as at 31 March 2018.

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

9 Trade payables and other current liabilities

Particulars	As at 31 March	
	2018	2017
(A) Trade payables		
Total outstanding dues of micro enterprises and small enterprises #	0.45	0.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	460.34	309.09
Total (A)	460.79	309.27
(B) Other current liabilities		
Interest accrued but not due*	1,741.97	1,327.24
Interest accrued and due (Previous year ₹ 23,317)	0.01	
Income received in advance	-	8.76
Unclaimed dividend	1.47	1.17
Others:		
Statutory dues	197.72	84.00
Security deposits	2.43	-
Employee benefits payable**	176.03	90.35
Temporary overdraft as per books only	995.90	1,048.83
Other/miscellaneous payables +	393.57	231.28
Total (B)	3,509.10	2,791.63

Note

* Includes payable to related parties aggregating ₹ Nil crore (Previous year ₹ 6.65 crore)

** Includes payable to related parties aggregating ₹ 5.16 crore (Previous year ₹ 4.37 crore)

+ Includes payable to related parties aggregating ₹ 4.03 crore (Previous year ₹ 2.71 crore)

- There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	0.45	0.18
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end (since paid)	0.01	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	2.80	1.39
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	0.07	0.07
Interest due and payable to suppliers under MSMED Act, for payments already made (₹ 12,668, Previous year ₹ Nil)	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (since paid)	0.01	-

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

10 Fixed assets

Current year

Particulars	Gross block at cost				Depreciation and amortisation			Net block	
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	As at 1 April 2017	Deductions/ adjustments	For the Year	As at 31 March 2018	As at 31 March 2018
(A) Property, plant and equipment (a)									
Leasehold improvements	48.45	14.63	-	63.08	25.77	-	12.88	38.65	24.43
Other assets:									
- Land freehold (b)	2.26	-	-	2.26	-	-	-	-	2.26
- Building (c)	158.68	-	-	158.68	40.75	-	5.77	46.52	112.16
- Computers	94.32	32.24	2.65	123.91	49.21	2.26	22.34	69.29	54.62
- Office equipments	52.90	29.33	0.51	81.72	25.35	0.36	13.52	38.51	43.21
- Furniture and fixtures	77.97	40.32	1.30	116.99	20.53	0.92	12.91	32.52	84.47
- Vehicles	24.32	18.27	1.96	40.63	9.79	1.49	7.33	15.63	25.00
Total (A)	458.90	134.79	6.42	587.27	171.40	5.03	74.75	241.12	346.15
(B) Intangible assets (d)									
Computer software	130.12	72.93	4.59	198.46	54.89	4.59	27.32	77.62	120.84
Total (B)	130.12	72.93	4.59	198.46	54.89	4.59	27.32	77.62	120.84
Total (A+B)	589.02	207.72	11.01	785.73	226.29	9.62	102.07	318.74	466.99

Previous year

Particulars	Gross block at cost				Depreciation and amortisation			Net block	
	As at 1 April 2016	Additions	Deductions/ adjustments	As at 31 March 2017	As at 1 April 2016	Deductions/ adjustments	For the Year	As at 31 March 2017	As at 31 March 2017
A) Property, plant and equipment (a)									
Leasehold improvements	36.19	12.33	0.07	48.45	14.62	0.04	11.19	25.77	22.68
Other assets:									
- Land freehold (b)	2.26	-	-	2.26	-	-	-	-	2.26
- Building (c)	158.50	0.18	-	158.68	34.68	-	6.07	40.75	117.93
- Computers	78.28	30.86	14.82	94.32	46.74	14.78	17.24	49.20	45.12
- Office equipments	37.98	15.76	0.84	52.90	17.04	0.78	9.09	25.35	27.55
- Furniture and fixtures	48.77	31.21	2.01	77.97	15.17	1.49	6.85	20.53	57.44
- Vehicles	16.55	10.84	3.07	24.32	7.33	2.42	4.88	9.79	14.53
Total (A)	378.53	101.18	20.81	458.90	135.58	19.51	55.32	171.39	287.51
B) Intangible assets (d)									
Computer software	83.09	47.03	-	130.12	39.04	-	15.85	54.89	75.23
Total (B)	83.09	47.03	-	130.12	39.04	-	15.85	54.89	75.23
Total (A+B)	461.62	148.21	20.81	589.02	174.62	19.51	71.17	226.28	362.74

(a) See note no. 2.1(b) and 2.1(c)

(b) Represents share in undivided portion of land, on purchase of office premises

(c) Includes cost of shares in co-operative society ₹ 500 (Previous year ₹ 250)

(d) See note no. 2.1(d)

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

11 Investments

(₹ In Crore)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
(A) In Government securities				
Other than trade				
Quoted				
Long-term				
8.60% Government of India Stock, 2028 of the face value of ₹ 20 crore	22.68	22.68	-	-
8.08% Government of India Stock, 2022 of the face value of ₹ 10 crore	-	10.24	-	-
8.15% Government of India Stock, 2026 of the face value of ₹ 20 crore	22.01	22.01	-	-
8.28% Government of India Stock, 2027 of the face value of ₹ 5 crore	-	5.14	-	-
8.40% Government of India Stock, 2024 of the face value of ₹ 65 crore	-	67.11	-	-
8.38% Tamilnadu State Development Loan, 2026 of the face value of ₹ 10 crore	-	10.01	-	-
8.49% Tamilnadu State Development Loan, 2026 of the face value of ₹ 15 crore	-	15.02	-	-
8.49% Tamilnadu State Development Loan, 2026 of the face value of ₹ 10 crore	10.01	-	-	-
8.67% Karnataka State Development Loan, 2026 of the face value of ₹ 8.94 crore	8.95	8.95	-	-
7.59% Government of India Stock, 2029 of the face value of ₹ 125 crore	-	-	-	137.95
7.59% Government of India Stock, 2029 of the face value of ₹ 150 crore	157.48	157.48	-	-
7.88% Government of India Stock, 2030 of the face value of ₹ 25 crore	-	24.87	-	-
8.83% Government of India Stock, 2023 of the face value of ₹ 15 crore	-	15.60	-	-
7.88% Government of India Stock, 2022 of the face value of ₹ 125 crore	-	-	-	141.81
7.72% Government of India Stock, 2025 of the face value of ₹ 185 crore	195.52	195.53	-	-
7.59% Government of India Stock, 2026 of the face value of ₹ 10 crore	-	-	-	10.71
7.72% Government of India Stock, 2025 of the face value of ₹ 50 crore	-	-	-	54.55
8.35% Government of India Stock, 2022 of the face value of ₹ 25 crore	-	25.52	-	-
7.16% Government of India Stock, 2023 of the face value of ₹ 90 crore	-	87.70	-	-
7.68% Government of India Stock, 2023 of the face value of ₹ 95 crore	-	95.38	-	-
7.42% Maharashtra State Development Loan, 2022 of the face value of ₹ 15.95 crore	15.79	-	-	-
7.55% Maharashtra State Development Loan, 2021 of the face value of ₹ 22.38 crore	22.38	-	-	-
7.56% Andhra Pradesh State Development Loan, 2021 of the face value of ₹ 27.22 crore	27.23	-	-	-
7.77% Andhra Pradesh State Development Loan, 2021 of the face value of ₹ 100 crore	100.11	-	-	-
8.65% Gujarat State Development Loan, 2021 of the face value of ₹ 5 crore	5.15	-	-	-
9.19% Karnataka State Development Loan, 2021 of the face value of ₹ 5 crore	5.24	-	-	-
	592.55	763.24	-	345.02
Less: Amortisation of premium [Refer note no. 2.1(f)]	(2.35)	(0.94)	-	-
Less: Marked to market losses on investments	-	-	-	(24.16)
	590.20	762.30	-	320.86
Short-term				
Treasury Bills - 182 day TB 30082018	-	-	292.18	-
Treasury Bills - 182 day TB 05072018	-	-	112.19	-
Treasury Bills - 182 day TB 12072018	-	-	156.66	-
Treasury Bills - 182 day TB 14062018	-	-	122.99	-
Treasury Bills - 182 day TB 21062018	-	-	17.88	-
Treasury Bills - 182 day TB 26072018	-	-	182.75	-
Treasury Bills - 364 day TB 07062018	-	-	98.86	-
Treasury Bills - 364 day TB 10052018	-	-	153.95	-
Treasury Bills - 91 day TB 12042018	-	-	37.38	-
Total (A)	590.20	762.30	1,174.84	320.86

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
(B) In Commercial Paper				
Other than trade				
Unquoted				
2000 Commercial Paper - NABARD -21052018 (Face value ₹ 500,000 each)	-	-	99.06	-
2000 Commercial Paper - Power Finance Corp- 25062018 (Face value ₹ 500,000 each)	-	-	98.39	-
2000 Commercial Paper - National Housing Bank - 07062018 (Face value ₹ 500,000 each)	-	-	98.74	-
Total (B)	-	-	296.19	-
(C) In Certificate of Deposit				
Other than trade				
Unquoted				
10000 Certificate of Deposit- Axis (Face value ₹ 100,000 each)	-	-	98.81	-
5000 Certificate of Deposit- ICICI (Face value ₹ 100,000 each)	-	-	49.43	-
5000 Certificate of Deposit - Kotak (Face value ₹ 100,000 each)	-	-	49.17	-
10000 Certificate of Deposit- SIDBI (Face value ₹ 100,000 each)	-	-	98.90	-
Total (C)	-	-	296.31	-
(D) In mutual funds				
Quoted				
- (87,558,919) Reliance Banking and PSU Debt Fund - Direct Growth Plan - BPAG	-	-	-	102.56
- (16,418,455) Kotak Bond (Short Term) - Direct Plan - Growth	-	-	-	51.30
- (16,606,212) Birla Sun Life Short Term Fund - Growth - Direct Plan	-	-	-	102.53
- (32,536,184) L&T Short Term Opportunities Fund Direct Plan - Growth	-	-	-	51.19
- (112,754,496) HDFC Short Term Opportunities Fund - Direct Plan - Growth Option	-	-	-	203.05
- (59,355,710) IDFC Super Saver Income Fund - Short Term Plan - Growth (Direct Plan)	-	-	-	202.04
- (32,073,791) Reliance Short Term Fund - Direct Growth Plan Growth Option - STAG	-	-	-	100.87
- (897,371) Invesco India Short Term Fund - Direct Plan - Growth	-	-	-	200.00
- (1,109,429) Axis Liquid Fund - Direct Growth - CFDG	-	-	-	200.00
- (7,655,927) Birla Sun Life Cash Plus - Growth - Direct Plan	-	-	-	200.00
- (430,075) DSP BlackRock Liquidity Fund - Direct Plan - Growth	-	-	-	100.00
- (8,890,505) ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	-	200.00
- (749,448) Kotak Floater Short Term - Direct Plan - Growth	-	-	-	200.00
- (897,075) L&T Liquid Fund Direct Growth	-	-	-	200.00
- (2,617,305) SBI Ultra Short Term Debt Fund - Direct Plan - Growth	-	-	-	550.00
1,792,845 (-) Aditya Birla Sun Life Cash Plus - Growth- Direct Plan	-	-	50.00	-
210,076 (-) L&T Liquid Fund Direct Growth	-	-	50.00	-
- (188,912) UTI - Treasury Advantage Fund Institutional Plan-Direct Plan - Growth	-	-	-	40.00
- (972,401) IDFC Ultra Short term fund - Growth (Direct Plan)	-	-	-	2.25
- (14,73,016) ICICI Prudential Flexible Income Direct Plan - Growth	-	-	-	43.20
- (16,096,126) Kotak Treasury Advantage Fund - Direct Plan - Growth	-	-	-	40.00
- (15,012,535) HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Whole sale option - Growth option	-	-	-	40.00
- (186,570) Reliance Money Manager Fund -Direct Growth Plan Growth Option	-	-	-	40.00
- (116,208) Invesco India Ultra Short Term Fund - Direct Plan Growth	-	-	-	25.00
- (125,553) SBI Ultra Short Term Debt Fund Direct Plan - Growth	-	-	-	25.00
- (34,799) Tata Ultra Short term fund Direct Plan - Growth	-	-	-	8.12
- (3,366,739) L&T Ultra Short term Fund Direct Plan - Growth	-	-	-	9.00
549 (41,715) ICICI Prudential Liquid - Direct Plan - Growth	-	-	0.01	1.00

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
(D) In mutual funds				
Quoted (Contd.)				
- (530,590) ICICI Prudential Flexi Income - Regular Plan Growth	-	-	-	9.24
- (1,331,278) Birla Sun Life Savings Fund - Growth - Direct Plan	-	-	-	40.00
44,800,793 (-) HDFC Floating Rate Income Fund Short Term Plan Direct Plan Wholesale Option Monthly Dividend	-	-	45.50	-
4,556,371 (-) Aditya Birla Saving Fund Weekly Dividend Direct Plan	-	-	45.76	-
6,617,917 (-) ICICI Prudential Flexible Income Direct Monthly Dividend Reinvest	-	-	45.70	-
69,715 (-) Invesco India Ultra Short Term Fund Direct Discretionary Dividend - Reinvest	-	-	38.45	-
441,146 (-) UTI Treasury Advantage Fund Direct Plan Monthly Dividend Reinvest	-	-	45.59	-
259,790 (-) Axis Liquid Fund Direct Growth	-	-	50.00	-
2,082,285 (-) ICICI Prudential Liquid Money Market Fund - Direct Plan - Growth	-	-	50.00	-
104,640 (-) Invesco India Liquid Fund Direct Plan Growth	-	-	25.00	-
118,105 (-) Reliance Liquid Fund Treasury Plan Direct Growth Plan Growth Option	-	-	50.00	-
88,008 (-) UTI Liquid Cash Plan Institutional Direct Plan Growth	-	-	25.00	-
Total (D)			521.01	2,986.35
(E) In fully paid equity shares				
Other than trade				
Quoted				
Long-term				
75 (75) Shares of ₹ 10 each in Bajaj Holdings and Investments Ltd. (₹ 19,646, Previous year ₹ 19,646)				-
150 (150) Shares of ₹ 10 each in Bajaj Auto Ltd. (₹ 7,685, Previous year ₹ 7,685)				-
Sub - Total (₹ 27,331, Previous year ₹ 27,331)				-
Unquoted				
Long-term				
10 (-) Shares of ₹ 10 each in One MobiKwik Systems Private Ltd.	0.01	-	-	-
Total (E)	0.01			
(F) In fully paid preference shares				
Other than trade				
Unquoted				
Long-term				
315,314 (-) Series D Cumulative Compulsorily Convertible Preference Shares (CCCPs) of ₹ 100 each in One MobiKwik Systems Private Ltd.	224.99	-	-	-
Total (F)	224.99			
(G) In Securitised assets				
Unquoted				
Long-term				
Pass Through Certificates representing securitisation of loan receivables in Visage Holdings & Finance Private Ltd.	7.00	-	13.84	-
Pass Through Certificates representing securitisation of loan receivables in Indian School Finance Company Private Ltd.	15.38	-	6.20	-
Total (G)	22.38		20.04	
Total (A+B+C+D+E+F+G)	837.58	762.30	2,308.39	3,307.21

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

11 Investments (Contd.)

Particulars	(₹ In Crore)			
	Book value		Market value	
	As at 31 March		As at 31 March	
	2018	2017	2018	2017
Quoted	2,286.05	4,069.51	2,272.57	4,115.17
Unquoted	859.92	-		

Note

Open ended mutual funds though not listed are quoted on National Stock Exchange (NSE) and are transactable through the exchange with fund houses at previous day close Net Asset Value (NAV). Hence considered as quoted.

12 Deferred tax assets (net)

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
A) Deferred tax liability		
On account of timing difference in:		
– Depreciation and amortisation	(12.08)	(16.34)
– Other liabilities	(3.28)	(3.04)
Gross deferred tax liability	Total (A)	(15.36)
		(19.38)
B) Deferred tax asset		
On account of timing difference in:		
– Disallowance u/s 43B of the Income Tax Act, 1961	19.48	13.50
– Provision for doubtful debts	357.97	351.40
– Other assets	24.32	23.55
Gross deferred tax asset	Total (B)	401.77
		388.45
	Total (A+B)	386.41
		369.07

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

13 Receivables under financing activity

(Good unless otherwise stated)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March 2018	2017	As at 31 March 2018	2017
(A) Secured				
(i) Against hypothecation of automobiles, equipments, durables etc. [Includes overdue installments ₹ 460.52 crore (Previous year ₹ 586.06 crore)]	5,418.91	3,611.53	14,856.70	12,261.53
(ii) Against equitable mortgage of immovable property under finance agreements [Includes overdue installments ₹ 7.08 crore (Previous year ₹ 12.39 crore)]	19,243.06	13,881.62	1,198.84	1,712.03
(iii) Infrastructure finance: Against joint hypothecation of plant and machinery, immovable property and other assets [Includes overdue installments ₹ 13.58 crore (Previous year ₹ 39.83 crore)]	45.78	245.50	5.63	55.56
(iv) Loan against securities (secured by pledge of securities) [Includes overdue installments ₹ 4.06 crore (Previous year ₹ 2.16 crore)]	965.12	502.84	5,515.09	3,661.53
Total (A)	25,672.87	18,241.49	21,576.26	17,690.65
(B) Unsecured +				
Loans at agreement values less installments received [Includes overdue installments ₹ 330.64 crore (Previous year ₹ 216.06 crore)]	21,595.05	13,786.66	12,755.92	7,964.13
Total (B)	21,595.05	13,786.66	12,755.92	7,964.13
Total (A + B)	47,267.92	32,028.15	34,332.18	25,654.78

+ Includes receivables from related parties amounting to ₹ 42.63 crore (Previous year ₹ 33.97 crore).

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

14 Loans and advances, unsecured

(Good unless otherwise stated)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Capital advances	2.80	2.64	-	-
Security deposits	53.13	23.04	-	0.34
Advances/Security deposits to related parties	1.01	0.90	4.93	0.94
Advance tax (net of provision for taxation ₹ 1,922.41 crore, Previous year ₹ 1,949.04 crore)	24.61	33.30	-	-
Advances to dealers	-	-	204.61	465.22
Advances recoverable in cash or kind, unsecured, considered good	-	0.02	52.12	34.67
Advances recoverable in cash or kind, unsecured, considered doubtful	-	0.13	4.75	4.93
Less: Provision	-	(0.13)	(4.75)	(4.93)
	81.55	59.90	261.66	501.17

15 Cash and bank balances

Particulars	(₹ In Crore)	
	Current	
	As at 31 March 2018	As at 31 March 2017
(A) Cash and cash equivalents		
Cash on hand	60.86	44.06
Cash equivalents:		
- Bank balance in cash credit/current accounts	177.11	280.85
- Fixed deposits (maturity less than 3 month from date of acquisition)	100.00	-
Total (A)	337.97	324.91
(B) Other bank balances		
Earmarked balances with bank (against fixed deposit maturities and unclaimed dividend)	1.49	1.18
Total (B)	1.49	1.18
Total (A+B)	339.46	326.09

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

16 Other current assets

Particulars	As at 31 March	
	2018	2017
Interest receivable on investments	8.29	15.95
Interest subsidy receivable	457.84	296.64
Receivables from related parties	11.14	7.71
Other receivables	61.66	35.53
	538.93	355.83

17 Revenue from operations

Particulars	For the year ended 31 March	
	2018	2017
Finance activity:		
(i) Interest on loans including interest subsidy	11,427.19	8,692.39
(ii) Service and administration charges	909.37	565.64
	12,336.56	9,258.03
Other operating revenue:		
(i) Interest:		
(a) On deposits	0.39	0.98
(b) On Government securities	91.70	63.67
Less: Amortisation of premium	(1.63)	(1.13)
(c) Penal and others	384.41	230.65
	474.87	294.17
(ii) Profit on sale of current investments, net*	256.10	165.83
(iii) Bad debt recoveries	72.89	30.15
(iv) Foreclosure income	24.71	46.06
(v) Miscellaneous charges and receipts	276.91	172.47
	1,105.48	708.68
	13,442.04	9,966.71

* Consequent to deployment of temporary idle funds to defray cost of borrowings, hence classified under 'Other operating revenue'.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

18 Other income

Particulars	(₹ In Crore)	
	2018	2017
Dividend from non-current investment (₹ 10,688, Previous year ₹ 1,313)		
Provisions no longer required	12.69	12.45
Liabilities no longer required written back	7.07	7.84
Interest on income tax refunds, net	1.86	3.33
Miscellaneous income	2.25	1.86
	23.87	25.48

19 Employee benefits expense

Particulars	(₹ In Crore)	
	2018	2017
Employees' emoluments (Includes Managerial remuneration):		
– Salaries, wages and bonus	1,324.99	858.71
– Contribution to provident and other funds	61.75	42.73
– Staff welfare expenses	32.85	30.23
	1,419.59	931.67

20 Finance costs

Particulars	(₹ In Crore)	
	2018	2017
Interest expenses	4,152.66	3,354.86
Discount in respect of commercial papers issued	445.12	411.95
Other financing costs	36.55	36.90
	4,634.33	3803.71

21 Loan losses and provisions

Particulars	(₹ In Crore)	
	2018	2017
Contingent provision against standard assets	95.57	64.02
Provision for restructured standard assets	9.50	17.86
Provision for delinquencies and doubtful advances	940.12	722.01
	1,045.19	803.89

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

22 Other expenses

Particulars	(₹ In Crore)		
	For the year ended 31 March	2018	2017
Insurance		2.88	2.56
Rent		48.14	31.05
Commission to non-executive directors		2.62	2.47
Communication expenses		54.78	33.41
Outsourcing/back office expenses		174.49	147.65
Travelling expenses		160.24	101.22
Information technology expenses		140.58	92.80
Sourcing and credit cost		191.28	132.26
Recovery costs		494.52	317.96
Bank charges		82.26	49.26
Rates and taxes		0.84	0.72
Payment to auditor*		0.74	0.65
Loss on sale of assets, net		0.37	0.26
Dealer incentive		295.99	309.35
Advertisement and publicity		164.74	67.93
Marked to market losses on investments, net		-	22.97
Expenditure towards Corporate Social Responsibility activities**		39.56	28.38
Sundry expenses		314.50	223.44
	2,168.53	1,564.34	

* Payment to auditor (net of service tax/GST credit availed) #

Particulars	(₹ In Crore)		
	For the year ended 31 March	2018	2017
As auditor:			
– Audit fee		0.37	0.38
– Tax audit fee		0.05	0.05
– Limited review		0.10	0.07
In other capacity:			
– Other services (certification fees)		0.20	0.13
– Reimbursement of expenses		0.02	0.02
	0.74	0.65	

Excludes fees of ₹ 0.33 crore in respect of fund raised through qualified institutional placement, adjusted against securities premium.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

22 Other expenses (Contd.)

** Corporate Social Responsibility expenditure

Particulars	(₹ In Crore)	
	For the year ended 31 March 2018	2017
(a) Gross amount required to be spent by the Group during the year	39.40	28.37
(b) Amount spent in cash during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	39.56	28.38

23 Computation of Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Particulars	For the year ended 31 March	
	2018	2017
A) Basic		
(i) Computation of Profit (numerator):		
- Net Profit attributable to shareholders (₹ In Crore)	2,674.11	1,836.38
(ii) Computation of weighted average number of shares (denominator):		
- Number of shares outstanding at the beginning of the year (as adjusted for sub-division and bonus issue)	546,832,590	535,495,160
- Weighted average number of equity shares issued and outstanding during the year	15,720,892	4,491,258
Adjusted weighted average equity shares	562,553,482	539,986,418
Basic EPS (₹)	47.54	34.01
B) Diluted		
(i) Computation of Profit (numerator):		
- Net Profit attributable to shareholders (₹ In Crore)	2,674.11	1,836.38
(ii) Computation of weighted average number of shares (denominator):		
- Number of shares outstanding at the beginning of the year (as adjusted for sub-division and bonus issue)	546,832,590	535,495,160
- Weighted average number of equity shares issued and outstanding during the year	15,720,892	4,491,258
- Number of options outstanding at the close of the year*	5,811,764	5,451,986
Adjusted weighted average equity shares	568,365,246	545,438,404
Diluted EPS (₹)	47.05	33.67

* Dilutive equity shares under ESOPs

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

24 Contingent liability not provided for

Particulars	As at 31 March	
	2018	2017
Disputed claims against the Group not acknowledged as debts	31.27	17.29
VAT matters under appeal	2.39	2.24
ESI matters under appeal	5.14	5.14
Service tax matters under appeal		
- On interest subsidy	1,243.80	1,147.10
- On others	3.11	4.43
Income tax matters:		
- Appeals by the Group	8.90	12.93
- Appeals by the Income tax department	32.98	32.98

- (i) The Group is of the opinion that the above demands are not sustainable and expects to succeed in its appeals/defense.
- (ii) The Commissioner, Service Tax Commissionerate, Pune, through an order dated 31 March 2017, has confirmed the demand of ₹ 644.65 crore for service tax and penalties of ₹ 198.95 crore from the Parent Company in relation to the interest subsidy the parent Company received from manufacturers and dealers in the period 1 April 2010 to 30 September 2016. In addition, the Commissioner has demanded the payment of interest on the service tax amount confirmed up until the date the Parent Company pays the service tax demanded, which as at 31 March 2018 totalled ₹ 400.20 crore. In accordance with legal advice, the Parent Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.
- (iii) The Parent Company has received a show cause notice from service tax authorities claiming service tax on penal interest/charges, aggregating ₹ 53.87 crore. The Parent Company, in line with the opinion obtained from a legal counsel is of view that the said demand is not tenable and has filed reply on 23 March 2018.
- (iv) It is not practicable for the Parent Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

25 Capital and other commitments

Particulars	As at 31 March	
	2018	2017
(A) Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances)	41.49	17.77
(B) Other commitments:		
The Group's capital commitments towards partially disbursed loans	78.24	222.87

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

26 Expenditure in foreign currency and unhedged exposure

(i) Foreign currency expenditure

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2018	2017
Travelling expenses	0.34	0.55
Software expenses	26.58	16.00
Other expenses	4.62	1.01

(ii) Unhedged foreign currency exposures payable

Particulars	As at 31 March 2018		As at 31 March 2017	
	Foreign currency	₹ In Crore	Foreign currency	₹ In Crore
USD	932,079	6.14	124,445	0.82
Pound	9,461	0.09	-	-

27 Segment information

The Group operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS-17 on 'Segment reporting'. The Group operates in a single geographical segment, i.e. domestic.

- 28** Liability for long-term 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:

(A) Gratuity

Particulars	(₹ In Crore)	
	As at 31 March	
	2018	2017
Present value of funded obligations	79.33	57.36
Fair value of plan assets	(54.82)	(43.14)
Amount not recognised as an asset [limit in para 59(b)]	0.10	0.14
Net liability	24.61	14.36
Amounts in Balance Sheet		
- Liability (Non-current as shown in note no.7)	24.61	14.36
- Assets	-	-
Net liability/(asset)	24.61	14.36

Expense to be recognised in the Statement of Profit and Loss

Current service cost	11.87	7.44
Interest on defined benefit obligation	5.00	3.49
Expected return on plan assets	(3.49)	(2.81)
Net actuarial losses/(gains) recognised in year	8.16	10.24
Effect of the limit in para 59(b)	(0.04)	(0.55)
Premium allocation difference and other charges transferred	-	-
Total, included in employee benefits expense	21.50	17.81
Actual return on plan assets	2.45	3.60

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

(A) Gratuity (Contd.)

(₹ In Crore)

As at 31 March

Particulars	2018	2017
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	57.36	37.46
Current service cost	11.87	7.44
Interest cost	5.00	3.49
Actuarial losses/(gain)	7.12	11.03
Liabilities assumed on acquisition/(settled on divestiture)	-	-
Benefits paid	(2.02)	(2.06)
Closing defined benefit obligation	79.33	57.36
Change in fair value of assets		
Opening fair value of plan assets	43.14	35.74
Expected return on plan assets	3.49	2.81
Actuarial gain/(losses)	(1.04)	0.78
Contributions by employer	11.24	5.87
Assets assumed on acquisition/(settled on divestiture)	-	-
Benefits paid	(2.02)	(2.06)
Closing fair value of plan assets	54.81	43.14

Summary of the actuarial assumptions

Particulars	2018	2017
Discount rate	7.75%	7.35%
Expected rate of return on assets	7.50%	7.50%
Salary escalation rate	11.00%	10.00%

(₹ In Crore)

As at 31 March

Particulars	2018	2017
Expected contribution to fund in the next year	19.65	9.50

Category of plan assets	2018	2017
Insurer managed funds	100%	100%

(₹ In Crore)

As at 31 March

Particulars	2018	2017	2016	2015	2014
Experience adjustments					
Defined benefit obligation	79.33	57.37	37.46	26.83	16.39
Plan assets	54.82	43.14	35.74	25.15	23.34
Surplus/(deficit)	(24.51)	(14.21)	(1.72)	(1.67)	6.95
Experience adjustments on plan liabilities	13.84	6.90	3.82	1.76	2.18
Experience adjustments on plan assets	(1.04)	0.78	0.48	0.71	0.36

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

B) Compensated absences

Particulars	(₹ In Crore)		
	As at 31 March	2018	2017
Present value of unfunded obligations	21.69	20.68	
Expense recognised in the Statement of Profit and Loss	19.56	16.88	
Discount rate (p.a.)	7.75%	7.35%	
Salary escalation rate (p.a.)	11.00%	10.00%	

C) Long-term service benefit liability

Particulars	(₹ In Crore)	
	2018	2017
Present value of unfunded obligations	5.60	5.52
Expense recognised in the Statement of Profit and Loss	0.02	5.52
Discount rate (p.a.)	7.75%	7.35%

D) Provident fund

In case of certain employees, the provident fund contribution is made to Bajaj Auto Ltd. Provident Fund Trust. In terms of the Guidance Note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on the assumptions listed below and determined that there is no shortfall as of 31 March 2018. The assumptions used in determining the present value of obligation of interest rate guarantee under deterministic approach are:

Particulars	(₹ In Crore)		
	As at 31 March	2018	2017
Amount to be recognised in Balance Sheet			
Present value of funded obligations	240.79	176.35	
Fair value of plan assets	240.79	176.35	
Net liability	-	-	
Amounts in Balance Sheet			
– Liability	-	-	
– Assets	-	-	
Net liability/(asset)	-	-	
Expense to be recognised in the Statement of Profit and Loss			
Current service cost	18.08	12.29	
Interest on defined benefit obligation	13.90	11.03	
Expected return on plan assets	(17.67)	(12.94)	
Net actuarial losses/(gains) recognised in year	3.77	1.91	
Total, included in employee benefits expense	18.08	12.29	

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Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

D) Provident fund (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2018	2017
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	176.35	131.18
Current service cost	18.08	12.29
Interest cost	13.90	11.03
Actuarial losses/(gain)	3.76	1.76
Employees contribution	37.02	26.02
Liabilities assumed on acquisition/(settled on divestiture)	2.26	3.43
Benefits paid	(10.58)	(9.36)
Closing defined benefit obligation	240.79	176.35
Change in fair value of assets		
Opening fair value of plan assets	176.35	131.18
Expected return on plan assets	17.67	12.94
Actuarial gain/(losses)	(0.01)	(0.15)
Employer contributions during the period	18.08	12.29
Employee contributions during the period	37.02	26.02
Assets acquired on acquisition/(distributed on divestiture)	2.26	3.43
Benefits paid	(10.58)	(9.36)
Closing fair value of plan assets	240.79	176.35
Summary of the actuarial assumptions		
Particulars	2018	2017
Discount rate	7.75%	7.35%
Expected rate of return on assets	8.64%	8.90%
Discounting rate for remaining term to maturity of investment (p.a.)	7.65%	7.15%
Average historic yield on investment (p.a.)	8.54%	8.70%
Guaranteed rate of return (p.a.)	8.55%	8.65%
(₹ In Crore)		
Particulars	2018	2017
Expected contribution to fund in the next year	20.07	13.52
Category of plan assets	2018	2017
Government of India securities	50%	52%
Corporate bonds	30%	30%
Special deposit scheme	5%	6%
Others	15%	13%

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

D) Provident fund (Contd.)

Particulars	(₹ In Crore)				
	2018	2017	2016	2015	2014
Experience adjustments					
Defined benefit obligation	240.79	176.35	131.18	92.71	71.84
Plan assets	240.79	176.35	131.18	92.71	71.84
Surplus/(deficit)	-	-	-	-	-
Experience adjustments on plan liabilities	3.76	1.76	7.78	(0.38)	0.81
Experience adjustments on plan assets	(0.01)	(0.15)	6.62	(0.39)	0.34

29 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 then issued equity capital of the Parent Company aggregating to 1,829,803 equity shares of the face value of ₹ 10 each 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 Parent Company vide their special resolution passed through postal ballot on 15 December 2009 approved the issue of equity shares of the Parent Company under one or more Employee Stock Option Scheme(s). The shareholders, at the Annual General Meeting held on 16 July 2014, approved an additional issue of 677,313 stock options i.e. from 1,829,803 to 2,507,116 options of the face value of ₹ 10 each under the Stock Options schemes of the Parent company i.e. Employee Stock Option Plan 2009.

Pursuant to the sub-division of each equity share of face value of ₹ 10 into five equity shares of face value of ₹ 2 on 10 September 2016 and allotment of bonus equity share in the proportion of one equity share of face value of ₹ 2 for every one equity share on 14 September 2016, the aggregate number of equity shares which would be available for future grants under the Employee Stock Option Scheme, 2009 were adjusted from 2,507,116 equity shares of face value of ₹ 10 to 25,071,160 equity shares equity shares of face value of ₹ 2 each.

The Nomination and Remuneration Committee has approved the following grants to select senior level executives of the Parent Company in accordance with the Stock Option Scheme. Under the scheme, twelve grants have been made, details of which as on 31 March 2018 are given as under:

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-
21-Jul-10	54.20	3,267,500	105,620	-	2,842,510	319,370	105,620
28-Jul-11	70.52	3,762,000	220,250	-	3,114,750	427,000	220,250
16-May-12	87.61	3,595,000	714,620	-	2,301,130	579,250	714,620
15-May-13	138.04	3,949,300	1,265,165	-	1,831,135	853,000	1,265,165
1-Nov-13	135.31	197,000	-	-	49,250	147,750	-
16-Jul-14	219.66	2,816,000	951,900	556,000	985,850	322,250	1,507,900
20-May-15	448.16	1,935,000	425,050	757,500	424,950	327,500	1,182,550
24-May-16	765.37	1,430,000	206,900	946,875	122,725	153,500	1,153,775
17-May-17	1,347.75	1,120,750	-	1,067,900	-	52,850	1,067,900
16-Oct-17	1,953.05	16,350	-	16,350	-	-	16,350
1-Feb-18	1,677.85	120,000	-	120,000	-	-	120,000
Total		23,528,900	3,889,505	3,464,625	12,954,800	3,219,970	7,354,130

Above disclosures have been adjusted for sub-division of shares and issue of bonus shares thereon.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

29 Employee stock option plan (Contd.)

Method used for accounting for share based payment plan

The Parent Company has elected to use intrinsic value method to account for the compensation cost of stock options to its employees. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option.

The fair value of options used to compute pro-forma 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:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in market at the time of the option grant (₹)	Fair Value per option (₹)
12-Jan-10	6.70%	1-5 years	54.01%	0.62%	35.87	10.12
21-Jul-10	7.42%	3.5-6.5 years	55.38%	1.28%	54.20	27.48
28-Jul-11	8.27%	3.5-6.5 years	53.01%	1.42%	70.52	34.92
16-May-12	8.36%	3.5-6.5 years	49.58%	1.37%	87.61	42.27
15-May-13	7.32%	1-5 years	29.97%	1.09%	138.04	49.80
1-Nov-13	8.71%	1-5 years	32.83%	1.11%	135.31	54.39
16-Jul-14	8.66%	1-5 years	38.01%	0.73%	219.66	97.94
20-May-15	7.76%	3-5-6.5 years	34.88%	0.36%	448.16	191.40
24-May-16	7.38%	0.5-6.5 years	33.13%	0.47%	765.37	309.83
17-May-17	6.89%	0.5-6.5 years	34.23%	0.05%	1,347.75	565.29
16-Oct-17	6.69%	0.5-6.5 years	34.51%	0.04%	1,953.05	816.23
1-Feb-18	7.42%	0.5-6.5 years	34.05%	0.04%	1,677.85	719.29

Above disclosures have been adjusted for sub-division of shares and issue of bonus shares thereon.

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

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

Particulars	(₹ In Crore)	
	2018	2017
Net profit (as reported)	2,674.11	1,836.38
Add: Stock based employee compensation expense included in net income	-	-
Less: Stock based compensation expense determined under fair value based method (pro-forma)	48.40	30.52
Net Profit (pro-forma)	2,625.71	1,805.86
Basic earnings per share (as reported) (₹)	47.54	34.01
Basic earnings per share (pro-forma) (₹)	46.67	33.44
Diluted earnings per share (as reported) (₹)	47.05	33.67
Diluted earnings per share (pro-forma) (₹)	46.20	33.11

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

30 Disclosure of transactions with related parties as required by Accounting Standard 18

Name of related party and nature of relationship	Nature of transaction	2018		2017	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A. Holding Company, Subsidiaries and Fellow Subsidiaries					
1. Bajaj Finserv Ltd. (Holding Company)	Dividend paid	114.41	-	21.60	-
	Contribution to equity (317,816,130 shares of ₹ 2 each)	-	(63.56)	-	(63.56)
	Equity contribution received (including securities premium)	-	-	306.08	-
	Business support charges paid	10.07	-	8.68	-
	Business support charges received	0.31	-	0.26	-
	Licence fee paid (₹ 505, Previous year ₹ 505)	-	-	-	-
	Non-convertible debentures issued	-	(635.00)	-	(450.00)
	Commercial papers issued	-	-	-	(25.00)
	Non-convertible debentures redemption	-	-	95.00	-
	Interest paid on non-convertible debentures	39.12	-	34.12	-
	Fixed deposits accepted	-	-	-	(50.00)
	Fixed deposits repaid	50.00	-	100.00	-
	Interest incurred on fixed deposits	2.71	-	9.50	(6.39)
	Asset sale	0.09	-	-	-
	Other receipts	0.07	-	-	-
2. Bajaj Allianz Life Insurance Company Ltd. (Fellow Subsidiary)	Insurance expenses	3.02	0.03	1.99	0.23
	Insurance premium adjusted (including cancellation receipts)	274.17	0.19	126.04	3.79
	Commission income	3.60	0.93	0.02	0.01
	Non-convertible debentures issued	-	(137.50)	-	(282.50)
	Non-convertible debentures redemption	30.00	-	-	-
	Interest paid on non-convertible debentures	25.56	-	29.05	-
	Rent and maintenance expenses	0.93	-	0.84	-
	Security deposit for property paid	-	0.60	-	0.60
	Business support charges received	0.19	0.03	0.04	0.04
	Other receipts	2.91	-	0.75	-
3. Bajaj Allianz General Insurance Company Ltd. (Fellow Subsidiary)	Insurance expenses	13.65	(1.09)	1.06	(0.10)
	Insurance premium adjusted (including cancellation receipts)	322.78	3.39	309.72	(2.86)
	Commission income	28.59	8.28	40.05	7.40
	Non-convertible debentures issued	-	(90.00)	-	(160.00)
	Non-convertible debentures redemption	60.00	-	-	-
	Interest paid on non-convertible debentures	15.51	-	12.47	-
	Business support charges received	0.10	-	-	-
	Other income	1.19	-	0.01	-
B. Individuals controlling voting power/exercising significant influence and their relatives					
1. Rahul Bajaj (Chairman)	Sitting fees	0.06	-	0.05	-
	Commission	0.12	(0.11)	0.10	(0.09)
2. Sanjiv Bajaj (Vice Chairman)	Sitting fees	0.10	-	0.09	-
	Commission	0.19	(0.17)	0.18	(0.16)
3. Madhur Bajaj (Director)	Sitting fees	0.04	-	0.04	-
	Commission	0.08	(0.07)	0.07	(0.06)
4. Rajiv Bajaj (Director)	Sitting fees	0.03	-	0.03	-
	Commission	0.06	(0.05)	0.06	(0.05)
5. Shekhar Bajaj	Nil	-	-	-	-
6. Niraj Bajaj	Nil	-	-	-	-

Consolidated Financial Statements

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

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

Name of related party and nature of relationship	Nature of transaction	2018		2017	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
C. Key Managerial Personnels and their relatives					
Rajeev Jain (Managing Director)	Remuneration	10.06	(5.16)	8.45	(4.37)
	ESOPs exercised-perquisite	32.42	-	-	-
D. Enterprises over which anyone in (B) and (C) exercises significant influence					
1. Bajaj Auto Ltd.	Interest subsidy received	23.78	1.87	8.33	-
	Business support charges paid	26.36	(0.56)	20.95	-
	Business support charges received	0.51	0.03	0.65	-
	Security deposit paid	-	0.21	-	0.21
	Investment in equity shares (₹ 7,685)	-	-	-	-
	Dividend received (₹ 8,250, Previous year ₹ 750)	-	-	-	-
2. Bajaj Holdings & Investments Ltd.	Business support charges paid	2.54	-	2.54	-
	Business support charges received	0.31	-	0.26	-
	Investment in equity shares (₹ 19,646)	-	-	-	-
	Dividend received (₹ 2,438, Previous year ₹ 562)	-	-	-	-
	Other receipts	0.03	-	-	-
	Other payments	0.03	-	-	-
3. Mukand Ltd.	Loan given	25.00	42.63	25.00	33.97
	Principal repayment received	16.34	-	21.96	-
	Income received	4.30	-	3.50	-
4. Hind Musafir Agency Ltd.	Services received	33.42	(0.68)	22.37	(2.24)
5. Bajaj Electricals Ltd.	Assets purchased	0.14	0.01	0.21	-
6. Jamnalal Sons Pvt. Ltd.	Dividend paid (₹ 3,384, Previous year ₹ 658)	-	-	-	-
	Contribution to equity (940 shares of ₹ 2 each ₹ 1,880)	-	-	-	-
	Security deposit paid	0.10	0.19	-	0.09
7. Hercules Hoists Ltd.	Rent and other expenses (Previous year outstanding ₹ 42,306)	0.39	-	0.22	-
	Fixed deposits accepted	-	-	-	(1.67)
	Fixed deposits repaid	1.67	-	6.70	-
	Interest incurred on fixed deposits	0.01	-	0.70	(0.23)
8. Maharashtra Scooters Ltd.	Business support charges received	0.12	-	0.10	0.03
	Non-convertible debentures issued	-	(80.00)	-	(80.00)
	Interest on non-convertible debentures issued	7.20	-	7.20	-
	Contribution to equity (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
9. Bajaj Auto Holdings Ltd.	Dividend paid	6.83	-	1.33	-
	Non-convertible debentures redemption	-	-	5.00	-
	Interest on non-convertible debentures issued	-	-	0.47	-

Notes

1. Transaction values are excluding taxes and duties.
2. Amount in bracket denotes credit balance.
3. Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.
4. Related parties as defined under clause 3 of the Accounting Standard-18 - 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Group. Accordingly, disclosure have been made in respective notes to financial statements as required by schedule III to Companies Act, 2013.

Notes to consolidated financial statements for the year ended 31 March 2018 (Contd.)

31 Operating leases

The Group's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation of lease payments. The non-cancellable operating lease agreements are ranging from 36 to 60 months. There are no sub-leases. Lease payments during the year are charges to the Statement of Profit and Loss.

Details of non-cancellable leases are as follows:

Particulars	(₹ In Crore)	
	2018	2017
Operating lease payments recognised during the year	48.32	31.05
Minimum Lease Obligations:		
- Not later than one year	4.50	4.53
- Later than one year but not later than five years	12.80	15.22
- Later than five years	0.68	0.13

32 Previous period financial statements were audited by the Group's previous auditors and figures have been regrouped/rearranged, wherever necessary, to conform to current period presentation.

33 Amounts less than ₹ 50,000 have been shown at actual against respective line items statutorily required to be disclosed.

Signatures to Notes 1 to 33

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 089802

Pune: 17 May 2018

On behalf of the Board of Directors

Rajeev Jain Managing Director	Rahul Bajaj Chairman
Sandeep Jain Chief Financial Officer	Sanjiv Bajaj Vice Chairman
Anant Damle Company Secretary	Nanoo Pamnani Vice Chairman and Chairman – Audit Committee

Notes

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Like the five elements of nature work in harmony, so do our companies through symbiotic relationships.

BAJAJ FINANCE LIMITED

Regd. Office: Akurdi, Pune - 411 035, India.
Tel: (020) 30186403 Fax: (020) 30186364
www.bajajfinserv.in/finance

Business Responsibility Report

Section A General information about the Company

1.	Corporate identification number	L65910MH1987PLC042961
2.	Name of the Company	Bajaj Finance Ltd.
3.	Registered address	Akurdi, Pune - 411 035
4.	Website	www.bajajfinserv.in/finance
5.	Email address	investor.service@bajajfinserv.in
6.	Financial year reported	1 April 2017 – 31 March 2018
7.	Sector(s) that the Company is engaged in	Financial Services
8.	Key products/services manufactured/provided by the Company	1. Consumer Lending 2. SME Lending 3. Commercial Lending 4. Rural Lending 5. Deposits 6. Partnerships and Services
9.	Total number of locations where business activity is undertaken by the Company	709 offices across India
10.	Markets served by the Company	India

Section B Financial details of the Company

1.	Paid up capital	₹ 115.59 crore
2.	Total turnover	₹ 13,329 crore
3.	Total profit after tax	₹ 2,647 crore
4.	Total spending on CSR as percentage of profit after tax (%)	Refer Annual Report on CSR Activities annexed to Directors' Report
5.	List of the activities in which expenditure in 4 above has been incurred	Refer Annual Report on CSR Activities annexed to Directors' Report

Section C Other details

1.	Does the Company have any Subsidiary Company/Companies?	Yes (for details, refer Note 2 of Consolidated Financial Statements).
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D	BR information
1.	Details of Director(s) responsible for BR
(a)	Details of the Director
	DIN
	Name
	Designation
(b)	Details of the BR head
	DIN (if applicable)
	Name
	Designation
	Telephone number
	E-mail ID
2.	Principle-wise BR policy/policies
3.	Governance related to BR

Section E	Principle-wise performance
1.	Principle-wise performance

Preface

As mandated by SEBI, India's top 500 listed entities based on market capitalisation on the BSE and NSE are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report. This report is required to be in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

Bajaj Finance Ltd. ('BFL', 'the Company') presents its third BRR in line with the NVGs and the BRR requirement of SEBI. This BRR provides information about the key initiatives undertaken by the Company, driven by the triple bottom line aspects. The business responsibility performance of the Company is assessed annually by BFL's Board of Directors.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

BFL practices its business with utmost integrity. It considers ethics, transparency and accountability to be its most important operational priorities, and it is ingrained into its practices across the organisation. The processes and systems designed are meant to practice these core values of ethics, transparency and accountability.

BFL released its revised 'Code of Conduct' (CoC) in FY2018 to systematically strengthen its core values amongst its business practices and employees. The CoC is communicated to its employees through various mediums to enable understanding, adherence and implementation. The CoC is signed by each employee annually.

BFL has zero tolerance towards non-compliance of its CoC policy. The CoC broadly covers good working norms, cultural norms and integrity norms. It includes 'disciplinary action policy' and 'whistle blower policy' which allows employees to escalate grievances of any nature including, harassment and fraud/unethical behaviour/violation; this is monitored through an independent audit function which reports to Managing Director and Audit Committee on a regular basis. BFL's CoC also includes commitment to health, safety and the environment, eliminating waste and conserving resources.

The Company has a separate CoC that is applicable to the Company's directors and Senior Management. It states that 'Directors and Senior Managers shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment'. A declaration of the directors' and Senior Management's affirmation to the CoC is communicated to all stakeholders by the MD, through the Annual Report.

No stakeholder complaint linked to CoC adherence was received in the reporting year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

As a financial services company, BFL neither has a sizable consumption of any raw material nor produces any physical goods. Its activities are limited to providing financial solutions to serve the needs of the people of this country. These include solutions for the urban and rural population of India that would enhance their livelihood as well as quality of life. Some of them are given below:

1. BFL finances solar equipment through affordable EMI schemes. This enable customers to access environment friendly sources of renewable energy.
2. It provides financing options for registered traders of agricultural produce market committee, which help them in scaling-up their business through easier access to credit. Indirectly, this has a positive impact on agricultural productivity.
3. It provides financing for three-wheeler passenger vehicles and commercial vehicles which enables under-privileged and underserved population to own a vehicle and earn a living.
4. BFL's Lifecare financing provides an easy EMI solution to customers to meet their healthcare and medical needs, thereby allowing them to lead a healthier life.

Principle 3: Businesses should promote the well-being of all employees

BFL believes 'happy customers start with a happy employee'. BFL is dedicated to create a thriving, safe and inclusive workplace for its employees. To achieve this, BFL drives various employee engagement initiatives. BFL has developed seven core competencies under its 'Our Way' philosophy, which forms the backbone of its culture and is propagated to attract and retain talent.

BFL is an equal opportunity employer. The Company had 14,840 fulltime employees at the end of the reporting year, which included 563 women and five specially-abled. In FY2018, BFL added 3,361 employees. BFL adheres to the Apprentice (Amendment) Act, 1973 and 1986, currently applicable only in western region states. The Company hired 86 apprentices during the reporting year. BFL employees are not part of any employee association. No complaint related to child labour, forced labour, involuntary labour and sexual harassment was received in the reporting year.

In FY2018, apart from complying with all applicable laws pertaining to labour, BFL has also introduced various employee friendly policies particularly for new age millennial employees and has taken various initiatives which focus on management trainees, women employees, employees in rural locations and employees working in locations away from their hometown.

The learning approach at BFL is designed to enhance the individual and organisational capabilities needed to execute business in an efficient manner. The Company runs multiple targeted development programmes, called schools, while continuing with organisation wide development initiatives. These schools cater to emerging business and functional needs of collections, operations, customer experience and project management. BFL has its own 'Rural Training Centre' in Rajgurunagar, a rural market within Pune district, to equip its rural employees with the requisite functional and technical skills.

The Learning and Development (L&D) classroom focuses on leadership competency development based on the 'Our Way' philosophy. BFL trained approximately 11,000 people in FY2018, which included a total of over 40,000 days of offline training and approximately 428,000 learning hours, covering more than 80% of the workforce.

BFL's HR system 'Your Care' is an automated cloud based platform where employees can raise any kind of grievance, complaint or query, which is automatically assigned, attended and closed through the platform.

In FY2018, the Company received various awards and accolades for its employee practices. Some of these include:

- Top 18 Best Employer in India, 2017, by Aon Hewitt
- India's Best Companies to work for 2017, by Great Places to Work
- India's Best Companies to work in Financial Services, 2018, by Great Places to Work
- Top 25 Best Large Workplaces in Asia, 2018, by the Great Places to Work

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

BFL has always believed in aligning business practices with societal needs and expectations. The Company, through its unique EMI financing for consumer electronics, two-and-three wheelers financing, unsecured personal and business loans, and rural lending vertical, enables the economically weaker sections of society to meet their livelihood needs.

As an equal opportunity employer, BFL practices affirmative action and ensures there is no discrimination of any type against socially disadvantaged sections in the work place. In line with affirmative action, during the reporting year BFL recruited 3,361 new employees, of which 134 (approximately 4%) belong to socially weaker sections of the society, such as scheduled castes and scheduled tribes.

Principle 5: Businesses should respect and promote human rights

BFL is dedicated to upholding the human rights of all its internal and external stakeholders and ensures compliance with all applicable laws pertaining to human rights. The Company did not receive any complaint relating to violation of human rights in FY2018.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

BFL's Code of Conduct includes respecting the environment, eliminating waste and conserving resources as working norms. As a financial services company, BFL does not have a natural resources intensive business, and its environmental impact is largely limited to the operations of its office.

The Company takes many initiatives to reduce its environmental impact, including:

- Selecting and designing offices to facilitate maximum natural light utilisation
- E-waste policy – handing over e-waste to certified handlers for proper disposal
- Installation of rainwater harvesting system at the Finserv House in Pune with a capacity of approximately 12,000 litres
- Provision of shuttle services for employees between offices in Pune
- Switching from conventional lighting systems to LED lights at most of the branches in metro areas
- A total of 42 video conferencing rooms across different locations to reduce the need for employee travel
- Use of cloud based virtual servers to increase energy efficiency and data security
- Password-enabled centralised printing system to reduce paper waste
- Paperless Board meetings; MeetX – a web based tool is used to upload, review and collate documents related to Board meetings

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

BFL keenly participates in putting forward its views on the setting of new industry standards or regulatory developments pertaining to the non-banking finance industry. While making recommendations, BFL attempts to balance the interests of various stakeholders.

Principle 8: Businesses should support inclusive growth and equitable development

The Corporate Social Responsibility (CSR) philosophy of BFL has been formulated under the vision and principles of the Bajaj Group's Founding Father, Late Shri Jamnalal Bajaj, who believed in creating shared value through fair and equitable business functioning. The Company believes that 'majority of expenditures under CSR are converted to "investments in resource creation" for use over generations.'

In FY2018, the Company was required, to spend ₹39.40 crore under section 135 (schedule VII) of the Companies Act, 2013, for which projects were implemented directly or through NGOs and other welfare agencies – with further support from local authorities and business associations, wherever deemed necessary. The Company focuses mainly on Healthcare and Education to meet its CSR obligation.

For more information, refer to the 'Annual Report on CSR activities' as contained in the Annual Report for FY2018.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

BFL places customers at the centre of its product, policy and process design. The Company continuously monitors its customer interactions and strives to improve systems based on the feedback received. The Company has mechanisms to proactively engage with customers at different events, throughout the customer lifecycle. The Company provides its customers multi-channel options including call centre, Interactive Voice Response (IVR), bidirectional SMS, email, online portal, mobile applications and branches. BFL has also introduced a Chatbot called 'BLU' on its website, which can be used by customers to solve their queries.

BFL has adopted the Net Promoter Score (NPS) as a mechanism to gauge the outcome of its customer engagement efforts. The NPS is a more robust methodology to measure customer loyalty. This survey is conducted through an independent third party and its outcome is given due importance in the Company's future planning process.

BFL received 12,425 complaints during FY2018 of which 225 complaints (1.81% complaints) were pending for resolution as at the end of financial year. There were 960 consumer cases pending as on 31 March 2018. There was no pending stakeholder complaint against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31 March 2018.