

BAJAJ FINANCE LIMITED



28th ANNUAL REPORT
2014 - 15

Contents

Corporate Information.....	02
Leading the Way.....	03
Chairman’s Letter	05
Management Discussion and Analysis.....	07
Corporate Governance	15
General Shareholder Information.....	30
Directors’ Report	38
(including Annual Report on CSR activities)	
Consolidated Financial Statements	65
Standalone Financial Statements.....	95

Corporate Information

Board of Directors

Rahul Bajaj
Chairman

Nanoo Pamnani
Vice Chairman

Sanjiv Bajaj
Vice Chairman

Rajeev Jain
Managing Director
(w.e.f. 1 April 2015 & CEO
up to 31 March 2015)

Madhur Bajaj

Rajiv Bajaj

D S Mehta

D J Balaji Rao

Omkar Goswami

Dipak Poddar

Ranjan Sanghi

Rajendra Lakhota

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 Lakhota

Corporate Social Responsibility Committee

Rahul Bajaj
Chairman

Nanoo Pamnani

Sanjiv Bajaj

Chief Financial Officer

Rajesh Viswanathan

Company Secretary

Anant Damle

Auditors

Dalal & Shah
Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye
Company Secretary

Bankers

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

Share Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad - 500 032

Debenture Trustee

GDA Trusteeship Limited
GDA House, Plot No. 85,
Bhusari Colony (Right)
Paud Road, Pune - 411 038

Registered Office

Akurdi, Pune - 411 035

Corporate Office

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

Leading the Way



1st Row

Nanoo Pamnani
Vice Chairman

Sanjiv Bajaj
Vice Chairman

2nd Row

Rajeev Jain
Managing Director

Rakesh Bhatt
Chief Operating Officer

3rd Row

Devang Mody
President - Consumer Business



Chairman's Letter

Dear Shareholder,

In my first letter to you three years ago, I had displayed my satisfaction at how well your Company had performed despite trying economic circumstances. Last year, I echoed the same sentiments when I wrote, "BFL has continued to perform outstandingly well despite the year under review being as bad as, if not worse than, the previous one". I am generally parsimonious with praise. But I must say with considerable pride and satisfaction that Bajaj Finance Limited has yet again performed admirably — and indeed has exceeded my expectations across all lines of businesses and financial results.

Kudos, therefore, on your and my behalf to the entire Bajaj Finance team led by Mr Rajeev Jain, the CEO who, given his leadership and sustained performance, has been unanimously recommended by the directors of your Company to join the Board. My thanks also to Mr Nanoo Pamnani and Mr Sanjiv Bajaj, both Vice-Chairmen of the Company for helping and encouraging Rajeev to so ably steer the ship. Well done!

Here are some of the results for FY2015:

- BFL's total income increased by 33% to ₹ 5,418 crore
- Receivables under financing were up 36% to ₹ 31,199 crore
- Assets under management rose by 35% to ₹ 32,410 crore
- Profit before tax rose by 24% to ₹ 1,357 crore
- Profit after tax grew by 25% to ₹ 898 crore
- Loan losses and provisions stood at ₹ 385 crore, partly on account of internal provisioning norms that are more stringent than those prescribed by the Reserve Bank of India (RBI). Thanks to careful monitoring of loans, BFL's net NPA was 0.45% of total assets, which is among the lowest in the business
- Capital adequacy as on 31 March 2015 stood at 17.97%, which was well above the RBI norms

The Chairman's Letter is no place to make detailed observations about various aspects of your Company's businesses and performance. These can be found in the *Directors' Report* and the chapter on *Management Discussion and Analysis*. However, I need to emphasise three facts. First, Bajaj Finance has done well in every segment of its business, be it Consumer Lending, SME Lending, Commercial Lending, Rural Lending or the collection of fixed deposits and the distribution of fee based financial products. Second, it has prudently de-grown precisely where it needed to do so — namely in infrastructure and construction equipment financing, where the conditions are very poor and default risks relatively high. Third, and this is a personal favourite, your Company has done well in its relatively new rural lending business. Launched in FY2014, receivables under rural lending has grown from ₹ 50 crore last year to ₹ 333 crore in FY2015. I hope we can expeditiously yet prudently tap this market for the benefit of BFL as well as of the rural populace and its various enterprises.

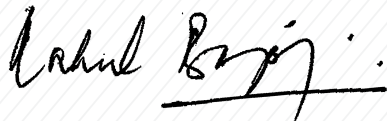
On 21 April 2015, your Company's Board of Directors were presented a persuasive case as to why BFL will sooner rather than later need greater capital if it were to continue along the same growth trajectory — as it expects to do, if not better. The Board approved the Management's proposal to raise funds through issue of:

(i) securities up to ₹ 1,400 crore through the Qualified Institutions Placement (QIP) route to Qualified Institutional Buyers, and (ii) preferential issue of warrants up to 925,000 warrants convertible into an equivalent number of equity shares to Bajaj Finserv Limited, the promoter of the Company amounting to approx. ₹ 400 crore. Thus, subject to shareholders' approval at an extra ordinary general meeting of your Company to be held at Akurdi on 20 May 2015, BFL should be well on its way to secure the additional capital to finance higher growth while maintaining sound capital adequacy.

Once again, my congratulations to the Management team for performing excellently yet again.

Thank you for your support. Together, here's wishing Bajaj Finance even greater success.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rahul Bajaj', with a horizontal line drawn underneath it.

Rahul Bajaj
Chairman

Management Discussion and Analysis

Some years leading up to May 2014 had seen tepid growth in an environment of policy paralysis of the outgoing Congress-led United Progressive Alliance Government. Thankfully, financial year 2014-15 (FY2015) began on a positive note. There was a clear mandate for political stability. The National Democratic Alliance won over 300 seats in the Lok Sabha with the Bharatiya Janata Party (BJP) alone winning an outright majority — which occurred for the first time since December 1984.

The Country seems to be witnessing a slow but clearly perceptible pick-up in growth. The table below gives the growth of real Gross Value Added (GVA), the newly calculated measure of national income prepared by the Central Statistical Organisation (CSO) of the Government of India.

% Growth of real GVA	April-June (Q1)	July-September (Q2)	October-December (Q3)	Full year (estimate)
FY2014	7.2	7.5	6.6	6.6
FY2015	7.0	7.8	7.5	7.5

From the data it looks as if growth has been gradually increasing from the second quarter of FY2015. If these numbers are correct, India should be witnessing 7.5% growth of real GVA (at constant 2011-12 prices) for the year that has just concluded — a 90 basis points (bps) increase in the growth rate versus the previous year. That is a good sign.

In addition, there has been the benefit of significantly reduced crude oil prices which, along with lower food prices, has led to a drop in consumer price inflation from an average of 8.69% between 2012 and 2015 to 5.17% in March of 2015. The current account deficit is at 1.7% of GDP, which is far better than what it was earlier. The Reserve Bank of India (RBI) cut policy rates by 25 bps in January 2015 followed by another 25 bps in March 2015, and has also eased liquidity with a reduction in Statutory Liquidity Ratio (SLR) in three tranches of 50 bps in June 2014, August 2014 and February 2015.

Despite the easing of liquidity and reduction in policy rates, FY2015 was a difficult one for the banking sector. Credit growth at 9.5% was the lowest in the last 18 years. Low credit growth coupled with high non-performing assets (NPAs) resulted in banks being reluctant to pass on the benefits of the eased liquidity and rate cuts. It was only in March 2015 that a few banks reduced their lending rates. However, unseasonal rains in February and March 2015 have badly affected the winter (rabi) crop; and a prediction of a poor monsoon could dampen optimism regarding the economy.

It remains to be seen whether the slew of initiatives announced by the Central Government like 'Make in India' programme, coal and telecom auctions, increased FDI limits in certain sectors, a financial inclusion effort through its Pradhan Mantri Jan Dhan Yojana and India's improved rating outlook gives a fillip to the performance of the banking and financial sector in the coming year.

Non-banking finance companies (NBFCs) continued to play a critical role in making financial services accessible to more of India's population. Given their unique business models and, for many, their focus on operational excellence, NBFCs should continue to strengthen their position in the financial services space in India. The Union Budget for FY2016 has clearly stated that an NBFC registered with the RBI with asset size of ₹ 500 crore or more will be considered as a 'Financial Institution' in terms of SARFAESI Act, 2002. This has been a long-standing demand of NBFCs and will help these institutions in more rapid recovery of dues from persistent defaulters, and thus provide a level playing field with banks.

Bajaj Finance Limited ('Bajaj Finance' or 'BFL') had a strong year aided by a diversified product mix, robust volume growth, prudent operating cost management and low NPAs. With assets under management of ₹ 32,410 crore, BFL has emerged as one of the leading diversified NBFCs in the country. The Company delivered strong results in FY2015, the highlights of which are given below.

Bajaj Finance Limited: Performance highlights, FY2015

- Assets under management up 35% to ₹ 32,410 crore
- Receivables under financing up 36% to ₹ 31,199 crore
- Total income up 33% to ₹ 5,418 crore
- Total operating cost up by 24% to ₹ 1,428 crore
- Loan losses and provisions ₹ 385 crore
- Profit before tax up 24% to ₹ 1,357 crore
- Profit after tax up 25% to ₹ 898 crore
- Capital adequacy as on 31 March 2015 was 17.97%, which is well above the RBI norms

The Company

BFL focuses on five broad categories: (i) Consumer Lending, (ii) SME Lending, (iii) Commercial Lending, (iv) Rural Lending, and (v) Fixed Deposits and Fee Based Product Distribution. The Company's product suites are given below.

Verticals	Product
Consumer Lending	2 Wheeler and 3 Wheeler
	Consumer Durables
	Lifestyle Products
	Personal Loans Cross-Sell
	Salaried Personal Loans
	Co-branded Credit Cards
	Home Loans
SME Lending	Loan Against Property
	Lease Rental Discounting
	Business and Professional Loans
	Loans Against Securities
Commercial Lending	Auto Component Manufacturer Financing
	Infrastructure Finance
	Construction Equipment
Rural Lending	Gold Loans
	Refinance Loans
	Fixed Deposits
Fixed Deposits and Fee Based Products	Life Insurance Distribution
	General Insurance Distribution
	Credit Rating Distribution
	Property Fitness Reports

BFL's loan book continued to remain strong due to its cautious stance on growth and robust risk management. Its net NPA at 0.45% is among the lowest in the business. This was despite portfolio quality pressures on account of the sharp slowdown in infrastructure activities, which affected two of its products, namely Construction Equipment Finance and Infrastructure Finance.

Prudent asset liability management (ALM) and a judicious mix of borrowings between banks, money markets and fixed deposits have helped BFL drop its cost by borrowings by around 25 bps in FY2015.

As of 31 March 2015, BFL's total borrowings stood at ₹ 26,691 crore. Its capital adequacy remains at a healthy 17.97%. Tier I capital adequacy stood at 14.15%.

Receivables under finance: A snapshot

Chart A gives a snapshot of the receivables under finance over the last five years.

Chart A: Receivables under finance (₹ In Crore)

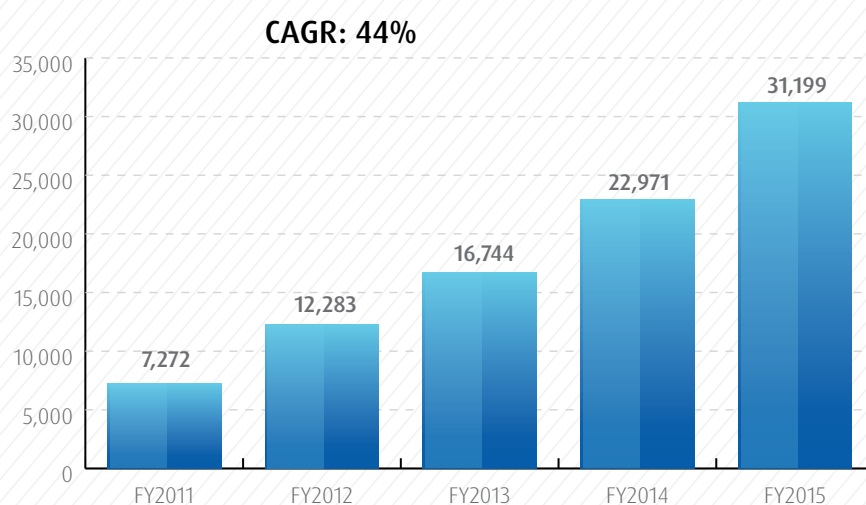


Table 1 breaks down the receivables under finance across the major business verticals.

Table 1: Receivables under finance

Receivables under finance	(₹ In Crore)		
	FY2015	FY2014	% Change
Consumer Lending	13,123	9,328	41%
SME Lending	16,007	11,782	36%
Rural Lending	333	50	566%
Commercial Lending	1,736	1,811	(4%)
Total	31,199	22,971	36%

Business update

Consumer Lending

BFL was the largest financier of Bajaj motorcycles and Three Wheelers in FY2015. The Company operates at around 3,000 Bajaj dealers, sub-dealers and authorised service centres across the country. Its unique Direct Cash Collection (DCC) model in rural and semi-urban markets enabled customers with no banking habits to repay their EMIs in cash.

BFL continued to be one of the largest consumer durable lenders in India, being present in 161 cities across the country with deployments of ₹ 10,093 crore – growth of 49% over FY2014. Its unique Existing Member Identification (EMI) card enables customers to avail instant credit. Consumer Durable financing through EMI cards grew by 215% over FY2014.

BFL has expanded its consumer durable financing model to digital products and lifestyle products. BFL has tied up with leading manufacturers like Samsung, Apple authorised resellers and Sony amongst others in its digital products financing. Lifestyle products (financing for products like furniture, home furnishings, etc.) is present in around 3,800 dealer counters. The combined growth in deployments in digital and lifestyle financing in FY2015 was 173%.

Personal loans cross-sell and salaried personal loans deployments grew by 59% and 102% respectively over FY2014.

Rural Lending

As part of its geographical expansion strategy in FY2015, BFL furthered its rural footprint by setting up branches in Maharashtra and Gujarat. The major products offered through the rural branch network are consumer durable loans, gold loans, refinance loans and personal loans. It disbursed ₹ 505 crore to 1.31 lakh customers in FY2015. Assets under finance of the rural business as at 31 March 2015 was ₹ 333 crore, versus ₹ 50 crore in FY2014.

SME Lending

SME lending offers secured and unsecured loans to its customers. Secured lending is done through four product offerings: Loan Against Property, Lease Rental Discounting, Home Loans to SME customers and Loans Against Securities.

The Company also offers unsecured working capital loans to affluent small business customers, doctors and other professionals. Loans against securities business had a good year on the back of a resurgent equity market and sharper focus by the business team. Bajaj Finance continues to remain customer centric and does not levy any pre-payment or part pre-payment charges for its SME customers.

Below is the summary of receivables under financing for the SME businesses:

Receivables under finance	(₹ In Crore)		
	FY2015	FY2014	% Change
Business loans	3,206	2,098	53%
Mortgage loans	11,216	8,837	27%
Loans against securities	1,585	847	87%

Commercial Lending

BFL auto component manufacturers financing business remained stable in FY2015.

However, given the problems plaguing the infra sector, BFL has exited the Construction Equipment (CE) financing business and has been selective in infrastructure lending too. Due to the above, the CE and infra loan book de-grew by 84% and 20% in FY2015.

Fixed Deposits and Fee based product distribution

As at end of FY2015, the Company has built a fixed deposit base of ₹ 983 crore, compared to ₹ 211 crore in FY2014. The fixed deposit scheme has been rated FAAA/Stable by CRISIL and MAAA/Stable by ICRA.

In FY2015, the Company partnered with Bajaj Allianz General Insurance Company Limited (BAGIC) to launch extended warranty insurance for consumer durables. This is in addition to other general insurance products like health, property insurance of BAGIC being distributed by the BFL. Similarly, it continued to grow its life insurance distribution by partnering with Bajaj Allianz Life Insurance Company Limited (BALIC) as a corporate agent and is now a significant life insurance distributor for BALIC.

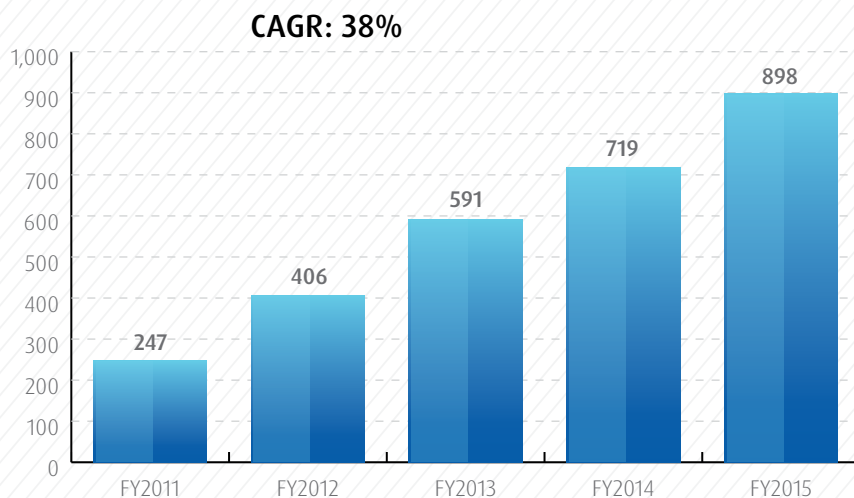
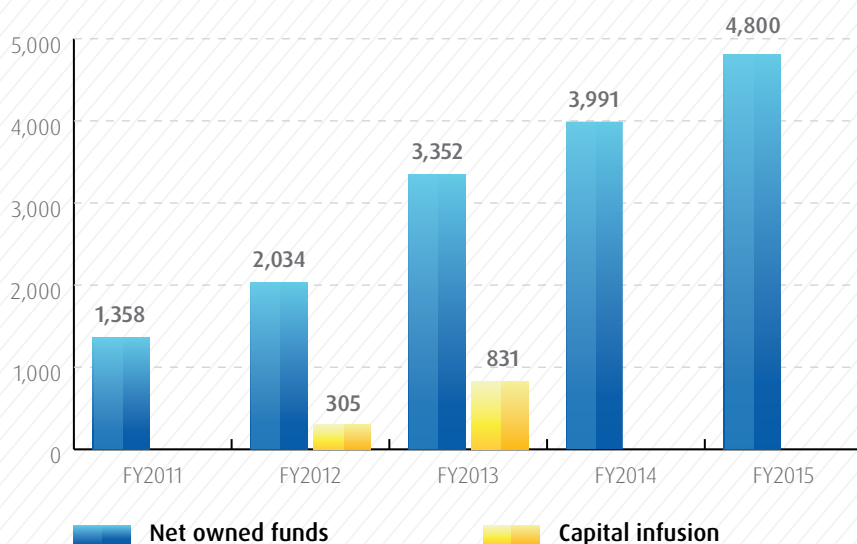
An innovative product called the 'Property Fitness Report' was launched in FY2015. It provides various insights into the property against which a loan is being disbursed. This offering coupled with its existing offerings viz: Financial Fitness Report (FFR) and SME rating product (in partnership with CRISIL) diversified the Company's fee based offerings.

Financial performance

Table 2 gives BFL's financial performance for FY2015 vis-à-vis the previous year. Chart B plots profits after tax over the last five years, while Chart C plots the movement of net owned funds.

Table 2: BFL's financials

Particulars	(₹ In Crore)		
	FY2015	FY2014	% Change
Total income	5,418	4,074	33%
Interest and finance charges	2,248	1,573	43%
Net interest income	3,170	2,501	27%
Salary cost	451	341	32%
Marketing commission	61	93	(34%)
Dealer incentives	208	138	51%
Recovery costs	204	168	21%
Loan loss and provisions	385	259	49%
Depreciation	36	29	24%
Other expenses	468	382	23%
Profit Before Tax	1,357	1,091	24%
Profit After Tax	898	719	25%
Earnings per share (EPS) basic, in ₹	179.94	144.79	24%
Earnings per share (EPS) diluted, in ₹	177.70	143.65	24%
Book value per share, in ₹	959.93	802.20	20%

Chart B: BFL's Profit After Tax (₹ In Crore)**Chart C: Net Owned Funds and Capital Infusion (₹ In Crore)**

Risk management and portfolio quality

As an NBFC, Bajaj Finance is exposed to credit risk, liquidity risk and interest rate risk. The Company has invested in people, processes and technology to mitigate risks posed by external environment and by its borrowers. It has in place a strong risk management team and an effective credit operations structure. Its risk management policies continue to segregate the functions of a Chief Risk Officer and a Chief Credit Officer to focus on portfolio management and underwriting respectively. Sustained efforts to strengthen the risk framework and portfolio quality have yielded significant results over the last few years.

BFL continues to invest in analytics to create customised cross-sell propositions for its customer franchise. Analytics is integrated with business strategy and uses technology to deliver differentiated proposition.

BFL's conservative approach to portfolio management coupled with a rigorous portfolio review mechanism has enabled it to get early stress signals in the infrastructure sector and take corrective action in its infrastructure and construction equipment business. As mentioned before, Bajaj Finance ended the year with a net NPA of 0.45%. The Company continues to have a conservative provisioning policy which is more stringent than RBI norms.

Asset Liability Management (ALM)

BFL had a total borrowing of ₹ 26,691 crore as on 31 March 2015. The Company's Asset-Liability Committee (ALCO), set up in line with the guidelines issued by the RBI, monitors asset-liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. BFL continued to raise longer tenor borrowings in FY2015 as well — this included ₹ 453 crore Tier II subordinated debt.

Till date, BFL has assigned ₹ 2,985 crore of its receivables including ₹ 827 crore assigned in FY2015. The net receivables due as on 31 March 2015 amounted to ₹ 1,210 crore.

The Company continues to very closely monitor liquidity in the market and as a part of its ALCO strategy, maintains a liquidity management desk to reduce its liquidity risk. The liquidity buffer is stepped up whenever signs of tight liquidity in the system is noticeable.

Technology

BFL has been a leader in technology adoption among NBFCs, and has used it to enhance customer service and streamline back-office operations. It has leveraged technology in all business lines and related operations and has a strong technology orientation.

Disaster Recovery (DR) data centres have been set up to ensure business continuity for customer acquisition, loan processing and servicing.

Customer service

BFL continues to remain customer centric in its policies and practices. It provides its customers multi-channel options across call centre, IVR, online portal, branch and mobile applications. It also annually benchmarks its customer service practices by seeking feedback through an independent customer service survey.

In FY2015, BFL has worked closely with Unique Identification Authority of India (UIDAI) to assist in accessing the e-KYC customer database. This will substantially improve customer experience and should help grow the business in the upcoming year.

Human resources

The Company continues to lay emphasis on people, its most valuable resource. In an increasingly competitive market for human resources, it seriously focuses on attracting and retaining the right talent. It provides equal opportunity to employees to deliver results. During FY2015, Bajaj Finance added 2,093 employees, taking the total employee strength to 5,058.

In FY2015, BFL was recognised as among the top three employers in the Banking and Financial Services Industries space by Great Places to Work. It was also recognised by AON Hewitt in its ranking of the best employers in India.

Awards

1. *April 2015: Aon Hewitt Best Employers in India:* BFL has been recognised as one of the best employers in India, for the second year in a row, in the Aon Hewitt Best Employers Study, 2015.
2. *Jan 2015: Great Places To Work – Top 25 Workplaces in Asia:* BFL has been ranked 23rd among the top 25 best places to work in Asia by the Great Place to Work Institute.
3. *Sept 2014: CIO 100 Award:* BFL won the CIO 100 Innovation award for its 'Single Customer View' project — a unified system that captures all customer interactions across user channels, to provide a multi-channel customer experience.

4. *June 2014: Great Places To Work (GPTW) - Top 3 financial services company:* The Company has been ranked among the top 3 financial services companies to work for in India.

Internal control systems and their adequacy

Bajaj Finance has an independent internal management assurance function which is commensurate with the size and scale of the Company. 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 internal controls.

Fulfilment of the RBI's norms and standards

Bajaj Finance 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 17.97 %, which is well above the RBI norm of 15%.

Consolidated financial statements

Table 3 gives a summary consolidated financial performance for FY2015 consolidating the results of its wholly owned subsidiary Bajaj Housing Finance Limited and its subsidiary Bajaj Financial Securities Limited. Since the subsidiary was acquired in FY2015 there are no comparatives for FY2014. The operations of the subsidiaries in FY2015 were not significant and hence the consolidated profit of BFL almost equal its standalone profit.

Table 3: BFL's consolidated financials

Particulars	(₹ In Crore)
	FY2015
Total income	5,418.28
Interest and finance charges	2,248.27
Net interest income	3,170.01
Operating expenses	1,428.50
Loan losses and provisions	384.56
Profit Before Tax	1,356.95
Profit After Tax	897.88

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

The commitment of Bajaj Group to the highest standards of good corporate governance practices predates Securities and Exchange Board of India (SEBI) and clause 49 of the Listing Agreement. Ethical dealings, transparency, fairness, disclosure and accountability are central to the working of the Bajaj Group. Bajaj Finance Limited (the Company) maintains the same tradition and commitment.

Given below are the Company's corporate governance policies and practices for FY2015. 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 clause 49 of the Listing Agreement.

Ministry of Corporate Affairs has notified various provisions of the Companies Act, 2013 to be effective from 1 April 2014. This was followed by SEBI's circular No. CIR/CFD/POLICY CELL/2/2014 dated 17 April 2014, inter alia, for realigning the provisions of clause 49 of the Listing Agreement on corporate governance with the Companies Act, 2013. This report states compliance against the provisions of the revised clause 49 of the Listing Agreement.

Board of Directors

In keeping with the commitment of the Management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of 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 clause 49, the Company has an optimum combination of executive and non-executive directors with one woman director. The Company has a non-executive chairman. According to clause 49, 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 2015, the Board of the Company consisted of twelve directors, of whom eight were non-executive independent and four were non-executive non-independent. The Board has no institutional nominee directors. As Table 1 shows, the Company is in compliance with the guidelines.

The Board, at its meeting held on 23 March 2015, has appointed Rajeev Jain as an additional director with effect from 1 April 2015 and as a Managing Director for a period of five years from that date.

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.

The members of the Company vide a special resolution passed at the annual general meeting held on 17 July 2012 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 198, 349 and 350 of the Companies Act, 1956, to one or more or 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 2012.

In view of the additional duties and responsibilities cast upon the directors by the Companies Act, 2013 and considering the substantial growth in the business of the Company in the last few years, the Board of Directors, at its meeting held on 23 March 2015, 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 attended by them with effect from 1 April 2015, subject to the aggregate being within the overall ceiling of one percent of the net profits. The Board of Directors has also approved, at its meeting held on 23 March 2015, payment of an amount of ₹ 8,000,000 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 FY2015.

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

Board procedures

During FY2015, the Board of Directors met eight times: on 14 May 2014, 16 July 2014, 10 September 2014, 14 October 2014, 11 December 2014, 14 January 2015, 23 March 2015 and 24 March 2015. The gap between any two meetings has been less than one hundred and twenty days.

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for FY2015

Name of director	Category	No. of Board meetings attended	Whether attended AGM
Rahul Bajaj	Chairman, Non-executive	7	Yes
Nanoo Pamnani	Vice-Chairman, Non-executive, Independent	8	Yes
Sanjiv Bajaj	Vice-Chairman, Non-executive	8	Yes
Madhur Bajaj	Non-executive	8	Yes
Rajiv Bajaj	Non-executive	6	Yes
D S Mehta	Non-executive, Independent	8	Yes
D J Balaji Rao	Non-executive, Independent	7	Yes
Omkar Goswami	Non-executive, Independent	6	No
Dipak Poddar	Non-executive, Independent	7	Yes
Ranjan Sanghi	Non-executive, Independent	8	Yes
Rajendra Lakhotia	Non-executive, Independent	8	Yes
Gita Piramal	Non-executive, Independent	7	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 the 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 and/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 clause 49 of the Listing Agreement.

Pursuant to the requirement under the Non-Banking Financial Companies regulations, the following information is also being placed before the Board at regular intervals:

- i) Risk management system, risk management policy and strategy followed.
- ii) Compliance with the corporate governance standards.
- iii) Minutes of Asset Liability Committee meetings.

Directorships and memberships of Board committees

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

Table 2: Directorships/committee positions as on 31 March 2015

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

Notes: 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 under section 8 of the Companies Act, 2013 have been excluded. Only audit committee and stakeholders relationship committee are considered for the purpose of reckoning committee positions.

None of the directors holds office as a director, including as alternate director, in more than 20 companies at the same time. None of them has directorships in more than 10 public companies.

None of the directors 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 a member in more than ten committees nor a chairman in more than five committees across all companies in which he is a director.

Maximum tenure of independent directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and clause 49 of the Listing Agreement.

Formal letter of appointment to independent directors

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and clause 49 of the Listing Agreement. The terms and conditions of appointment of independent directors are placed on the Company's website www.bajajfinserv.in/finance

Performance evaluation of independent directors

The Nomination and Remuneration Committee, at its meeting held on 14 October 2014, had approved the performance evaluation criteria for directors. The criteria to be considered for carrying out performance evaluation of directors would, *inter alia*, include the following:

1. Attendance and participation
2. Pro-active and positive approach with regard to the Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition
3. Maintaining confidentiality
4. Acting in good faith and in the interests of the Company as a whole
5. Exercising duties with due diligence and reasonable care
6. Complying with legislations and regulations in letter and spirit
7. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion
8. Maintaining relationships of mutual trust and respect with Board members
9. Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.

Meeting of independent directors

Pursuant to the clause 49 of the Listing Agreement and schedule IV of the Companies Act, 2013, the independent directors of the Company 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 23 March 2015 to consider the following business as required under clause 49 of the Listing Agreement and the Companies Act, 2013:

- i) review the performance of non-independent directors and the Board as a whole;
- ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iii) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent directors were present for the meeting.

Familiarisation programmes for independent directors

The Company had programmes for independent directors for familiarising them with the Company, their roles, rights, responsibilities, NBFC industry and business model of the Company etc. Details of such familiarisation programmes are available on the website of the Company www.bajajfinserv.in/finance

Review of legal compliance reports

During the year, 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.

Orderly succession

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

Code of conduct

During the year, a revised code of conduct for all Board members and Senior Management of the Company was approved by the Board to comply with the provisions of revised clause 49. The said code has been posted on the website of the Company. All the Board members and Senior Management personnel have affirmed compliance with the code for the year ended 31 March 2015. A declaration to this effect signed by the Managing Director is given elsewhere in this Annual Report.

Whistle blower policy/vigil mechanism

Pursuant to section 177(9) of Companies Act, 2013 and clause 49 of Listing Agreement, 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 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 policy/vigil mechanism has been appropriately communicated to the employees within the organisation and has been put on the Company's website www.bajajfinserv.in/finance

None of the employees has been denied access to the Audit Committee under this policy during the year under review.

Audit Committee

Constitution and composition

With a view to comply with various requirements under the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board of Directors 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, clause 49 of the Listing Agreement and NBFC regulations.

The Board, at its meeting held on 14 May 2014, revised the terms of reference of the Audit Committee to align the same with the requirements of the Companies Act, 2013 and revised clause 49 of the Listing Agreement. These broadly include oversight of the Company's financial reporting process and the 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 FY2015, the Audit Committee met five times on: 14 May 2014, 16 July 2014, 14 October 2014, 14 January 2015 and 23 March 2015. In addition, the Committee approved certain related party transactions on 8 December 2014 and 16 December 2014 by passing resolutions through circulation pursuant to the provisions of the Companies Act, 2013.

The meetings were scheduled well in advance. In addition to the members of the Audit Committee, these meetings were attended by the heads of finance and internal audit, 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 16 July 2014 to answer shareholders' queries.

Table 3: Composition of the Audit Committee and attendance record of members for FY2015

Name of director	Category	Meetings attended
Nanoo Pamnani	Chairman, Non-executive and Independent	5
Sanjiv Bajaj	Non-executive	5
D S Mehta	Non-executive, Independent	5
Omkar Goswami	Non-executive, Independent	4
Ranjan Sanghi	Non-executive, Independent	5

In compliance with clause 49 of the Listing Agreement, four members of the Audit Committee including Chairman are independent directors. All the members are non-executive directors and are financially literate and have accounting or related financial management expertise.

Nomination and Remuneration Committee

The Board, at its meeting held on 14 May 2014, re-designated the Remuneration and Nomination Committee as 'Nomination and Remuneration Committee' and has revised terms of reference of the Committee to align the same with the requirements of the Companies Act, 2013 and revised clause 49 of the Listing Agreement.

The terms of reference of the Committee in brief pertain to, inter-alia, formulation of criteria for determining qualifications, positive attributes and independence of a director, recommending persons to be appointed in Board and Senior Management, 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 RBI's 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 Compensation Committee for implementation of Employee Stock Option Scheme, 2009.

During the year, the Committee met four times on: 14 May 2014, 16 July 2014, 14 October 2014 and 23 March 2015.

Table 4: Composition of the Nomination and Remuneration Committee and attendance record of members for FY2015

Name of director	Category	Meetings attended
Nanoo Pamnani	Chairman, Non-executive and Independent	4
Rahul Bajaj	Non-executive	4
Sanjiv Bajaj	Non-executive	4
Omkar Goswami	Non-executive, Independent	3
Ranjan Sanghi	Non-executive, Independent	4
Rajendra Lakhota	Non-executive, Independent	4

Nanoo Pamnani, Chairman of the Nomination and Remuneration Committee, was present at the annual general meeting of the Company held on 16 July 2014 to answer shareholders' queries.

Board diversity policy

In compliance with provisions of clause 49 of Listing Agreement, 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.

It may be noted that the Board composition as at present broadly meets with the above objective.

Under the said policy, the Committee while recommending appointment of directors shall keep in view the following:

- the persons being recommended are persons of eminence in areas such as profession, business, industry, finance, law, administration, research etc., and bring with them experience/skills which add value to the performance of the Board with greater diversity.
- recommendations shall be purely on merit and no discrimination shall be made based on race, colour, religion or gender.

The board diversity policy is placed on the Company's website www.bajajfinserv.in/finance

Remuneration policy

Based on recommendation of Nomination and Remuneration Committee, the Board, at its meeting held on 14 October 2014, had approved a remuneration policy for directors, key managerial personnel and other employees, which was revised by the Board at its meeting held on 20 May 2015. Following is the revised remuneration policy for directors, key managerial personnel and other employees:

I. Criteria for determining qualifications, positive attributes and independence of a director

1. Qualifications of independent directors

An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

2. Positive attributes of independent directors

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

3. Independence of independent directors

An independent director should meet the requirements of the Companies Act, 2013 and clause 49 of the Listing Agreement concerning independence of directors.

II. Remuneration policy for directors, key managerial personnel and other employees

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

Remuneration to directors, key managerial personnel and other employees will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

A. Non-executive directors (NEDs)

NEDs shall be paid a sitting fee of ₹ 50,000 for every meeting of the Board or Committee thereof attended by them as member, or such amount as may be approved by the Board from time to time within the ceiling as per the Companies Act, 2013 and applicable rules thereunder.

NEDs shall be paid commission up to an aggregate amount not exceeding 1% of the net profits of the Company for the year. The payment of commission shall be based on their attendance at the Board and the Committee meetings as member.

NEDs shall be paid commission at the rate of ₹ 100,000 for every meeting of the Board and Committee thereof attended by them as member, or such amount as may be approved by the Board from time to time within the ceiling as per the Companies Act, 2013, applicable rules thereunder and approval of the members.

Additional commission, apart from commission referred to above, may be paid to NEDs as may be decided by the Board of Directors of the Company from time to time, depending upon the extra time and efforts as may be devoted and contribution as may be made by the NEDs.

The Company has no stock option plans for directors other than the Managing Director and no payment by way of bonus, pension, incentives etc. shall be made.

B. Managing Director, key managerial personnel and other employees

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The remuneration to Managing Director shall take into account the Company's overall performance, Managing Director's contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture.

The key managerial personnel including Managing Director and other eligible employees are entitled for stock options pursuant to Employee Stock Option Scheme (ESOS) of the Company.

The remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to directors, key managerial personnel and senior management will involve 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 above criteria and policy are subject to review by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time.

Remuneration of directors

Pecuniary relationship or transactions of non-executive directors

During the year under review, there were no material pecuniary relationships and transactions of any non-executive directors with 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 corporate governance framework of the Company.

The criteria of making payments to non-executive directors has been put on the Company's website www.bajajfinserv.in/finance

Non-executive directors

All non-executive directors are paid sitting fees and commission and one independent director is paid additional commission as separately stated in this Report.

The Company currently has no stock option plans for any of its directors other than Managing Director. During the year under review, none of the directors was paid any performance-linked incentive. In FY2015, the Company did not advance any loans to any of the non-executive directors. Table 5 gives details of the remuneration paid or payable to directors during FY2015.

Table 5: Remuneration paid/payable to directors during FY2015 (exclusive of service tax):

(Amount in ₹)

Name of director	Relationship with other directors	Sitting fees	Salary and perquisites	Commission for attending Board/committee meetings	Commission	Total
Rahul Bajaj	Father of Rajiv Bajaj and Sanjiv Bajaj	550,000	-	550,000	-	1,100,000
Nanoo Pamnani	-	900,000	-	900,000	8,000,000	9,800,000
Sanjiv Bajaj	Son of Rahul Bajaj, brother of Rajiv Bajaj	900,000	-	900,000	-	1,800,000
Madhur Bajaj	-	400,000	-	400,000	-	800,000
Rajiv Bajaj	Son of Rahul Bajaj, brother of Sanjiv Bajaj	300,000	-	300,000	-	600,000
D S Mehta	-	700,000	-	700,000	-	1,400,000
D J Balaji Rao	-	350,000	-	350,000	-	700,000
Omkar Goswami	-	650,000	-	650,000	-	1,300,000
Dipak Poddar	-	350,000	-	350,000	-	700,000
Ranjan Sanghi	-	900,000	-	900,000	-	1,800,000
Rajendra Lakhotia	-	600,000	-	600,000	-	1,200,000
Gita Piramal	-	400,000	-	400,000	-	800,000

Details of shares and convertible instruments held by non-executive directors as on 31 March 2015

Name of director	Number of shares	Number of convertible instruments
Rahul Bajaj	18,600	–
Madhur Bajaj	18,600	–
Rajendra Lakhotia	99,754	–

Subsidiary companies

During the year under review, the Company acquired a subsidiary viz. Bajaj Financial Solutions Limited [name changed to Bajaj Housing Finance Limited (BHFL) w.e.f. 14 November 2014] alongwith its wholly owned subsidiary Bajaj Financial Securities Limited (BFinsec) (being 100% subsidiary of BHFL). None of these subsidiaries is a material subsidiary under clause 49 of the Listing Agreement.

During the year, the Audit Committee reviewed the financial statements (in particular, the investments made) of each of the unlisted subsidiary companies viz. BHFL and BFinsec. Minutes of the Board meetings of these subsidiary companies were regularly placed before the Board of the Company.

A policy for determining material subsidiaries is available on the website of the Company www.bajajfinserv.in/finance

Disclosures

- The Company has risk assessment and minimisation procedures which are periodically reviewed to ensure that the Management identifies and controls risk through a properly defined framework.

The Board has, at its meeting held on 14 October 2014, approved a risk management policy.

- A policy on materiality of related party transactions and dealing with related party transactions is placed on the website of the Company www.bajajfinserv.in/finance

Transactions with related parties, during the year under review, were entered into pursuant to the prior/omnibus approval of the Audit Committee. The details of such transactions were placed before the Committee for noting/review.

All related party transactions which were entered into during the year were on an arm's length basis, in the ordinary course of business and not material under clause 49 of Listing Agreement and hence did not require shareholders' prior approval under the Companies Act, 2013 and Listing Agreement.

- During the year under review, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. Suitable disclosures have been made in the financial statements, together with the Management's explanation in the event of any treatment being different from that prescribed in accounting standards.

Details of capital market non-compliance, if any

There was no non-compliance by the Company of any legal requirements; nor has been any penalty/ies or stricture/s 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.

Management

Management discussion and analysis

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

Disclosure of material transactions

Pursuant to clause 49 of the Listing Agreement, 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 the year, as per the disclosures made by the Senior Management, there were no such transactions.

Shareholders

Appointment and/or re-appointment of directors

At the annual general meeting held on 16 July 2014, Gita Piramal (DIN 01080602) was appointed as an independent director of the Company pursuant to section 149 of the Companies Act, 2013 for a term of five consecutive years.

The Board of Directors, at its meeting held on 23 March 2015, appointed Rajeev Jain (DIN 01550158) as an additional director with effect from 1 April 2015 and as a Managing Director for a period of five years from that date. It is proposed to appoint Rajeev Jain as a director liable to retire by rotation at the extra ordinary general meeting to be held on 20 May 2015. The Company has received a notice under section 160 of the Companies Act, 2013, in respect of his candidature as a director.

According to the Companies Act, 2013, at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Of the total number of directors liable to retire by rotation, one third are required to retire every year and, if eligible, may seek re-appointment by the members. Accordingly, Rajiv Bajaj (DIN 00018262), non-executive director, being the longest in the office amongst the three directors liable to retire by rotation, retires from the Board by rotation at the ensuing annual general meeting and, being eligible, has offered his candidature for re-appointment. Necessary resolution for this purpose is being proposed in the notice of the ensuing annual general meeting for the approval of the members. Brief resume of Rajiv Bajaj, non-executive director, is given in the notice convening the annual general meeting of the Company.

Communication to shareholders

Quarterly, half yearly and annual financial results are published in Business Standard (all editions) and Kesari (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) and Economic Times (all editions). The Company also sends the half-yearly financial results, along with a detailed write-up, to all shareholders.

The Company has a website www.bajajfinserv.in/finance which contains all important public domain information including financial results, presentations made to the media, analysts and institutional investors. The website also contains information on matters concerning the shareholders and details of the corporate contact persons. All financial and other vital official news releases are also communicated to the concerned stock exchanges.

Sections 20 & 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members' / shareholders' email addresses. The Company, during the year under review sent documents, such as notice calling the general meeting, audited financial statements, Directors' Report, Auditors'

Report etc. in electronic form at the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request.

The Company also files the following information, statements, reports on websites specified by BSE Limited and National Stock Exchange of India Limited.

- Full version of the Annual Report including the Balance Sheet, Statement of Profit and Loss, Directors' Report and Auditors' Report, Cash Flow Statement and quarterly financial statements
- Corporate Governance Report
- Shareholding pattern

Stakeholders Relationship Committee

In compliance with the requirements of the Companies Act, 2013 the Committee was re-designated as 'Stakeholders Relationship Committee' by the Board at its meeting held on 14 May 2014.

The Board, at its meeting held on 14 May 2014, approved addition in terms of reference of the Committee to include grievances of security holders including debenture holders and fixed deposit holders in addition to the equity shareholders of the Company, pursuant to the provisions of section 178 of the Companies Act, 2013 and the revised clause 49 of the Listing Agreement.

Gita Piramal was inducted as a member of the Committee with effect from 14 May 2014.

With effect from 23 March 2015, Ranjan Sanghi, member of the Committee, was appointed as Chairman of the Committee in place of Sanjiv Bajaj, who continues to be a member of the Committee.

Table 6: Composition of the Stakeholders Relationship Committee and attendance record of members for FY2015

Name of director	Category	Meetings attended
Ranjan Sanghi	Chairman, Non-executive and 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

Sanjiv Bajaj, the then Chairman of the Stakeholders Relationship Committee, was present at the annual general meeting of the Company held on 16 July 2014 to answer shareholders' queries.

Anant Damle, company secretary has been appointed as compliance officer of the Company. During the year under review, the Committee met on 23 March 2015 to, *inter alia*, review the status of investors' services rendered. The secretarial auditor as well as the company secretary were also present. The details regarding the shareholders' complaints received, not resolved and pending are given in the 'General Shareholder Information' in this Annual Report.

Unclaimed shares

According to clause 5A of the Listing Agreement a demat account has been opened titled 'Bajaj Finance Limited – Unclaimed Suspense Account' with HDFC Bank Limited, Pune to which nine hundred shares pertaining to nine members were transferred. These shares 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. As of date, none of the said nine members have claimed their shares.

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:

25th AGM	17 July 2012	at 12 noon
26th AGM	18 July 2013	at 12 noon
27th AGM	16 July 2014	at 12 noon

Details of special resolution(s) passed at the last three years' annual general meetings (AGM) and postal ballot:

I. Special resolution passed in the previous three annual general meetings:

At the 27th AGM held on 16 July 2014, three special resolutions were passed pertaining to

- Modification in the Employee Stock Option Scheme, 2009
- Grant of options to employees of holding and/or subsidiary companies, under the amended Employee Stock Option Scheme, 2009
- Issue of non-convertible debentures through private placement

At the 26th AGM held on 18 July 2013, no special resolution was passed.

At the 25th AGM held on 17 July 2012, two special resolutions were passed pertaining to:

- Raising of funds through issue of securities
- Payment of commission to non-executive directors

II. Following three special resolutions were passed by the members through postal ballot on 20 March 2015:

- Under section 180(1)(c) of the Companies Act, 2013, for increase in the borrowing powers of the Board of Directors from ₹ 30,000 crore to ₹ 50,000 crore
- Under section 180(1)(a) of the Companies Act, 2013, for creation of mortgages, charges, liens, hypothecation and/or other securities on the properties of the Company up to maximum of ₹ 50,000 crore
- Under section 14 of the Companies Act, 2013, for substitution of the Articles of Association of the Company with a new set of Articles of Association

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

Resolutions	Votes [No. of shares and (%)]	
	In favour	Against
a) under section 180(1)(c) of the Companies Act, 2013	37,877,927 (95.41%)	1,822,051 (4.59%)
b) under section 180(1)(a) of the Companies Act, 2013	37,870,087 (95.39%)	1,822,069 (4.59%)
c) under section 14 of the Companies Act, 2013	39,659,556 (99.90%)	32,600 (0.08%)

III. No special resolution is proposed to be passed through postal ballot at this annual general meeting.

MD/CFO certification

The MD and CFO have certified to the Board with regard to the financial statements and other matters as required by clause 49 of the Listing Agreement. The certificate is contained in this Annual Report.

Report on corporate governance

This chapter, read together with the information given in the chapters on 'Management Discussion and Analysis' and 'General Shareholder Information', constitute the compliance report on corporate governance during FY2015. The Company duly submits the quarterly compliance report to the stock exchanges.

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 clause 49 of the Listing Agreement. This certificate is annexed to the Directors' Report and will be sent to the stock exchanges along with the Annual Report.

Compliances regarding insider trading

Securities and Exchange Board of India has notified on 15 January 2015 new regulations for prohibition of insider trading (effective from 15 May 2015) repealing the regulations issued in 1992. In terms of the new Regulations, the Board of the Company has approved a new code of conduct and a new code of fair disclosure. The code of conduct and code of corporate disclosure practices framed by the Company have helped in ensuring compliance with the requirements.

Compliance of mandatory and non-mandatory requirements under clause 49

Mandatory

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

Non-mandatory

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

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.

Shareholder rights

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

Audit qualifications

There are no qualifications on the financial statements of the Company for FY2015.

Separate posts of Chairman and CEO

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

Reporting of internal auditor

The internal auditor has direct access to the Chairman of the Audit Committee.



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General Shareholder Information

28th Annual general meeting

Date	22 July 2015
Time	12 Noon
Venue	Registered office of the Company at Akurdi, Pune – 411 035

Financial calendar for FY2016

Unaudited first quarter financial results	July 2015
Unaudited second quarter financial results	October 2015
Unaudited third quarter financial results	January 2016
Audited annual results	May 2016
Mailing of Annual Reports	June 2016
Annual general meeting	July 2016

Dividend

The Board of Directors of the Company has proposed a dividend of ₹ 18 per equity share of the face value of ₹ 10 (180%) for FY2015, subject to approval by the members at the annual general meeting. Dividend paid in the previous year was ₹ 16 per equity share (160%).

Dates of book closure

The register of members and share transfer books of the Company will remain closed from Saturday, 11 July 2015 to Wednesday, 22 July 2015 (both days inclusive).

Date of dividend payment

Dividend on equity shares, if declared, at the annual general meeting, will be credited/dispatched between Monday, 27 July 2015 to Wednesday, 29 July 2015 as under:

- to all those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end-of-the day on Friday, 10 July 2015; and
- to all those members holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/share transfer agent, Karvy Computershare Private Limited (Karvy) on or before the closing hours on Friday, 10 July 2015.

Payment of dividend

Dividend will be paid by account payee/non-negotiable instruments or through the National Electronic Clearing Service (NECS)/Electronic Clearance Service (ECS), as notified by the Securities and Exchange Board of India through the stock exchanges. In view of the significant advantages and the convenience, the Company will continue to pay dividend through NECS wherever the facility is available to cover maximum number of members, as per applicable guidelines. Members are advised to refer to the notice of the annual general meeting for details of action required to be taken by them in this regard. For additional details or clarifications, members are welcome to contact the secretarial department of the Company.

All the members are requested to immediately update their bank account number with nine digit MICR Code, if the same has not been updated with the Company's share transfer agent i.e. Karvy or the depository participant, 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, PMT Building, Deccan Gymkhana, Pune 411 004.

Pursuant to section 205C of the Companies Act, 1956, 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 unpaid/unclaimed dividend amounts for FY1996 to FY2007 were transferred by the Company to the said fund in the years 2003 to 2014, respectively.

Unpaid/unclaimed dividend for FY2008 shall become transferable to the said fund in September 2015. Members are requested to verify their records and send claim, if any, for FY2008, before the amount becomes due for transfer to the fund. Communication has been sent to the members having unclaimed dividend for FY2008 requesting them to claim the same.

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed dividend, unclaimed deposits and unclaimed interest on deposits on the website of the Company www.bajajfinserv.in/finance as well as the website specified by the Ministry of Corporate Affairs <http://www.iepf.gov.in/IEPF/services.html>

Share transfer agent

The Company has appointed Karvy Computershare Private Limited (Karvy), Hyderabad, as its share transfer agent. All physical transfers, transmission, transposition, issue of duplicate share certificate/s, issue of demand draft/s in lieu of dividend warrant/s etc. as well as requests for dematerialisation/rematerialisation are being processed at Karvy. The work related to dematerialisation/rematerialisation is handled by Karvy through its connectivity with National Securities Depository Limited and Central Depository Services (India) Limited.

Share transfer system

Share transfers received by the Company and the share transfer agent i.e. Karvy are registered within 15 working days from the date of receipt, provided the documents are complete in all respects. Total number of shares transferred in physical category during FY2015 were 5,545 shares versus 5,270 shares during FY2014.

Dematerialisation of shares

During FY2015, 29,972 shares were dematerialised compared to 21,875 shares during FY2014. Distribution of shares as on 31 March 2015 is given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2015		Position as on 31 March 2014		Net change during FY2015	
	No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares
Physical	353,795	0.71	383,767	0.76	(29,972)	(0.06)
Demat:						
NSDL	48,718,820	97.15	48,882,376	97.49	(163,556)	(0.34)
CDSL	1,074,644	2.14	876,191	1.75	198,453	0.39
Sub Total	49,793,464	99.29	49,758,567	99.24	34,897	0.05
Total	50,147,259	100.00	50,142,334	100.00	4,925	

Stock code

1. BSE Limited	500034
2. National Stock Exchange of India Limited	BAJFINANCE – EQ
3. ISIN for depositories (NSDL and CDSL)	INE296A01016

Listing on stock exchanges

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

Annual listing fees, as prescribed, have been paid to the above stock exchanges up to 31 March 2016.

Market price data

Table 2 gives the monthly highs and lows of the Company's shares on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

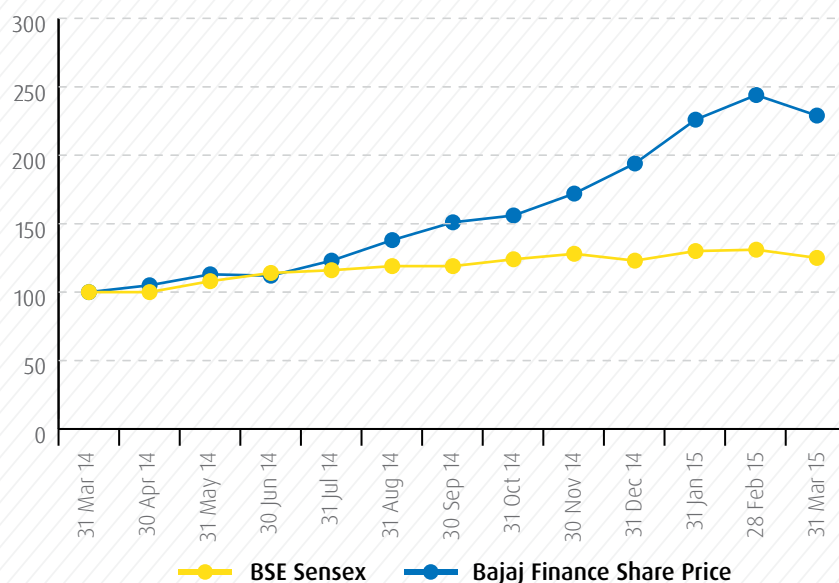
Table 2: Monthly highs and lows of Bajaj Finance Limited shares during FY2015 (₹ vis-à-vis BSE Sensex)

Month	BSE		NSE		Closing BSE Sensex
	High (₹)	Low (₹)	High (₹)	Low (₹)	
Apr - 14	1,874.80	1,746.05	1,872.55	1,745.75	22,417.80
May - 14	2,030.35	1,731.75	2,043.55	1,735.65	24,217.34
Jun - 14	2,169.55	1,966.80	2,183.55	1,967.65	25,413.78
Jul - 14	2,289.00	2,008.80	2,293.05	2,009.65	25,894.97
Aug - 14	2,474.90	2,191.40	2,475.55	2,187.05	26,638.11
Sept - 14	2,711.00	2,426.00	2,721.30	2,429.25	26,630.51
Oct - 14	2,837.00	2,556.55	2,841.90	2,565.70	27,865.83
Nov - 14	3,278.60	2,778.60	3,278.05	2,789.70	28,693.99
Dec - 14	3,481.45	3,078.65	3,483.95	3,087.15	27,499.42
Jan - 15	4,324.15	3,425.75	4,322.60	3,425.85	29,182.95
Feb - 15	4,362.80	4,001.25	4,384.95	4,003.80	29,361.50
Mar - 15	4,370.05	3,947.30	4,371.35	3,948.20	27,957.49

Chart: Performance in comparison to BSE Sensex

Bajaj Finance Limited stock performance Vs BSE Sensex, indexed to 100 on 31 March 2014

Bajaj Finance Limited Vs BSE Sensex



Distribution of shareholding

Table 3 gives details about the pattern of shareholding among various categories as on 31 March 2015 and 31 March 2014, while Table 4 gives the data according to size classes as on 31 March 2015.

Table 3: Distribution of shareholding across categories

Categories	31 March 2015		31 March 2014	
	No. of Shares	% to total capital	No. of Shares	% to total capital
Promoters and Promoter Group	30,893,907	61.61	30,895,057	61.61
Resident Individuals	5,722,500	11.41	5,467,927	10.90
Domestic Companies	3,384,931	6.75	3,630,885	7.24
Financial Institutions/Banks/Mutual Funds	2,823,934	5.63	3,810,296	7.60
Foreign Institutional Investors	6,796,030	13.55	5,856,833	11.68
Non Resident Individuals	459,843	0.92	393,321	0.79
Others	66,114	0.13	88,015	0.18
Total	50,147,259	100.00	50,142,334	100.00

Table 4: Distribution of shareholding according to size class as on 31 March 2015

Range of holding	No. of members	% to total members	No. of shares held	% to total shares
1 – 100	19,381	72.25	820,194	1.64
101 – 500	5,555	20.71	1,168,608	2.33
501 – 1000	792	2.95	580,465	1.16
1001 – 10000	888	3.31	2,477,571	4.94
10001 – 50000	150	0.56	3,177,895	6.34
50001 – 100000	26	0.10	1,811,057	3.61
100001 and above	33	0.12	40,111,469	79.99
Total	26,825	100.00	50,147,259	100.00

Shareholders and investors grievances

During FY2015, in compliance with the requirements of the Companies Act, 2013, the Shareholders and Investors Grievances Committee was re-designated as Stakeholders Relationship Committee.

The terms of reference of the Committee were amended to include grievances of security holders including debenture holders and fixed deposit holders in addition to the equity shareholders of the Company.

Queries/complaints received from stakeholders are promptly attended to and replied. Queries/complaints received during FY2015 related to non-receipt of shares/non-receipt of annual report/non-credit of shares sent for demat. As on 31 March 2015, there were nil pending grievances.

During FY2015, 8 complaints were received on various matters, which were duly resolved and no action remained to be taken.

Nomination

Individual members holding shares in physical form can nominate a person in whose name the shares are to be transferred in the case of death. Members can avail the nomination facility by submitting the prescribed nomination form SH-13 (a copy of which is placed on the website of the Company www.bajajfinserv.in/finance) to the share transfer agent of the Company. The nomination form will be sent by the share transfer agent upon request. Nomination facility for shares held in electronic form is available with depository participant as per the bye-laws and business rules applicable to NSDL and CDSL.

Voting through electronic means

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

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

The members would, therefore, be able to exercise their voting rights on the items put up in the notice of annual general meeting, through such e-voting method. Further, in accordance with the amended Companies (Management & Administration) Rules, 2014 ('Amended Rules'), the Company shall also be making arrangements to provide for e-voting facility at the venue of the annual general meeting.

Members who are attending the meeting and who have not already cast their votes by remote e-voting/ballot paper shall only be able to exercise their right of voting at the meeting.

Cut-off date, as per the Amended Rules shall be 16 July 2015 and the remote e-voting shall be open for a period of three days, from 19 July 2015 (9.00 a.m.) till 21 July 2015 (5.00 p.m.). The Board has appointed Shyamprasad Limaye, practising company secretary, as scrutiniser for the e-voting process.

Detailed procedure for voting is given in the notice of the twenty eighth annual general meeting and also placed on the website of the Company www.bajajfinserv.in/finance

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 date.

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 Private Limited

Unit: Bajaj Finance Limited
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
 E-mail ID: mohsin.mohd@karvy.com
 Website: www.karvy.com

Company**Registered office**

Akurdi, Pune – 411 035.

Corporate office ext.

Secretarial Department
 3rd Floor, Panchshil Tech Park,
 Plot 43/1, 43/2 & 44/2,
 Viman Nagar, Pune 411 014
 Phone No. (020) 30186403
 Fax No. (020) 30186364
 E-mail ID: investor.service@bajajfinserv.in
 Website: www.bajajfinserv.in/finance

Additional information

1. The Company, during FY2015, has not sanctioned any loan to any of the directors and there is no outstanding towards loans to directors as on date.
2. None of the employees of the Company is related to any of the directors of the Company.
3. 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 FY2015.
4. Profile of fixed deposits as on 31 March 2015 was as under:

Period of deposit (months)	No. of depositors	Amount (₹ In Crore)	% to total deposits
12	655	111.67	11.35%
15	7,438	438.79	44.62%
24	640	14.08	1.43%
36	13,237	404.38	41.12%
48	21	0.49	0.05%
60	462	14.06	1.43%
Total	22,453	983.47	100.00%



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LET'S GO FOR GREAT

Directors' Report

The directors present their twenty eighth Annual Report and the audited financial statements for FY2015.

Financial results

The highlights of the standalone financial results are as under:

(₹ In Crore)		
Particulars	FY2015	FY2014
Income from Operations	5,381.80	4,032.44
Other Income	36.43	41.91
Total Income	5,418.23	4,074.35
Expenses	1,392.83	1,121.93
Loan Losses and Provisions	384.56	258.83
Finance Costs	2,248.30	1,573.24
Depreciation and amortisation	35.60	29.19
Total Expenditure	4,061.29	2,983.19
Profit Before Taxation	1,356.94	1,091.16
Tax Expenses	459.07	372.15
Profit for the year after Taxation	897.87	719.01
Balance brought forward from previous year	1,171.91	764.36
Profit available for appropriations	2,069.78	1,483.37
Appropriations:		
Transfer to Reserve Fund	(185.00)	(144.00)
Transfer to General Reserve	(90.00)	(72.00)
Transfer to Infrastructure Reserve	(2.10)	(1.60)
Provision for Proposed Dividend	(90.27)	(80.23)
Provision for Dividend Tax	(18.38)	(13.63)
Balance carried to Balance Sheet	1,684.03	1171.91

A summary of consolidated financial performance for FY2015 consolidating the results of wholly owned subsidiary Bajaj Housing Finance Limited alongwith its subsidiary Bajaj Financial Securities Limited is given below. Since the subsidiary was acquired in FY2015 there are no comparatives for FY2014. The operations of the subsidiaries in FY2015 were not significant and hence the consolidated profit of the Company almost equals its standalone profit.

(₹ In Crore)	
Particulars	FY2015
Total income	5,418.28
Interest and finance charges	2,248.27
Net interest income	3,170.01
Operating expenses	1,428.50
Loan losses and provisions	384.56
Profit before tax	1,356.95
Profit after tax	897.88

Subsidiaries

On 1 November 2014, the Company acquired 100% shareholding in Bajaj Financial Solutions Limited [name changed to Bajaj Housing Finance Limited (BHFL) w.e.f. 14 November 2014] from Bajaj Finserv Limited. With the said acquisition, Bajaj Financial Securities Limited (BFinsec), being wholly owned subsidiary of BHFL, has also become a wholly owned subsidiary of the Company.

Performance and financial position of subsidiaries

There were no major business operations in BHFL (and its subsidiary BFinsec) in FY2015. The Profit after tax in FY2015 of BHFL was ₹ 78,920 (FY2014: Loss of ₹ 1,118,140) and of BFinsec was ₹ 154,642 (FY2014: loss of ₹ 988,451).

Dividend

The directors recommend for the consideration of the members at the ensuing annual general meeting, payment of dividend of ₹ 18 per share of the face value of ₹ 10 (180%) for FY2015. The amount of dividend and tax thereon aggregate to ₹ 108.65 crore.

Dividend paid for FY2014 was ₹ 16 per share (160%). The amount of dividend and tax thereon aggregated to ₹ 93.86 crore.

Increase in borrowing powers

During FY2015, 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 ₹ 30,000 crore to ₹ 50,000 crore, to meet its growing business needs.

Working results

The receivables under financing activity as on 31 March 2015 were ₹ 31,199 crore as compared to ₹ 22,971 crore as on 31 March 2014, an increase of 36% over the previous year.

Total income during FY2015 increased to ₹ 5,418 crore from ₹ 4,074 crore during FY2014, an increase of 33% over the previous year.

The profit before tax for FY2015 was ₹ 1,357 crore, as against ₹ 1,091 crore in FY2014, an increase of 24% over the previous year. The profit after tax for the year was ₹ 898 crore as compared to ₹ 719 crore in FY2014, an increase of 25% over the previous year. This has been due to the Company's healthy net interest margins, operating efficiencies and prudent risk management.

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

The Company had an excellent year aided by strong volume growth in Consumer lending and SME lending. Commercial lending declined due to the Company's cautious stance on the infrastructure sector and also due to its decision to exit the Construction Equipment lending business. During FY2015, the Company launched various new products and variants to strengthen its business model and continue its strong growth momentum.

The Company's loan loss and provisions increased from ₹ 259 crore in FY2014 to ₹ 385 crore in FY2015 taking into account the increased business. The Company ended FY2015 with a net NPA of 0.45%.

Share capital

During FY2015, the Company allotted 4,925 equity shares to the trustees of BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009.

As on 31 March 2015, the paid-up share capital of the Company stood at ₹ 501,472,590 consisting of 50,147,259 equity shares of face value of ₹ 10 each fully paid-up.

Operations

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

Conservation of energy and technology absorption

The Company, being a non-banking finance company (NBFC), does not have any manufacturing activity. The directors, therefore, have nothing to report on 'conservation of energy and technology absorption'.

Foreign currency

Foreign currency expenditure amounting to ₹ 6.36 crore (FY2014 ₹ 4.41 crore) was incurred during FY2015. The Company did not have any foreign exchange earnings.

Employee stock option scheme

Disclosures pertaining to the Employee Stock Option Scheme 2009 of the Company are set out as an annexure to this Report.

Fixed deposits

During FY2015, the Company accepted fixed deposits of ₹ 828.28 crore. Fixed deposits outstanding at the year-end were ₹ 983.47 crore. As on 31 March 2015, there were no deposits which had matured but remained unclaimed.

During FY2015, there was no default in repayment of deposits or payment of interest thereon.

Adequacy of internal financial controls

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

Credit rating

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

CRISIL has re-affirmed the highest rating of "FAAA/Stable" for the fixed deposit programme of the Company. ICRA has also assigned "MAAA/Stable" rating to the fixed deposit programme of the Company. These ratings indicate highest degree of safety with regard to timely payment of interest and principal. The Company is one of the very few NBFCs which enjoys the highest rating for its fixed deposit programme.

The Company also enjoys the highest rating of "CRISIL A1+" from CRISIL and "(ICRA) A1+" from ICRA for its short term debt programme for ₹ 5,500 crore from each rating agency.

The long term non-convertible debentures have been assigned "CRISIL AA+/Stable" rating by CRISIL and "[ICRA] AA+(Stable)" by ICRA indicating the high degree of safety with regard to timely payment of interest and principal for an amount of ₹ 7,350 crore and ₹ 5,000 crore respectively.

The Company has also been assigned “CRISIL AA+/Stable” rating by CRISIL and “[ICRA] AA+(Stable)” by ICRA for ₹ 700 crore lower tier-II bond programme and ₹ 1,000 crore each for the subordinated debt programme.

As regards the bank loan ratings for the bank facilities stipulated by RBI, as a part of BASEL II guidelines, CRISIL has assigned “CRISIL AA+/Stable” rating for the Company’s cash credit/working capital demand loan and long term bank facilities and “CRISIL A1+” rating for the short term bank facilities. The cumulative rating for the bank loan programme is ₹ 16,000 crore.

RBI guidelines

The Company continues to fulfill all the norms and standards laid down by the Reserve Bank of India (RBI) pertaining to non-performing assets, capital adequacy, statutory liquidity ratio etc. As against the RBI norm of 15%, the capital adequacy ratio of the Company was 17.97% as on 31 March 2015.

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.

Corporate social responsibility

Detailed information report on corporate social responsibility policy developed and implemented by the Company on CSR initiatives taken during the year pursuant to section 135 of the Companies Act, 2013 is given in the annexed Annual Report on CSR activities.

Formal annual evaluation

During FY2015, evaluation of the performance of the Board, its Committees and individual directors was done on the basis of evaluation criteria approved by the Nomination and Remuneration Committee at its meeting held on 14 October 2014. Rating sheets were circulated to the directors for the purpose of evaluation of performance of the Board, its Committees and individual directors.

A summary of performance evaluation of the Board, its Committees and individual directors was prepared on the basis of rating sheets received from the individual directors and the same was placed before the Board.

Directors and Key Managerial Personnel (KMP)

At the annual general meeting held on 16 July 2014, Gita Piramal (DIN 01080602) was appointed as an independent director of the Company pursuant to section 149 of the Companies Act, 2013 for a term of five consecutive years.

The Board of Directors, at its meeting held on 23 March 2015, appointed Rajeev Jain (DIN 01550158) as an additional director with effect from 1 April 2015 and as a Managing Director for a period of five years from that date. It is proposed to appoint Rajeev Jain as a director liable to retire by rotation at the extra ordinary general meeting to be held on 20 May 2015. The Company has received a notice under section 160 of the Companies Act, 2013, from Rajeev Jain, in respect of his candidature as a director.

According to the Companies Act, 2013, at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Rajiv Bajaj, director (DIN 00018262), being the longest in the office amongst the three directors liable to retire by rotation, retires from the Board by rotation this year and, being eligible, has offered his candidature for re-appointment. Necessary resolution for this purpose is being proposed in the notice of the ensuing annual general meeting for the approval of the members.

As required under clause 49 of the Listing Agreement with the stock exchanges, the information on the particulars of director proposed for re-appointment has been given in the notice of annual general meeting.

The Company has following KMP:

1. Rajeev Jain, Managing Director
2. Rajesh Viswanathan, Chief Financial Officer (appointed w.e.f. 1 August 2014)
3. Anant Damle, Company Secretary

Number of meetings of the Board

There were eight meetings of the Board held during the year, details of which are 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.

Extract of annual return

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

Policy on directors' appointment and remuneration

The policy on directors' appointment and remuneration is given in the Annual Report under a separate section of 'Corporate Governance Report'.

Presentation of financial statements

The financial statements of the Company for the year ended 31 March 2015 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 and as prepared in compliance with the Accounting Standards and Listing Agreement as prescribed by Securities and Exchange Board of India.

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

The 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 kept for inspection by any member of the Company at its registered office during business hours. The same are placed on the Company's website www.bajajfinserv.in/finance

As required under the provisions of section 197(12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of employees are set out in the annexure to the Directors' Report. As per the provisions of section 136 of the said Act, this Report is being sent to all the members excluding the particulars of the employees. These particulars will be made available to any member on request.

Directors' responsibility statement as required by section 134(5) of the Companies Act, 2013 appears in a preceding paragraph.

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

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.

A Cash Flow Statement for FY2015 is attached to the Balance Sheet.

The Company has a policy on prevention of sexual harassment at workplace. There was no case of sexual harassment reported during the year under review.

Particulars of loans, guarantees and investments

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

Related party transactions

Transactions with related parties, during the year under review, were entered into pursuant to the prior/omnibus approval of the Audit Committee. The details of such transactions were placed before the Committee for noting/review.

All related party transactions which were entered into during the year were on an arm's length basis, in the ordinary course of business and not material under clause 49 of Listing Agreement and hence did not require members' prior approval under the Companies Act, 2013 and Listing Agreement. During the year there were no related party transactions which require 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 website of the Company www.bajajfinserv.in/finance

Raising of funds

The Board of Directors, at its meeting held on 21 April 2015, has approved, *inter alia*, the following proposals subject to the approval of the members at the extra ordinary general meeting scheduled on 20 May 2015:

1. Issue of securities for an aggregate amount up to ₹1,400 crore through Qualified Institutions Placement in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 to Qualified Institutional Buyers.
2. Preferential issue of warrants up to 925,000 warrants convertible into equivalent number of equity shares to Bajaj Finserv Limited, the promoter, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Risk management

The Board of Directors, at its meeting held on 14 May 2014, has adopted 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 governance

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

All Board members and Senior Management personnel have affirmed compliance with the code of conduct for FY2015. A declaration to this effect signed by the Managing Director of the Company is contained 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 clause 49 of the Listing Agreement and the said certificate is included in this Annual Report.

Secretarial standards of ICSI

Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has on 23 April 2015, notified the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) to be effective from 1 July 2015. The Company is complying with the same.

Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013, Dalal & Shah, Chartered Accountants, were appointed as statutory auditors of the Company at the 27th annual general meeting (AGM) of the Company for a period from the conclusion of the said AGM till the conclusion of the 30th AGM subject to ratification of their appointment by the members at every AGM held thereafter. A resolution for ratification of appointment of Dalal & Shah, Chartered Accountants, as auditors for the period from the conclusion of the ensuing 28th AGM till the conclusion of the 29th AGM and for fixation of their remuneration for the year 2015-16 is being proposed in the notice of the ensuing AGM for the approval of the members.

The Company has received from Dalal & Shah a written consent for ratification of their appointment from the conclusion of the 28th AGM till the conclusion of the 29th AGM and a certificate to the effect that their appointment shall be in accordance with the prescribed conditions and that the firm is not disqualified under the Companies Act, 2013.

The Audit Report 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 appointed Shyamprasad D. Limaye, (Membership No. 1587) company secretary in practice, to undertake secretarial audit of the Company.

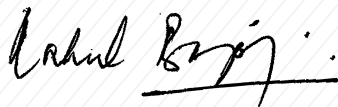
A report from secretarial auditor is annexed to this Report. The same does not contain any qualification, reservation or adverse remark or disclaimer.

Acknowledgement

The Board of Directors takes the opportunity to express its sincere appreciation for the support and co-operation from its members, Reserve Bank of India, 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 employees of the Company and thanks them for another excellent year.

On behalf of the Board of Directors



Rahul Bajaj
Chairman

Pune: 20 May 2015

Annexure to the Directors' Report

Disclosures pertaining to the Employee Stock Option Scheme 2009, of the Company, as on 31 March 2015

1.	Options granted	1,890,680
2.	Pricing formula	Closing market price one day prior to the date of Grant on the stock exchange with the highest trading volume subject to the condition that exercise price will not be less than the face value of the shares
3.	Options vested	941,333
4.	Options exercised	645,064
5.	Total number of shares arising as a result of exercise of options	645,064
6.	Options lapsed/cancelled	194,212
7.	Variation of terms of options	NIL
8.	Money realised by exercise of options	₹ 42.98 crore
9.	Total number of options in force	1,051,404
10.	Employee wise details of options granted	
	(i) Senior managerial personnel	
	Sr. No. Name	No. of options granted in
		Grant I Grant II Grant III Grant IV Grant V Grant VII
	1. Rajeev Jain	39,000 39,000 31,700 37,500 43,880 40,500
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	Nil
	(iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
11.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	₹ 177.70
12.	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits & on EPS of the company shall also be disclosed	Had compensation cost for the stock options outstanding been determined based on fair value approach, the net profit and earnings per share would have been as per the proforma amounts indicated below:

Annexure to the Directors' Report (Contd.)

Particulars	31 March 2015
Net profit (as reported) (₹ in crore)	897.87
Add: Stock based employee compensation expense included in net income (₹ in crore)	Nil
Less: Stock based compensation expense determined under fair value based method (pro forma) (₹ in crore)	16.73
Net Profit (pro forma) (₹ in crore)	881.14
Basic earnings per share (as reported) (₹)	179.94
Basic earnings per share (pro forma) (₹)	176.59
Diluted earnings per share (as reported) (₹)	177.70
Diluted earnings per share (pro forma) (₹)	174.39
13. Weighted average exercise price of options whose	
(i) Exercise price equals market price (₹)	2,196.55
(ii) Exercise price is greater than market price (₹)	Nil
(iii) Exercise price is less than market price (₹)	Nil
Weighted-average fair value of options whose	
(i) Exercise price equals market price (₹)	979.40
(ii) Exercise price is greater than market price (₹)	Nil
(iii) Exercise price is less than market price (₹)	Nil
14. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information	The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:

Date of Grant	16 July 2014	1 Nov 2013	15 May 2013	16 May 2012	28 July 2011	21 July 2010	12 Jan 2010
Risk-free interest rate	8.66%	8.71%	7.32%	8.36%	8.27%	7.42%	6.70%
Expected life	1-5 years	1-5 years	1-5 years	3.5-6.5 years	3.5-6.5 years	3.5-6.5 years	1-5 years
Expected volatility	38.01%	32.83%	29.97%	49.58%	53.01%	55.38%	54.01%
Expected dividend yield	0.73%	1.11%	1.09%	1.37%	1.42%	1.28%	0.62%
The price of the underlying share in market at the time of option grant (₹)	2,196.55	1,353.05	1,380.35	876.10	705.15	542.00	358.70

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 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, thus, took the unprecedented step of using business to serve society over a century ago. Shri Jamnalal Bajaj strongly believed that "common good was more important than individual gain". His philosophy has stood the test of time as it has been successfully taken forward by the succeeding generations i.e. firstly by his sons, Shri Kamalnayan Bajaj and Shri Ramkrishna Bajaj and now spearheaded by his grandson Shri Rahul Bajaj. This philanthropic approach has taken the Group to higher levels of success and respect.

Though the Group stands tall in the corporate world, with high ranking in terms of market capitalisation, turnover, profits, range of products and services and various other parameters, 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, 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 smile that lights up a million faces. Its goodwill resonates in the two simple words that live in the collective consciousness of Indians - Hamara Bajaj.

CSR policy:

A detailed CSR policy was framed by the Company with approvals of the CSR Committee and Board taken 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 www.bajajfinserv.in/finance

2. Composition of the CSR Committee

A Committee of the directors, titled 'Corporate Social Responsibility Committee', was constituted by the Board in its meeting held on 27 March 2014 with the following members:

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

During the year under review, the Committee met four times on 5 August 2014, 9 October 2014, 30 December 2014 and 21 March 2015.

3. Average net profit of the company for last three financial years prior to FY2015: ₹ 826.42 crore

**4. Prescribed CSR expenditure (2% of the amount as in item No. 3 above):
₹ 16.53 crore**

5. Details of CSR spent during the financial year:

(₹ In Crore)

Particulars	
a. Total amount to be spent	16.53
b. Amount committed	6.05
c. Amount disbursed	5.80
d. Amount unspent (a-c)	10.73
e. Manner in which the amount is spent is detailed below:	

Name/details of implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of projects/ programmes (Loal area or State/District)	Amount outlay/ approved (₹ In Lakh)	Amount spent direct/ overheads (₹ In Lakh)
Swachh Bharat Kosh	To support Swachh Bharat Abhiyan launched by the Prime Minister of India	Sanitation	India	250	250
The Banyan, Chennai	Medication, rehabilitation and training to people with mental illness.	Healthcare	Chennai	25	25
Smile Train	To make safe and quality treatment of cleft lip and palate	Healthcare	India	280	280
Nandlala Seva Samiti Trust (Chennai)	To set up a library for under-privileged students/ visually impaired	Education	Chennai	25	25
Infant India	Rehabilitation of HIV affected patients	Healthcare	India	25	-

Notes:

- Since FY2015 is the first year of applicability of section 135 of the Companies Act, 2013, the figure for cumulative expenditure is not applicable.
- All amounts mentioned above as spent relate to amounts spent through implementing agency, unless stated otherwise.
- There is no expenditure on overheads in the above list.

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.

- (a) The CSR policy of the Company allows undertaking CSR projects directly (CSR Committee) or through a registered trust, society, etc. (CSR vehicle). The CSR activities including the projects to be taken up are considered and monitored at group level along with other Bajaj Group companies, where substantial commitments are made.

FY2015 was effectively the first year for the Company for its own CSR activities, as such in view of the nascent stage of the implementation framework of CSR activities, the Company could not spend the entire 2% of the average net profit of the last three financial years.

- (b) Further, in addition to what is stated above, Bajaj Group implements many of the CSR initiatives of substantial value through its Group Charitable Trusts operating at various locations in the country.

There are also certain philanthropic/CSR activities/initiatives undertaken by Bajaj Group for the substantial well-being of the people in the community, which are not getting covered under the above CSR report due to the specified format under the applicable rules.

A separate report on the major initiatives that continued and/or that were taken up anew by the Bajaj Group through such entities during the year under review is hosted on the Company's website www.bajajfinserv.in/finance 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 duly signed by Director and Chairperson of the CSR Committee.

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: 20 May 2015



'GOOD' PUSHES
YOU TO UPGRADE
YOUR LIFESTYLE

'GREAT' ENSURES
YOU DON'T WASTE
TIME GETTING THERE

We've simplified the processes for Durable and Lifestyle Finance and cut the approval time from 3 days to 3 minutes. Your delight at getting your favourite brands home faster, is a motivation for us to continue to shrink the approval time further. Discover more of our products at www.bajajfinserv.in/finance

LET'S GO FOR GREAT

BAJAJ FINANCE LIMITED

Extract of annual return (Form MGT-9)

As on the financial year ended on 31 March 2015

[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

CIN	L65910MH1987PLC042961
Registration date	25 March 1987
Name of the Company	Bajaj Finance Limited
Category/Sub-category of the Company	Public Company, Limited by shares, NBFC
Address of the registered office and contact details	Akurdi, Pune- 411035 Tel: 020-30186072 Fax: 020-30186364 Email ID: anant.damle@bajajfinserv.in
Whether listed company	Yes (BSE and NSE)
Name, Address and Contact details of the Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 Tel: 040-67161562 Fax: 040-23001153 Email ID: mohsin.mohd@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 2015	Applicable section
1.	Bajaj Finserv Limited Bajaj Auto Limited Complex, Mumbai - Pune Road, Akurdi - 411 035	L65923PN2007PLC130075	Holding	61.53	Section 2(46)
2.	Bajaj Housing Finance Limited Bajaj Auto Limited Complex, Mumbai - Pune Road, Akurdi - 411 035	U65910PN2008PLC132228	Subsidiary	100	Section 2(87)(ii)
3.	Bajaj Financial Securities Limited Bajaj Auto Limited Complex, Mumbai - Pune Road, Akurdi - 411 035	U67120PN2010PLC136026	Subsidiary	100	Section 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 2014)				No. of shares held at the end of the year (As on 31 March 2015)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters and promoters group									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
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.	30,857,857	0	30,857,857	61.54	30,856,707	0	30,856,707	61.53	(0.01)
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any other	37,200	0	37,200	0.07	37,200	0	37,200	0.07	0
f) (i) Directors of Promoter Companies	37,200	0	37,200	0.07	37,200	0	37,200	0.07	0
Sub-total (A) (1)	30,895,057	0	30,895,057	61.61	30,893,907	0	30,893,907	61.61	0
(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 promoters group (A) = (A)(1) + (A)(2)	30,895,057	0	30,895,057	61.61	30,893,907	0	30,893,907	61.61	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3,791,213	1,400	3,792,613	7.56	2,804,071	1,400	2,805,471	5.59	(1.97)
b) Banks/FI	16,983	700	17,683	0.04	17,763	700	18,463	0.04	0
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	0	0	0	0	0
g) FIIs	5,856,833	0	5,856,833	11.68	6,796,030	0	6,796,030	13.55	1.87
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)	9,665,029	2,100	9,667,129	19.28	9,617,864	2,100	9,619,964	19.18	(0.10)

i) Category-wise shareholding (Contd.)

Category of shareholders	No. of shares held at the beginning of the year (As on 1 April 2014)				No. of shares held at the end of the year (As on 31 March 2015)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	3,621,607	9,278	3,630,885	7.24	3,375,653	9,278	3,384,931	6.75	(0.49)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	3,013,545	371,354	3,384,899	6.75	3,622,164	341,382	3,963,546	7.90	1.15
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,982,974	0	1,982,974	3.95	1,659,200	0	1,659,200	3.31	(0.64)
c) Others (specify)	580,355	1,035	581,390	1.16	624,676	1,035	625,711	1.25	0.09
i) Directors	100,054	0	100,054	0.20	99,754	0	99,754	0.20	0
ii) Clearing Members	56,925	0	56,925	0.11	25,601	0	25,601	0.05	(0.06)
iii) Non Resident Indians	392,286	1035	393,321	0.78	458,808	1035	459,843	0.92	0.14
iv) Trusts	31,090	0	31,090	0.06	40,513	0	40,513	0.08	0.02
Sub-total (B)(2)	9,198,481	381,667	9,580,148	19.11	9,281,693	351,695	9,633,388	19.21	0.10
Total Public Shareholding (B)=(B)(1) + (B)(2)	18,863,510	383,767	19,247,277	38.39	18,899,557	353,795	19,253,352	38.39	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A + B + C)	49,758,567	383,767	50,142,334	100.00	49,793,464	353,795	50,147,259	100.00	0

ii) Shareholding of promoters and promoters group

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (As on 1 April 2014)			Shareholding at the end of the year (As on 31 March 2015)			% 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 Limited	30,856,613	61.54	0	30,856,613	61.53	0	0.01
2	Rahul Bajaj	18,600	0.04	0	18,600	0.04	0	0
3	Madhur Bajaj	18,600	0.04	0	18,600	0.04	0	0
4	Jamnalal Sons Private Limited	94	0.00	0	94	0.00	0	0
5	BHIL Employees' Welfare Fund	1,150	0.00	0				
	Total	30,895,057	61.61	0	30,893,907	61.61	0	0

Note: Bajaj Holdings and Investment Limited (BHIL) Employees Welfare Fund (formerly known as Bajaj Auto Limited Employees Welfare Fund) is holding 1,150 shares in Bajaj Finance Limited. The above holdings were classified as Promoter group's shareholding until the quarter ended 31 December 2014. However, subsequent to the coming into effect of SEBI (Share based Employees Benefits) Regulation, 2014, such holdings are reclassified as 'public shareholdings' with effect from the quarter ended 31 March 2015.

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

Particulars	Shareholding at the beginning of the year (1 April 2014)		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	30,895,057	61.61		
Date-wise increase/(decrease)				
BHIL Employees' Welfare Fund 20 March 2015 - Reclassification	(1,150)	(0.00)	30,893,907	61.61
At the end of the year	30,893,907	61.61		

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

Sr. No.	Name of promoter	Particulars	Shareholding at the beginning of the year (1 April 2014)		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 Limited	At the beginning of the year	1,897,466	3.78		
		At the end of the year	1,897,466	3.78		
2	HDFC Trustee Company Limited -A/C HDFC MID CAPOPPORTUNITIES FUND	At the beginning of the year	355,800	0.71		
		25 April 2014 - Purchase	44,200	0.09	400,000	0.80
		02 May 2014 - Purchase	5,067	0.01	405,067	0.81
		09 May 2014 - Purchase	44,933	0.09	450,000	0.90
		16 May 2014 - Purchase	25,000	0.05	475,000	0.95
		30 May 2014 - Purchase	8,800	0.02	483,800	0.96
		20 June 2014 - Purchase	43,488	0.09	527,288	1.05
		30 June 2014 - Purchase	40,000	0.08	567,288	1.13
		25 July 2014 - Purchase	13,112	0.03	580,400	1.16
		19 September 2014 - Purchase	51,623	0.10	632,023	1.26
		At the end of the year	632,023	1.26		
3	Acacia Partners, LP	At the beginning of the year	608,000	1.21		
		At the end of the year	608,000	1.21		
4	Pinebridge Investments Asia Limited A/C Pinebridge Investments GF Mauritius Limited	At the beginning of the year	252,860	0.50		
		25 April 2014 - Purchase	30,000	0.06	282,860	0.56
		23 May 2014 - Purchase	25,000	0.05	307,860	0.61
		13 June 2014 - Purchase	31,467	0.06	339,327	0.68
		20 June 2014 - Purchase	7,278	0.01	346,605	0.69
		08 August 2014 - Purchase	10,000	0.02	356,605	0.71
		15 August 2014 - Purchase	2,454	0.00	359,059	0.72
		14 November 2014 - Purchase	14,055	0.03	373,114	0.74
		28 November 2014 - Purchase	6,559	0.01	379,673	0.76
		23 January 2015 - Purchase	30,000	0.06	409,673	0.82
		06 February 2015 - Purchase	15,991	0.03	425,664	0.85
		13 February 2015 - Purchase	6,108	0.01	431,772	0.86
		27 February 2015 - Purchase	35,000	0.07	466,772	0.93

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

Sr. No.	Name of promoter	Particulars	Shareholding at the beginning of the year (1 April 2014)		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		06 March 2015 - Purchase	18,051	0.04	484,823	0.97
		20 March 2015 - Purchase	58,579	0.12	543,402	1.08
		27 March 2015 - Purchase	10,012	0.02	553,414	1.10
		At the end of the year	553,414	1.10		
5	Macquarie Bank Limited	At the beginning of the year	376,277	0.75		
		29 August 2014 - Purchase	2,723	0.01	379,000	0.76
		05 September 2014 - Purchase	51,000	0.10	430,000	0.86
		10 October 2014 - Purchase	36,000	0.07	466,000	0.93
		At the end of the year	466,000	0.93		
6	Acacia Institutional Partners, LP	At the beginning of the year	384,000	0.77		
		At the end of the year	384,000	0.77		
7	Goldman Sachs India Fund Limited	At the beginning of the year	179,409	0.36		
		04 April 2014 - Purchase	28,959	0.06	208,368	0.42
		11 April 2014 - Purchase	10,728	0.02	219,096	0.44
		16 May 2014 - Sale	(20,826)	(0.04)	198,270	0.40
		23 May 2014 - Sale	(40,514)	(0.08)	157,756	0.31
		20 June 2014 - Purchase	29,482	0.06	187,238	0.37
		05 September 2014 - Purchase	10,008	0.02	197,246	0.39
		14 November 2014 - Purchase	7,737	0.02	204,983	0.41
		21 November 2014 - Purchase	12,230	0.02	217,213	0.43
		12 December 2014 - Purchase	10,852	0.02	228,065	0.45
		23 January 2015 - Purchase	13,706	0.03	241,771	0.48
		30 January 2015 - Purchase	19,852	0.04	261,623	0.52
		13 February 2015 - Purchase	21,249	0.04	282,872	0.56
		27 February 2015 - Purchase	27,888	0.06	310,760	0.62
		27 March 2015 - Purchase	11,162	0.02	321,922	0.64
		31 March 2015 - Purchase	6,528	0.01	328,450	0.65
		At the end of the year	328,450	0.65		
8	Acacia Conservation Fund LP	At the beginning of the year	320,000	0.64		
		At the end of the year	320,000	0.64		
9	Ward Ferry Management Limited A/C WF Asian Smaller Companies Fund Limited	At the beginning of the year	262,075	0.52		
		10 October 2014 - Purchase	1,312	0	263,387	0.53
		17 October 2014 - Purchase	32,684	0.07	296,071	0.59
		19 December 2014 - Purchase	13,638	0.03	309,709	0.62
		At the end of the year	309,709	0.62		
10	Ward Ferry Management Limited A/C WF India Reconnaissance Fund Limited	At the beginning of the year	271,356	0.54		
		At the end of the year	271,356	0.54		

v) Shareholding of directors and key managerial personnel

Sr. No.	Name of director and key managerial personnel	Shareholding of each directors and each key managerial personnel	Shareholding at the beginning of the year (1 April 2014)		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	18,600	0.04		
		At the end of the year	18,600	0.04		
2	Madhur Bajaj	At the beginning of the year	18,600	0.04		
		At the end of the year	18,600	0.04		
3	Rajendra Lakhotia	At the beginning of the year	100,054	0.20		
		21 November 2014 - Sale	(300)	(0.00)	99,754	0.20
		At the end of the year	99,754	0.20		
4	Rajeev Jain	At the beginning of the year	0	0		
		18 July 2014 - Purchase (ESOPs)	9,850	0.02	9,850	0.02
		25 July 2014 - Sale (ESOPs)	(9,850)	(0.02)	0	0
		At the end of the year	0	0		
5	Anant Hanumant Damle	At the beginning of the year	1,533	0.00		
		23 May 2014 - Purchase (ESOPs)	2,275	0.00	3,808	0.01
		08 August 2014 - Purchase (ESOPs)	1,300	0.00	5,108	0.01
		At the end of the year	5,108	0.01		
6	Rajesh Viswanathan	On the date of Appointment	10	0.00		
		At the end of the year	10	0.00		

V. Indebtedness

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

(Amount in ₹)				
Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2014-15				
i) Principal amount	158,949,453,463	36,439,348,425	2,107,044,515	197,495,846,403
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	2,425,366,591	610,787,807	12,179,102	3,048,333,500
Total (i+ii+iii)	161,374,820,054	37,050,136,232	2,119,223,617	200,544,179,903
Change in Indebtedness during the financial year				
• Addition	137,560,640,745	157,765,352,022	8,708,531,800	304,034,524,567
• Reduction	68,700,444,684	162,473,109,263	751,779,017	231,925,332,964
Net Change	68,860,196,061	(4,707,757,241)	7,956,752,783	72,109,191,603
Indebtedness at the end of the financial year				
i) Principal amount	225,343,311,297	31,729,741,938	9,834,650,752	266,907,703,987
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	4,891,704,818	612,637,053	241,325,648	5,745,667,519
Total (i+ii+iii)	230,235,016,115	32,342,378,991	10,075,976,400	272,653,371,506

VI. Remuneration of directors and key managerial personnel

A. Remuneration to Managing Director, whole-time directors and/or manager

(Amount in ₹)		
Sr. No.	Particulars of remuneration	Name of MD/MTD/Manager
		Rajeev Jain (Manager)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43,888,020
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	538,243
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0
2	Stock Options	28,562,490
3	Sweat Equity	0
4	Commission	0
	– as % of profit	
	– others, specify	
5	Others, please specify	0
	Total (A)	72,988,753
	Ceiling as per the Act	659,819,883

B. Remuneration to other directors:

Sr. No.	Name of director	Fee for attending Board/committee meetings (₹)	Commission (₹)	Total Amount (₹)
I.	Independent Directors			
1	Nanoo Pamnani	900,000	8,900,000	9,800,000
2	D S Mehta	700,000	700,000	1,400,000
3	D J Balaji Rao	350,000	350,000	700,000
4	Omkar Goswami	650,000	650,000	1,300,000
5	Dipak Poddar	350,000	350,000	700,000
6	Ranjan Sanghi	900,000	900,000	1,800,000
7	Rajendra Lakhotia	600,000	600,000	1,200,000
8	Gita Piramal	400,000	400,000	800,000
	Total (I)	4,850,000	12,850,000	17,700,000
II.	Other Non-executive Directors			
1	Rahul Bajaj	550,000	550,000	1,100,000
2	Sanjiv Bajaj	900,000	900,000	1,800,000
3	Madhur Bajaj	400,000	400,000	800,000
4	Rajiv Bajaj	300,000	300,000	600,000
	Total (II)	2,150,000	2,150,000	4,300,000
	Total (B)=(I+II)	7,000,000	15,000,000	22,000,000
	Total managerial remuneration (A+B)			94,988,753
	Overall ceiling as per the Act			1,451,603,743

Note: Overall ceiling as per the Act 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		Total
		Anant Damle Company Secretary	Rajesh Viswanathan Chief Financial Officer (from 1 Aug 2014 to 31 Mar 2015)	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,703,004	5,782,904	10,485,908
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	147,206	17,600	164,806
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Options	3,757,052	0	3,757,052
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit			
	- others, specify			
5	Others, please specify	0	0	0
	Total	8,607,262	5,800,504	14,407,766

VII. Penalties/punishment/compounding of offences

During FY2015, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

Auditors' certificate regarding compliance of conditions of corporate governance

To the members of
Bajaj Finance Limited

We have examined the compliance of conditions of corporate governance by Bajaj Finance Limited, for the year ended 31 March 2015, as stipulated in clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

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

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

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

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

S Venkatesh
Partner
Membership Number: 037942

Pune: 20 May 2015

Secretarial audit report (Form MR-3)

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2015.

To the Members of
Bajaj Finance Limited
L65910MH1987PLC042961
Akurdi, Pune 411035.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bajaj Finance Limited (hereinafter called as 'the Company'). 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 2015, 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 2015, 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 there under 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (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 Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, alongwith agenda and detailed notes on agenda 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.

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 issued debentures on the private placement basis, from time to time totalling to an amount of ₹ 5,738.30 crore in the year under report and complied with the Rules and Regulation under various Acts.

The Company has issued 4,925 equity shares having face value of ₹ 49,250 without differential rights to the trustees of BFL Employee Welfare Trust under ESOS 2009.

The Company has altered Article of Association and adopted a new set of Articles of Association in line with the Companies Act, 2013 by passing a special resolution by postal ballot on 20 March 2015.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs.

Shyamprasad D. Limaye
FCS No. 1587
C P No. 572

Pune: 20 May 2015

Managing Director (MD) and Chief Financial Officer (CFO) Certification

To,

The Board of Directors,
Bajaj Finance Limited

We, Rajeev Jain, MD and Rajesh Viswanathan, CFO of Bajaj Finance Limited, certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31 March 2015 and that to the best of our knowledge and belief;
 - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading; and
 - these statements present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. That we have informed the auditors and the Audit Committee of:
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Rajeev Jain
Managing Director

Rajesh Viswanathan
Chief Financial Officer

Pune: 20 May 2015

Declaration on Code of Conduct

To,

The Board of Directors,
Bajaj Finance Limited

I, Rajeev Jain, Managing Director of Bajaj Finance Limited hereby declare that all the Board members and senior managerial personnel have affirmed, for the year ended 31 March 2015, compliance with the code of conduct of the Company laid down for them.

Pune: 20 May 2015

Rajeev Jain
Managing Director

Consolidated Financial Statements

Independent Auditors' Report

To the members of **Bajaj Finance Limited**

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Bajaj Finance Limited ('hereinafter referred to as the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), comprising of the consolidated Balance Sheet as at 31 March 2015, the consolidated Statement of Profit and Loss (refer note 1(c) to the attached consolidated financial statements) and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as 'the Consolidated Financial Statements').

Management's responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 has been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditors' responsibility

3. 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 and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, 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, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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.
6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. 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 2015 and their consolidated profit for the year ended on that date.

Independent Auditors' Report (Contd.)

Report on other legal and regulatory requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies incorporated in India (refer note 1[a] to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. 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 purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by Law maintained by the Holding Company, its subsidiaries incorporated in India included in the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and its subsidiaries incorporated in India.
 - (c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries incorporated in India, included in the Group, including relevant records relating to the preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies incorporated in India, on 31 March 2015 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31 March 2015 from being appointed as a director in terms of section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditor's) 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, if any, of pending litigations as at 31 March 2015 on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable Law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts as at 31 March 2015. The Group did not have long-term derivative contracts as at 31 March 2015.
 - 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 there were no amounts required to be transferred to Investor Education and Protection Fund by subsidiary companies incorporated in India during the year ended 31 March 2015.

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

S. Venkatesh
Partner
Membership Number: 037942
Pune: 20 May 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Bajaj Finance Limited on the Consolidated Financial Statements as of and for the year ended 31 March 2015

1. (a) The Holding Company and its subsidiaries incorporated in India are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management of the Holding Company according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the aforesaid Holding Company and the nature of its assets. The subsidiaries incorporated in India do not have any tangible assets and hence the question of verification does not arise.
2. The Holding Company is in the business of financing and consequently does not hold any inventory. The subsidiaries incorporated in India are yet to start business or are in the business of rendering services, and consequently, do not hold any inventory. Therefore, the provisions of clause 3(ii) of the said Order are not applicable to such Holding Company and its subsidiaries.
3. The Holding Company and its subsidiaries incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3 (iii)(a) and (iii)(b) of the said Order are not applicable to the aforesaid Holding Company and its subsidiaries.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiaries incorporated in India and the nature of their respective businesses for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the aforesaid Holding Company and its subsidiaries incorporated in India and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In our opinion, and according to the information and explanations given to us the Holding Company has complied with the provisions of sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits. The subsidiaries incorporated in India have not accepted any deposits from the public within the meaning of sections 73, 74, 75 and 76 of the Act and the rules framed thereunder to the extent notified.
6. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services of the Holding Company and its subsidiaries incorporated in India.
7. (a) In our opinion, and according to the information and explanations given to us and the records of the Holding Company and its subsidiaries incorporated in India examined by us, the Holding Company and its subsidiaries are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Holding Company there are no dues of income-tax, wealth-tax, duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax as at 31 March 2015 which have not been deposited on account of a dispute, are as follows:

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Sales Tax	Sales Tax	0.86	2005-06 to 2008-09	Additional Commissioner
	Sales tax	0.09	2005-06	Appellate Tribunal
	Sales tax	1.54	2008-09 to 2011-12	Rajasthan Tax Board
	Sales tax	0.70	2012-13 to July 14	Deputy Commissioner Appeals
	Sales tax	1.31	2005-06 to 2006-07	Sales Tax Appellate Tribunal
Central Excise	Service Tax	0.76	2007-08 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal
	Service Tax	0.22	2012-13	Commissioner Appeals

Annexure to Independent Auditors' Report (Contd.)

According to the information and explanations given to us and the records of the subsidiaries incorporated in India examined by us, there are no dues of income tax, sales tax, wealth tax, duty of customs, duty of excise, service tax which have not been deposited on account of any dispute.

- c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder. There are no amounts required to be transferred by the subsidiaries incorporated in India to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
8. The Holding Company has no accumulated losses as at the end of the financial year and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year. The accumulated losses of one of the subsidiary did not exceed fifty percent of its net worth as at 31 March 2015 and it has not incurred cash losses in the financial year ended on that date. However, it had incurred cash losses in the immediately preceding financial year. The other subsidiary's accumulated losses exceeded fifty percent of its net worth as at the end of the financial year and it has not incurred cash losses in the financial year ended on that date. However, it had incurred cash losses in the immediately preceding financial year.
9. According to the records of the Holding Company examined by us and the information and explanations given to us, the Holding Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date. As the subsidiaries incorporated in India do not have any borrowings from any financial institution or bank nor have they issued any debentures as at the balance sheet date, the provisions of clause 3(ix) of the Order are not applicable to the aforesaid subsidiaries.
10. In our opinion, and according to the information and explanations given to us, the Holding Company and its subsidiaries incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the aforesaid Holding Company and its subsidiaries.
11. In our opinion, and according to the information and explanations given to us the term loans obtained by the Holding Company have been applied for the purposes for which they were obtained. The subsidiaries incorporated in India have not raised any term loans. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the aforesaid subsidiaries.
12. During the course of our examination of the books and records of the Holding Company and its subsidiaries incorporated in India, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context of the size of the Holding Company and the nature of its business and which have been provided for.

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

S. Venkatesh
Partner
Membership Number: 037942
Pune: 20 May 2015

Consolidated Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March 2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	50.00
Reserves and surplus	4	4,749.71
		4,799.71
Non-current liabilities		
Long-term borrowings	5	18,273.51
Other long-term liabilities	6	135.77
Long-term provisions	7	152.08
		18,561.36
Current liabilities		
Short-term borrowings	8	4,313.90
Trade payables	9	269.04
Other current liabilities	9	4,700.09
Short-term provisions	7	167.23
		9,450.26
Total		32,811.33
ASSETS		
Non-current assets		
Fixed assets	10	
Tangible assets		218.26
Intangible assets		30.92
		249.18
Goodwill on consolidation		3.27
Non-current investments	11	147.09
Deferred tax assets (net)	12	212.28
Receivables under financing activity	13	18,119.67
Long-term loans and advances	14	89.97
Other non-current assets - Fixed deposits with bank		0.24
		18,821.70
Current assets		
Current investments	11	179.20
Receivables under financing activity	13	13,079.78
Cash and bank balances	15	220.87
Short-term loans and advances	14	343.92
Other current assets	16	165.86
		13,989.63
Total		32,811.33

Statement of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Rajeev Jain
Managing Director

Rahul Bajaj
Chairman

S. Venkatesh
Partner
Membership Number: 037942

Rajesh Viswanathan
Chief Financial Officer

Sanjiv Bajaj
Vice Chairman

Pune: 20 May 2015

Anant Damle
Company Secretary

Nanoo Pamnani
Vice Chairman and
Chairman - Audit Committee

Consolidated Statement of Profit and Loss

(₹ In Crore)		
Particulars	Note No.	For the year ended 31 March 2015
Revenue		
Revenue from operations	17	5,381.80
Other income	18	36.48
Total revenue (I)		5,418.28
Expenses		
Employee benefits expense	19	450.73
Finance costs	20	2,248.27
Depreciation and Amortisation	10	35.60
Loan losses and provisions	21	384.56
Other expenses	22	942.17
Total expenses (II)		4,061.33
Profit before tax (I - II)		1,356.95
Tax expense:		
Current tax		531.75
Deferred tax expense/(credit)		(73.12)
Tax adjustments of earlier years		0.44
Total tax expense		459.07
Profit for the year		897.88
Earnings per share:	23	
(Face value per share ₹ 10/-)		
Basic (₹)		179.94
Diluted (₹)		177.70
Statement of significant accounting policies	2	

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

S. Venkatesh
Partner
Membership Number: 037942

Pune: 20 May 2015

Rajeev Jain
Managing Director

Rajesh Viswanathan
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 2015

- 1 (a) The consolidated financial statements include results of the following subsidiaries of Bajaj Finance Limited, consolidated in accordance with Accounting Standard-21 'Consolidated Financial Statements'.

Name of the Company	Country of incorporation	% Shareholding of Bajaj Finance Limited	Consolidated as
Bajaj Housing Finance Limited	India	100%	subsidiary
Bajaj Financial Securities Limited*	India	100%	subsidiary

* Bajaj Financial Securities Limited is a wholly owned subsidiary of Bajaj Housing Finance Limited

The consolidated results of Bajaj Housing Finance Limited include 100% interest in Bajaj Financial Securities Limited as a subsidiary.

On 1 November 2014, Bajaj Finance Limited has acquired from its Holding Company, Bajaj Finserv Limited, its wholly owned subsidiary Bajaj Financial Solutions Limited (name changed to Bajaj Housing Finance Limited w.e.f. 14 November 2014) together with its subsidiary Bajaj Financial Securities Limited for consideration of ₹ 17 crore. On 12 December 2014, Bajaj Finance Limited has further subscribed to 11,000,000 equity shares of face value ₹ 10 each offered by Bajaj Housing Finance Limited on rights basis at par.

- (b) Disclosure in terms of Schedule III of the Companies Act, 2013:

(₹ In Crore)

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 and loss	Amount
Bajaj Finance Limited	100%	4,797.08	100%	897.87
Bajaj Housing Finance Limited		1.27		0.01
Bajaj Financial Securities Limited		1.36		

- (c) Since the Company acquired its first subsidiary during the year on 1 November 2014 consequent to which the Company has prepared these consolidated financial statements for the first time, preparation of consolidated cash flow statement under the indirect method is not possible and thus the same has not been prepared. Similarly, no previous period comparatives have been presented.

- (d) Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

2 (I) Statement of significant accounting policies and practices

- (a) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i.e. year ended 31 March.
- (b) These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956 shall continue to apply. Accordingly, these consolidated financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 and the RBI guidelines/regulations to the extent applicable.

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

2 (I) Statement of significant accounting policies and practices (Contd.)

- (c) All assets and liabilities have been classified as current or non-current as per the criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of the products 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.

(II) Principles of consolidation

- (a) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits.
- (b) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies.
- (c) 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.

(III) Since the subsidiary, viz. Bajaj Housing Finance Limited has not commenced business of housing finance during the year and both the subsidiaries are insignificant in context of the consolidated group, the consolidated financial statements largely reflect the results of the parent and hence other significant accounting policies followed by the group can be referred to in note no. 2 to the standalone financial statements of the parent.

3 Share capital

		(₹ In Crore)
Particulars		As at 31 March 2015
Authorised:		
75,000,000 equity shares of ₹ 10 each		75.00
Issued:		
50,147,259 equity shares of ₹ 10 each		50.15
Subscribed and paid up:		
50,147,259 equity shares of ₹ 10 each fully called up and paid up		50.15
Less: 146,861 equity shares of ₹ 10 each held in a trust for employees under ESOP Scheme (See footnote 'e' below)		0.15
		50.00

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

Particulars	As at 31 March 2015	
	Nos.	₹ In Crore
At the beginning of the year (subscribed and paid up)	50,142,334	50.14
Add: Issued during the year - Employee Stock Option Plan	4,925	0.01
	50,147,259	50.15
Less: Equity shares held in trust for employees under ESOP scheme (See footnote 'e' below)	146,861	0.15
Outstanding at the end of the year	50,000,398	50.00

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

3 Share Capital (Contd.)

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Equity shares allotted on conversion of preferential warrants, i.e. 1,310,000 equity shares are restricted from transfer other than inter se promoter group up to 10 December 2015.

c) Shares held by Holding Company (Face value ₹ 10)

Particulars	As at 31 March 2015	
	Nos.	₹ In Crore
Bajaj Finserv Limited*	30,856,613	30.86
	30,856,613	30.86

* An associate of Bajaj Holdings and Investments Limited

d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2015	
	Nos.	₹ In Crore
Equity shares of ₹ 10 each fully paid	30,856,613	61.53%
Bajaj Finserv Limited*		

* An associate of Bajaj Holdings and Investments Limited

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

2,507,116 equity shares (i.e. 5% of the paid up equity share capital) have been 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), of which 1,890,680 equity shares have been granted as per the scheme and 791,925 thereof have been issued and allotted to ESOP trust, viz. BFL Employee Welfare Trust, up to 31 March 2015. 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 amounting to 146,861 have been reduced against the Share Capital of the Company as if the trust is administered by the Company itself. The securities premium related to the unexercised equity shares held by the trust as at the close of the year aggregating ₹ 103,110,017 has also been reduced from securities premium account and adjusted against the loans outstanding from the trust.

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

4 Reserves and surplus

Particulars	(₹ In Crore) As at 31 March 2015
Share premium	
Balance as at the beginning of the year	1,926.21
Add: Received during the year:	
On issue of shares under Employee Stock Option Plan	0.67
	1,926.88
Less: Premium on unexercised equity shares held in trust for employees under the ESOP scheme (See note no. 3 footnote 'e')	10.31
Balance as at the end of the year	1,916.57
Capital reserve	
Amount previously received on forfeited equity shares re-issued (₹ 5,000)	
Reserve fund in terms of section 45IC(1) of the Reserve Bank of India Act, 1934	
Balance as at the beginning of the year	484.75
Add: Set aside during the year	185.00
Balance as at the end of the year	669.75
General reserve	
Balance as at the beginning of the year	383.60
Add: Set aside during the year	90.00
Balance as at the end of the year	473.60
Infrastructure reserve in terms of section 36 (1) (viii) of the Income Tax Act, 1961	
Balance as at the beginning of the year	3.65
Add: Set aside during the year	2.10
Balance as at the end of the year	5.75
Surplus in the Statement of Profit and Loss	
Balance as at the beginning of the year	1,171.91
Profit for the year	897.88
	2,069.79
Less: Appropriations:	
Transfer to Reserve fund in terms of section 45IC(1) of the Reserve Bank of India Act, 1934	185.00
Transfer to Infrastructure reserve in terms of section 36 (1) (viii) of the Income Tax Act, 1961	2.10
Transfer to General reserve	90.00
Proposed dividend	90.27
Provision for dividend tax on dividend	18.38
Total appropriations	385.75
Balance as at the end of the year	1,684.04
	4,749.71

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

5 Long-term borrowings

Particulars	(₹ In Crore)	
	Non-current As at 31 March 2015	Current As at 31 March 2015
A) Secured		
Privately placed redeemable non-convertible debentures 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.	7,164.10	1,701.00
From banks, against hypothecation of assets under finance, book debts and other receivables	9,284.47	2,142.20
	16,448.57	3,843.20
Less: Shown under other current liabilities (See note no. 9)	-	(3,843.20)
Total (A)	16,448.57	-
B) Unsecured		
Privately placed redeemable non-convertible debentures	-	50.00
Privately placed subordinated (Tier II) redeemable non-convertible debentures of ₹ 0.10 crore each	988.30	-
Term loans from banks	175.00	-
Fixed deposits	661.64	210.05
	1,824.94	260.05
Less: Shown under other current liabilities (See note no. 9)	-	(260.05)
Total (B)	1,824.94	-
Total (A+B)	18,273.51	-

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

		(₹ In Crore)		
Date of maturity	Repayment schedule	Of face value ₹ 1 crore	Of face value ₹ 10 crore	Non-current
				As at 31 March 2015
Nov 24	Bullet repayment	-	100.00	100.00
Mar 20	Bullet repayment	-	25.00	25.00
Dec 19	Bullet repayment	-	125.00	125.00*
Nov 19	Bullet repayment	-	15.00	15.00
Oct 19	Bullet repayment	-	180.00	180.00*
Aug 19	Bullet repayment	-	72.50	72.50*
Jul 19	Bullet repayment	-	145.00	145.00*
Apr 19	Bullet repayment	-	45.00	45.00
Jan 19	Bullet repayment	-	50.00	50.00
May 18	Bullet repayment	-	159.00	159.00*

Notes to consolidated financial statements for the year ended 31 March 2015 (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 ₹ 1 crore	Of face value ₹ 10 crore	Non-current
				As at 31 March 2015
Apr 18	Bullet repayment	-	267.00	267.00*
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	-	49.90	49.90
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	-	191.40	191.40
Jul 17	Bullet repayment	-	5.00	5.00
Jun 17	Bullet repayment	-	300.00	300.00
May 17	Bullet repayment	-	5.30	5.30
Apr 17	Bullet repayment	-	361.30	361.30*
Mar 17	Bullet repayment	-	100.80	100.80
Feb 17	Bullet repayment	-	61.90	61.90
Jan 17	Bullet repayment	-	352.00	352.00*
Dec 16	Bullet repayment	-	129.00	129.00
Nov 16	Bullet repayment	-	150.60	150.60
Oct 16	Bullet repayment	-	725.00	725.00*
Sep 16	Bullet repayment	-	264.90	264.90
Aug 16	Bullet repayment	-	775.00	775.00
Jul 16	Bullet repayment	-	40.00	40.00
May 16	Bullet repayment	-	110.00	110.00
Apr 16	Bullet repayment	-	349.00	349.00
				7,164.10

Note:

As on 31 March 2015, of the total non-current secured zero coupon bonds issued, ₹ 2,467.30 crore were issued at a premium

*Related parties are current holders of ₹ 425 crore of the mentioned issue - See note no. 26 for disclosures

Interest rates range from 8.85% p.a. to 10.00% p.a. as at 31 March 2015

D) Terms of repayment of bank loans - secured

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current
		As at 31 March 2015
Mar 20	Bullet repayment	300.00
Feb 20	Bullet repayment	100.00
Dec 19	Bullet repayment	200.00
	4 quarterly payments of ₹ 37.5 crore starting Jun 19	150.00

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

5 Long-term borrowings (Contd.)**D) Terms of repayment of bank loans - secured** (Contd.)

		(₹ In Crore)
		Non-current
Date of maturity	Repayment schedule	As at 31 March 2015
	4 quarterly payments of ₹ 50 crore starting Jun 19	200.00
	4 quarterly payments of ₹ 25 crore starting Mar 19	100.00
	4 quarterly payments of ₹ 25 crore starting Mar 19	100.00
	4 quarterly payments of ₹ 12.5 crore starting Mar 19	50.00
Dec 18	Bullet repayment	200.00
	4 quarterly payments of ₹ 25 crore starting Dec 18	100.00
	4 quarterly payments of ₹ 50 crore starting Sep 18	200.00
	4 quarterly payments of ₹ 25 crore starting Sep 18	100.00
	4 semi-annual payments of ₹ 25 crore starting Sep 18	100.00
	4 semi-annual payments of ₹ 25 crore starting Aug 18	100.00
Jun 18	Bullet repayment	100.00
	4 semi-annual payments of ₹ 25 crore starting Jun 18	100.00
	4 quarterly payments of ₹ 25 crore starting Jun 18	100.00
	4 quarterly payments of ₹ 37.5 crore starting Jun 18	150.00
	4 quarterly payments of ₹ 25 crore starting May 18	100.00
	4 quarterly payments of ₹ 25 crore starting May 18	100.00
	4 semi-annual payments of ₹ 25 crore starting Apr 18	100.00
	4 semi-annual payments of ₹ 25 crore starting Apr 18	100.00
	4 quarterly payments of ₹ 25 crore starting Apr 18	100.00
	4 quarterly payments of ₹ 25 crore starting Mar 18	100.00
	4 semi-annual payments of ₹ 12.5 crore starting Mar 18	50.00
Mar 18	Bullet repayment	200.00
Feb 18	Bullet repayment	100.00
Jan 18	Bullet repayment	250.00
Dec 17	Bullet repayment	300.00
	4 semi-annual payments of ₹ 12.5 crore starting Dec 17	50.00
	4 semi-annual payments of ₹ 50 crore starting Dec 17	200.00
	4 quarterly payments of ₹ 100 crore starting Dec 17	400.00
	4 semi-annual payments of ₹ 12.5 crore starting Dec 17	50.00
	4 semi-annual payments of ₹ 25 crore starting Dec 17	100.00
	4 semi-annual payments of ₹ 25 crore starting Dec 17	100.00
Oct 17	Bullet repayment	100.00
	4 semi-annual payments of ₹ 25 crore starting Sep 17	100.00
	4 semi-annual payments of ₹ 62.5 crore starting Sep 17	250.00
	4 semi-annual payments of ₹ 12.5 crore starting Sep 17	50.00
	4 semi-annual payments of ₹ 25 crore starting Sep 17	100.00
	4 semi-annual payments of ₹ 37.50 crore starting Sep 17	150.00
	4 semi-annual payments of ₹ 25 crore starting Sep 17	100.00

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

5 Long-term borrowings (Contd.)

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

		(₹ In Crore)
		Non-current
Date of maturity	Repayment schedule	As at 31 March 2015
Aug 17	Bullet repayment	150.00
	4 semi-annual payments of ₹ 25 crore starting Aug 17	100.00
Jul 17	Bullet repayment	100.00
Jun 17	Bullet repayment	235.00
	4 semi-annual payments of ₹ 37.50 crore starting Jun 17	150.00
	4 semi-annual payments of ₹ 25 crore starting Jun 17	100.00
May 17	Bullet repayment	50.00
	4 semi-annual payments of ₹ 25 crore starting May 17	100.00
	4 semi-annual payments of ₹ 25 crore starting Mar 17	100.00
Mar 17	Bullet repayment	250.00
Dec 16	Bullet repayment	400.00
Aug 16	Bullet repayment	150.00
Jul 16	Bullet repayment	400.00
Jun 16	Bullet repayment	50.00
May 16	Bullet repayment	50.00
	4 quarterly payments of ₹ 50 crore starting Mar 16	150.00
	16 quarterly payments of ₹ 6.25 crore starting Feb 16	93.75
	7 quarterly payments of ₹ 21.4286 crore starting Feb 16	128.57
	7 quarterly payments of ₹ 15 crore starting Feb 16	90.00
Dec 15	Bullet repayment	-
	7 quarterly payments of ₹ 15 crore starting Dec 15	75.00
Nov 15	Bullet repayment	-
	7 quarterly payments of ₹ 20 crore starting Nov 15	100.00
Oct 15	Bullet repayment	-
Sep 15	Bullet repayment	-
	7 quarterly payments of ₹ 14.2857 crore starting Aug 15	57.14
Jul 15	Bullet repayment	-
Jun 15	Bullet repayment	-
May 15	Bullet repayment	-
Apr 15	Bullet repayment	-
	3 semi-annual payments of ₹ 33.334 crore starting Mar 15	-
	4 quarterly payments of ₹ 25 crore starting Feb 15	-
	4 quarterly payments of ₹ 25 crore starting Jul 14	-
	3 annual payments of ₹ 26.667 crore starting Jun 14	26.67
	3 annual payments of ₹ 73.334 crore starting Jun 14	73.34
	5 semi-annual payments of ₹ 30 crore starting May 14	30.00
	5 semi-annual payments of ₹ 10 crore starting Mar 14	-

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

5 Long-term borrowings (Contd.)**D) Terms of repayment of bank loans - secured** (Contd.)

		(₹ In Crore)
		Non-current
Date of maturity	Repayment schedule	As at 31 March 2015
	5 semi-annual payments of ₹ 20 crore starting Feb 14	-
	3 annual payments of ₹ 100 crore starting Aug 13	-
	16 quarterly payments of ₹ 18.75 crore starting May 13	75.00
		9,284.47

Note:

Interest rates range from 9.65% p.a.p.m. to 10.30% p.a.payable monthly as at 31 March 2015

E) Details of privately placed unsecured redeemable non-convertible debentures - subordinated debt issued at face value of ₹ 0.10 Crore

		(₹ In Crore)
		Non-current
Date of maturity		As at 31 March 2015
Sep 24		452.50
Apr 23		50.00
Jan 23		49.70*
Aug 22		157.40
May 21		50.00
Oct 20		36.20*
Sep 20		27.50
Jul 20		50.00
Jun 20		50.00*
Apr 20		65.00
		988.30

Note:

Interest rates range from 9.45% p.a. to 10.21% p.a. as at 31 March 2015

*Related parties are current holders of ₹ 2.5 crore of the mentioned issue - See note no. 26 for disclosures

F) Terms of repayment of bank loans - unsecured

		(₹ In Crore)
		Non-current
Date of maturity	Repayment schedule	As at 31 March 2015
Jun 17	Bullet repayment	100.00
Nov 16	Bullet repayment	75.00
		175.00

Note:

Interest rate at 10.05% p.a. payable monthly as at 31 March 2015

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

5 Long-term borrowings (Contd.)

G) Terms of repayment of fixed deposits:

		(₹ In Crore)
		Non-current
Maturing up to	Repayment schedule	As at 31 March 2015
Mar 20		8.16
Mar 19		6.17
Mar 18		258.96
Mar 17		388.35
		661.64

Note:

Interest rates range from 7% p.a. to 10.25% p.a. as at 31 March 2015

Includes fixed deposits accepted from:

- (i) Related Parties aggregating to ₹ 13.50 crore
- (ii) Key Managerial Persons aggregating to ₹ 0.01 crore

6 Other long-term liabilities

		(₹ In Crore)
		As at 31 March 2015
Particulars		
Trade payables		32.21
Others:		
Security deposits		17.11
Other payables		4.29
Interest accrued but not due		82.16
		135.77

7 Provisions

		(₹ In Crore)
		Long-term
		Short-term
Particulars	As at 31 March 2015	As at 31 March 2015
Provision for employee benefits:		
Gratuity	-	2.15
Privilege leave entitlements	-	16.17
	-	18.32
Other provisions:		
Proposed dividend [See (i) below]	-	90.27
Tax on proposed dividend	-	18.38
General provision on standard assets	136.17	-
Provision for restructured standard assets	8.78	-
Provision for interest sacrifice on re-structured assets	7.13	-
Provision for tax (net of advance tax ₹ 491.49 crore)	-	40.26
	152.08	148.91
	152.08	167.23

- (i) During the year ended 31 March 2015, the dividend proposed for distribution to equity shareholders was ₹ 18/- per share (previous year ₹ 16/- per share)

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

8 Short-term borrowings

		(₹ In Crore)
Particulars		As at 31 March 2015
A) Secured		
From banks, against hypothecation of assets under finance, book debts and other receivables:		
Cash credit and demand loans		2,002.69
Overdraft facility		239.87
Other short-term loans		-
Total (A)		2,242.56
B) Unsecured		
From banks:		
Overdraft facility		28.37
Term loans		500.00
Fixed deposits		111.67
		640.04
Borrowings by issue of Commercial Papers		1,431.30
Total (B)		2,071.34
Total (A+B)		4,313.90

Terms of repayment of unsecured short-term loans

		(₹ In Crore)
Date of maturity		As at 31 March 2015
Apr-15		500.00
		500.00
Note:		
Interest rate is 10% p.a. payable monthly as at 31 March 2015		

Terms of repayment of commercial papers

		(₹ In Crore)
Date of maturity		As at 31 March 2015
Feb 16		200.00
Nov 15		10.00
Oct 15		94.00
Aug 15		85.00
Jun 15		500.80
May 15		491.50
Apr 15		50.00
		1,431.30
Note:		
Interest rates range from 8.75% p.a. to 9.55% p.a. as at 31 March 2015		

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

8 Short-term borrowings (Contd.)

(₹ In Crore)

Terms of repayment of fixed deposits

Date of maturity	As at 31 March 2015
Mar 16	6.03
Feb 16	46.13
Jan 16	0.61
Dec 15	0.40
Nov 15	0.68
Oct 15	50.35
Sep 15	1.75
Aug 15	0.41
Jul 15	0.47
Jun 15	0.38
May 15	0.60
Apr 15	3.86
	111.67

Note:

Interest rates range from 8.9% p.a. to 10% p.a. as at 31 March 2015

9 Current liabilities

(₹ In Crore)

Particulars	As at 31 March 2015
Trade payables	269.04
Other current liabilities	
Current maturities of long-term borrowings: (See note no. 5)	
Secured loans	3,843.20
Unsecured loans	260.05
	4,103.25
Interest accrued but not due	492.62
Interest accrued and due	0.01
Income received in advance	0.01
Unclaimed dividend	0.77
Investor Education and Protection Fund (₹ 4,682: Since paid)	
Others:	
Statutory dues	25.42
Security deposits	0.80
Employee benefits payable	40.69
Other/miscellaneous payables	36.52
	4,700.09

Note:

In absence of any information on earlier requests to the vendors with regards to their registration (filing of memorandum) under 'The Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)' and in view of the terms of payments not exceeding 45 days, which has been promptly paid, no liability exists at the close of the year and hence no disclosures have been made in this regard.

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

10 Fixed assets

(₹ In Crore)

Particulars	Gross block at cost				Depreciation and amortisation				Net block	
	As at 31 March 2014	Additions	Deductions/ adjustments	As at 31 March 2015	As at 31 March 2014	Depreciation written back (c)	Deductions/ adjustments	For the Year	As at 31 March 2015	As at 31 March 2015
A) Tangible assets (b):										
Assets relating to erstwhile leasing:										
Plant and Machinery	17.64	-	17.64	-	17.64	-	17.64	-	-	-
Leasehold improvements	9.22	12.45	-	21.67	1.43	-	-	4.13	5.56	16.11
Other assets:										
Land freehold (a)	2.26	-	-	2.26	-	-	-	-	-	2.26
Building (a)	157.72	0.62	0.16	158.18	21.65	-	-	6.66	28.31	129.87
Computers	42.27	9.45	2.26	49.46	28.06	5.38	1.82	12.53	33.39	16.07
Office equipments	19.74	9.34	0.12	28.96	4.53	2.48	0.02	7.69	9.72	19.24
Furniture and Fixtures	26.64	14.10	(0.28)	41.02	11.16	3.85	0.04	5.31	12.58	28.44
Vehicles	9.29	3.04	1.19	11.14	3.47	1.99	0.61	4.00	4.87	6.27
TOTAL (A)	284.78	49.00	21.09	312.69	87.94	13.70	20.13	40.32	94.43	218.26
B) Intangible assets:										
Specialised software (b)	23.03	16.87	8.98 (b)	30.92	-	-	-	-	-	30.92
TOTAL (B)	23.03	16.87	8.98	30.92	-	-	-	-	-	30.92

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

b) Amount amortised as expense

c) Effective 1 April 2014:

(a) The Company changed the method of computing depreciation on all assets except buildings from written down value to straight line method. The impact of this change in accounting policy has been calculated retrospectively from the date of addition of the asset and consequently the opening carrying value has been restated by writing back the excess depreciation aggregating ₹ 13.70 crore to the Statement of Profit and Loss.

(b) Thereupon, consequent to Schedule II of the Companies Act, 2013 becoming effective from 1 April, 2014, depreciation has been computed over the revised useful life of the asset in the manner specified in schedule II. As a result of change in the estimate, the charge on account of depreciation for the year is higher by ₹ 7.50 crore.

(c) Depreciation and amortisation, recognised in the Statement of Profit and Loss.

	For the year ended 31 March 2015
Depreciation	40.32
Amortisation of intangible assets	8.98
	49.30
Less: Write back due to change in policy	(13.70)
	35.60

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

11 Investments

Particulars	(₹ In Crore)	
	Non-current As at 31 March 2015	Current As at 31 March 2015
(A) In Government and Trust Securities:		
Other than trade:		
Unquoted:		
Long-term		
11.83% Government of India Stock, 2014 of the face value of ₹ 5 crore	-	-
8.27% Government of India Stock, 2020 of the face value of ₹ 25 crore	25.44	-
8.27% Government of India Stock, 2020 of the face value of ₹ 60 crore	-	61.46
8.28% Government of India Stock, 2027 of the face value of ₹ 25 crore	26.06	-
8.40% Government of India Stock, 2024 of the face value of ₹ 15 crore	15.60	-
8.60% Government of India Stock, 2028 of the face value of ₹ 75 crore	80.01	-
8.60% Government of India Stock, 2028 of the face value of ₹ 50 crore	-	53.47
8.83% Government of India Stock, 2023 of the face value of ₹ 40 crore	-	42.63
	147.11	157.56
Less: Amortisation of premium	(0.02)	(0.10)
Less: Marked to market losses on investments	-	(0.26)
Total (A)	147.09	157.20
(B) In fully paid equity shares:		
Other than trade:		
Quoted:		
Long-term		
75 Shares of ₹ 10 each in Bajaj Holdings and Investments Limited ₹ 19,646		-
150 Shares of ₹ 10 each in Bajaj Auto Limited ₹ 7,685		
Sub - Total ₹ 27,331		-
Total (B)		-
(C) In mutual funds:		
Unquoted:		
IDFC Money Manager Fund Treasury Plan C - Growth - Defunt (101,780 units of the face value of ₹ 10/- each)	-	0.13
IDFC Money Manager Fund Treasury Plan C - Growth - Direct (73,867 units of the face value of ₹ 10/- each)	-	0.55
Birla Sun Life Savings Fund - Growth - Direct Plan (418,358 units of the face value of ₹ 100/- each)	-	11.00
ICICI Prudential Flexible Income - Regular Plan - Growth (567,920 units of the face value of ₹ 100/- each)	-	9.86
ICICI Prudential Flexible Income - Direct Plan - Growth (3,382 units of the face value of ₹ 100/- each)	-	0.46
Total (C)	-	22.00
Total (A+B+C)	147.09	179.20

Particulars	(₹ In Crore)	
	Book value As at 31 March 2015	Market value As at 31 March 2015
Quoted	-*	0.04
Unquoted	326.29	-

* At cost ₹ 27,331

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

12 Deferred tax assets (net)

		(₹ In Crore)
Particulars		As at 31 March 2015
A) Deferred tax liability		
On account of timing difference in depreciation and amortisation		(12.73)
Gross deferred tax liability	Total (A)	(12.73)
B) Deferred tax asset		
On account of timing difference in:		
Disallowance u/s 43B of the Income Tax Act, 1961		5.60
Provision for doubtful debts		203.24
Other assets		16.17
Gross deferred tax asset	Total (B)	225.01
	Total (A+B)	212.28

13 Receivables under financing activity

(Good unless otherwise stated)

		(₹ In Crore)
Particulars	Non current	Current
	As at 31 March 2015	As at 31 March 2015
(I) Secured		
(i) (a) Against hypothecation of automobiles, equipments, durables etc. (Includes overdue installments ₹ 330 crore)	1,273.50	7,099.28
(b) Stock of repossessed vehicles under finance agreements at estimated realisable/balance value	-	13.92
	1,273.50	7,113.20
(c) Overdue installments under Finance Agreements considered doubtful	-	239.62
Less: Provision:		
(i) Against Non Performing Assets (NPAs)	-	(171.39)
(ii) Against loss estimations of delinquent receivables not yet NPAs	-	(68.23)
	-	-
	1,273.50	7,113.20
(ii) Against equitable mortgage of immovable property under finance agreements (Includes overdue installments ₹ 11.44 Crore)		
Good	11,319.42	717.21
Doubtful	-	40.20
Less: Provision:		
(i) Against Non Performing Assets (NPAs)	-	(34.26)
(ii) Against loss estimations of delinquent receivables not yet NPAs	-	(5.94)
	-	-
Carried forward	11,319.42	717.21

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

13 Receivables under financing activity
(Good unless otherwise stated)

Particulars	(₹ In Crore)	
	Non current As at 31 March 2015	Current As at 31 March 2015
Brought forward	11,319.42	717.21
(iii) Infrastructure Finance:		
Against joint hypothecation of plant and machinery, immovable property and other assets (Includes overdue installments ₹ 35.99 Crore)		
Good	398.15	20.30
Doubtful	-	22.40
Less: Provision:		
Against Non Performing Assets (NPAs)	-	(22.40)
	-	-
	398.15	20.30
(iv) Loan against shares (secured by pledge of shares)	82.98	1,502.29
Total (I)	13,074.05	9,353.00
(II) Unsecured: +		
(i) Loans at agreement values less installments received (Includes overdue installments ₹ 130.81 Crore)		
Good	5,045.62	3,726.78
Doubtful	-	134.13
Less: Provision:		
(i) Against Non Performing Assets (NPAs)	-	(111.48)
(ii) Against loss estimations of delinquent receivables not yet NPAs	-	(22.65)
	5,045.62	3,726.78
Total (II)	5,045.62	3,726.78
Total (I + II)	18,119.67	13,079.78

+ Includes receivables from related parties amounting to ₹ 46.69 crore

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

14 Loans and advances, unsecured, good
(unless otherwise stated)

Particulars	(₹ In Crore)	
	Non current	Current
	As at 31 March 2015	As at 31 March 2015
Capital advances	1.50	-
Security deposits	15.38	-
Advances to related parties	-	30.29
Advance tax (net of provision for taxation ₹ 1,262.14 crore)	72.33	-
Advances to dealers	-	229.28
Discount on commercial papers/NCDs raised representing interest paid in advance	-	36.07
Advances recoverable in cash or kind:		
Unsecured considered good	0.76	48.28
Doubtful	-	2.34
Less: Provision	-	(2.34)
	-	-
	0.76	48.28
	89.97	343.92

15 Cash and bank balances

Particulars	(₹ In Crore)	
	Current	
	As at 31 March 2015	
Cash and cash equivalents		
Cash on hand		6.16
Cash with collecting agents		35.69
Cash equivalents:		
Bank balance in cash credit/current accounts		177.00
Other bank balances		1.16
Certificates of deposits (maturity less than 3 months from date of acquisition)		-
		220.01
Other bank balances		
Earmarked balances with bank (against fixed deposit maturities and unclaimed dividend)		0.86
		0.86
		220.87

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

16 Other current assets

Particulars	As at 31 March 2015
Interest receivable on investments	7.27
Other finance charges receivable	153.81
Receivables from related parties	1.10
Other receivables	3.68
	165.86

17 Revenue from operations

Particulars	For the year ended 31 March 2015
Finance activity:	
a) Financing charges	3,524.27
b) Interest on loans	1,368.00
c) Service and administration charges	227.70
	5,119.97
Other operating revenue:	
(i) Interest	
(a) On deposits	21.47
(b) Penal and others	138.24
	159.71
(ii) Profit on sale of current investments, net*	43.93
(iii) Bad debt recoveries	19.01
(iv) Miscellaneous charges and receipts	39.18
	261.83
	5,381.80

* 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 2015 (Contd.)

18 Other Income

		(₹ In Crore)
Particulars		For the year ended 31 March 2015
Interest:		
On Government and trust securities, current investments		9.55
Amortisation of premium/discount		(0.08)
		9.47
Dividend from non-current (₹ 11,625)		
Miscellaneous income		0.66
Provisions no longer required		8.00
Sundry credit balances appropriated		17.35
Interest on income tax refunds, net		0.97
Net gain/(loss) on sale of investments		0.01
Interest accrued on fixed deposits		0.02
		36.48

19 Employee benefits expense

		(₹ In Crore)
Particulars		For the year ended 31 March 2015
Employees' emoluments: (Includes Managerial Remuneration)		
Salaries, wages and bonus		413.24
Contribution to provident and other funds		18.51
Staff welfare expenses		18.98
		450.73

20 Finance costs

		(₹ In Crore)
Particulars		For the year ended 31 March 2015
Interest expenses		1,845.40
Discount in respect of 'commercial papers'		383.81
Other financing costs		19.06
		2,248.27

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

21 Loan losses and provisions

		(₹ In Crore)
Particulars		For the year ended 31 March 2015
Bad debts written off		182.53
Provision release on account of bad debts written off		(139.47)
Provision for standard assets		33.85
Provision for restructured standard assets		7.16
Provision for delinquencies		300.49
		384.56

22 Other expenses

		(₹ In Crore)
Particulars		For the year ended 31 March 2015
Insurance		0.50
Rent		16.34
Commission to non-executive directors		1.59
Communication expenses		26.06
Outsourcing/back office expenses		109.08
Service tax		27.91
Travelling expenses		45.40
Information technology expenses		37.89
Marketing commission		61.34
Recovery costs		204.35
Bank charges		25.44
Rates and taxes		2.05
Auditors' remuneration		0.51
Loss on sale of assets, net		0.26
Dealer incentive		208.28
Marked to market losses on investments		0.26
Expenditure towards Corporate Social Responsibility activities		5.80
Sundry expenses		169.11
		942.17

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

22 Other expenses (Contd.)

		(₹ In Crore)
Particulars		For the year ended 31 March 2015
Payment to auditor (net of service tax credit availed)		
As auditor:		
Audit fee		0.33
Tax audit fee		0.04
Limited review		0.06
In other capacity:		
Other services (certification fees)		0.05
Reimbursement of expenses		0.03
		0.51

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 2015
A) Basic	
i) Computation of Profit (numerator):	
– Net Profit attributable to shareholders	897.88
ii) Computation of weighted average number of shares (denominator):	
– Number of shares outstanding at the beginning of the year	49,748,753
Adjusted weighted average equity shares	49,898,604
EPS (basic) (₹)	179.94
B) Diluted	
i) Computation of Profit (numerator):	
– Net Profit attributable to shareholders	897.88
ii) Computation of weighted average number of shares (denominator):	
– Number of shares outstanding as above/at the beginning of the year	49,748,753
Weighted average number of equity shares issued and outstanding during the year	149,851
Number of options outstanding at the close of the year*	629,602
Adjusted weighted average equity shares	50,528,206
EPS (diluted) (₹)	177.70

* Dilutive equity shares under ESOPs

Notes to consolidated financial statements for the year ended 31 March 2015 (Contd.)

24 Contingent liability not provided for

		(₹ In Crore)
Particulars		As at 31 March 2015
A) Disputed claims against the Company not acknowledged as debts		7.77
VAT matters under appeal		6.86
ESI matters under appeal		5.14
Service tax matters under appeal		1.19
Income tax matters:		
Appeals by the Company		9.66
Appeal by the Income Tax Department		12.86
B) Guarantees given on behalf of the Company		2.24

25 Capital and other commitments

		(₹ In Crore)
Particulars		As at 31 March 2015
A) Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances)		6.64
B) Other commitments:		
The Company's commitments representing balance towards partially disbursed loans		192.28

26 Disclosure of transactions with related parties as required by Accounting Standard-18 are given in the Annexure forming part of these consolidated financial statements.

Signatures to Notes '1' to '26'

In terms of our report of even date

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

S Venkatesh
Partner
Membership Number: 037942

Pune: 20 May 2015

Rajeev Jain
Managing Director

Rajesh Viswanathan
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 2015 (Contd.)

Annexure: Disclosure of transactions with related parties as required by the Accounting Standard-18

(₹ In Crore)

		2015	
Name of related party and Nature of relationship	Nature of transaction	Transaction value	Outstanding amounts carried in Balance Sheet
A. Holding Company, Subsidiaries & Fellow Subsidiaries			
1. Bajaj Finserv Limited (Holding Company)	Dividend paid	49.37	-
	Business support charges paid (outstanding as on 31 March 2015 ₹ 38,930)	6.18	-
	Business support charges received	0.16	-
	Other revenue expenses	0.07	-
	Non-convertible debentures issued	-	100.00
2. Bajaj Allianz Life Insurance Company Limited (Fellow Subsidiary)	Group life insurance exp	1.16	-
	Advance premium	192.83	17.92
	Insurance premium adjusted (including cancellation receipts)	228.61	-
	Commission income	1.45	0.52
	Certificate of Deposit sold	23.29	-
	Non-convertible debentures issued	40.00	182.50
	Interest paid on non-convertible debentures	13.66	-
	Asset purchased	0.07	-
3. Bajaj Allianz General Insurance Company Limited (Fellow Subsidiary)	Asset/Medical/Vehicle/Travel Insurance	0.53	-
	Advance premium	72.80	12.37
	Insurance premium adjusted (including cancellation receipts)	88.10	-
	Commission income	13.88	0.51
	Non-convertible debentures issued	25.00	60.00
	Interest paid on non-convertible debentures	3.32	-
B. Individuals controlling voting power/exercising significant influence and their relatives			
1. Rahul Bajaj (Chairman)	Sitting Fees	0.06	-
	Commission	0.06	0.06
2. Sanjiv Bajaj (Vice Chairman)	Sitting Fees	0.09	-
	Commission	0.09	0.09
3. Madhur Bajaj (Director)	Sitting Fees	0.04	-
	Commission	0.04	0.04
4. Rajiv Bajaj (Director)	Sitting Fees	0.03	-
	Commission	0.03	0.03
C. Non-executive director			
Nanoo Pamnani (Vice Chairman)	Sitting Fees	0.09	-
	Commission	0.89	0.89
D. Key Managerial Personnel			
Rajeev Jain (Managing Director) (CEO till 31 March 2015)	Remuneration	5.14	2.28
	ESOPs exercised-perquisite	2.86	-
E. Enterprises over which anyone in (B) & (D) exercises significant influence			
1. Bajaj Auto Limited	Interest subsidy received	7.24	0.07
	Business support cost paid	14.34	0.69
	Business support cost received	0.91	-
2. Bajaj Holdings & Investments Limited	Business support cost paid	2.54	-
	Business support charges received	0.16	-
3. Mukand Limited	Loan given	34.68	46.69
	Principal repayment received	16.49	-
	Income received	5.07	-
4. Hind Musafir Agency Limited	Services received	9.46	0.17
5. Bajaj Electricals Limited	Assets purchased	0.34	-
6. Jamnalal Sons Private Limited	Dividend paid (₹ 1,504)	-	-
7. Hercules Hoists Limited	Fixed deposits accepted	13.50	13.50
	Fixed deposits Repaid	(3.00)	-
	Interest paid on fixed deposits	0.29	-
	Interest accrued on fixed deposits	1.27	1.27
8. Maharashtra Scooters Limited	Business support charges paid	0.08	-
	Non-convertible debentures issued	-	80.00
9. Bajaj Auto Holdings Limited	Non-convertible debentures issued	-	5.00

Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.

Related parties as defined under clause 3 of the Accounting Standard-18 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

Standalone Financial Statements

Independent Auditors' Report

To the members of **Bajaj Finance Limited**

Report on the standalone financial statements

1. We have audited the accompanying standalone financial statements of Bajaj Finance Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

2. 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 to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of 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 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.

Auditors' responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2015, and its profit and its cash flows for the year ended on that date.

Independent Auditors' Report (Contd.)

Report on other legal and regulatory requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by Law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the 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 Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of section 164 (2) of the Act.
 - (f) 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 knowledge and belief and according to the information and explanations given to us:
 - i The Company has disclosed the impact, if any, of pending litigations as at 31 March 2015 on its financial position in its financial statements.
 - ii. The Company has made provision as at 31 March 2015, as required under the applicable Law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any long-term derivative contracts as at 31 March 2015.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2015.

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

S. Venkatesh
Partner
Membership Number: 037942
Pune: 20 May 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Bajaj Finance Limited on the standalone financial statements as of and for the year ended 31 March 2015

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 (b) The fixed assets of the Company have been physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
2. The Company is in the business of financing, and consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii) of the said order are not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3 (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
6. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services of the Company.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
 (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, wealth-tax, duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax as at 31 March 2015 which have not been deposited on account of a dispute, are as follows:

(₹ In Crore)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Sales Tax	Sales Tax	0.86	2005-06 to 2008-09	Additional Commissioner
	Sales tax	0.09	2005-06	Appellate Tribunal
	Sales tax	1.54	2008-09 to 2011-12	Rajasthan Tax Board
	Sales tax	0.70	2012-13 to July 14	Deputy Commissioner Appeals
	Sales tax	1.31	2005-06 to 2006-07	Sales Tax Appellate Tribunal
Central Excise	Service Tax	0.76	2007-08 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal
	Service Tax	0.22	2012-13	Commissioner Appeals

Annexure to Independent Auditors' Report (Contd.)

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
8. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of clause 3(x) of the order are not applicable to the Company.
11. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context of the size of the Company and the nature of its business and which have been provided for.

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

S. Venkatesh
Partner
Membership Number: 037942
Pune: 20 May 2015

Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2015	2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	50.00	49.75
Reserves and surplus	4	4,749.70	3,941.11
		4,799.70	3,990.86
Non-current liabilities			
Long-term borrowings	5	18,273.62	10,477.76
Other long-term liabilities	6	135.77	103.60
Long-term provisions	7	152.08	110.47
		18,561.47	10,691.83
Current liabilities			
Short-term borrowings	8	4,313.90	5,472.78
Trade payables	9	269.00	214.61
Other current liabilities	9	4,699.90	4,121.91
Short-term provisions	7	167.23	126.01
		9,450.03	9,935.31
Total		32,811.20	24,618.00
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		218.26	196.84
Intangible assets		30.92	23.03
		249.18	219.87
Non-current investments	11	175.09	–
Deferred tax assets (net)	12	212.28	139.16
Receivables under financing activity	13	18,119.67	13,852.42
Long-term loans and advances	14	88.60	112.44
		18,844.82	14,323.89
Current assets			
Current investments	11	157.20	28.21
Receivables under financing activity	13	13,079.78	9,118.53
Cash and bank balances	15	219.66	776.81
Short-term loans and advances	14	343.90	291.84
Other current assets	16	165.84	78.72
		13,966.38	10,294.11
Total		32,811.20	24,618.00

Statement of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

Rajeev Jain
Managing Director

Rahul Bajaj
Chairman

S. Venkatesh
Partner
Membership Number: 037942

Rajesh Viswanathan
Chief Financial Officer

Sanjiv Bajaj
Vice Chairman

Pune: 20 May 2015

Anant Damle
Company Secretary

Nanoo Pamnani
Vice Chairman and
Chairman - Audit Committee

Statement of Profit and Loss

(₹ In Crore)			
Particulars	Note No.	As at 31 March	
		2015	2014
Revenue			
Revenue from operations	17	5,381.80	4,032.44
Other income	18	36.43	41.91
Total Revenue (I)		5,418.23	4,074.35
Expenses			
Employee benefits expense	19	450.73	340.81
Finance costs	20	2,248.30	1,573.24
Depreciation and Amortisation	10	35.60	29.19
Loan losses and provisions	21	384.56	258.83
Other expenses	22	942.10	781.12
Total expenses (II)		4,061.29	2,983.19
Profit before tax (I - II)		1,356.94	1,091.16
Tax expense:			
Current tax		531.75	421.00
Deferred tax expense/(credit)		(73.12)	(48.79)
Tax adjustments of earlier years		0.44	(0.06)
Total tax expense		459.07	372.15
Profit for the year		897.87	719.01
Earnings per share:	23		
(Face value per share ₹ 10/-)			
Basic (₹)		179.94	144.79
Diluted (₹)		177.70	143.65

Statement of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

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

S. Venkatesh
Partner
Membership Number: 037942

Pune: 20 May 2015

Rajeev Jain
Managing Director

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Chief Financial Officer

Anant Damle
Company Secretary

Rahul Bajaj
Chairman

Sanjiv Bajaj
Vice Chairman

Nanoo Pamnani
Vice Chairman and
Chairman - Audit Committee

Cash Flow Statement

Particulars	(₹ In Crore)	
	for the year the ended 31 March	
	2015	2014
A) Cash flow from operating activities		
Profit before tax	1,356.94	1,091.16
Adjustments for:		
Depreciation and amortisation	35.60	29.19
Amortisation of premium on Government securities	0.08	0.15
Finance costs	2,248.30	1,573.24
Provision for doubtful debts and advances, net	202.03	138.40
Marked to Market losses on investments	0.26	(0.24)
	2,486.27	1,740.74
Less: Investment income/(loss) included above		
Interest on Government securities	9.55	0.63
Loss on sale of tangible assets, net	(0.24)	(0.43)
Investments written off	-	(0.24)
Assets written off	-	(0.07)
	9.31	(0.11)
Cash from operations	3,833.90	2,832.01
Changes in working capital:		
Increase/(decrease) in trade payables	54.39	21.14
Increase/(decrease) in short-term provisions	10.12	2.93
Increase/(decrease) in other current liabilities	39.87	(552.61)
Increase/(decrease) in other long-term liabilities	32.17	15.36
(Increase)/decrease in long-term loans and advances	(0.54)	(2.45)
(Increase)/decrease in short-term loans and advances	(53.06)	(58.49)
(Increase)/decrease in other current assets	(87.12)	(10.52)
	(4.17)	(584.64)
	3,829.73	2,247.37
Taxes paid (net of refunds)	(490.90)	(434.78)
Finance costs paid	(2,014.52)	(1,579.73)
	(2,505.42)	(2,014.51)
	1,324.31	232.86
(Increase)/decrease in receivables under financing activity, current	(4,121.23)	(2,015.20)
(Increase)/decrease in receivables under financing activity, non-current	(4,267.25)	(4,304.23)
	(8,388.48)	(6,319.43)
Net cash generated from operations	(7,064.17)	(6,086.57)
Carried forward	(7,064.17)	(6,086.57)

Cash Flow Statement (Contd.)

		(₹ In Crore)	
		for the year the ended 31 March	
Particulars		2015	2014
	Brought forward	(7,064.17)	(6,086.57)
B) Cash flow from investing activities			
Capital expenditure		(65.87)	(73.98)
Sale proceeds of assets/adjustments to gross block		0.72	0.63
(Increase)/decrease in investments		(304.46)	(23.09)
Investment income:			
Interest on Government securities		9.55	0.63
Net cash from investing activities		(360.06)	(95.81)
C) Cash flow from financing activities			
Dividends paid		(80.09)	(74.58)
Dividend distribution tax		(13.63)	(12.69)
Increase/(decrease) in long-term borrowings		7,795.86	2,974.68
Increase/(decrease) in short-term borrowings		(1,158.88)	3,392.64
Increase/(decrease) in current maturities of long-term debts		304.20	249.04
Increase/(decrease) in share capital		0.25	0.21
Increase/(decrease) in share premium, net		19.37	13.52
Net cash from financing activities		6,867.08	6,542.82
Net increase in cash and cash equivalents		(557.15)	360.44
Cash and cash equivalents at the beginning of the year*		776.81	416.37
Cash and cash equivalents at the end of the year*		219.66	776.81

*Includes earmarked balances with banks (against fixed deposit maturities and unclaimed dividend) ₹ 0.86 crore (previous year ₹ 0.74 crore)

In terms of our report of even date

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

S. Venkatesh
Partner
Membership Number: 037942

Pune: 20 May 2015

Rajeev Jain
Managing Director

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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 2015

1 General information

The Company is a registered non-banking finance company engaged in the business of providing finance. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) with effect from 5 March 1998, with Registration No.A-13.00243. The Company primarily deals in the financing of two and three wheelers, consumer durables, small business loans, personal loan cross-sell, mortgage loans and loan against securities etc. The RBI vide its letter dated 7 October 2010, has re-classified the Company as a 'Loan Company' from 'Asset Finance Company'.

2 Statement of significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Accordingly, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956, Companies (Accounting Standards) Rules, 2006, (as amended), the other relevant provisions of the Companies Act, 2013 and Reserve Bank of India Regulations in relation to Non Banking Finance Companies to the extent applicable to the Company.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of the products 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.

A) System of accounting

- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- (ii) Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- (iii) The preparation of financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

B) Fixed assets, depreciation and amortisation

- (i) (i) Tangible assets are carried at cost of acquisition.
- (ii) Depreciation on tangible assets
 - (a) From the current year, depreciation is provided on a pro-rata basis for all tangible assets except buildings on straight line method over the useful life of assets as against the past practice of determination of life based on minimum of rates provided by Schedule XIV of the Companies Act, 1956 on written down value (WDV) method.
 - (b) 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 where the useful life is as assessed and certified by a technical expert.

Notes to financial statements for the year ended 31 March 2015 (Contd.)

2 Statement of significant accounting policies (Contd.)

- (iii) Depreciation on leasehold improvements is provided for on straight line method over the primary period of lease of premises.
- (iv) Depreciation on addition to assets and assets sold during the year is being provided for, at their respective rates on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- (v) Tangible assets 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

- (vi) For effects of change in policy, see note no. 10 (f) and (g).

II) Intangible assets and amortisation thereof:

Intangible assets, representing specialised software etc., are recognised at cost and carried net of amortisation, consistent with the criteria specified in Accounting Standard - 26 'Intangible Assets' as prescribed by Companies (Accounting Standards) Rules, 2006. Intangible assets are amortised systematically over the useful life of the assets. Accordingly, software cost is amortised as an intangible equally over a period of sixty months.

- C)** An assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

D) Investments

- (i) Investments maturing within twelve months from the date of acquisition and investments made with the specific intention to dispose of within twelve months from the date of acquisition are classified as short-term/current investments and are carried at their cost or market value/net realisable value, whichever is lower. Investments maturing within 3 months from the date of acquisition are classified as cash equivalents if they are readily convertible into cash.
- (ii) Investments other than short-term/current investments are carried at their cost of acquisition. Provision for diminution in value of investments, if any, is made if, in the opinion of the Management, such diminution is other than temporary.
- (iii) Fixed income securities are stated at cost less amortisation of premium/discount as the case may be {refer E (ii) (c) below}

E) Income from

(i) Financing activity

Interest, finance charges, service charges etc. are recognised as income on accrual basis with reference to the terms of contractual commitments and finance agreements entered into with borrowers, as the case may be, except in the case of non-performing assets where income is recognised only when realised.

(ii) Investment

- (a) Dividend is accrued when the right to receive is established i.e. when declared by the investee entity.
- (b) Interest on securities is accounted for on accrual basis except where the ultimate collection cannot be established with reasonable certainty.

Notes to financial statements for the year ended 31 March 2015 (Contd.)

2 Statement of significant accounting policies (Contd.)

- (c) In order to reflect the contracted yield as interest income, the premium/discount on fixed income securities is amortised with reference to the 'yield to maturity' prevailing on acquisition.

(iii) Other income

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

F) Receivables under financing activity

- (i) Receivables under financing activity represent principal and matured finance charges outstanding at the close of the year but net of amount written off.
- (ii) The Company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets as considered necessary including by accelerating provision to an early stage based on past experience, emerging trends and estimates. However, the Company ensures that the said provisions are not lower than the provisions stipulated in the applicable Reserve Bank of India (RBI) Regulations/Guidelines.
- (iii) A general provision, as required by RBI regulations, is also made by the Company on the standard assets outstanding which is disclosed under 'Long-term provisions' in note no. 7 to the financial statements.

G) Borrowing costs

All borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred

H) 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 Limited Gratuity Fund Trust, which covers the same under cash accumulation policy and debt fund of the Life Insurance Corporation of India and Bajaj Allianz Life Insurance Company Limited (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.
- (ii) Superannuation: Defined contribution to superannuation fund is being made as per the scheme of the Company.
- (iii) Provident fund contributions are made to Bajaj Auto Limited Provident Fund Trust. Deficits, if any, of the fund as compared to aggregate liability is additionally contributed by the Company and 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.
- (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.

I) Taxation

Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the income tax act 1961. Deferred tax resulting from timing differences between book profits and tax profits is accounted for at the current rate of tax or the substantially 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.

Notes to financial statements for the year ended 31 March 2015 (Contd.)

2 Statement of significant accounting policies (Contd.)

J) Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a realisable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

K) 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 employees. Cost of any benefit, if any, is recognised as an expense by 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. – See note no. 29

L) 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.

3 Share Capital

Particulars	(₹ In Crore)	
	As at 31 March	
	2015	2014
Authorised		
75,000,000 (75,000,000) equity shares of ₹ 10 each	75.00	75.00
Issued		
50,147,259 (50,142,334) equity shares of ₹ 10 each	50.15	50.14
Subscribed and paid up:		
50,147,259 (50,142,334) equity shares of ₹ 10 each fully called up and paid up	50.15	50.14
Less: 146,861 (393,581) equity shares of ₹ 10 each held in a trust for employees under ESOP Scheme (See footnote 'e' below)	0.15	0.39
	50.00	49.75

Notes to financial statements for the year ended 31 March 2015 (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 2015		As at 31 March 2014	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year (Subscribed and Paid up)	50,142,334	50.14	49,778,334	49.78
Add: Issued during the year - Employee Stock Option Plan	4,925	0.01	364,000	0.36
	50,147,259	50.15	50,142,334	50.14
Less: Equity shares held in trust for employees under ESOP scheme (See footnote 'e' below)	146,861	0.15	393,581	0.39
Outstanding at the end of the year	50,000,398	50.00	49,748,753	49.75

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Equity shares allotted on conversion of preferential warrants, i.e. 1,310,000 equity shares are restricted from transfer other than inter se promoter group up to 10 December 2015.

c) Shares held by Holding Company (Face value ₹ 10)

Particulars	As at 31 March 2015		As at 31 March 2014	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Bajaj Finserv Limited*	30,856,613	30.86	30,856,613	30.86

* An associate of Bajaj Holdings and Investments Limited

d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2015		As at 31 March 2014	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Bajaj Finserv Limited*	30,856,613	61.53%	30,856,613	61.54%

* An associate of Bajaj Holdings and Investments Limited

e) Shares reserved for issue under Employee Stock Option Plan

2,507,116 (1,829,803) equity shares (i.e. 5% of the paid up equity share capital) have been 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)), of which 1,890,680 (up to 31 March 2014:- 1,609,080) equity shares have been granted as per the scheme and 791,925 (up to 31 March 2014:- 787,000) thereof have been issued and allotted to ESOP trust, viz. BFL Employee Welfare Trust, up to 31 March 2015. 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 amounting to 146,861 (as at 31 March 2014:-393,581) have been reduced against the Share Capital of the Company as if the trust is administered by the Company itself. The Securities Premium related to the unexercised equity shares held by the trust as at the close of the year aggregating ₹ 103,110,017 (as at 31 March 2014:- ₹ 290,098,680) has also been reduced from securities premium account and adjusted against the loans outstanding from the trust. See note no. 29 for further details.

Notes to financial statements for the year ended 31 March 2015 (Contd.)

4 Reserves and surplus

Particulars	(₹ In Crore)	
	As at 31 March	
	2015	2014
Share premium		
Balance as at the beginning of the year	1,926.21	1,898.50
Add: Received during the year:		
On issue of shares under Employee Stock Option Plan	0.67	27.71
	1,926.88	1,926.21
Less: Premium on unexercised equity shares held in trust for employees under the ESOP scheme (See note no. 3 footnote 'e')	10.31	29.01
Balance as at the end of the year	1,916.57	1,897.20
Capital reserve		
Amount previously received on forfeited equity shares re-issued (₹ 5,000, previous year ₹ 5,000)		
Reserve fund in terms of section 45IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	484.75	340.75
Add: Set aside during the year	185.00	144.00
Balance as at the end of the year	669.75	484.75
General reserve		
Balance as at the beginning of the year	383.60	311.60
Add: Set aside during the year	90.00	72.00
Balance as at the end of the year	473.60	383.60
Infrastructure reserve in terms of section 36 (1) (viii) of the Income Tax Act, 1961		
Balance as at the beginning of the year	3.65	2.05
Add: Set aside during the year	2.10	1.60
Balance as at the end of the year	5.75	3.65
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,171.91	764.36
Profit for the year	897.87	719.01
	2,069.78	1,483.37
Less: Appropriations:		
Transfer to Reserve fund in terms of section 45IC(1) of the Reserve Bank of India Act, 1934	185.00	144.00
Transfer to Infrastructure reserve in terms of section 36 (1) (viii) of the Income Tax Act, 1961	2.10	1.60
Transfer to General reserve	90.00	72.00
Proposed dividend	90.27	80.23
Provision for dividend tax on dividend	18.38	13.63
Total appropriations	385.75	311.46
Balance as at the end of the year	1,684.03	1,171.91
	4,749.70	3,941.11

Notes to financial statements for the year ended 31 March 2015 (Contd.)

5 Long-term borrowings

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
A) Secured				
Privately placed redeemable non-convertible debentures 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.	7,164.10	3,762.30	1,701.00	963.00
From banks, against hypothecation of assets under finance, book debts and other receivables	9,284.47	5,816.67	2,142.20	2,478.33
	16,448.57	9,578.97	3,843.20	3,441.33
Less: Shown under other current liabilities (See note no. 9)	-	-	(3,843.20)	(3,441.33)
Total (A)	16,448.57	9,578.97	-	-
B) Unsecured				
Privately placed redeemable non-convertible debentures	-	-	50.00	310.00
Privately placed Subordinated (Tier II) redeemable non-convertible debentures of ₹ 0.10 crore each	988.30	535.80	-	-
Term loans from banks	175.00	200.00	-	-
Fixed deposits	661.75	162.99	210.05	47.72
	1,825.05	898.79	260.05	357.72
Less: Shown under other current liabilities (see note no. 9)	-	-	(260.05)	(357.72)
Total (B)	1,825.05	898.79	-	-
Total (A+B)	18,273.62	10,477.76	-	-

(₹ In Crore)

Notes to financial statements for the year ended 31 March 2015 (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 ₹ 1 crore	Of face value ₹ 10 crore	Non-current	
				As at 31 March	
				2015	2014
Nov 24	Bullet repayment	-	100.00	100.00	-
Mar 20	Bullet repayment	-	25.00	25.00	-
Dec 19	Bullet repayment	-	125.00	125.00*	-
Nov 19	Bullet repayment	-	15.00	15.00	-
Oct 19	Bullet repayment	-	180.00	180.00*	-
Aug 19	Bullet repayment	-	72.50	72.50*	-
Jul 19	Bullet repayment	-	145.00	145.00*	-
Apr 19	Bullet repayment	-	45.00	45.00	-
Jan 19	Bullet repayment	-	50.00	50.00	50.00
May 18	Bullet repayment	-	159.00	159.00*	159.00
Apr 18	Bullet repayment	-	267.00	267.00*	175.00
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*	595.00
Dec 17	Bullet repayment	-	49.90	49.90	-
Nov 17	Bullet repayment	-	388.00	388.00	-
Oct 17	Bullet repayment	125.00	332.80	457.80*	125.00
Sep 17	Bullet repayment	-	261.60	261.60	-
Aug 17	Bullet repayment	-	191.40	191.40	-
Jul 17	Bullet repayment	-	5.00	5.00	-
Jun 17	Bullet repayment	-	300.00	300.00	-
May 17	Bullet repayment	-	5.30	5.30	-
Apr 17	Bullet repayment	-	361.30	361.30*	-
Mar 17	Bullet repayment	-	100.80	100.80	68.80
Feb 17	Bullet repayment	-	61.90	61.90	-
Jan 17	Bullet repayment	-	352.00	352.00*	260.00
Dec 16	Bullet repayment	-	129.00	129.00	10.50
Nov 16	Bullet repayment	-	150.60	150.60	-
Oct 16	Bullet repayment	-	725.00	725.00*	360.00
Sep 16	Bullet repayment	-	264.90	264.90	-
Aug 16	Bullet repayment	-	775.00	775.00*	-
Jul 16	Bullet repayment	-	40.00	40.00	-
May 16	Bullet repayment	-	110.00	110.00	110.00
Apr 16	Bullet repayment	-	349.00	349.00	100.00
Jan 16	Bullet repayment	-	-	-	125.00

Notes to financial statements for the year ended 31 March 2015 (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 ₹ 1 crore	Of face value ₹ 10 crore	Non-current	
				As at 31 March	
				2015	2014
Nov 15	Bullet repayment	-	-	-	250.00
Oct 15	Bullet repayment	-	-	-	100.00
Jul 15	Bullet repayment	-	-	-	50.00
Jun 15	Bullet repayment	-	-	-	5.70
May 15	Bullet repayment	-	-	-	210.20
Apr 15	Bullet repayment	-	-	-	1,008.10
				7,164.10	3,762.30

Note:

As on 31 March 2015, of the total non current secured zero coupon bonds issued, ₹ 2467.30 crore are to be redeemed at a premium

* Related parties are current holders of ₹ 425 crore of the mentioned issue (previous year ₹ 175 crore) - See note no. 31 for disclosures

Interest rates range from 8.85% p.a. to 10.08% p.a. as at 31 March 2015

D) Terms of repayment of bank loans - secured

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current	
		As at 31 March	
		2015	2014
Mar 20	Bullet repayment	300.00	-
Feb 20	Bullet repayment	100.00	-
Dec 19	Bullet repayment	200.00	-
	4 quarterly payments of ₹ 37.5 crore starting Jun 19	150.00	-
	4 quarterly payments of ₹ 50 crore starting Jun 19	200.00	-
	4 quarterly payments of ₹ 25 crore starting Mar 19	100.00	-
	4 quarterly payments of ₹ 25 crore starting Mar 19	100.00	-
	4 quarterly payments of ₹ 12.5 crore starting Mar 19	50.00	-
Dec 18	Bullet repayment	200.00	200.00
	4 quarterly payments of ₹ 25 crore starting Dec 18	100.00	-
	4 quarterly payments of ₹ 50 crore starting Sep 18	200.00	-
	4 quarterly payments of ₹ 25 crore starting Sep 18	100.00	-
	4 semi-annual payments of ₹ 25 crore starting Sep 18	100.00	-
	4 semi-annual payments of ₹ 25 crore starting Aug 18	100.00	-
Jun 18	Bullet repayment	100.00	-
	4 semi-annual payments of ₹ 25 crore starting Jun 18	100.00	-
	4 quarterly payments of ₹ 25 crore starting Jun 18	100.00	100.00
	4 quarterly payments of ₹ 37.5 crore starting Jun 18	150.00	-
	4 quarterly payments of ₹ 25 crore starting May 18	100.00	-
	4 quarterly payments of ₹ 25 crore starting May 18	100.00	100.00

Notes to financial statements for the year ended 31 March 2015 (Contd.)

5 Long-term borrowings (Contd.)

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

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current	
		As at 31 March	
		2015	2014
	4 semi-annual payments of ₹ 25 crore starting Apr 18	100.00	-
	4 semi-annual payments of ₹ 25 crore starting Apr 18	100.00	-
	4 quarterly payments of ₹ 25 crore starting Apr 18	100.00	100.00
	4 quarterly payments of ₹ 25 crore starting Mar 18	100.00	-
	4 semi-annual payments of ₹ 12.5 crore starting Mar 18	50.00	-
Mar 18	Bullet repayment	200.00	100.00
Feb 18	Bullet repayment	100.00	-
Jan 18	Bullet repayment	250.00	-
Dec 17	Bullet repayment	300.00	100.00
	4 semi-annual payments of ₹ 12.5 crore starting Dec 17	50.00	-
	4 semi-annual payments of ₹ 50 crore starting Dec 17	200.00	-
	4 quarterly payments of ₹ 100 crore starting Dec 17	400.00	400.00
	4 semi-annual payments of ₹ 12.5 crore starting Dec 17	50.00	-
	4 semi-annual payments of ₹ 25 crore starting Dec 17	100.00	-
	4 semi-annual payments of ₹ 25 crore starting Dec 17	100.00	-
Oct 17	Bullet repayment	100.00	-
	4 semi-annual payments of ₹ 25 crore starting Sep 17	100.00	100.00
	4 semi-annual payments of ₹ 62.5 crore starting Sep 17	250.00	-
	4 semi-annual payments of ₹ 12.5 crore starting Sep 17	50.00	50.00
	4 semi-annual payments of ₹ 25 crore starting Sep 17	100.00	100.00
	4 semi-annual payments of ₹ 37.50 crore starting Sep 17	150.00	150.00
	4 semi-annual payments of ₹ 25 crore starting Sep 17	100.00	-
Aug 17	Bullet repayment	150.00	-
	4 semi-annual payments of ₹ 25 crore starting Aug 17	100.00	100.00
Jul 17	Bullet repayment	100.00	-
Jun 17	Bullet repayment	235.00	-
	4 semi-annual payments of ₹ 37.50 crore starting Jun 17	150.00	150.00
	4 semi-annual payments of ₹ 25 crore starting Jun 17	100.00	100.00
May 17	Bullet repayment	50.00	-
	4 semi-annual payments of ₹ 25 crore starting May 17	100.00	-
	4 semi-annual payments of ₹ 25 crore starting Mar 17	100.00	-
Mar 17	Bullet repayment	250.00	150.00
Dec 16	Bullet repayment	400.00	400.00
Nov 16	Bullet repayment	300.00	300.00
Aug 16	Bullet repayment	150.00	150.00
Jul 16	Bullet repayment	400.00	400.00
Jun 16	Bullet repayment	50.00	50.00

Notes to financial statements for the year ended 31 March 2015 (Contd.)

5 Long-term borrowings (Contd.)**D) Terms of repayment of bank loans - secured** (Contd.)

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current	
		As at 31 March	
		2015	2014
May 16	Bullet repayment	50.00	50.00
	4 quarterly payments of ₹ 50 crore starting Mar 16	150.00	200.00
	16 quarterly payments of ₹ 6.25 crore starting Feb 16	93.75	-
	7 quarterly payments of ₹ 21.4286 crore starting Feb 16	128.57	-
	7 quarterly payments of ₹ 15 crore starting Feb 16	90.00	-
Dec 15	Bullet repayment	-	50.00
	7 quarterly payments of ₹ 15 crore starting Dec 15	75.00	-
Nov 15	Bullet repayment	-	100.00
	7 quarterly payments of ₹ 20 crore starting Nov 15	100.00	-
Oct 15	Bullet repayment	-	50.00
Sep 15	Bullet repayment	-	50.00
	7 quarterly payments of ₹ 14.2857 crore starting Aug 15	57.14	100.00
Jul 15	Bullet repayment	-	175.00
Jun 15	Bullet repayment	-	375.00
May 15	Bullet repayment	-	250.00
Apr 15	Bullet repayment	-	350.00
	3 semi-annual payments of ₹ 33.334 crore starting Mar 15	-	66.67
	4 quarterly payments of ₹ 25 crore starting Feb 15	-	75.00
	4 quarterly payments of ₹ 25 crore starting Jul 14	-	25.00
	3 annual payments of ₹ 26.667 crore starting Jun 14	26.67	53.33
	3 annual payments of ₹ 73.334 crore starting Jun 14	73.34	146.67
	5 semi-annual payments of ₹ 30 crore starting May 14	30.00	90.00
	5 semi-annual payments of ₹ 10 crore starting Mar 14	-	20.00
	5 semi-annual payments of ₹ 20 crore starting Feb 14	-	40.00
	3 annual payments of ₹ 100 crore starting Aug 13	-	100.00
	16 quarterly payments of ₹ 18.75 crore starting May 13	75.00	150.00
		9,284.47	5,816.67

Note:

Interest rates range from 9.65% p.a.p.m. to 10.30% p.a. payable monthly as at 31 March 2015

Notes to financial statements for the year ended 31 March 2015 (Contd.)

5 Long-term borrowings (Contd.)

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

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current	
		As at 31 March	
		2015	2014
Sep 24		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
		988.30	535.80

Note:

Interest rates range from 9.45% p.a. to 10.21% p.a. as at 31 March 2015

* Related parties are current holders of ₹ 2.5 crore of the mentioned issue (previous year ₹ 2.5 crore) - See note no. 31 for disclosures

F) Terms of repayment of bank loans - unsecured

(₹ In Crore)

Date of maturity	Repayment schedule	Non-current	
		As at 31 March	
		2015	2014
Jun 17	Bullet repayment	100.00	–
Nov 16	Bullet repayment	75.00	75.00
Jul 15	Bullet repayment	–	125.00
		175.00	200.00

Note:

Interest rate at 10.05% p.a. payable monthly as at 31 March 2015

G) Terms of repayment of fixed deposits

(₹ In Crore)

Maturing up to	Non-current	
	As at 31 March	
	2015	2014
Mar 20	8.16	–
Mar 19	6.17	5.91
Mar 18	259.06	0.22
Mar 17	388.36	148.01
Mar 16	–	8.85
	661.75	162.99

Note:

Interest rates range from 7% p.a. to 10.25% p.a. as at 31 March 2015

Includes fixed deposits accepted from:

- (i) Related Parties aggregating to ₹ 13.61 crore (previous year ₹ 3.24 crore)
- (ii) Key Managerial Persons aggregating to ₹ 0.01 crore (previous year ₹ 0.01 crore)

Notes to financial statements for the year ended 31 March 2015 (Contd.)

6 Other long-term liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2015	2014
Trade payables	32.21	35.20
Others:		
Security deposits	17.11	18.28
Other payables	4.29	3.87
Interest accrued but not due	82.16	46.25
	135.77	103.60

7 Provisions

Particulars	(₹ In Crore)			
	Long-term		Short-term	
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
Provision for employee benefits:				
Gratuity	-	-	2.15	-
Privilege leave entitlements	-	-	16.17	8.20
	-	-	18.32	8.20
Other provisions:				
Proposed dividend {See (i) below}	-	-	90.27	80.23
Tax on proposed dividend	-	-	18.38	13.63
General provision on standard assets	136.17	101.72	-	0.60
Provision for restructured standard assets	8.78	1.62	-	-
Provision for interest sacrifice on re-structured assets	7.13	7.13	-	-
Provision for tax (net of advance tax ₹ 491.49 crore, PY ₹ 397.65 crore)	-	-	40.26	23.35
	152.08	110.47	148.91	117.81
	152.08	110.47	167.23	126.01

(i) During the year ended 31 March 2015, the dividend proposed for distribution to equity shareholders was ₹ 18/- per share (previous year ₹ 16/- per share).

Notes to financial statements for the year ended 31 March 2015 (Contd.)

8 Short-term borrowings

Particulars	(₹ In Crore)	
	As at 31 March	
	2015	2014
A) Secured		
From banks, against hypothecation of assets under finance, book debts and other receivables:		
Cash credit and demand loans	2,002.69	1,674.65
Overdraft facility	239.87	-
Other short-term loans	-	1,200.00
Total (A)	2,242.56	2,874.65
B) Unsecured		
From banks:		
Overdraft facility	28.37	15.88
Term loans	500.00	-
Fixed deposits	111.67	-
	640.04	15.88
Borrowings by issue of commercial papers	1,431.30	2,582.25
Total (B)	2,071.34	2,598.13
Total (A+B)	4,313.90	5,472.78

Terms of repayment of secured short-term loans

Date of maturity	(₹ In Crore)	
	As at 31 March	
	2015	2014
Nov 14	-	120.00
Oct 14	-	540.00
Sep 14	-	220.00
Aug 14	-	160.00
Jul 14	-	60.00
Jun 14	-	100.00
	-	1,200.00

Note:

Interest rates stood at 10.25% p.a.payable monthly as at 31 March 2014

Terms of repayment of unsecured short-term loans

Date of maturity	(₹ In Crore)	
	As at 31 March	
	2015	2014
Apr 15	500.00	-
	500.00	-

Note:

Interest rate is 10% p.a. payable monthly as at 31 March 2015

Notes to financial statements for the year ended 31 March 2015 (Contd.)

8 Short-term borrowings (Contd.)**Terms of repayment of commercial papers**

(₹ In Crore)

Date of maturity	As at 31 March	
	2015	2014
Feb 16	200.00	-
Nov 15	10.00	-
Oct 15	94.00	-
Aug 15	85.00	-
Jun 15	500.80	-
May 15	491.50	-
Apr 15	50.00	-
Mar 15	-	-
Feb 15	-	392.70
Jan 15	-	457.40
Dec 14	-	187.75
Nov 14	-	254.00
Oct 14	-	174.40
Sep 14	-	107.00
Jul 14	-	415.00
Jun 14	-	303.00
May 14	-	50.00
Apr 14	-	241.00
	1,431.30	2,582.25

Note:

Interest rates range from 8.75% p.a. to 9.55% p.a. as at 31 March 2015

Terms of repayment of Fixed Deposits

(₹ In Crore)

Date of maturity	As at 31 March	
	2015	2014
Mar 16	6.03	-
Feb 16	46.13	-
Jan 16	0.61	-
Dec 15	0.40	-
Nov 15	0.68	-
Oct 15	50.35	-
Sep 15	1.75	-
Aug 15	0.41	-
Jul 15	0.47	-
Jun 15	0.38	-
May 15	0.60	-
Apr 15	3.86	-
	111.67	-

Notes to financial statements for the year ended 31 March 2015 (Contd.)

9 Current liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2015	2014
Trade payables	269.00	214.61
Other current liabilities:		
Current maturities of long-term borrowings: (See note no. 5)		
Secured loans	3,843.20	3,441.33
Unsecured loans	260.05	357.72
	4,103.25	3,799.05
Interest accrued but not due	492.63	258.85
Interest accrued and due	0.01	0.01
Income received in advance	0.01	0.24
Unclaimed dividend	0.77	0.63
Investor Education and Protection Fund (₹ 4,682, previous year ₹ 3,240: Since paid)		
Others:		
Temporary overdraft as per books only	–	1.66
Statutory dues	25.42	15.47
Security deposits	0.80	3.94
Employee benefits payable	40.69	28.12
Other/miscellaneous payables	36.32	13.94
	4,699.90	4,121.91

Notes to financial statements for the year ended 31 March 2015 (Contd.)

10 Fixed assets

(₹ In Crore)

Particulars	Gross block at cost			As at 31 March 2015	Depreciation and amortisation				Net block		
	As at 31 March 2014	Additions	Deductions/ adjustments		As at 31 March 2014	Depreciation written back (f)	Deductions/ adjustments	For the Year (b)	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
A) Tangible assets (b):											
Assets relating to erstwhile leasing:											
Plant and Machinery	17.64	-	17.64	-	17.64	-	17.64	-	-	-	-
Leasehold improvements	9.22	12.45	-	21.67	1.43	-	-	4.13	5.56	16.11	7.79
Other assets:											
Land freehold (d)	2.26	-	-	2.26	-	-	-	-	-	2.26	2.26
Building (a)	157.72	0.62	0.16	158.18	21.65	-	-	6.66	28.31	129.87	136.07
Computers	42.27	9.45	2.26	49.46	28.06	5.38	1.82	12.53	33.39	16.07	14.21
Office equipments	19.74	9.34	0.12	28.96	4.53	2.48	0.02	7.69	9.72	19.24	15.21
Furniture and Fixtures	26.64	14.10	(0.28)	41.02	11.16	3.85	0.04	5.31	12.58	28.44	15.48
Vehicles	9.29	3.04	1.19	11.14	3.47	1.99	0.61	4.00	4.87	6.27	5.82
TOTAL (A)	284.78	49.00	21.09	312.69	87.94	13.70	20.13	40.32	94.43	218.26	196.84
Previous year	234.40	56.26	5.88	284.78	69.97	-	4.75	22.72	87.94	196.84	-
B) Intangible assets:											
Specialised software (c)	23.03	16.87	8.98 (e)	30.92	-	-	-	-	-	30.92	23.03
TOTAL (B)	23.03	16.87	8.98	30.92	-	-	-	-	-	30.92	23.03
Previous year	11.78	17.72	6.47 (e)	23.03	-	-	-	-	-	-	-

a) Includes cost of shares in co-operative society ₹ 250/-

b) See note no. 2 (B) (I)

c) See note no. 2 (B) (II)

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

e) Amount amortised as expense

f) Effective 1 April 2014:

(a) The Company changed the method of computing depreciation on all assets except buildings from written down value to straight line method. The impact of this change in accounting policy has been calculated retrospectively from the date of addition of the asset and consequently the opening carrying value has been restated by writing back the excess depreciation aggregating ₹ 13.70 crore to the Statement of Profit and Loss.

(b) Thereupon, consequent to Schedule II of the Companies Act, 2013 becoming effective from 1 April, 2014, depreciation has been computed over the revised useful life of the asset in the manner specified in Schedule II. As a result of change in the estimate, the charge on account of depreciation for the year is higher by ₹ 7.50 crore

g) Depreciation and amortisation, recognised in the Statement of Profit and Loss:

	For the year ended 31 March	
	2015	2014
Depreciation	40.32	22.72
Amortisation of intangible assets	8.98	6.47
	49.30	29.19
Less: Write back due to change in policy	(13.70)	-
	35.60	29.19

Notes to financial statements for the year ended 31 March 2015 (Contd.)

11 Investments

Particulars			(₹ In Crore)	
	Non-current		Current	
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
(A) In Government and Trust Securities:				
Other than trade:				
Unquoted:				
Long-term				
11.83% Government of India Stock, 2014 of the face value of ₹ 5 crore	-	-	-	6.37
8.27% Government of India Stock, 2020 of the face value of ₹ 25 crore	25.44	-	-	-
8.27% Government of India Stock, 2020 of the face value of ₹ 60 crore	-	-	61.46	-
8.28% Government of India Stock, 2027 of the face value of ₹ 25 crore	26.06	-	-	-
8.40% Government of India Stock, 2024 of the face value of ₹ 15 crore	15.60	-	-	-
8.60% Government of India Stock, 2028 of the face value of ₹ 75 crore	80.01	-	-	-
8.60% Government of India Stock, 2028 of the face value of ₹ 50 crore	-	-	53.47	-
8.83% Government of India Stock, 2023 of the face value of ₹ 40 crore	-	-	42.63	-
	147.11	-	157.56	6.37
Less: Amortisation of premium [Refer Note. 2 (D) (iii)]	(0.02)	-	(0.10)	(1.26)
Less: Marked to market losses on investments	-	-	(0.26)	-
	147.09	-	157.20	5.11
Short-term				
Treasury Bills - 364 day TB 05032015	-	-	-	23.10
Total (A)	147.09	-	157.20	28.21
(B) In fully paid equity shares:				
Trade:				
Unquoted:				
Long-term				
In wholly owned subsidiary				
50,000,000 (Nil) Shares of ₹ 10/- in Bajaj Housing Finance Limited@	28.00	-	-	-
	28.00	-	-	-
Other than trade:				
Quoted:				
Long-term				
75 Shares of ₹ 10 each in Bajaj Holdings and Investments Limited ₹ 19,646			-	-
150 Shares of ₹ 10 each in Bajaj Auto Limited ₹ 7,685				
Sub - Total (₹ 27,331, Previous year ₹ 27,331)			-	-
Total (B)	28.00	-	-	-
Total (A+B)	175.09	-	157.20	28.21

Particulars			(₹ In Crore)	
	Book value		Market value	
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
Quoted	-*	-	0.04	0.04
Unquoted	332.29	28.21	-	-

* At cost ₹ 27,331 (Previous year Book Value ₹ 27,331)

@ On 1 November, 2014, the Company has acquired from its Holding Company, Bajaj Finserv Limited, its wholly owned subsidiary viz. Bajaj Financial Solutions Limited (name changed to Bajaj Housing Finance Limited w.e.f. 14 November 2014) together with its wholly owned subsidiary Bajaj Financial Securities Limited for a consideration of ₹ 17 crore. On 12 December 2014, the Company has further subscribed to 11,000,000 equity shares of face value ₹ 10/- each offered by Bajaj Housing Finance Limited, on rights basis at par.

Notes to financial statements for the year ended 31 March 2015 (Contd.)

12 Deferred tax assets (net)

Particulars	(₹ In Crore)	
	As at 31 March	
	2015	2014
A) Deferred tax liability		
On account of timing difference in:		
Depreciation and amortisation	(12.73)	(10.53)
Other liabilities	-	(1.54)
Gross deferred tax liability Total (A)	(12.73)	(12.07)
B) Deferred tax asset		
On account of timing difference in:		
Disallowance u/s 43B of the Income Tax Act, 1961	5.60	1.68
Provision for doubtful debts	203.24	132.34
Other assets	16.17	17.21
Gross deferred tax asset Total (B)	225.01	151.23
Total (A+B)	212.28	139.16

13 Receivables under financing activity (Good unless otherwise stated)

Particulars	(₹ In Crore)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
(I) Secured				
(i) (a) Against hypothecation of automobiles, equipments, durables, etc. (Includes overdue installments ₹ 330 crore) [Previous year ₹ 272.20 crore]	1,273.50	1,297.07	7,099.28	5,454.05
(b) Stock of repossessed vehicles under finance agreements at estimated realisable/balance value	-	-	13.92	14.80
	1,273.50	1,297.07	7,113.20	5,468.85
(c) Overdue installments under finance agreements considered doubtful	-	-	239.62	177.22
Less: Provision				
(i) Against Non Performing Assets (NPAs)	-	-	(171.39)*	(129.53)*
(ii) Against loss estimations of delinquent receivables not yet NPAs	-	-	(68.23)*	(47.69)*
	-	-	-	-
Carried forward	1,273.50	1,297.07	7,113.20	5,468.85

Notes to financial statements for the year ended 31 March 2015 (Contd.)

13 Receivables under financing activity (Good unless otherwise stated) (Contd.)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
Brought forward	1,273.50	1,297.07	7,113.20	5,468.85
(ii) Against equitable mortgage of immovable property under finance agreements (Includes overdue installments ₹ 11.44 crore) [Previous year ₹ 0.70 crore]				
Good	11,319.42	8,964.19	717.21	313.72
Doubtful	-	-	40.20	4.06
Less: Provision:				
(i) Against Non Performing Assets (NPAs)	-	-	(34.26)*	(4.06)*
(ii) Against loss estimations of delinquent receivables not yet NPAs	-	-	(5.94)*	-*
	-	-	-	-
	11,319.42	8,964.19	717.21	313.72
(iii) Infrastructure Finance:				
Against joint hypothecation of plant and machinery, immovable property and other assets (Includes overdue installments ₹ 35.99 crore) [Previous year ₹ 29.20 Crore]				
Good	398.15	442.88	20.30	81.98
Doubtful	-	-	22.40	1.94
Less: Provision:				
Against Non Performing Assets (NPAs)	-	-	(22.40)*	(1.94)*
	-	-	-	-
	398.15	442.88	20.30	81.98
(iv) Loan against shares (secured by pledge of shares) (Includes overdue installments ₹ 2.20 Crore) [Previous year ₹ 0.03 Crore]	82.98	74.60	1,502.29	772.74
TOTAL (I)	13,074.05	10,778.74	9,353.00	6,637.29
(II) Unsecured+				
Loans at agreement values less installments received (Includes overdue installments ₹ 130.81 crore) [Previous year ₹ 93.64 crore]				
Good	5,045.62	3,073.68	3,726.78	2,481.24
Doubtful	-	-	134.13	93.12
Less: Provision:				
(i) Against Non Performing Assets (NPAs)	-	-	(111.48)*	(76.29)*
(ii) Against loss estimations of delinquent receivables not yet NPAs	-	-	(22.65)*	(16.83)*
	-	-	-	-
	5,045.62	3,073.68	3,726.78	2,481.24
TOTAL (II)	5,045.62	3,073.68	3,726.78	2,481.24
TOTAL (I + II)	18,119.67	13,852.42	13,079.78	9,118.53

* See note 2(f)

+ Includes receivables from related parties amounting to ₹ 46.69 crore (previous year ₹ 28.50 crore)

Notes to financial statements for the year ended 31 March 2015 (Contd.)

14 Loans and advances, unsecured, good
(unless otherwise stated)

Particulars	Non-current		Current	
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
Capital advances	1.50	3.41	-	-
Security deposits	14.26	11.95	-	-
Advances to related parties	-	-	30.29	9.23
Advance tax (net of provision for taxation ₹ 1,262.14 crore, previous year ₹ 841.13 crore)	72.24	96.62	-	-
Advances to dealers	-	-	229.28	120.07
Discount on Commercial Papers/NCDs raised representing interest paid in advance	-	-	36.07	122.18
Advances recoverable in cash or kind:				
Unsecured considered good	0.60	0.46	48.26	40.36
Doubtful	-	-	2.34	1.34
Less: Provision	-	-	(2.34)	(1.34)
	-	-	-	-
	0.60	0.46	48.26	40.36
	88.60	112.44	343.90	291.84

15 Cash and bank balances

Particulars	Current	
	As at 31 March	
	2015	2014
Cash and cash equivalents		
Cash on hand	6.11	1.66
Cash with collecting agents	35.69	42.40
Cash equivalents:		
Bank balance in cash credit/current accounts	177.00	157.11
Certificates of deposits (maturity less than 3 months from date of acquisition)	-	574.90
	218.80	776.07
Other bank balances		
Earmarked balances with bank (against fixed deposit maturities and unclaimed dividend)	0.86	0.74
	0.86	0.74
	219.66	776.81

Notes to financial statements for the year ended 31 March 2015 (Contd.)

16 Other current assets

Particulars	(₹ In Crore)	
	As at 31 March	
	2015	2014
Interest receivable on investments	7.25	1.89
Other finance charges receivable	153.81	70.46
Receivables from related parties	1.10	2.35
Other receivables	3.68	4.02
	165.84	78.72

17 Revenue from operations

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2015	2014
Finance activity:		
a) Financing charges	3,524.27	2,705.88
b) Interest on loans	1,368.00	925.81
c) Service and administration charges	227.70	157.88
	5,119.97	3,789.57
Other operating revenue:		
i) Interest		
a) On deposits	21.47	4.28
b) Penal and others	138.24	111.22
	159.71	115.50
ii) Profit on sale of current investments, net*	43.93	63.21
iii) Bad debt recoveries	19.01	22.50
iv) Miscellaneous charges and receipts	39.18	41.66
	261.83	242.87
	5,381.80	4,032.44

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

Notes to financial statements for the year ended 31 March 2015 (Contd.)

18 Other Income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2015	2014
Interest:		
On Government and trust securities, current investments	9.55	0.63
Amortisation of premium/discount	(0.08)	(0.15)
	9.47	0.48
Dividend from non-current (₹ 11,625, Previous year ₹ 6,750)		
Miscellaneous income	0.64	0.34
Provisions no longer required	8.00	24.21
Sundry credit balances appropriated	17.35	7.96
Interest on income tax refunds, net	0.97	8.68
Provision for diminution in value of investments written back, net	-	0.24
	36.43	41.91

19 Employee benefits expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2015	2014
Employees' emoluments: (Includes Managerial Remuneration)		
Salaries, wages and bonus	413.24	313.94
Contribution to provident and other funds	18.51	15.19
Staff welfare expenses	18.98	11.68
	450.73	340.81

20 Finance costs

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2015	2014
Interest expenses	1,845.43	1,246.71
Discount in respect of 'Commercial papers'	383.81	312.66
Other financing costs	19.06	13.87
	2,248.30	1,573.24

Notes to financial statements for the year ended 31 March 2015 (Contd.)

21 Loan losses and provisions

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2015	2014
Bad debts written off	182.53	120.43
Provision release on account of bad debts written off	(139.47)	(61.71)
Provision for standard assets	33.85	44.59
Provision for restructured standard assets	7.16	1.62
Provision for delinquencies	300.49	153.90
	384.56	258.83

22 Other expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2015	2014
Insurance	0.50	0.55
Rent	16.34	11.44
Commission to non-executive directors	1.59	1.36
Communication expenses	26.06	21.36
Outsourcing/back office expenses	109.08	108.63
Service tax	27.91	22.04
Travelling expenses	45.40	36.14
Information technology expenses	37.89	29.53
Marketing commission	61.34	92.76
Recovery costs	204.35	167.85
Bank charges	25.44	18.43
Rates and taxes	2.05	1.47
Auditors' remuneration	0.50	0.46
Loss on sale of assets, net	0.24	0.43
Investments written off	-	0.24
Assets written off	-	0.07
Dealer Incentive	208.28	137.93
Marked to market losses on investments	0.26	-
Expenditure towards Corporate Social Responsibility activities	5.80	-
Sundry expenses	169.07	130.43
	942.10	781.12

Notes to financial statements for the year ended 31 March 2015 (Contd.)

22 Other expenses (Contd.)

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2015	2014
Payment to auditor (net of service tax credit availed)		
As auditor:		
Audit fee	0.32	0.32
Tax audit fee	0.04	0.04
Limited review	0.06	0.06
In other capacity:		
Other services (certification fees)	0.05	0.03
Reimbursement of expenses	0.03	0.01
	0.50	0.46

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	
	2015	2014
A) Basic		
i) Computation of Profit (numerator):		
– Net Profit attributable to shareholders	897.87	719.01
ii) Computation of weighted average number of shares (denominator):		
– Number of shares outstanding at the beginning of the year	49,748,753	49,540,377
Weighted average number of equity shares issued and outstanding during the year	149,851	118,634
Adjusted weighted average equity shares	49,898,604	49,659,011
EPS (basic) (₹)	179.94	144.79
B) Diluted		
i) Computation of Profit (numerator):		
– Net Profit attributable to shareholders	897.87	719.01
ii) Computation of weighted average number of shares (denominator):		
Number of shares outstanding as above/at the beginning of the year	49,748,753	49,540,377
Weighted average number of equity shares issued and outstanding during the year	149,851	118,634
Number of options outstanding at the close of the year *	629,602	393,304
Adjusted weighted average equity shares	50,528,206	50,052,315
EPS (diluted) (₹)	177.70	143.65

* Dilutive equity shares under ESOPs

Notes to financial statements for the year ended 31 March 2015 (Contd.)

24 Contingent liability not provided for

Particulars	(₹ In Crore)	
	As at 31 March	
	2015	2014
Disputed claims against the Company not acknowledged as debts	7.77	6.56
VAT matters under Appeal	6.86	3.43
ESI matters under appeal	5.14	5.14
Service tax matters under appeal	1.19	0.95
Income tax matters:		
Appeals by the Company	9.66	15.85
Appeal by the Income Tax department	12.86	22.31
Guarantees given on behalf of the Company	2.24	-

25 Capital and other commitments

Particulars	(₹ In Crore)	
	As at 31 March	
	2015	2014
A) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances)	6.64	2.62
B) Other commitments:		
The Company's capital commitments towards partially disbursed loans	192.28	197.75

26 Expenditure in foreign currency

Particulars	(₹ In Crore)	
	As at 31 March	
	2015	2014
Travelling expenses	0.21	0.18
Software expenses	5.12	4.23
Other expenses	1.03	-

27 The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard-17 as prescribed by Companies (Accounting Standards) Rules, 2006, dealing with Segment Reporting.

Notes to financial statements for the year ended 31 March 2015 (Contd.)

- 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

(₹ In Crore)

Particulars	2015	2014
Amount to be recognised in Balance Sheet		
Present value of funded obligations	26.83	16.39
Fair value of plan assets	(25.15)	(23.34)
Amount not recognised as an asset (limit in para 59 (b))	0.47	2.21
Net Liability	2.15	(4.74)
Amounts in Balance Sheet		
Liability	2.15	3.36
Assets	-	(8.10)
Net Liability/(Asset)	2.15	(4.74)
Expense to be recognised in the Statement of Profit and Loss		
Current service cost	3.63	2.39
Interest on defined benefit obligation	1.81	0.95
Expected return on plan assets	(1.82)	(1.19)
Net actuarial losses/(gains) recognised in year	5.19	3.03
Effect of the limit in para 59 (b)	(1.72)	0.77
Premium allocation difference and other charges transferred	-	-
Total, included in employee benefits expense	7.09	5.95
Actual return on plan assets	2.53	1.56
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	16.39	9.89
Current service cost	3.63	2.39
Interest cost	1.81	0.95
Actuarial losses/(gain)	5.90	3.39
Benefits paid	(0.90)	(0.23)
Closing defined benefit obligation	26.83	16.39
Change in fair value of assets		
Opening fair value of plan assets	23.34	15.97
Expected return on plan assets	1.82	1.20
Actuarial gain/(losses)	0.71	0.36
Contributions by employer	0.18	6.04
Benefits paid	(0.90)	(0.23)
Closing fair value of plan assets	25.15	23.34

Notes to financial statements for the year ended 31 March 2015 (Contd.)

A) Gratuity (Contd.)

(₹ In Crore)

Particulars	2015	2014
Summary of the actuarial assumptions		
Discount rate	7.90%	9.35%
Expected rate of return on assets	7.50%	7.50%
Salary escalation rate - Senior staff	10.00%	10.00%
Salary escalation rate - Junior staff	10.00%	10.00%

(₹ In Crore)

Particulars	2015	2014
Expected contribution to fund in the next year	3.00	-

Category of plan assets	2015	2014
Insurer managed funds	100%	100%

(₹ In Crore)

Particulars	2011	2012	2013	2014	2015
Experience adjustments					
Defined benefit obligation	4.47	6.39	9.89	16.39	26.83
Plan assets	7.89	11.45	15.97	23.34	25.15
Surplus/(deficit)	3.42	5.06	6.08	6.95	(1.67)
Experience adjustments on plan liabilities	0.29	0.80	0.87	2.18	1.76
Experience adjustments on plan assets	0.15	0.16	0.19	0.36	0.71

B) Compensated absences

(₹ In Crore)

Particulars	2015	2014
Present value of funded obligations	16.17	8.20
Expense recognised in the Statement of Profit and Loss	13.78	6.71
Discount Rate (p.a.)	7.90%	9.35%
Salary escalation rate (p.a.) - Senior staff	10.00%	10.00%
Salary escalation rate (p.a.) - Junior staff	10.00%	10.00%

Notes to financial statements for the year ended 31 March 2015 (Contd.)

c) Provident fund

In case of certain employees, the Provident Fund contribution is made to Bajaj Auto Limited 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 2015. The assumptions used in determining the present value of obligation of interest rate guarantee under deterministic approach are:

	(₹ In Crore)	
Particulars	2015	2014
Amount to be recognised in Balance Sheet		
Present value of funded obligations	92.71	71.84
Fair value of plan assets	92.71	71.84
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	6.96	7.27
Interest on defined benefit obligation	7.07	4.60
Expected return on plan assets	(7.09)	(5.07)
Net actuarial losses/(gains) recognised in year	0.02	0.47
Total, included in employee benefits expense	6.96	7.27
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	71.84	51.93
Current service cost	6.96	7.27
Interest cost	7.07	4.60
Actuarial losses/(gain)	(0.38)	0.81
Employees contribution	13.07	11.26
Liabilities assumed on acquisition/(settled on divestiture)	0.50	-
Benefits paid	(6.35)	(4.03)
Closing defined benefit obligation	92.71	71.84
Change in fair value of assets		
Opening fair value of plan assets	71.84	51.93
Expected return on plan assets	7.09	5.07
Actuarial gain/(losses)	(0.39)	0.34
Employer contributions during the period	6.96	7.27
Employee contributions during the period	13.07	11.26
Assets acquired on acquisition/(distributed on divestiture)	0.50	-
Benefits paid	(6.36)	(4.03)
Closing fair value of plan assets	92.71	71.84

Notes to financial statements for the year ended 31 March 2015 (Contd.)

C) Provident fund (Contd.)

(₹ In Crore)

Particulars	2015	2014
Summary of the actuarial assumptions		
Discount rate	7.90%	9.35%
Expected rate of return on assets	8.67%	9.01%
Discounting rate for remaining term to maturity of investment (p.a.)	7.95%	9.00%
Average historic yield on investment (p.a.)	8.72%	8.66%
Guaranteed rate of return (p.a.)	8.75%	8.75%

(₹ In Crore)

Particulars	2015	2014
Expected contribution to fund in the next year	7.66	8.00

Category of plant assets	2015	2014
Government of India Securities	51%	49%
Corporate bonds	40%	35%
Special Deposit Scheme	9%	10%
Others	-	6%

(₹ In Crore)

Particulars	2011	2012	2013	2014	2015
Experience adjustments					
Defined benefit obligation	-	37.42	51.93	71.84	92.71
Plan assets	-	37.42	51.93	71.84	92.71
Surplus/(deficit)	-	-	-	-	-
Experience adjustments on plan liabilities	-	-	0.21	0.81	(0.38)
Experience adjustments on plan assets	-	-	0.08	0.34	(0.39)

Notes to financial statements for the year ended 31 March 2015 (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 issued equity capital of the Company aggregating to 1,829,803 equity shares in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders under section 81(1A) of the Companies Act, 1956. The shareholders of the Company vide their special resolution passed through postal ballot on 15 December 2009 approved the issue of Equity Shares of the Company under one or more Employee Stock Option Scheme(s). The shareholders, at the Annual General Meeting held on 16 July 2014, approved an additional issue of 677,313 equity shares under the Stock Options schemes of the Company, i.e., Employee Stock Option Plan 2009.

The Remuneration and Nomination Committee has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Under the scheme, seven grants have been made, details of which as on 31 March 2015, are given as under:

Grant date	Exercise price (in ₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
12 Jan 10	358.70	132,000	27,937	-	100,313	3,750	27,937
21 Jul 10	542.00	326,750	79,562	-	215,251	31,937	79,562
28 Jul 11	705.15	376,200	72,400	72,200	190,200	41,400	144,600
16 May 12	876.10	359,500	68,700	142,350	97,400	51,050	211,050
15 May 13	1,380.35	394,930	47,670	245,610	36,975	64,675	293,280
01 Nov 13	1,353.05	19,700	-	14,775	4,925	-	14,775
16 Jul 14	2,196.55	281,600	-	280,200	-	1,400	280,200
Total		1,890,680	296,269	755,135	645,064	194,212	1,051,404

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:

Variables	12 Jan 2010	21 July 2010	28 July 2011	16 May 2012	15 May 2013	1 Nov 2013	16 July 2014
1) Risk free interest rate	6.70%	7.42%	8.27%	8.36%	7.32%	8.71%	8.66%
2) Expected life	1-5 years	3.5-6.5 years	3.5-6.5 years	3.5-6.5 years	1-5 years	1-5 years	1-5 years
3) Expected volatility	54.01%	55.38%	53.01%	49.58%	29.97%	32.83%	38.01%
4) Dividend yield	0.62%	1.28%	1.42%	1.37%	1.09%	1.11%	0.73%
5) Price of the underlying share in the market at the time of the option grant (₹)	358.70	542.00	705.15	876.10	1,380.35	1,353.05	2,196.55

Notes to financial statements for the year ended 31 March 2015 (Contd.)

29 Employee stock option plan (Contd.)

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	2015	2014
Net profit (as reported)	897.87	719.01
Add: Stock – based employee compensation expense included in net income	–	–
Less: Stock based compensation expense determined under fair value based method (pro-forma)	16.73	14.98
Net Profit (pro-forma)	881.14	704.03
Basic earnings per share (as reported) (₹)	179.94	144.79
Basic earnings per share (pro-forma) (₹)	176.59	141.77
Diluted earnings per share (as reported) (₹)	177.70	143.65
Diluted earnings per share (pro-forma) (₹)	174.39	140.66

30 The 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 financial statements for the year ended 31 March 2015 (Contd.)

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

(₹ In Crore)

		2015		2014	
Name of related party and Nature of relationship	Nature of transaction	Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A. Holding Company, Subsidiaries & Fellow Subsidiaries					
1. Bajaj Finserv Limited (Holding Company)	Dividend paid	49.37	-	46.29	-
	Business support charges paid (outstanding as on 31 Mar 2015 ₹ 38,930)	6.18		6.94	-
	Business support charges received	0.16	-	-	-
	Other revenue expenses	0.07	-	0.08	
	Purchase of equity shares of Subsidiary-Bajaj Financial Solutions Limited (Name changed to Bajaj Housing Finance Limited w.e.f. 14 November 2014)	17.00	-	-	-
	Non-convertible debentures issued	-	100.00	-	-
2. Bajaj Housing Finance Limited (Subsidiary from 1-Nov-14, Fellow Subsidiary up to 31-Oct-14 and formerly known as Bajaj Financial Solutions Limited)	Business support charges received (₹ 24,996)		-	-	-
	Business support charges paid	-	-	0.37	-
	Asset purchased	-	-	0.60	
	Purchase of equity shares	11.00	28.00	-	-
3. Bajaj Financial Securities Limited (Subsidiary from 1-Nov-14 & Fellow Subsidiary up to 31-Oct-14)	Business support charges received	0.01	-	-	-
	Business support charges paid	-	-	0.07	-
	Fixed deposits accepted	0.11	0.11	0.24	0.24
	Fixed deposits repaid	(0.24)	-	-	-
	Interest paid on fixed deposits	0.02	-	-	-
	Interest accrued on fixed deposits (outstanding as on 31 March 2014 is ₹ 38,466)	0.01	0.01	-	
4. Bajaj Allianz Life Insurance Company Limited (Fellow Subsidiary)	Group life insurance exp	1.16	-	-	-
	Advance premium	192.83	17.92	238.66	2.59
	Insurance premium adjusted (including cancellation receipts)	228.61	-	243.01	-
	Infrastructure, Advertisement and Business Co-operation Fees	-	-	13.96	-
	Commission income	1.45	0.52	5.27	1.92
	Certificate of Deposit sold	23.29	-	-	-
	Non-convertible debentures issued	40.00	182.50	100.00	157.50
	Interest paid on non-convertible debentures	13.66	-	4.10	-
	Asset purchased	0.07	-	-	-
5. Bajaj Allianz General Insurance Company Limited (Fellow Subsidiary)	Asset/Medical/Vehicle/Travel Insurance	0.53	-	0.53	-
	Advance premium	72.80	12.37	42.66	5.49
	Insurance premium adjusted (including cancellation receipts)	88.10	-	39.59	-
	Commission income	13.88	0.51	4.36	0.43
	Non-convertible debentures issued	25.00	60.00	-	85.00
	Interest paid on non-convertible debentures	3.32	-	7.27	-
B. Individuals controlling voting power/exercising significant influence and their relatives					
1. Rahul Bajaj (Chairman)	Sitting Fees	0.06	-	0.02	-
	Commission	0.06	0.06	0.05	0.05
2. Sanjiv Bajaj (Vice Chairman)	Sitting Fees	0.09	-	-	-
	Commission	0.09	0.09	-	-
3. Madhur Bajaj (Director)	Sitting Fees	0.04	-	0.01	-
	Commission	0.04	0.04	0.04	0.04
4. Rajiv Bajaj (Director)	Sitting Fees	0.03	-	0.01	-
	Commission	0.03	0.03	0.03	0.03
C. Non-executive director					
Nanoo Pamnani (Vice Chairman)	Sitting Fees	0.09	-	0.03	-
	Commission	0.89	0.89	0.83	0.83

Notes to financial statements for the year ended 31 March 2015 (Contd.)

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

(₹ In Crore)

		2015		2014	
Name of related party and Nature of relationship	Nature of transaction	Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
D. Key Managerial Personnel					
Rajeev Jain (Managing Director) (CEO till 31 March 2015)	Remuneration	5.14	2.28	3.67	1.65
	ESOPs exercised-perquisite	2.86	-	1.14	-
E. Enterprises over which anyone in (B) & (D) exercises significant influence					
1. Bajaj Auto Limited	Interest subsidy received	7.24	0.07	3.88	-
	Business support cost paid	14.34	0.69	12.46	-
	Business support cost received	0.91	-	1.49	-
2. Bajaj Holdings & Investments Limited	Business support cost paid	2.54	-	2.36	-
	Business support charges received	0.16	-	-	-
3. Mukand Limited	Loan given	34.68	46.69	14.00	28.50
	Principal repayment received	16.49	-	19.71	-
	Income received	5.07	-	3.38	-
4. Hind Musafir Agency Limited	Services received	9.46	0.17	8.78	0.45
	Advance for services	-	-	-	1.60
5. Bajaj Electricals Limited	Assets purchased	0.34	-	0.63	0.14
6. Jamnalal Sons Pvt. Limited	Dividend paid (₹ 1,504)	-	-	-	-
7. Hercules Hoists Limited	Fixed deposits accepted	13.50	13.50	3.00	3.00
	Fixed deposits repaid	(3.00)	-	-	-
	Interest paid on fixed deposits	0.29	-	-	-
	Interest accrued on fixed deposits	1.27	1.27	0.03	0.03
8. Maharashtra Scooters Limited	Business support charges paid	0.08	-	-	-
	Non-convertible debentures issued	-	80.00	-	-
9. Bajaj Auto Holdings Limited	Non-convertible debentures issued	-	5.00	-	-

Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.

Related parties as defined under clause 3 of the Accounting Standard-18- 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

32 On the basis of information available with the Company as regards the registration of its vendors under the Medium, Small and Micro Enterprises Development Act 2006, there are no dues outstanding beyond the prescribed credit period and consequently no interest payable under the said Act.

33 Previous year's figures have been regrouped, wherever necessary, to make them comparable with those of the current period.

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

Signatures to Notes '1' to '34'

In terms of our report of even date

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

S Venkatesh
Partner
Membership Number: 037942

Pune: 20 May 2015

Rajeev Jain
Managing Director

Rajesh Viswanathan
Chief Financial Officer

Anant Damle
Company Secretary

Rahul Bajaj
Chairman

Sanjiv Bajaj
Vice Chairman

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**

(₹ In Crore)

Particulars	Amount Outstanding	Amount Overdue
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 ₹ 487.74 crore)	9,352.84	-
Unsecured (including interest accrued thereon ₹ 60.30 crore) (Other than falling within the meaning of public deposit*)	1,098.60	-
b) Deferred credits	-	-
c) Term loans (including interest accrued thereon ₹ 1.08 crore)	11,602.75	-
d) Inter-corporate loans and borrowings	-	-
e) Commercial paper	1,431.30	-
f) Public deposits* (including interest accrued thereon ₹ 24.13 crore)	1,007.60	-
g) Other loans (Short-term Loans, cash credit and working capital demand loan-including interest accrued thereon ₹ 1.32 crore)	2,772.25	-
* Please see note 1 below		
2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)		
a) In the form of unsecured debentures	-	-
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*	1,007.60	-
* Please see note 1 below		
Particulars		Amount Outstanding
Asset Side		
3) Break-up of loans and advances including bills receivables (other than those included in (4) below)		
a) Secured		14,040.35
b) Unsecured		9,370.74
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		8,372.78
b) Repossessed assets		13.92
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		-
iv) Government securities (including trust securities)		-
v) Others (please specify)		-
2. Unquoted:		
i) Shares: a) Equity		-
b) Preference		-
ii) Debentures and bonds		-
iii) Units of mutual funds		-
iv) Government securities		157.20
v) Others (please specify)		-
Long-term investments		
1. Quoted:		
i) Shares: a) Equity		-
b) Preference		-
ii) Debentures and bonds		-
iii) Units of mutual funds		-
iv) Government and trust securities		-
v) Others (please specify)		-
2. Unquoted:		
i) Shares: a) Equity		28.00
b) Preference		-
ii) Debentures and bonds		-
iii) Units of mutual funds		-
iv) Government securities		147.09
v) Others (please specify)		-

6) Borrower group-wise classifications of all leased assets, stock under financing and loans and advances (Please see note 2)

Category	Amount net of provision		
	Secured	Unsecured	Total
1. Related parties**			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	31.39	31.39
c) Other related parties	-	46.69	46.69
2. Other than related parties	22,427.05	9,292.66	31,719.71
	22,427.05	9,370.74	31,797.79

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

I Schedule to Balance Sheet (Contd.)

(₹ In Crore)

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

Category	Market value/break up or fair value or NAV ^{\$}	Book value (net of provisions)
1. Related parties**		
a) Subsidiaries	28.00	28.00
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than related parties	304.33	304.29
	332.33	332.29

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

\$ Government Securities valued cost less amortisation of premium

8) Other information

(₹ In Crore)

Particulars	Amount
Gross Non-Performing Assets	
i) Gross non-performing assets	
a) Related parties	-
b) Other than related parties	484.41
Net Non-Performing Assets	
ii) Net non-performing assets	
a) Related parties	-
b) Other than related parties	142.54
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 should be disclosed irrespective of whether they are classified as long-term or current in column (5) above.

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

II Disclosure of restructured accounts as per Notification No. DNBS (PD) No. 271/CGM (NSV)-2014 dated 23 January 2014 of the Reserve Bank of India

Type of restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Loss
Asset Classification Details																
Restructured Accounts as on April 1 of the FY (opening figures)	1				1											
Amount outstanding	56.57				56.57											
provision thereon	1.56*				1.56											
Fresh restructuring during the year																
No of borrowers																
Amount outstanding																
provision thereon																
Upgradations to restructured standard category during the FY																
No of borrowers																
Amount outstanding																
provision thereon																
Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY																
No of borrowers																
Amount outstanding																
provision thereon																
Downgradations of restructured accounts during the FY																
No of borrowers	(1)	1														
Amount outstanding	(56.57)	56.56			(0.01)											
provision thereon	(1.56)	21.35			19.79											
Write-offs of restructured accounts during the FY #																
No of borrowers																
Amount outstanding																
provision thereon																
Restructured Accounts as on 31 March of the FY (Closing figures*)																
No of borrowers		1			1											
Amount outstanding		56.56			56.56											
provision thereon		21.35			21.35											

* Provision made @ 2.75% consequent to Notification No. DNBS (PD) No. 271/CGM (NSV) 2014 dated 23 January 2014 of the Reserve Bank of India

@ Represents recoveries from restructured advances

S Represents Funded interest component pursuant to CDR arrangement

(i) Net roll back of ₹ 18.11 crore is after considering a write off amounting to ₹ 2.92 crore

(ii) ₹ 1.45 crore comprises of additional provision amounting to ₹ 6.11 crore and a release of ₹ 4.66 crore on account of write off/collections

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

III The disclosure as required by the revised Guidelines on Securitisation Transactions issued by RBI on 21 August 2012 is given as under:

During the year, the Company transferred assets through direct assignment of cash flows and the underlying securities to four banks.

Assets Transferred during FY2015

Particulars	(₹ In Crore)
	Amount
Gross amount of assets assigned including exposure retained by the seller	941.79
Total amount of exposure retained by the NBFC to comply with MRR In form of On-Balance Sheet retention of assets	94.18
Total Amount of exposure retained by NBFC other than MRR In form of On-Balance Sheet retention of assets	20.88
Net amount of Assets Transferred through direct assignment during the year	826.73
The cumulative amount of assets transferred through direct assignment, outstanding as on 31 March 2015	1,210.14

IV As required in terms of Paragraph 9 of RBI Circular No. DNBR (PD) CC. No. 002/03.10.001/2014 - 15 dated 10 November 2014**(1) Capital**

Particulars	As at 31 March	
	2015	2014
(i) CRAR (%)	17.97%	19.14%
(ii) CRAR Tier I capital (%)	14.15%	16.17%
(iii) CRAR Tier II capital (%)	3.82%	2.97%
(iv) Amount of subordinated debt raised as Tier II capital	988.30	535.80
(v) Amount raised by issue of perpetual debt instruments	-	-

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

IV As required in terms of Paragraph 9 of RBI Circular No. DNBR (PD) CC. No. 002/03.10.001/2014 - 15 dated 10 November 2014 (Contd.)

(2) Investments

(₹ In Crore)

Particulars	As at 31 March	
	2015	2014
1. Value of investments		
(i) Gross value of investments		
In India	332.67	29.47
Outside India	-	-
(ii) Provisions for depreciation/amortisations		
In India	0.38	1.26
Outside India	-	-
(iii) Net value of investments		
In India	332.29	28.21
Outside India	-	-
2. Movement of provisions held towards depreciation/amortisations on investments		
(i) Opening balance	1.26	1.35
(ii) Add: Provisions during the year	0.38	0.15
(iii) Less: Write off/write back of excess provisions during the year	1.26	0.24
(iv) Closing balance	0.38	1.26

(3) Details of assignment transactions undertaken by the NBFC

(₹ In Crore)

Particulars	As at 31 March	
	2015	2014
(i) No. of accounts	6,729	5,736
(ii) Aggregate value (net of provisions) of accounts sold, Gross Exposure	5,018.63	4,076.84
(iii) Aggregate consideration for assigned portion	2,985.27	2,158.54
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/loss over net book value	-	-

(4) 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
Deposits made	-	-	-	-	-	-	12.95	1.31	14.26
Advances	1,889.02	1,739.58	1,357.44	3,339.32	4,754.42	6,856.54	2,620.31	8,642.82	31,199.45
Investments	157.20	-	-	-	-	-	-	175.09	332.29
Borrowings (including deposits accepted)	1,278.97	1,076.07	931.88	640.54	4,489.69	11,818.74	5,366.59	1,088.29	26,690.77
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

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

IV As required in terms of Paragraph 9 of RBI Circular No. DNBR (PD) CC. No. 002/03.10.001/2014 - 15 dated 10 November 2014 (Contd.)**(5) Exposures****a) Exposures to real estate sector**

Category	(₹ In Crore)	
	As at 31 March	
	2015	2014
(i) Residential mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	6,797.97	5,246.60
(ii) Commercial real estate Lending secured by mortgages on commercial real estates	893.54	654.86
(iii) Investments in mortgage backed securities	-	-

b) Exposure to capital market

Category	(₹ In Crore)	
	As at 31 March	
	2015	2014
(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	1,585.27	847.34
(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	1,585.27	847.34

6) Registration obtained from other financial sector regulators

Regulator	Registration No.
Insurance Regulatory and Development Authority:	
As a corporate agent for:	
Bajaj Allianz Life Insurance Company Limited	488 C000146046
Bajaj Allianz General Insurance Company Limited	BAG C000146046
Max Bupa Health Insurance Company Limited	ABL 5733407

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

IV As required in terms of Paragraph 9 of RBI Circular No. DNBR (PD) CC. No. 002/03.10.001/2014 - 15 dated 10 November 2014 (Contd.)

(7) Ratings assigned by credit rating agencies

(₹ In Crore)

Rating agency	Program	Rating assigned	Migration in ratings during the year	2015	2014
CRISIL	Non-convertible debenture	CRISIL AA+/STABLE	NIL	7,350	3,350
	Lower Tier II Bond	CRISIL AA+/STABLE	NIL	700	700
	Fixed deposit	FAAA/STABLE	NIL	NA	NA
	Long-term bank loans	CRISIL AA+/STABLE	NIL	16,000	16,000
	Short-term bank loans	CRISIL A1+	NIL		
	Subordinate debt	CRISIL AA+/STABLE	NIL	1,000	-
	Short-term debt	CRISIL A1+	NIL	5,500	3,500
ICRA	Non-convertible debenture	ICRA AA+(STABLE)	NIL	5,000	3,000
	Lower Tier II Bond	ICRA AA+(STABLE)	NIL	700	700
	Fixed deposit	MAAAA(STABLE)	NIL	NA	NA
	Subordinate debt	ICRA AA+(STABLE)	NIL	1,000	-
	Short-term debt	ICRA A1+	NIL	5,500	2,000

(8) Provisions and contingencies

(₹ In Crore)

For the year ended 31 March

Break up of provisions and contingencies shown under the head expenditure in the Statment of Profit and Loss

	2015	2014
Provision for depreciation/amortisation on investment	0.34	0.09
Provisions for NPA	110.19	53.34
Provision for income tax/deferred tax and tax adjustments of earlier years	459.07	372.15
Provision for standard assets	33.85	44.59
Other provisions and contingencies:		
Provision for restructured standard assets	7.16	1.62
Provision for proposed dividend	90.27	80.23
Provision for tax on proposed dividend	18.38	13.63

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

IV As required in terms of Paragraph 9 of RBI Circular No. DNBR (PD) CC. No. 002/03.10.001/2014 - 15 dated 10 November 2014 (Contd.)**(9) Concentration of deposits, advances, exposures and NPAs**

		(₹ In Crore)
Particulars		Amount
a) Concentration of deposits:		
Total deposits of 20 largest depositors		385.91
Percentage of deposits of 20 largest depositors to total deposits of the Company		39.24%
b) Concentration of advances:		
Total advances to 20 largest borrowers		1432.94
Percentage of advances to 20 largest borrowers to total advances of the Company		4.59%
c) Concentration of exposures:		
Total exposures to 20 largest borrowers/customers		1432.94
Percentage of exposures to 20 largest borrowers/customers to total exposure of the Company on borrowers/customers		4.59%
d) Concentration of NPAs:		
Total exposure to top 4 NPA accounts		85.70

e) Sector wise NPAs

Sector	% of gross NPAs to total advances in the sector	% of net NPAs to total advances in the sector
Agriculture & allied activities	0.00%	0.00%
MSME	0.00%	0.00%
Corporate borrowers	2.36%	1.46%
Services	0.00%	0.00%
Unsecured personal loans	1.98%	0.23%
Auto loans	4.06%	0.74%
Advances	4.79%	0.00%
Other personal loans	0.70%	0.13%
Total NPA	1.51%	0.45%

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

IV As required in terms of Paragraph 9 of RBI Circular No. DNBR (PD) CC. No. 002/03.10.001/2014 - 15 dated 10 November 2014 (Contd.)
(10) Movement of NPAs

(₹ In Crore)

Particulars	For the year ended 31 March	
	2015	2014
(i) Net NPAs to net advances (%)	0.45%	0.28%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	279.61	188.86
(b) Additions during the year	347.18	206.13
(c) Reductions during the year	142.38	115.38
(d) Closing balance	484.41	279.61
(iii) Movement of net NPAs		
(a) Opening balance	66.46	33.02
(b) Additions during the year	110.88	67.35
(c) Reductions during the year	34.81	33.90
(d) Closing balance	142.53	66.46
(iv) Movement of provisions for NPAs (excluding provisions for standard assets)		
(a) Opening balance	213.15	155.84
(b) Provisions made during the year	236.29	138.78
(c) Write offs/write back of excess provisions	107.57	81.48
(d) Closing balance	341.87	213.15

(11) Disclosure of complaints

Particulars	Count
(a) No. of complaints pending at the beginning of the year	-
(b) No. of complaints received during the year	103
(c) No. of complaints redressed during the year	103
(d) No. of complaints pending at the end of the year	-

Statement containing salient features of the financial statement 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

		(Amount in ₹)
1 Name of the subsidiary	Bajaj Housing Finance Limited	Bajaj Financial Securities Limited
2 Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	01.04.2014 to 31.03.2015	01.04.2014 to 31.03.2015
3 Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not applicable	Not applicable
4 Share capital	500,000,000	140,000,000
5 Reserves and surplus	(253,011,541)	(19,543,947)
6 Total assets	248,752,436	121,148,807
7 Total liabilities	1,763,977	692,754
8 Investments	236,785,246	103,153,702
9 Turnover	945,937	858,930
10 Profit before taxation	78,920	154,642
11 Provision for taxation	-	-
12 Profit after taxation	78,920	154,642
13 Proposed dividend	Not Applicable	Not Applicable
14 % of shareholding	100%	100%*

* Held by Bajaj Housing Finance Limited

Part B: Associates and Joint Ventures – Not Applicable

In terms of our report of even date

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

S Venkatesh
Partner
Membership Number: 037942

Pune: 20 May 2015

Rajeev Jain
Managing Director

Rajesh Viswanathan
Chief Financial Officer

Anant Damle
Company Secretary

Rahul Bajaj
Chairman

Sanjiv Bajaj
Vice Chairman

Nanoo Pamnani
Vice Chairman and
Chairman - Audit Committee

Bajaj Finance Limited

Regd. Office: Akurdi, Pune - 411 035, India.

Tel: (020) 30186403 Fax: (020) 30186364

www.bajajfinserv.in/finance