

# BAJAJ FINANCE LIMITED

SEC/BM/2017/284

17 May 2017

|  |  |
|--|--|
| <b>The Manager,<br/>BSE Limited<br/>DCS - CRD<br/>Phiroze Jeejeebhoy Towers<br/>Dalal Street, Mumbai - 400 001</b> | <b>The Manager,<br/>Listing Department<br/>National Stock Exchange of India Ltd.<br/>Exchange Plaza, C-1. Block G, Bandra - Kurla Complex,<br/>Bandra (East), Mumbai - 400 051</b> |
| <b>Scrip Code:500034</b>   | <b>Scrip Code : BAJFINANCE – EQ</b>  |

Dear Sir / Madam,

**Sub: Outcome of Meeting of Board of Directors**

In terms of the provisions of Regulation 30 (read with Part A of Schedule III) and 33 of the SEBI Listing Regulations 2015, this is to inform you that the Board of Directors of the Company, at its meeting held today:

- a) approved audited standalone and consolidated financial results of the Company for FY2016-17. Copy of the said standalone and consolidated financial results (annexure 1), auditors' report (annexure 2) and press release (annexure 3) in this respect are enclosed.

The audit reports are submitted with unmodified opinion (free from any qualifications) and a declaration to that effect is enclosed.

- b) recommended a dividend of ₹ 3.60 per equity share of face value of ₹ 2, subject to approval of the shareholders at the 30<sup>th</sup> Annual General Meeting (AGM) to be held on 19 July 2017. Dividend, if declared by the shareholders at the AGM, will be credited / despatched between 24 July 2017 to 27 July 2017.
- c) decided that the register of members and share transfer books will remain closed as under:

| Type of security and Paid-up value    | Book Closure<br>From To                             | Purpose  |
|---------------------------------------|---|--|
| Equity Shares (₹ 2 per share paid-up) | Saturday, 8 July 2017 to<br>Wednesday, 19 July 2017 | Payment of Dividend of ₹ 3.60 per share of face value of ₹ 2 each (180%) and for AGM |

The meeting commenced at 11.30 a.m. and concluded at 2.15 p.m.

Thanking you,

Yours faithfully,  
For **BAJAJ FINANCE LIMITED**

  
**ANANT DAMLE**  
**COMPANY SECRETARY**

Encl.: As above

| <b>Bajaj Finance Limited</b>   |                           |                           |                           |                         |                         |                         |                         |
|--|---------------------------|---------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Statement of Standalone and Consolidated Unaudited / Audited Financial Results for the Quarter and Financial Year Ended 31 March 2017</b> |                           |                           |                           |                         |                         |                         |                         |
| (₹ in Crore)   |                           |                           |                           |                         |                         |                         |                         |
| Particulars  | Standalone                |                           |                           |                         |                         | Consolidated            |                         |
|  | Quarter ended             |                           |                           | Year ended              |                         | Year ended              |                         |
|  | 31.03.2017<br>(Unaudited) | 31.12.2016<br>(Unaudited) | 31.03.2016<br>(Unaudited) | 31.03.2017<br>(Audited) | 31.03.2016<br>(Audited) | 31.03.2017<br>(Audited) | 31.03.2016<br>(Audited) |
| <b>1 Income from operations</b>  |                           |                           |                           |                         |                         |                         |                         |
| (a) Income from operations   | 2,460.73                  | 2,503.47                  | 1,801.70                  | 9,272.33                | 6,901.19                | 9,272.33                | 6,901.19                |
| (b) Other operating income   | 204.29                    | 189.53                    | 114.53                    | 705.03                  | 392.35                  | 705.03                  | 392.35                  |
| <b>Total Income from operations (net)</b>  | <b>2,665.02</b>           | <b>2,693.00</b>           | <b>1,916.23</b>           | <b>9,977.36</b>         | <b>7,293.54</b>         | <b>9,977.36</b>         | <b>7,293.54</b>         |
| <b>2 Expenses</b>  |                           |                           |                           |                         |                         |                         |                         |
| (a) Employee benefits expense  | 264.37                    | 252.52                    | 164.67                    | 931.67                  | 629.63                  | 931.67                  | 629.63                  |
| (b) Loan losses and provisions   | 289.68                    | 179.70                    | 156.54                    | 818.19                  | 542.85                  | 818.19                  | 542.85                  |
| (c) Sourcing and other cost  | 115.46                    | 117.46                    | 92.07                     | 441.61                  | 381.22                  | 441.61                  | 381.22                  |
| (d) Recovery costs   | 106.12                    | 72.00                     | 78.11                     | 317.96                  | 247.51                  | 317.96                  | 247.51                  |
| (e) Depreciation and amortisation expenses   | 19.71                     | 17.72                     | 17.14                     | 71.16                   | 56.34                   | 71.17                   | 56.34                   |
| (f) Other expenses   | 204.20                    | 234.25                    | 140.08                    | 801.83                  | 584.40                  | 804.81                  | 584.48                  |
| <b>Total expenses</b>  | <b>999.54</b>             | <b>873.65</b>             | <b>648.61</b>             | <b>3,382.42</b>         | <b>2,441.95</b>         | <b>3,385.41</b>         | <b>2,442.03</b>         |
| <b>3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>                                      | <b>1,665.48</b>           | <b>1,819.35</b>           | <b>1,267.62</b>           | <b>6,594.94</b>         | <b>4,851.59</b>         | <b>6,591.95</b>         | <b>4,851.51</b>         |
| 4 Other Income   | 7.91                      | 10.85                     | 27.20                     | 25.95                   | 39.84                   | 29.17                   | 40.02                   |
| <b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 +/- 4)</b>                                       | <b>1,673.39</b>           | <b>1,830.20</b>           | <b>1,294.82</b>           | <b>6,620.89</b>         | <b>4,891.43</b>         | <b>6,621.12</b>         | <b>4,891.53</b>         |
| 6 Finance costs  | 983.69                    | 980.21                    | 805.83                    | 3,803.37                | 2,926.86                | 3,803.71                | 2,926.85                |
| <b>7 Profit / (Loss) from ordinary activities before exceptional items (5 +/- 6)</b>   | <b>689.70</b>             | <b>849.99</b>             | <b>488.99</b>             | <b>2,817.52</b>         | <b>1,964.57</b>         | <b>2,817.41</b>         | <b>1,964.68</b>         |
| 8 Exceptional Items  | -                         | -                         | -                         | -                       | -                       | -                       | -                       |
| <b>9 Profit / (Loss) from ordinary activities before tax (7 +/- 8)</b>   | <b>689.70</b>             | <b>849.99</b>             | <b>488.99</b>             | <b>2,817.52</b>         | <b>1,964.57</b>         | <b>2,817.41</b>         | <b>1,964.68</b>         |
| 10 Tax expenses  | 240.55                    | 294.34                    | 173.95                    | 980.97                  | 686.05                  | 981.03                  | 686.05                  |
| <b>11 Net Profit / (Loss) from ordinary activities after tax (9 +/- 10)</b>  | <b>449.15</b>             | <b>555.65</b>             | <b>315.04</b>             | <b>1,836.55</b>         | <b>1,278.52</b>         | <b>1,836.38</b>         | <b>1,278.63</b>         |
| 12 Minority Interest   | -                         | -                         | -                         | -                       | -                       | -                       | -                       |
| <b>13 Net Profit after taxes &amp; minority interest (11 +/- 12)</b>   | <b>449.15</b>             | <b>555.65</b>             | <b>315.04</b>             | <b>1,836.55</b>         | <b>1,278.52</b>         | <b>1,836.38</b>         | <b>1,278.63</b>         |
| 14 Paid-up equity share capital<br>(Face Value : ₹2/- per share) (See note no.5)   | 109.98                    | 109.59                    | 53.87                     | 109.98                  | 53.87                   | 109.98                  | 53.87                   |
| 15 Reserves excluding revaluation reserves as per balance sheet of previous accounting year  |                           |                           |                           | 9,553.17                | 7,315.93                | 9,553.12                | 7,316.05                |
| <b>16 Earnings per share (not annualised)</b>  |                           |                           |                           |                         |                         |                         |                         |
| Basic (₹)  | 8.22                      | 10.27                     | 5.89                      | 34.01                   | 24.23                   | 34.01                   | 24.23                   |
| Diluted (₹)  | 8.13                      | 10.16                     | 5.80                      | 33.67                   | 23.88                   | 33.67                   | 23.88                   |



## Notes :

1 The consolidate financial results include results of the following companies

| Name of the Company        | % Share holding and voting power of Bajaj Finance Ltd | Consolidated as |
|----------------------------|---|-----------------|
| Bajaj Housing Finance Ltd. | 100.00%   | Subsidiary      |

\* The consolidated financial results of Bajaj Housing Finance Ltd. (formerly Bajaj Financial Solutions Ltd.) include 100% interest in Bajaj Financial Securities Ltd. as a subsidiary.

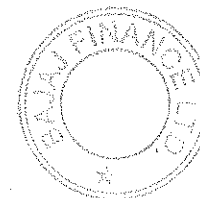
2. Statement of Assets and Liabilities as at 31 March 2017

(₹ in Crore)

| Particulars  | Standalone                 |                            | Consolidated               |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | As at 31.03.2017 (Audited) | As at 31.03.2016 (Audited) | As at 31.03.2017 (Audited) | As at 31.03.2016 (Audited) |
| <b>A EQUITY AND LIABILITIES</b>  |                            |                            |                            |                            |
| <b>1. Shareholders' funds</b>  |                            |                            |                            |                            |
| (a) Share Capital  | 109.98                     | 53.87                      | 109.98                     | 53.87                      |
| Less: Equity shares of ₹2 each held in trust for employees under ESOP scheme             | 0.61                       | 0.32                       | 0.61                       | 0.32                       |
|  | 109.37                     | 53.55                      | 109.37                     | 53.55                      |
| (b) Reserves and surplus   | 9,553.17                   | 7,315.93                   | 9,553.12                   | 7,316.05                   |
| Less: Premium on unexercised equity shares held in trust for employees under ESOP scheme | 62.23                      | 44.87                      | 62.23                      | 44.87                      |
|  | 9,490.94                   | 7,271.06                   | 9,490.89                   | 7,271.18                   |
| (c) Money received against share warrants  | -                          | 102.03                     | -                          | 102.03                     |
| <b>Sub-total - Shareholders' funds</b>   | <b>9,600.31</b>            | <b>7,426.64</b>            | <b>9,600.26</b>            | <b>7,426.76</b>            |
| <b>2. Share application money pending allotment</b>                                      | -                          | -                          | -                          | -                          |
| <b>3. Non-current liabilities</b>  |                            |                            |                            |                            |
| (a) Long-term borrowings   | 33,115.96                  | 25,286.97                  | 33,115.96                  | 25,286.86                  |
| (b) Other long-term liabilities  | 484.87                     | 447.40                     | 484.87                     | 447.40                     |
| (c) Long-term provisions   | 362.21                     | 242.94                     | 362.21                     | 242.94                     |
| <b>Sub-total- Non-current liabilities</b>  | <b>33,963.04</b>           | <b>25,977.31</b>           | <b>33,963.04</b>           | <b>25,977.20</b>           |
| <b>4. Current liabilities</b>  |                            |                            |                            |                            |
| (a) Short-term borrowings  | 8,922.42                   | 5,638.49                   | 8,922.42                   | 5,638.49                   |
| (b) Trade payables   | 528.81                     | 334.91                     | 528.81                     | 334.91                     |
| (c) Other current liabilities - Current maturities of long-term borrowings               | 7,211.27                   | 6,099.24                   | 7,211.16                   | 6,099.24                   |
| (d) Other current liabilities - Others   | 2,565.98                   | 854.65                     | 2,566.21                   | 854.72                     |
| (e) Short-term provisions  | 932.73                     | 641.75                     | 932.73                     | 641.75                     |
| <b>Sub-total- Current liabilities</b>  | <b>20,161.21</b>           | <b>13,569.04</b>           | <b>20,161.33</b>           | <b>13,569.11</b>           |
| <b>TOTAL - EQUITY AND LIABILITIES</b>  | <b>63,724.56</b>           | <b>46,972.99</b>           | <b>63,724.63</b>           | <b>46,973.07</b>           |



|          |  |                  |                  |                  |                  |
|----------|--|------------------|------------------|------------------|------------------|
| <b>B</b> | <b>ASSETS</b>                            |                  |                  |                  |                  |
| 1.       | <b>Non-current assets</b>                |                  |                  |                  |                  |
|          | (a) Fixed Assets                         | 361.13           | 287.00           | 362.74           | 287.00           |
|          | (b) Goodwill on consolidation            | -                | -                | 3.27             | 3.27             |
|          | (c) Non-current investments              | 1,090.30         | 485.15           | 762.30           | 457.15           |
|          | (d) Deferred tax assets (net)            | 369.07           | 280.04           | 369.07           | 280.04           |
|          | (e) Receivables under financing activity | 32,028.10        | 24,778.55        | 32,028.15        | 24,778.55        |
|          | (f) Long-term loans and advances         | 59.86            | 99.79            | 59.90            | 99.82            |
|          | (g) Other non-current assets             | -                | -                | -                | 0.02             |
|          | <b>Sub-total- Non-current assets</b>     | <b>33,908.46</b> | <b>25,930.53</b> | <b>33,585.43</b> | <b>25,905.85</b> |
| 2.       | <b>Current assets</b>                    |                  |                  |                  |                  |
|          | (a) Current investments                  | 2,984.40         | 548.92           | 3,307.21         | 571.95           |
|          | (b) Receivables under financing activity | 25,654.63        | 18,493.68        | 25,654.63        | 18,493.68        |
|          | (c) Cash and cash equivalents            | 356.52           | 1,329.15         | 356.81           | 1,330.85         |
|          | (d) Short-term loans and advances        | 496.79           | 458.89           | 496.79           | 458.89           |
|          | (e) Other current assets                 | 323.76           | 211.82           | 323.76           | 211.85           |
|          | <b>Sub-total- Current assets</b>         | <b>29,816.10</b> | <b>21,042.46</b> | <b>30,139.20</b> | <b>21,067.22</b> |
|          | <b>TOTAL - ASSETS</b>                    | <b>63,724.56</b> | <b>46,972.99</b> | <b>63,724.63</b> | <b>46,973.07</b> |



Notes:

- 3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 17 May 2017.
- 4 Figures of last quarter are the balancing figures between audited figures in respect of full financial year and published year to date figures upto the third quarter of the financial year as recast to conform to the requirements of Schedule III of the Companies Act, 2013.
- 5 Pursuant to approval of the members –
  - i) authorised share capital of the Company was increased from ₹ 75 crore consisting of 75,000,000 equity shares of face value of ₹ 10 each to ₹ 150 crore consisting of 750,000,000 equity shares of face value of ₹ 2 each.
  - ii) 53,872,190 equity shares of face value of ₹ 10 each as on the record date, i.e. 10 September 2016 (end of the day), were sub-divided into 269,360,950 equity shares of face value of ₹ 2 each and
  - iii) On 14 September 2016, the Allotment Committee of the Board of Directors allotted 269,360,950 equity shares of face value of ₹ 2 each as bonus shares in the proportion of one bonus equity share for every one equity share of face value of ₹ 2 held as on the record date, by capitalising an amount of ₹ 538,721,900 from securities premium account. The bonus shares were listed on BSE Ltd. and National Stock Exchange of India Ltd. w.e.f. 19 September 2016.
  - iv) Consequently,
    - a) in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the exercise price and the number of warrants issued to the promoter, Bajaj Finserv Ltd., were proportionately adjusted and
    - b) in terms of the Employee Stock Option Scheme, 2009 of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme, 2009 were proportionately adjusted.
- 6 During the quarter ended 31 December 2016, Bajaj Finserv Ltd. (Promoter) exercised the option to convert 9,250,000 warrants, issued on preferential basis, upon payment of ₹ 306.08 crore being balance 75% amount of the issue price and accordingly 92,50,000 equity shares of the face value of ₹ 2 each were allotted to Bajaj Finserv Ltd. on 23 November 2016 at a premium of ₹ 439.20 per equity share. The funds received upon allotment have been utilised for meeting funding requirements of the business activities of the Company as per the objects of the issue.
- 7 On 30 January 2017, the Board of Directors allotted 150 equity shares of the face value of ₹ 2 per share at a price of ₹ 110 per share (inclusive of premium of ₹ 108 per share) in respect of rights entitlement kept in abeyance in rights issue of the Company made in 2013.
- 8 On 15 February 2017, the Allotment Committee of the Board of Directors allotted 1,918,040 equity shares of the face value of ₹ 2 each at applicable grant prices to the Trustees of BFL Employee Welfare Trust under ESOS 2009.
- 9 The secured non-convertible debentures issued by the Company are fully secured by first pari passu charge by mortgage of the Company's immovable property at Pune / Chennai and by hypothecation of book debts / loan receivables to the extent as stated in the respective information memorandum.
- 10 The earnings per share in respect of the previous periods has been restated considering the aforesaid sub-division of shares, allotment of bonus shares and adjustment in respect of preferential warrants and outstanding stock options.
- 11 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.
- 12 The Board of Directors has recommended dividend of ₹ 3.60 per share of the face value of ₹ 2 (180%) for 2016-17(Previous year ₹ 25 per share of the face value of ₹ 10 (250%).
- 13 The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with Segment Reporting.
- 14 The Company has designated an exclusive email ID viz. investor.service@bajajfinserv.in for investor grievance redressal.

By order of the Board of Directors  
For Bajaj Finance Limited

  
Rahul Bajaj  
Chairman

Pune  
17 May 2017

CIN : L65910MH1987PLC042961

Registered Office : Akurdi, Pune - 411 035 | Corporate Office : 4th Floor, Bajaj Finserv Corporate Office,  
Off. Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014 | Tel. : 020-30405060 Fax : 020-30405030  
Email : investor.service@bajajfinserv.in | Website : www.bajajfinserv.in/finance



# Dalal & Shah LLP

Chartered Accountants

## 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 March 31, 2017, 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

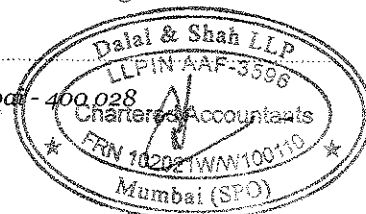
2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the 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 standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 standalone financial statements.

Dalal & Shah LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028  
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Registered office and Head office : 252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400028



# Dalal & Shah LLP

Chartered Accountants

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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 March 31, 2017, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', 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 B 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



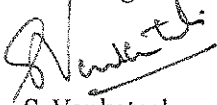
# Dalal & Shah LLP

Chartered Accountants

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- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our 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 March 31, 2017 on its financial position in its standalone financial statements;
  - ii. The Company has made provision as at March 31, 2017, 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 March 31, 2017;
  - 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 March 31, 2017;
  - iv. The Company has provided requisite disclosures in the financial statements as to its direct holdings as well as dealings in specified Bank Notes during the period November 8, 2016 to December 30, 2016, which based on audit procedures and relying on Management Representations are in agreement with the books of accounts maintained by the Company and as produced to us for our verification. However, disclosures of holdings on November 8, 2016 and depositions thereof made directly by collecting agents, in SBN and other denomination, in respect of its two wheeler and three wheeler financing business as detailed in Note 34 (ii)(b) to the Financial Statements are only to the extent of information available and received by the company and hence are not verifiable by us.

For Dalal & Shah LLP  
Chartered Accountants  
Firm Registration Number: 102021W/W100110



S. Venkatesh  
Partner  
Membership Number: 037942

Place: Pune  
Date: May 17, 2017



# Dalal & Shah LLP

Chartered Accountants

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Bajaj Finance Limited on the financial statements for the year ended March 31, 2017

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## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

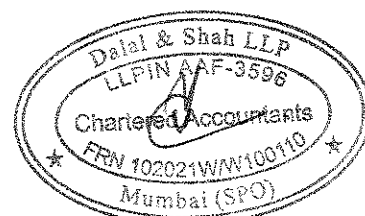
1. We have audited the internal financial controls over financial reporting of Bajaj Finance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



# Dalal & Shah LLP

Chartered Accountants

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Bajaj Finance Limited on the financial statements for the year ended March 31, 2017

Page 2 of 2

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal & Shah LLP  
Firm Registration Number: 102021W / W100110  
Chartered Accountants



S. Venkatesh  
Partner

Membership Number: 037942  
Pune: May 17, 2017

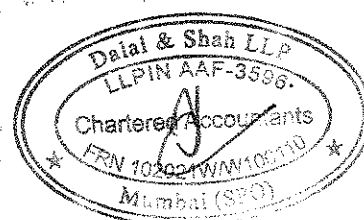
# Dalal & Shah LLP

Chartered Accountants

## Annexure B 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 March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 10 on fixed assets to the financial statements, are held in the name of the Company.
- ii. 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.
- iii. The Company has granted secured loans to a Company covered in the register maintained under Section 189 of the Act.
  - (a) In respect of the aforesaid loan, the terms and conditions under which such loan was granted are not prejudicial to the Company's interest.
  - (b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the party is repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
  - (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made by it.
- v. In our opinion, and according to the information and explanations given to us, the Company being a Non-Banking Finance Company (NBFC) registered with Reserve Bank of India, is not required to comply 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.
- vi. 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 product and services of the Company.
- vii. (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, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.



# Dalal & Shah LLP

Chartered Accountants

## Annexure B to Independent Auditors' Report

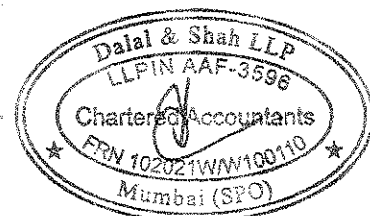
Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Bajaj Finance Limited on the standalone financial statements as of and for the year ended March 31, 2017  
Page 2 of 3

- (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, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. The particulars of dues of Sales Tax, Service Tax, ESIC & Income Tax as at March 31, 2017 which have not been deposited on account of a dispute are as follows:

| Rs. 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  |
| Central Excise Act 1944 | Service Tax                          | 2.53     | 2007-08 to September 2015          | Customs, Excise and Service Tax Appellate Tribunal        |
|                         | Service Tax                          | 1.27     | 2007-08 to 2013-2014               | Customs, Excise and Service Tax Appellate Tribunal        |
|                         | Service Tax                          | 0.38     | 2014-15                            | Commissioner Appeals                                      |
|                         | Service Tax                          | 1,147.10 | 2010-11 to September 2016          | Company is in process of filing appeal against the order. |
| Income Tax Act, 1961    | Income Tax                           | 29.09    | 1995-96 to 2010-11                 | Mumbai High Court   |
| ESIC                    | Employee State Insurance Corporation | 4.46     | 1999 - 2000 to 2006 - 07           | Employee State Insurance Court                            |
|                         | Employee State Insurance Corporation | 0.68     | 1991 - 92 to 2002 - 03             | Deputy Director Employee State Insurance Corporation      |

\*Net of Rs.1.54 Crore deposited under protest

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) .Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained.



# Dalal & Shah LLP

Chartered Accountants

## Annexure B 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 March 31, 2017  
Page 3 of 3

- x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any 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.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company had made a preferential allotment of warrants to Bajaj Finserv Limited (promoter) in the previous year. The warrants were converted to equity shares on payment of balance consideration as detailed in note no 3(a) of the financial statements, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.
- xv. The Company has not entered into any non- cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a 'Loan Company'.

For Dalal & Shah LLP  
Chartered Accountants  
Firm Registration Number: 102021W/W100110



S. Venkatesh  
Partner  
Membership Number: 037942

Place: Pune  
Date: 17th May, 2017

# Dalal & Shah LLP

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

### To the Members of BAJAJ FINANCE LIMITED

#### Report on the Consolidated Financial Statements

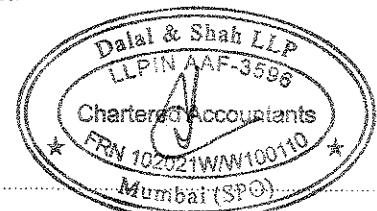
1. We have audited the accompanying consolidated financial statements of Bajaj Finance Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March, 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, 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 and consolidated cash flows 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which 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.



Dalal & Shah LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028  
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office : 252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400028

Dalal & Shah (a Partnership Firm) converted into Dalal & Shah LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAF-3596) with effect from December 21, 2015. Post its conversion to Dalal & Shah LLP, its ICAI registration number is 102021WW/100110 (ICAI registration number before conversion was 102021W)

# Dalal & Shah LLP

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

To the Members of Bajaj Finance Limited

Report on the Consolidated Financial Statements

Page 2 of 3

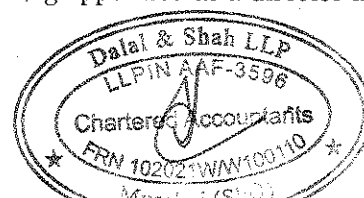
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

8. 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 included in the Group, incorporated in India, 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, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India 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 as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group is disqualified as on March, 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



# Dalal & Shah LLP

Chartered Accountants

INDEPENDENT AUDITORS' REPORT  
To the Members of Bajaj Finance Limited  
Report on the Consolidated Financial Statements  
Page 3 of 3

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 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 March 31, 2017. The Group did not have long-term derivative contracts as at March, 31, 2017.
  - 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 March 31, 2017.
  - iv. The Company has provided requisite disclosures in the financial statements as to its direct holdings as well as dealings in specified Bank Notes during the period November 8, 2016 to December 30, 2016, which based on audit procedures and relying on Management Representations are in agreement with the books of accounts maintained by the Company and as produced to us for our verification. However, disclosures of holdings on November 8, 2016 and depositions thereof made directly by collecting agents, in SBN and other denomination, in respect of its two wheeler and three wheeler financing business as detailed in Note 28 (ii)(b) to the Financial Statements are only to the extent of information available and received by the company and hence are not verifiable by us.

For Dalal & Shah LLP  
Chartered Accountants  
Firm Registration Number: 102021W/W100110



S. Venkatesh  
Partner  
Membership Number: 037942

Place: Pune  
Date: May 17, 2017



# **Dalal & Shah LLP**

Chartered Accountants

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 8 (f) of the Independent Auditors' Report of even date to the members of Bajaj Finance Limited on the consolidated financial statements for the year ended March 31, 2017

Page 1 of 2

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Bajaj Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



# **Dalal & Shah LLP**

Chartered Accountants

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 8 (f) of the Independent Auditors' Report of even date to the members of Bajaj Finance Limited on the consolidated financial statements for the year ended March 31, 2017

Page 2 of 2

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
  - i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - iii. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

8. In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal & Shah LLP  
Chartered Accountants  
Firm Registration Number: 102021W/W100110

S. Venkatesh  
Partner

Membership Number: 037942  
Pune : 17<sup>th</sup> May, 2017

# BAJAJ FINANCE LIMITED

SEC/BM/2017/287

17 May 2017

|  |   |
|--|---|
| <b>The Manager,<br/>BSE Limited<br/>DCS - CRD<br/>Phiroze Jeejeebhoy Towers<br/>Dalal Street,<br/>Mumbai - 400 001</b> | <b>The Manager,<br/>Listing Department<br/>National Stock Exchange of India Ltd.<br/>Exchange Plaza, C-1. Block G,<br/>Bandra - Kurla Complex, Bandra (East)<br/>Mumbai - 400 051</b> |
| <b>Scrip Code:500034</b>   | <b>Scrip Code : BAJFINANCE - EQ</b>   |

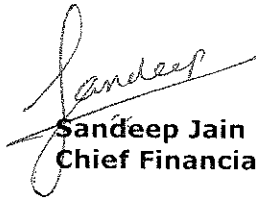
Dear Sir / Madam,

Sub: **Declaration in terms of Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

In terms of the second proviso to Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, we confirm that the Statutory Auditors of the Company have given an Unmodified Opinion on the Annual Audited Financial results (standalone and consolidated) of the Company for the financial year ended 31 March 2017.

Thanking you,

Yours faithfully,  
For **Bajaj Finance Limited.**

  
**Sandeep Jain**  
Chief Financial Officer



**BAJAJ FINANCE LIMITED****PRESS RELEASE****Bajaj Finance Limited financial results – 4<sup>th</sup> quarter FY17**

***Bajaj Finance reports Assets Under Management (AUM) of ₹ 60,194 crore and quarterly profit after tax of ₹ 449 crore - a growth of 43% over corresponding quarter of previous year.***

The Board of Directors of Bajaj Finance Limited in their meeting held today took on record the Unaudited Financial Results of the Company for the quarter ended 31 March 2017 and Audited Financial Results of the Company for the year ended 31 March 2017.

**Performance Highlights – Q4 FY17**

- **New loans booked** during Q4 FY17 ↑ 58% to 2,495,888 from 1,582,954 in Q4 FY16.
- **Assets under Management (AUM)** as of 31 March 2017 ↑ 36% to ₹ 60,194 crore from ₹ 44,229 crore as of 31 March 2016.
- **Total income** for Q4 FY17 ↑ 38% to ₹ 2,673 crore from ₹ 1,943 crore in Q4 FY16.
- **Profit after tax** for Q4 FY17 ↑ 43% to ₹ 449 crore from ₹ 315 crore in Q4 FY16.
- **Loan losses and provisions** for Q4 FY17 was ₹ 290 crore as against ₹ 156 crore in Q4 FY16. The Company continued to strengthen its provisioning policy. During the quarter, the Company took an additional charge of ₹ 70 crore on account of demonetization and non-recurring provisions. Adjusted for this additional charge, loan loss and provision was ₹ 220 crore.

**Performance Highlights – FY17**

- **New loans booked** during FY17 ↑ 48% to 10,092,588 from 6,834,762 in FY16.
- **Assets under Management (AUM)** as of 31 March 2017 ↑ 36% to ₹ 60,194 crore from ₹ 44,229 crore as of 31 March 2016.
- **Total income** for FY17 ↑ 36% to ₹ 10,003 crore from ₹ 7,333 crore in FY16.
- **Profit after tax** for FY17 ↑ 44% to ₹ 1,837 crore from ₹ 1,279 crore in FY16.
- **Customer franchise** as of 31 Mar 2017 ↑ 25% to 20.13 million from 16.07 million as of 31 March 2016.
- **Loan losses and provisions** for FY17 was ₹ 818 crore as against ₹ 543 crore in FY16. The Company continued to strengthen its provisioning policy. During the year, the Company took an additional charge of ₹ 89 crore on account of demonetization and non-recurring provisions. Adjusted for this additional charge, loan loss and provision was ₹ 729 crore.
- **Gross NPA and Net NPA** as of 31 March 2017 stood at 1.68% and 0.44% respectively. The provisioning coverage ratio was 74% as of 31 Mar 2017. The Company follows NPA recognition policy of 120 days overdue as required by RBI guidelines.



# BAJAJ FINANCE LIMITED

- **Capital adequacy ratio** (including Tier-II capital) as of 31 March 2017 stood at 20.30%. The Tier-I capital stood at 14.56%. During the year, the Company has raised ₹ 2,060 crore by way of Tier-II bonds to augment its capital base. The Company continues to be well capitalized to support its growth trajectory.
- The Board of Directors have recommended a dividend of ₹ 3.60 per share of face value ₹ 2 (180%) for FY17.

## Key financial figures

| Particulars                          | (₹ crore)    |              |            |              |              |            |
|--------------------------------------|--------------|--------------|------------|--------------|--------------|------------|
|                                      | Q4'17        | Q4'16        | QoQ        | FY17         | FY16         | YOY        |
| New loans booked (No. in '000)       | 2,496        | 1,583        | 58%        | 10,093       | 6,835        | 48%        |
| Assets under Management              | 60,194       | 44,229       | 36%        | 60,194       | 44,229       | 36%        |
| Receivables under financing activity | 56,832       | 42,756       | 33%        | 56,832       | 42,756       | 33%        |
| Total Income                         | 2,673        | 1,943        | 38%        | 10,003       | 7,333        | 36%        |
| Interest Expenses                    | 984          | 806          | 22%        | 3,803        | 2,927        | 30%        |
| <b>Net Interest Income (NII)</b>     | <b>1,689</b> | <b>1,137</b> | <b>49%</b> | <b>6,200</b> | <b>4,406</b> | <b>41%</b> |
| Operating Expenses                   | 709          | 492          | 44%        | 2,564        | 1,898        | 35%        |
| Loan Losses & Provisions             | 290          | 156          | 86%        | 818          | 543          | 51%        |
| <b>Profit before tax</b>             | <b>690</b>   | <b>489</b>   | <b>41%</b> | <b>2,818</b> | <b>1,965</b> | <b>43%</b> |
| <b>Profit after tax</b>              | <b>449</b>   | <b>315</b>   | <b>43%</b> | <b>1,837</b> | <b>1,279</b> | <b>44%</b> |

| Assets Under Management (AUM) | (₹ crore)     |               |            |
|-------------------------------|---------------|---------------|------------|
|                               | FY17          | FY16          | YOY        |
| Consumer Lending              | 27,159        | 18,996        | 43%        |
| SME Lending                   | 22,082        | 18,692        | 18%        |
| Commercial Lending            | 7,881         | 5,202         | 51%        |
| Rural Lending                 | 3,072         | 1,339         | 129%       |
| <b>Total AUM</b>              | <b>60,194</b> | <b>44,229</b> | <b>36%</b> |

- Deposits book stood at ₹ 4,128 crore as of 31 March 2017 – at 8% of BFL's overall borrowings book.
- The Company has launched 'BFL Homes & Loans' - a property marketplace to enable its customers to buy homes. The platform offers choice of properties and a bundled home loan proposition to customers.
- The Company has launched Warehouse Receipt Financing product as part of its Rural Lending vertical to offer loans to agriculture value chain participants against their agricultural produce stored in accredited warehouses.
- The Company has been recognised amongst "Top 25 Employers in India, 2017" by AON Hewitt. This is fourth consecutive year in a row that the Company has received this recognition. Bajaj Finance Limited is one of the only three companies to make it to this list for a fourth year in a row.

Pune  
17<sup>th</sup> May 2017



For Bajaj Finance Limited

*Rajeev Jain*  
Rajeev Jain  
Managing Director