

Bajaj Housing Finance Limited

CIN: U65910PN2008PLC132228

Regd. Office:

Bajaj Auto Limited Complex,

Mumbai-Pune Road,

Akurdi, Pune 411 035

Phone: (020) 30186403 Fax: (020) 30186364

NOTICE

Notice is hereby given that the ninth annual general meeting of the members of Bajaj Housing Finance Limited will be held on Tuesday 11, July 2017 at 9.15 a.m. at the registered office of the Company at Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035 to transact the following business:

1. To consider and adopt the audited financial statements for the financial year ended 31 March 2017 and the Directors' and the Auditors' reports thereon.
2. To appoint a director in place of Ajay Sathe (DIN 05166137), Director who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, the following resolution, with or without modifications, as an ordinary resolution:

“ RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, S R B C & CO LLP, Chartered Accountants, with firm registration number 324982E/E300003 be and are hereby appointed as the Statutory Auditors of the Company in place of Dalal & Shah LLP, Chartered Accountants, to hold office of the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the 14th Annual General Meeting, subject to ratification, by members at every Annual General Meeting to be held thereafter, on a remuneration of ₹ 1,00,000 (Rupees One lakh only) plus service tax thereon and reimbursement of travelling expenses and other out-of-pocket expenses for the year 2017-18.”

SPECIAL BUSINESS:

4. Issue of non-convertible debentures through private placement

To consider, and if thought fit, to pass, the following resolution, with or without modifications, as a special resolution:

“RESOLVED THAT pursuant to section 42 and other applicable provisions of the Companies Act, 2013, if any, the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any modifications or re-enactments thereof, for the time being in force), and subject to all other applicable statutory and regulatory requirements, the relevant provisions of the Memorandum and Articles of Association of the Company, the approval and/or consent of any statutory and/or regulatory authorities, if any, and the conditions as may be prescribed by any of them while granting any such approval and/or consent, as may be agreed to by the Board of Directors of the Company, (hereinafter referred to as 'Board', which term shall be deemed to include any committee constituted by the Board or any person(s) authorised by the Board in this regard), the approval of the Company be and is hereby given to the Board to make offer(s) or invitation(s) to the eligible person(s) to subscribe to

the non-convertible debentures of the Company on private placement basis within the overall borrowing limits approved by the members from time to time.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to create, issue, offer, invite and allot the non-convertible debentures in one or more offering(s), to eligible investor(s), as permitted by applicable statutes and regulations from time to time, by way of circulation of the private placement offer document or otherwise, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

RESOLVED FURTHER THAT the approval of the Company be and is hereby given to all offers or invitations to subscribe to the non-convertible debentures during the period from the conclusion of the 9th annual general meeting till the conclusion of the 10th annual general meeting.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to do such acts, deeds and things as the Board in its absolute discretion may deem necessary or desirable in connection with creating, issuing, offering, inviting and allotting the non-convertible debentures, and to give effect to this resolution, including, without limitation, the following:

- (i) approve, finalise and execute any offer document including private placement offer document and to approve and finalise any term sheets in this regard.
- (ii) finalise the basis of allotment of the non-convertible debentures; and
- (iii) settle any issues, questions, difficulties or doubts that may arise."

Place: Pune
Date: 12 May 2017

By order of the Board of Directors
For Bajaj Housing Finance Limited



Anant Damle
Company Secretary

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
 - 2) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
 - 3) Brief details of Ajay Sathe, Managing Director, who is seeking re-appointment, are annexed hereto as per requirements of the Companies Act, 2013.
 - 4) Documents referred to in the notice and the explanatory statement shall be kept open for inspection by the members at the registered office of the Company and at its corporate office ext. (3rd Floor, Panchshil Tech Park, Viman Nagar, Pune 411014) from Monday to Friday from 10.00 a.m. to 1.00 p.m., except holidays, upto the date of the meeting and also at the meeting.
 - 5) The following statutory registers are open for inspection of members and others at the registered office of the Company as prescribed in the respective sections of the Companies Act, 2013 as specified below on all working days during business hours:
 - (a) Register of contracts or arrangements in which directors are interested under Section 301 of the Companies Act, 1956 and Register of contracts with related party and contracts and bodies etc. in which directors are interested under Section 189 of the Companies Act, 2013.
 - (b) Register of directors' shareholdings under Section 307 of the Companies Act, 1956 and Register of directors and key managerial personnel and their shareholding under Section 170 of the Companies Act, 2013.
- The aforesaid registers shall be kept open for inspection at the annual general meeting by any person entitled to attend the meeting.
- 6) Corporate members are requested to send in advance duly certified copy of board resolution/power of attorney authorising their representative to attend the annual general meeting.
 - 7) Members/ proxies are requested to bring the attendance slip/proxy form duly filled and signed in for attending the Meeting. Proxies are requested to bring their ID proof at the meeting for the purpose of identification.
 - 8) Route map of the venue of the meeting is annexed to this notice for convenience.

Annexure to the notice

BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO THE COMPANIES ACT, 2013

Ajay Sathe, (DIN 05166137) 47, is the Director of Bajaj Housing Finance Limited, liable to retire by rotation. He is appointed as Director of the Company w.e.f. 10 January 2012. He is a commerce graduate

and an Associate Member of Institute of Chartered Accountants of India. He has also a qualified cost and management accountant having completed his ICWA. He is an MBA (with Honours) from European School of Management and Technology, Berlin, Germany, which is one of the top international business schools in Europe.

He joined Bajaj Auto in July 1997 and was part of the finance team till the demerger of the company. Post demerger of erstwhile Bajaj Auto, he became part of the Bajaj Finserv Corporate team where he has worked in Business Development and Corporate Strategy department. Currently he is the "Head – Group Risk Management" at Bajaj Finserv Limited. He also heads the CSR function for Bajaj Finserv and its subsidiaries.

Ajay Sathe is not related to any of the directors or key managerial personnel of the Company.

During the FY 2016-17, Ajay Sathe attended all the 6 Board meetings of the Company. During FY 2016-17, he was paid NIL remuneration.

As on 31 March 2017, he does not hold any shares in the Company.

LIST OF DIRECTORSHIPS:

1. Bajaj Auto Holdings Limited
2. Bajaj Housing Finance Limited

CHAIRMANSHIP/MEMBERSHIP OF THE COMMITTEES:

He is a member of the audit committee of Bajaj Housing Finance Limited.

Item No. 3 of the notice appointment of statutory auditors

As regards appointment of Statutory Auditors referred to in Item No. 3 of the notice, following disclosures are made for the information of the shareholders:

The current Auditors were last re-appointed by the Members at their Annual General Meeting held on 16 July 2014 to hold the office of Statutory Auditors from the conclusion of the Sixth Annual General Meeting till the conclusion of this Ninth Annual General Meeting.

As per the provisions of the Companies Act, 2013, no listed company and class of Companies shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided for transition period of three years from the commencement of the Act i.e. 1 April, 2014. The current Auditors had completed a period of six years at the commencement of the said Act. Hence on their completing the transition period of three years provided under the Act, the term of the current Auditors expires at the conclusion of the ensuing Annual General Meeting.

The Board of Directors at their meeting held on 12 May 2017, based on the recommendation of the Audit Committee has recommended the appointment of S R B C & CO LLP, Chartered Accountants, firm registration number 324982E/E300003, as the Statutory Auditors of the Company for approval by the members.

S R B C & CO LLP, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act and that they are not disqualified to be appointed as Statutory Auditors of the Company.

S R B C & CO LLP, Chartered Accountants will be appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 14th Annual General Meeting, subject to ratification of their appointment by the members at every Annual General Meeting on a remuneration, decided by the Board in consultation with the Auditors from year to year.

Brief profile of the Auditors is as under:

"S R B C & CO LLP (FRN 324982E/E300003), ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the year 2002 and is a limited liability partnership firm ("LLP") incorporated in India. It has registered office at 22, Camac Street, Kolkata and has 11 branch offices in various cities in India.

The Audit Firm has valid Peer Review certificate and is part of S.R. Batliboi & Affiliates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients."

The Board recommends passing of the ordinary resolution set out in item no. 3 of this notice.

None of the directors, key managerial personnel of the Company and their relatives are, concerned or interested, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item no.4 of the notice relating to issue of non-convertible debentures through private placement

As per section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company may make an offer or invitation to subscribe to the debentures through an issue of a private placement offer letter with a previous special resolution of its members approving offer(s) or invitation(s) to subscribe to the non-convertible debentures of the company on private placement basis.

Considering the business plans of the Company, the Board of Directors may need to resort to borrowings from time to time, including by way of loans, issue of debentures/bonds or other debt instruments, on private placement basis or otherwise. The intermix of borrowings depends upon the market conditions, tenor and cost of funds, tenor and security available in case of loans to be disbursed to customers etc. The Company will issue non-convertible debentures on private placement basis for meeting the medium and long term funding requirements of the company. The debentures will be issued at face value with coupon rate and/or on zero coupon basis. The rate of interest depends, inter alia, on the market rates, tenor and security.

Approval of the members is, therefore, sought by way of a special resolution for making offer(s) or invitation(s) to eligible persons to subscribe to the non-convertible debentures of the Company on private placement basis during the period from the conclusion of the 9th annual general meeting till the conclusion of the 10th annual general meeting, within the overall borrowing limits approved by the members from time to time.

The Board recommends passing of the special resolution set out in item no. 4 of this notice.

None of the directors, key managerial personnel of the company and their relatives are, concerned or interested, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

**By order of the Board of Directors
For Bajaj Housing Finance Limited**



**Anant Damle
Company Secretary**

**Place: Pune
Date: 12 May 2017**

PROXYFORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U65910PN2008PLC132228
Name of the Company : BAJAJ HOUSING FINANCE LIMITED
Registered office : Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411035
Name of the member(s) :
Registered address :
E-mail ID :
Folio No/Client ID/DP ID:

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

(1) Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or
failing him

(2) Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or
failing him

(3) Name: _____ Address: _____
E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the ninth annual general meeting of the Company, to be held on the Tuesday, 11 July 2017 at 9.15 a.m. at the registered office of the Company at Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035 and at any adjournment thereof in respect of such resolutions as are indicated below:

	Ordinary Business
1	Adoption of financial statements for the year ended 31 March 2017 and the Directors' and Auditors' Reports thereon
2	Re-appointment of Ajay Sathe, Director, who retires by rotation
3	Appointment of S R B C & CO LLP, Chartered Accountants, as auditors and fixing their remuneration
	Special Business
4	Issue of non-convertible debentures through private placement

Signed this ____ day of _____ 2017



Signature of member

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Notwithstanding the above the proxies can vote on such other items which may be tabled at the meeting by the members present.

ATTENDANCE SLIP

Folio No./DP ID/Client

ID: Name & Address:

Name(s) of joint holder(s),if any :
No. of shares held :

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/We hereby record my/our presence at the ninth annual general meeting of the Company on Tuesday 11, July 2017 at 9.15 a.m. at the registered office of the Company at Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035.

Full name of proxy (in case of proxy)
holder/proxy

Signature of first

Signature of joint holder(s)

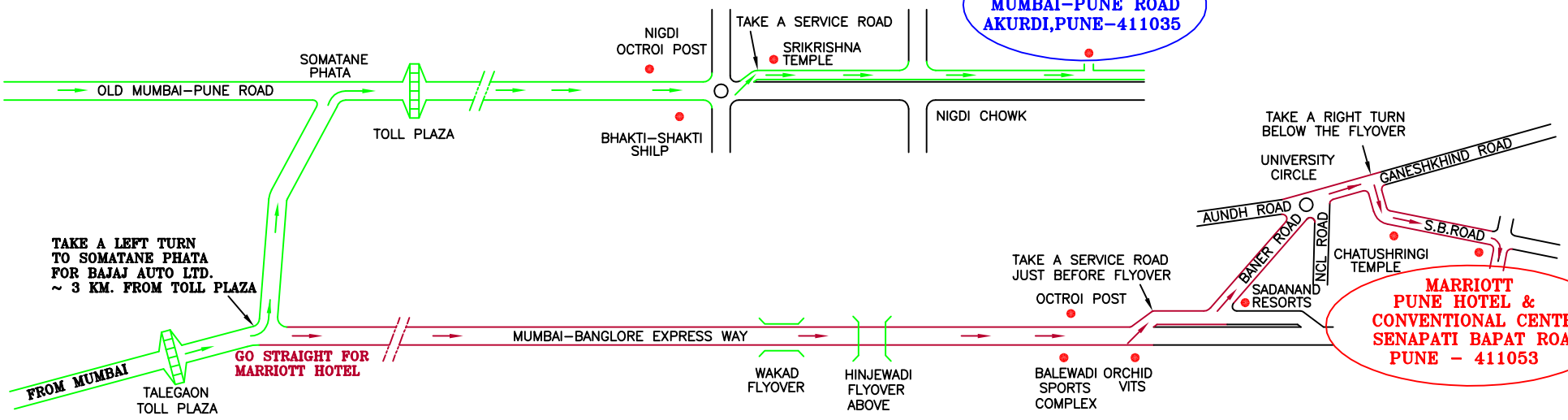
Notes:

1. Please fill and sign this attendance slip and hand it over at the venue of the meeting.
2. Only members of the Company and/or their proxy will be allowed to attend the meeting.

FROM TALEGAON TOLL PLAZA TO BAJAJ AUTO LTD. (PUNE) VIA SOMATANE PHATA @ 17 KM.
 FROM TALEGAON TOLL PLAZA TO MARRIOTT HOTEL (PUNE) VIA BANER ROAD @ 30 KM.

**BAJAJ AUTO LTD.
 MUMBAI-PUNE ROAD
 AKURDI, PUNE-411035**

**MARRIOTT
 PUNE HOTEL &
 CONVENTIONAL CENTRE
 SENAPATI BAPAT ROAD
 PUNE - 411053**

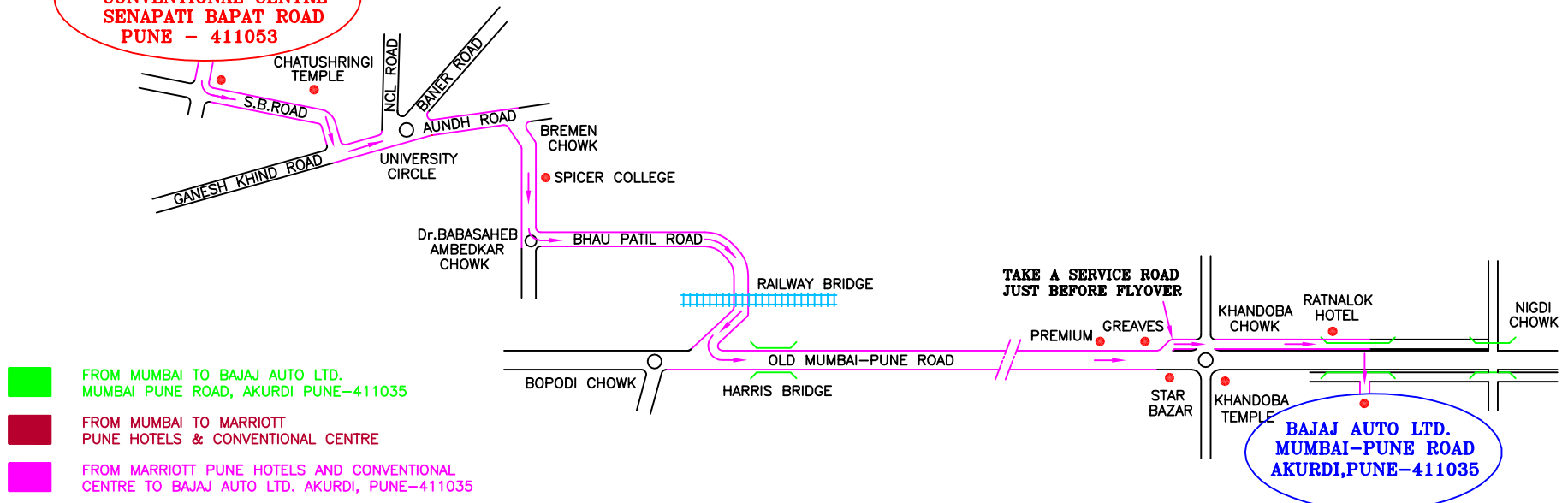


NOT TO SCALE

FROM MARRIOTT HOTEL, PUNE TO BAJAJ AUTO LTD. @ 18 KM. & BACK TO HOTEL

**MARRIOTT
 PUNE HOTEL &
 CONVENTIONAL CENTRE
 SENAPATI BAPAT ROAD
 PUNE - 411053**

**BAJAJ AUTO LTD.
 MUMBAI-PUNE ROAD
 AKURDI, PUNE-411035**



- FROM MUMBAI TO BAJAJ AUTO LTD. MUMBAI PUNE ROAD, AKURDI PUNE-411035
- FROM MUMBAI TO MARRIOTT PUNE HOTELS & CONVENTIONAL CENTRE
- FROM MARRIOTT PUNE HOTELS AND CONVENTIONAL CENTRE TO BAJAJ AUTO LTD. AKURDI, PUNE-411035

NOT TO SCALE

BAJAJ HOUSING FINANCE LIMITED

DIRECTORS' REPORT

The Directors present their ninth annual report and the audited financial statements for the year ended 31 March 2017.

Financial results

The highlights of standalone financial results are as under:

	FY 2016-17 (in ₹)	FY 2015-16 (in ₹)
Total Income	31,649,544	929,912
Profit/ (loss) before taxation	1,169,643	529,939
Profit/ (loss) after taxation	1,169,643	529,939
Surplus/ (loss) brought forward	(252,481,602)	(253,011,541)
Profit/ (loss) carried to Balance Sheet	(251,311,959)	(252,481,602)

Subsidiary

Bajaj Financial Securities Limited (BFINSEC) which was formed to carry on the business of stock broking, depository participant and mutual fund distribution had suspended its activities considering the change in the regulatory landscape and has surrendered all its licenses obtained for the aforesaid business.

Other than BFINSEC, the Company does not have any other subsidiary.

The highlights of financial results of BFINSEC are as under:

	FY 2016-17 (in ₹)	FY 2015-16 (in ₹)
Total Income	5,749,757	986,021
Profit/ (loss) before taxation	5,395,578	566,846
Profit/ (loss) after taxation	4,825,578	566,846
Surplus/ (loss) brought forward	(18,977,101)	(19,543,947)
Profit/ (loss) carried to Balance Sheet	(14,151,523)	(18,977,101)

Dividend

Directors do not recommend any dividend for consideration of members at the ensuing annual general meeting.

Capital Infusion

Pursuant to Companies Act, 2013 and approval of members and of the Board of Directors, the Company on 21st June 2016 raised funds by allotment of 30,00,00,000 equity shares of ₹ 10/- each for cash at par to the existing members of the Company on rights basis.

Share capital

During FY2017, the Company with the approval of members in the extra- ordinary general meeting held on 20 May 2016, increased its authorised capital from ₹ 50,00,00,000/- (Rupees fifty crore) divided into 5,00,00,000 equity shares of face value of ₹ 10/- each to ₹ 550,00,00,000/- (Rupees five hundred and fifty crore) divided into 55,00,00,000 equity shares of face value of ₹ 10/- each.

As on 31 March 2017, the paid-up share capital of the Company stood at ₹ 3,50,00,00,000 consisting of 35,00,00,000 equity shares of face value of ₹ 10 each fully paid-up.

Extract of Annual Return

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

Number of Meetings of the Board

The Board of Directors met six times during the year on 20 May 2016, 25 July 2016, 19 October 2016, 31 December 2016, 27 January 2017 and 20 March 2017.

Directors' responsibility statement

In compliance of Section 134(5) of the Companies Act, 2013, the Directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis; and
- (v) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration from Independent Directors

Independent directors of the Company have given a declaration that they meet the criteria on independence as provided in Section 149(6) of the Companies Act, 2013.

Policy on directors' appointment and remuneration

The Company has a Board approved remuneration policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of Directors. A copy of the remuneration policy has been annexed to this report as Annexure 2.

Particulars of Loans, Guarantees or Investments

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

Information regarding investments covered under the provisions of section 186 of the said Act are detailed in the financial statements.

Related Party Transactions

During FY2017, the Company entered into transactions with related parties pursuant to 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 FY2017 were on an arms' length basis and in the ordinary course of business and hence did not require members' prior approval under the Companies Act, 2013. During FY2017 there were no related party transactions requiring disclosure under section 134 of the Companies Act, 2013.

A policy on materiality of related party transactions and dealing with related party transactions is placed on the Company's website and is also has been annexed to this report as Annexure 3.

Material changes and commitments

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

Conservation of energy and technology absorption

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

Foreign currency

There have been no foreign exchange earnings or outgo during the year under review.

Risk Management

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

Corporate Social Responsibility

As the Company is not covered under Section 135 of the Companies Act, 2013 relating to corporate social responsibility, the directors have nothing to report on the same.

Formal annual evaluation

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

- Performance evaluation criteria for Board, Committees of the Board and directors were approved by the Nomination and Remuneration Committee at its meeting held on 14 January 2015.
- Based on the said criteria, rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of performance of the Board, its Committees and directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the ratings given by each of the directors was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and directors during the year under review.
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and Board at their meetings held on 20 March 2017.
- Under law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment did not arise.

Details on the evaluation carried out by the independent directors at their meeting have been furnished below.

Pursuant to the Companies Act, 2013, the independent directors shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 20 March 2017 and:

- noted the report on performance evaluation for FY2017 from Chairman of the Board;
- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- assessed the quantity, quality and timely flow of information between Management and the Board to be of the high quality.

All independent directors were present at the meeting and elected J Sridhar as Chairman for the meeting. The independent directors found all the points satisfactory.

During FY2017, SEBI vide its circular dated 5 January 2017, came out with a Guidance Note of Board Evaluation, which was to be adopted by the Company, as considered appropriate. The Company adopted the above said note voluntarily. The revised Performance evaluation criteria for Board, Committees of the Board, Chairperson and Directors were accordingly approved by the Nomination & Remuneration Committee at its meeting held on 20 March 2017 and the same was noted by the Board. will be applicable for evaluation from the FY2018.

Directors and Key Managerial Personnel

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. Ajay Sathe, (DIN 05166137) Director, 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 proposed in the notice of the ensuing annual general meeting for the approval of the members.

Brief details of Ajay Sathe (DIN 05166137), director, who is seeking re-appointment have been given in the notice of annual general meeting.

There was no change in the Directors and Key Managerial Personnel during the FY2017.

Significant and material orders

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operations in future

Adequacy of Internal Financial Controls

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

Audit Committee

The Audit Committee consisting of J Sridhar, Sanjay Bhargava and Ajay Sathe, Directors as members met five times during the year on 20 May 2016, 25 July 2016, 19 October 2016, 27 January 2017 & 20 March 2017.

Credit Rating

As per Housing Finance issuance of Non- Convertible Debentures on private placement basis (NHB) Directions, 2014, an eligible housing Finance Company intending to issue non-convertible debentures shall obtain credit rating from one of the credit rating agencies. The Company is expected to commence its business activities soon and hence would need to borrow money inter-alia, by way of non-convertible debentures (NCDs) and bank loans.

The Company has been assigned highest rating of "CRISIL A1+" from CRISIL for ₹ 500 Crores and "IND A1+" from INDIA RATINGS for ₹ 1,500 Crores for its short term debt programme.

The Company has also been assigned "CRISIL AAA/Stable" for its Long Term Debt programme from CRISIL Ratings with a size of ₹ 500 Crore and "IND AA+/Stable" rating by INDIA RATINGS with as size of ₹ 2,000 Crore as at March 2017. All of the above ratings indicate a high degree of safety with regard to timely payment of interest and principal.

As regards the bank loan ratings for the bank facilities, INDIA RATINGS has assigned "IND AA+/Stable" and CRISIL has assigned "CRISIL AAA/Stable" rating for the Company's cash credit/working capital demand loan and long term bank facilities. INDIA RATINGS has assigned "IND A1+" rating and CRISIL has assigned "CRISIL A1+" rating for the short term bank facilities. The cumulative rating for the bank loan programme is ₹ 3,500 crore under INDIA RATINGS and ₹ 1,000 crore under CRISIL Ratings.

Presentation of financial results

The financial results of the Company for the year ended 31 March 2017 have been disclosed as per Schedule III to the Companies Act, 2013.

Statutory disclosures

There are no details which are required to be disclosed under the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

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) 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 LLP, Chartered Accountants, were appointed as statutory auditors of the Company at the 6th annual general meeting (AGM) of the Company for a period from the conclusion of the said AGM till the conclusion of the 9th AGM subject to ratification of their appointment by the members at every AGM held thereafter. The term of the existing auditors is expiring after the conclusion of the ensuing AGM.

A resolution for appointment of S R B C & CO LLP, Chartered Accountants, as auditors and fixing of their remuneration for the year 2017-18 is proposed in the notice of the ensuing AGM for the approval of the members.

The Company has received from S R B C & CO LLP, 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.

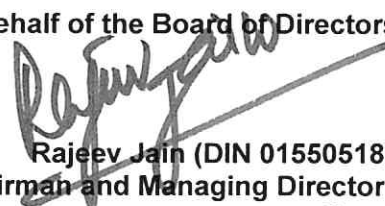
The Audit Report submitted by Dalal & Shah LLP, for FY2017 does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor

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

A report from secretarial auditor is annexed to this Report as Annexure 4. The same does not contain any qualification, reservation or adverse remark or disclaimer.

On behalf of the Board of Directors



Rajeiv Jain (DIN 01550518)
Chairman and Managing Director

Pune: 12 May 2017

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on 31 March 2017

[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:

Sr. No.	Particulars	Details
1	CIN	U65910PN2008PLC132228
2	Registration date	13/06/2008
3	Name of the Company	Bajaj Housing Finance Limited
4	Category/ Sub-category of the Company	Public Company, Limited by shares
5	Address of the registered office and contact details	Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune- 411035 Tel: 020 3018 6403
6	Whether listed company	No
7	Name, Address and Contact details of the Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
NIL	NIL	NIL	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares Held	Applicable section
1	Bajaj Finserv Limited Address: Bajaj Auto Ltd. Complex, Mumbai - Pune Road, Akurdi - 411 035	L65923PN2007PLC130075	Holding	57.80	Section 2(46)

a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	50,000,000	50,000,000	100	0	35,00,00,000	35,00,00,000	100	0

ii) Shareholding of Promoters

		Shareholding at the beginning of the year (1 April 2016)	Shareholding at the end of the year (31 March 2017)	
--	--	--	---	--

Sr. no.	Name of Promoter	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	% change in shareholding during the year
1.	Bajaj Finance Limited	*5,00,00,000	100	0	*35,00,00,000	100	0	0
	Total	5,00,00,000	100	0	35,00,00,000	100	0	0

Note: *Out of the total number of shares held, 600 shares are held jointly (100 shares jointly with six individuals each)

iii) Change in Promoters' Shareholding (please specify, if there is no change)-

	Particulars	Shareholding at the beginning of the year (1 April 2016)		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 the year	*5,00,00,000	100		
	21 June 2016 (Rights issue)	*30,00,00,000	100	35,00,00,000	100
	At the end of the year	*35,00,00,000	100		

Note: *Out of the total number of shares held, 600 shares are held jointly (100 shares jointly with six individuals each)

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): There are no shareholders of the Company apart from Promoters.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of director and key managerial personnel	Shareholding of each director and each Key managerial personnel	Shareholding at the beginning of the year (1 April 2016)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(i)	Shri Rajeev Jain (Chairman and Managing Director) jointly with Bajaj Finance Limited	At the beginning of the year	100	0.00	100	0.00
		At the end of the year	100	0.00		
(ii)	Shri Anant Damle (Company Secretary) jointly with Bajaj Finance Limited	At the beginning of the year	100	0.00	100	0.00
		At the end of the year	100	0.00		

V. INDEBTEDNESS: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: **NIL**

B. REMUNERATION TO OTHER DIRECTORS: **NIL**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: **NIL**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

BAJAJ HOUSING FINANCE LIMITED

REMUNERATION POLICY

(I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director

1. Qualifications of Independent Director:-

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, 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 concerning independence of directors.

(II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

A. NON-EXECUTIVE DIRECTORS (NEDs)

NEDs may be paid a sitting fee for every meeting of the board or committee thereof attended by them as member, and/or commission at such rate as may be decided by the board.

Additional commission, apart from commission referred to above, may be paid to non-executive directors as may be decided by the board of directors of the company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the non-executive directors.

The company has no stock options plans for directors and no payment by way of bonus, pension, incentives etc. shall be paid.

B. MANAGING DIRECTOR & KEY MANAGERIAL PERSONNEL & 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, if any shall take into account the Company's overall performance, Managing Director's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

The Remuneration to Directors, Key Managerial Personnel, Senior Management and other employees will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and 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.

Since the Key Managerial Personnel of the company are also the Key Managerial Personnel of the holding company namely, Bajaj Finance Limited, and they are in receipt of the remuneration from that company, no remuneration is being paid by the company at present.

The above criteria and policy are subject to review by the Nomination and Remuneration committee and the Board of Directors of the Company.

FOR BAJAJ HOUSING FINANCE LIMITED

**Pune
14 January 2015**

CHAIRMAN AND MANAGING DIRECTOR

Bajaj Housing Finance Limited

Policy on Materiality of and Dealing with Related Party Transactions

(Pursuant to “Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016”)

(Approved by the Board of Directors at its meeting held on 20 March 2017)

“Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016” (‘NHB Directions’) require a housing finance company to formulate a Policy on Materiality on Related Party Transactions and also on dealing with such Related Party Transactions. Accordingly, a Policy is hereby framed as under:-

1. All Related Party Transactions (RPTs) of the company covered under the Companies Act, 2013 and relevant provision of Accounting Standard will be approved by the audit committee of the Board from time to time.
2. Consent of the Board and the Shareholders would be taken in respect of all RPTs, except in the following cases:
 - i. Where the transactions are below the threshold limits specified in the Companies Act, 2013 & Rules thereunder; or
 - ii. Where the transactions are entered into by the company in its ordinary course of business and are on an arms’ length basis; or
3. Material transactions means the transactions which are above the threshold limits specified in the Companies Act, 2013 & Rules thereunder.

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

The above policy is subject to change from time to time

FOR BAJAJ HOUSING FINANCE LIMITED

Pune
20 March 2017

RAJEEV JAIN
CHAIRMAN AND MANAGING DIRECTOR

Shyamprasad D. Limaye
B.Com. LL.B. F.C.S
Company Secretary

303 Parag-Wahini C.H.S Limited
126 Dahanukar Colony, Lane No. 4
Kothrud, Pune: 411 038.
Tel.: (O) 25389985 (R) 25230773
e-mail:shyamprasad.limaye@gmail.com

To,
The Members,
Bajaj Housing Finance Limited,
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,
Akurdi, Pune -411 035.

My Secretarial Audit Report for the Financial Year ended on 31 March 2017 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune

Date: 12 May 2017



A handwritten signature in blue ink, appearing to read 'Shyamprasad D. Limaye'.

Shyamprasad D. Limaye

FCS No. 1587 C P No.: 572

Dalal & Shah LLP

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BAJAJ HOUSING FINANCE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Bajaj Housing 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 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 financial statements.

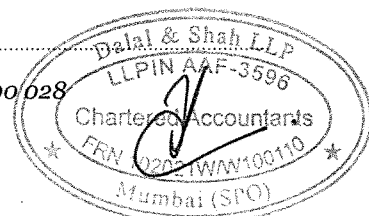
Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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.

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 102021WW100110 (ICAI registration number before conversion was 102021W)



Dalal & Shah LLP

Chartered Accountants

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 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.
 - (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 does not have any pending litigations as at March 31, 2017 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 26.

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



S. Venkatesh
Partner
Membership Number: 037942

Mumbai: May 12, 2017

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 Housing Finance Limited on the financial statements for the year ended March 31, 2017

Page 1 of 2

Dalal & Shah LLP

Chartered Accountants

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 Housing Finance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

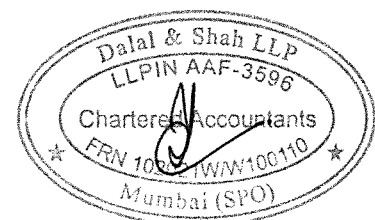
2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal 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.
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.



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 Housing Finance Limited on the financial statements for the year ended March 31, 2017

Page 2 of 2

Dalal & Shah LLP

Chartered Accountants

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

Mumbai: May 12, 2017

Annexure B to Independent Auditors' Report

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

Dalal & Shah LLP

Chartered Accountants

- i. (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 during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) The title deeds of immovable properties as disclosed in Note 6 on fixed assets to the financial statements, are held in the name of the Company.
- ii. Considering the nature of activities carried on at present by the Company, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of investments made by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- 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 products or 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 income tax and service tax with the appropriate authorities. As explained to us there are no dues towards provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable.
(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, sales tax, service-tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- 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.



Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Bajaj

Housing Finance Limited on the financial statements for the year ended March 31, 2017

Page 2 of 2

Dalal & Shah LLP

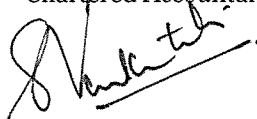
Chartered Accountants

- xi. The Company has neither paid/ nor provided for managerial remuneration and accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- 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 has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 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 not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Dalal & Shah LLP

Firm Registration Number: 102021W/W100110

Chartered Accountants



S. Venkatesh

Partner

Membership Number: 037942

Mumbai: May 12, 2017

BAJAJ HOUSING FINANCE LIMITED

BALANCE SHEET

AS AT

31 March 2017

AND

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED

31 March 2017

BAJAJ HOUSING FINANCE LIMITED

BALANCE SHEET AS AT 31 MARCH 2017

Amount in ₹

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	3,500,000,000	500,000,000
Reserves and surplus	4	(251,311,959)	(252,481,602)
		3,248,688,041	247,518,398
Non-current liabilities			
Long-term provisions	5	4,000	-
		4,000	-
Current liabilities			
Trade payables	6		
Total outstanding due to Micro, Small and Medium Enterprises		-	-
Total outstanding due to creditors other than Micro, Small and Medium Enterprises		27,562	-
Other current liabilities		2,099,696	571,257
Short-term provisions	5	-	-
		2,127,258	571,257
Total		3,250,819,299	248,089,655
ASSETS			
Non-current assets			
Fixed assets	7		
Tangible assets		23,771,235	-
Intangible assets		-	-
		23,771,235	-
Non-current investments	8	120,000,000	120,000,000
Receivables under financing activity	9	485,270	-
Long-term loans and advances	10	374,366	208,629
Other non-current assets	13	-	-
		144,630,871	120,208,629
Current assets			
Current investments	8	3,103,807,351	116,501,395
Receivables under financing activity	11	9,390	-
Cash and bank balances	12	2,367,987	11,186,330
Short-term loans and advances	10	-	-
Other current assets	13	3,700	193,301
		3,106,188,428	127,881,026
Total		3,250,819,299	248,089,655

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

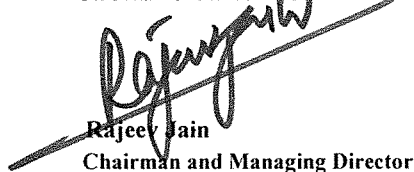
For Dalal & Shah LLP
Firm Registration No. (102021W / W100110)
Chartered Accountants



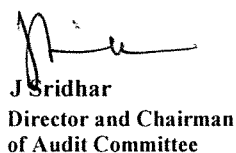
S. Venkatesh
Partner
Membership No. 037942

Mumbai: 12 May 2017

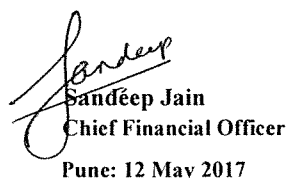
On behalf of the Board of Directors



Rajeev Jain
Chairman and Managing Director



J Sridhar
Director and Chairman
of Audit Committee



Sandeep Jain
Chief Financial Officer
Pune: 12 May 2017



Anant Damle
Company Secretary

BAJAJ HOUSING FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

Amount in ₹

Particulars	Note No.	Year Ended 31 March 2017	Year Ended 31 March 2016
Revenue			
Revenue from operations	14	5,234	-
Other income	15	31,644,310	929,912
Total revenue		31,649,544	929,912
Expenses			
Finance costs	16	3,505,107	-
Depreciation and amortization expense	7	96,865	-
Loan losses and provisions	17	4,000	-
Other expenses	18	26,873,929	399,973
Total expenses		30,479,901	399,973
Profit before tax		1,169,643	529,939
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit after tax for the year		1,169,643	529,939
Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 10)	19	0.004	0.011

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

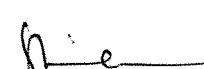
For Dalal & Shah LLP

Firm Registration No. (102021W / W100110)

Chartered Accountants


Rajeev Jain

Chairman and Managing Director


J. Sridhar

Director and Chairman
of Audit Committee


S. Venkatesh

Partner

Membership No. 037942

Mumbai: 12 May 2017


Sandeep Jain

Chief Financial Officer

Pune: 12 May 2017


Anant Damle

Company Secretary

BAJAJ HOUSING FINANCE LIMITED
CASH FLOW STATEMENT

Amount in ₹

Particulars	For the Year ended	
	31-Mar-17	31-Mar-16
A. Cash Flow from Operating Activities:		
Profit before taxation	1,169,643	529,939
<u>Adjustments for:</u>		
Depreciation and amortisation	96,865	-
Sundry credit balances appropriated	(269,685)	-
Provision on advances	4,000	14,557
Finance costs	3,505,107	-
Share issue expenses	25,119,000	-
Provision no longer required	(26,398)	(10,614)
	29,598,532	533,882
<u>Less: Investment income / loss included above</u>		
Profit on sale of current investment	(31,206,351)	(116,149)
Interest on Fixed deposits	(136,666)	(768,000)
	(31,343,017)	(884,149)
Cash from operations	(1,744,485)	(350,267)
<u>Changes in working capital:</u>		
Increase / (decrease) in trade payables	27,562	-
Increase / (decrease) in other current liabilities	1,824,522	131,876
(Increase) / decrease in long term loans and advances	(268,625)	(14,557)
(Increase) / decrease in other current assets	(3,700)	4,655
	1,579,759	121,974
Taxes paid (net of refunds)	102,888	(228,293)
Finance costs paid	(3,505,107)	438,870
	(3,402,219)	438,870
	(3,566,945)	210,577
(Increase) / decrease in receivables under financing activity, current	(9,390)	-
(Increase) / decrease in receivables under financing activity, non current	(485,270)	-
	(494,660)	-
Net cash generated from operations	(4,061,605)	210,577
B. Cash Flow from Investing Activities:		
Capital expenditure	(23,868,100)	-
Refund of fixed deposits	9,560,000	-
Purchase of Mutual Fund - current investment	(6,387,200,002)	-
Sale of Mutual Fund -current investment	3,431,100,397	400,000
Interest on Fixed deposits	329,967	797,256
Net cash from investing activities	(2,970,077,738)	1,197,256
C. Cash Flow from Financing Activities:		
Increase / (decrease) in share capital	3,000,000,000	-
Share issue expenses	(25,119,000)	-
Net cash from financing activities	2,974,881,000	-
Net increase in cash and cash equivalents	741,657	1,407,833
Cash and cash equivalents at the beginning of the year	1,626,330	218,497
Cash and cash equivalents at the end of the year	2,367,987	1,626,330

As per our attached report of even date

For Datal & Shah LLP
Firm Registration No. (102021W / W100110)
Chartered Accountants

S. Venkatesh
Partner
Membership No. 037942

Mumbai : 12 May 2017

On behalf of the Board of Directors

Rajeev Jain
Chairman and Managing Director

J Sudhar
Director & Chairman
of Audit Committee

Sandeep Jain
Chief Financial Officer

Pune : 12 May 2017

Anant Damle
Company Secretary

1. Background:

Bajaj Housing Finance Limited was incorporated, as wholly owned subsidiary of Bajaj Finserv Limited on 13 June 2008. During the financial year 2014 – 15 the Company became a wholly owned subsidiary of Bajaj Finance Limited and, has also changed its object clause by incorporating objects relating to Housing Finance Business. The Company has received a certificate from National Housing Bank for Housing Finance business vide certificate no 09.0127.15 Dated September 24, 2015. The Company has commenced business of housing finance in the month of February 2017.

2.(I) Summary 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. Consequently, 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, the other relevant provisions of the Companies Act, 2013 and National Housing Bank Regulations 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 Schedule III to the Companies Act, 2013. Based on the nature of the products and services the time between acquisition of assets for processing and their realization 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 recognizes 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 Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of financial statements. The estimates and assumptions used in the accompanying Financial Statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.



B) Fixed Assets, Depreciation and Amortization:

(I) (i) Tangible assets are carried at cost of acquisition. Cost of acquisition includes all expenses incurred to bring the asset into a state ready to be put to its intended use.

(ii) Depreciation on tangible assets

(a) Depreciation on building is provided on a pro-rata basis on written down value method over the useful life of assets.

(iii) Depreciation on addition to assets and assets sold during the year is being provided for on a pro-rata basis with reference to the month in which such asset is added or sold as the case may be.

(iv) Individual assets / group of similar assets costing less than ₹ 5,000 has been depreciated in full in the year of purchase.

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 off within twelve months from the date of acquisition are classified as short-term / current investments and are carried at their cost or market value / net realizable 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. Long-term investments maturing within 12 months from the close of the year (i.e. current maturities) are reclassified as current investments. Provision for diminution in value of investments, if any, is made if, in the opinion of the Management, such diminution is other than temporary.

E) Income from:

(i) Financing Activity

Interest, finance charges, service charges etc. are recognized as income on accrual basis with reference to the terms of contractual commitments such as finance agreements entered into with borrowers, as the case may be, except in the case of delinquent assets provided for where income is recognized only when realized.

(ii) Other Income:

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

(b) Profit/loss on sale/redemption of investments is recognized on the settlement date.



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. However, the Company ensures that the said provisions are not lower than the prudential norms prescribed in the Housing Finance Companies (NHB) Directions, 2010 as amended.

A general provision, as required by Housing Finance Companies (NHB) Directions, 2010 as amended is also made by the Company on the standard assets outstanding.

G) Borrowing Cost:

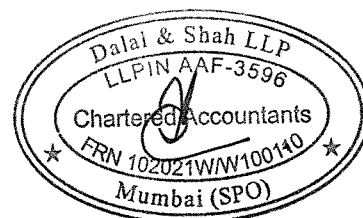
All borrowing cost are recognized in the Statement of Profit and Loss in the period in which they are incurred.

H) Taxation:

- a) Provision for Taxation is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income Tax Act, 1961.
- b) Deferred Tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystallise with reasonable certainty. However, in case of deferred tax assets (representing unabsorbed depreciation or carried forward losses) are recognised, if and only if there is virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised.

I) 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 reliable 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.



3 Share Capital

Particulars	Amount in ₹	
	As at 31 March 2017	As at 31 March 2016
Authorised :		
@ 550,000,000 equity shares of ₹ 10 each (Previous year 50,000,000 equity shares of ₹ 10 each)	5,500,000,000	500,000,000
Issued, subscribed and Fully paid-up shares :		
# 350,000,000 equity shares of ₹ 10 each (Previous year 50,000,000 equity shares of ₹ 10 each)	3,500,000,000	500,000,000
	3,500,000,000	500,000,000

Notes.

@ The Company has, vide resolution passed in the Extra-Ordinary General Meeting held on 20 May 2016, increased its authorised share capital from ₹ 500,000,000/- (Rupees Fifty Crore) divided into 50,000,000 equity shares of face value of ₹ 10/- each to ₹ 5,500,000,000/- (Rupees Five Hundred and Fifty Crore) divided into 550,000,000 equity shares of face value of ₹ 10/- each.

300,000,000 fully paid-up equity shares of face value of ₹ 10/- each were allotted at par on 21 June 2016 to Bajaj Finance Limited, holding company of the Company on rights basis

a. Reconciliation of the shares outstanding at the beginning and at the end of the year
Equity shares

Particulars	As at 31 March 2017		As at 31 March 2016	
	Nos.	Amount in ₹	Nos.	Amount in ₹
Shares Outstanding at the beginning of the year	50,000,000	500,000,000	50,000,000	500,000,000
Add: Issued during the year	300,000,000	3,000,000,000	-	-
Outstanding at the end of the year	350,000,000	3,500,000,000	50,000,000	500,000,000

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.

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.

c. Shares held by holding company

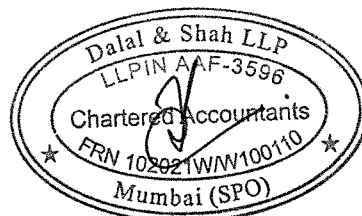
Particulars	As at 31 March 2017		As at 31 March 2016	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid Bajaj Finance Limited	350,000,000	100.00%	50,000,000	100.00%
	350,000,000	100.00%	50,000,000	100.00%

d. Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2017		As at 31 March 2016	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Bajaj Finance Limited	350,000,000	100.00%	50,000,000	100.00%
	350,000,000	100.00%	50,000,000	100.00%

4 Reserves and surplus

Particulars	Amount in ₹	
	As at 31 March 2017	As at 31 March 2016
Reserve Funds in terms of Section 29C of National Housing Bank act 1987		
Balance as at the beginning of the year	106,000	-
Addition/ Appropriation/ withdrawal during the year		
Add : Amount transferred u/s 29C of the NHB Act, 1987 during the year	234,000	106,000
Less: Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
Balance as at the end of the year	340,000	106,000
Surplus / (Deficit) in the statement of profit and loss		
Balance as at the beginning of the year	(252,587,602)	(253,011,541)
Profit/(Loss) for the year	1,169,643	529,939
Less: Appropriations		
Transfer to Reserve Fund in terms of Section 29C of the National Housing Bank Act 1987	(234,000)	(106,000)
Balance as at the end of the year	(251,651,959)	(252,587,602)
	(251,311,959)	(252,481,602)



5 Provisions	Amount in ₹				
	Particulars	Long-term		Short-term	
		2017	As at 31 March 2016	2017	As at 31 March 2016
Other provisions					
Provisions for Standard Assets	4,000	-	-	-	
	4,000	-	-	-	
	4,000	-	-	-	

6 Current liabilities	Amount in ₹	
	As at 31 March 2017	As at 31 March 2016
Particulars		
Trade payables		
Dues to micro and small enterprises	-	-
Dues to creditors other than micro and small enterprises	27,562	-
	27,562	-
Other current liabilities		
Statutory dues Payable	277,854	16,215
Other Payables	1,821,842	555,042
	2,099,696	571,257
	2,127,258	571,257

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.



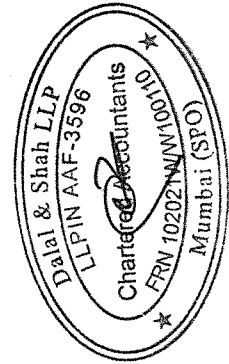
7. Fixed assets (tangible and intangible assets)

Amount in ₹

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK
	As on 31 March 2016	Additions	Deductions & Adjustments	As on 31 March 2017	As on 31 March 2016	For the Year	As on 31 March 2017
Tangible Assets :							
Buildings	-	23,868,100	-	23,868,100	-	96,865	23,771,235
Total Tangible Assets	-	23,868,100	-	23,868,100	-	96,865	23,771,235
Intangible Assets :							
Total	-	23,868,100	-	23,868,100	-	96,865	23,771,235

Previous year fixed assets schedule

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK
	As on 31 March 2015	Additions	Deductions & Adjustments	As on 31 March 2016	As on 31 March 2015	For the Year	As on 31 March 2016
Tangible Assets	-	-	-	-	-	-	-
Total Tangible Assets	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

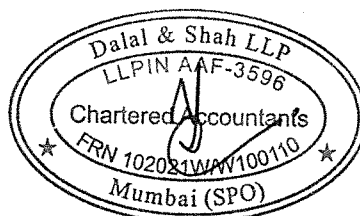


Particulars	Amount in ₹			
	As at 31 March 2017	Non-current As at 31 March 2016	As at 31 March 2017	Current As at 31 March 2016
Long Term Investments :				
Other than Trade				
In Subsidiary Companies				
Equity Shares:				
Unquoted:				
14,000,000 shares of ₹ 10 each of Bajaj Financial Securities Limited	140,000,000	140,000,000	-	-
Less: Provision for Diminution in the value of investments	(20,000,000)	(20,000,000)	-	-
	120,000,000	120,000,000	-	-
Current Investments :				
In Mutual Funds				
Quoted:				
IDFC Money Manager Fund Treasury Plan C - Growth - (Defunt Plan) (Current Year Nil , Previous Year : 79,301 units)	-	-	-	1,001,395
UTI - Treasury Advantage Fund Institutional Plan-Direct Plan - Growth (Current Year 188,912 units, Previous Year : Nil)	-	-	400,000,000	-
IDFC Money Manager Fund Treasury Plan - Growth - Direct Plan (Current Year Nil units, Previous Year : 263,987)	-	-	-	5,500,000
IDFC Ultra Short term fund - Growth-(Direct Plan) (Current Year 972,401 units, Previous Year : Nil)	-	-	22,500,000	-
ICICI Prudential Flexible Income Direct Plan - Growth (Current Year 1,364,662 units, Previous Year : Nil)	-	-	400,000,000	-
Kotak Treasury Advantage Fund - Direct Plan - Growth (Current Year 16,096,126 units, Previous Year : Nil)	-	-	400,000,000	-
HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Whole sale option - Growth option (Current Year 15,012,535 units, Previous Year : Nil)	-	-	400,000,000	-
Reliance Money Manager Fund -Direct Growth Plan Growth Option (Current Year 186,570 units, Previous Year : Nil)	-	-	400,000,000	-
Invesco India Ultra Shorth Term Fund - Direct Plan Growth (Current Year 116,208 units, Previous Year : Nil)	-	-	250,000,000	-
SBI Ultra Short Term Debt Fund Direct Plan - Growth (Current Year 125,553 units, Previous Year : Nil)	-	-	250,000,000	-
Tata Ultra Short term fund Direct Plan - Growth (Current Year 34,799 units, Previous Year : Nil)	-	-	81,307,351	-
L & T Ultra Short term Fund Direct Plan - Growth (Current Year 3,366,739 units, Previous Year : Nil)	-	-	90,000,000	-
ICICI Prudential Liquid - Direct Plan - Growth (Current Year 41,715 units, Previous Year : Nil)	-	-	10,000,000	-
Birla Sun Life Savings Fund - Growth - Direct Plan (Current Year :1,331,278 units, Previous Year : 418,357)	-	-	400,000,000	110,000,000
	120,000,000	120,000,000	3,103,807,351	116,501,395

Particulars	Amount in ₹			
	Book value as at 31 March		Market value as at 31 March	
	2017	2016	2017	2016
Unquoted	120,000,000	120,000,000	-	-
Quoted	3,103,807,351	116,501,395	3,292,672,835	130,713,894
	3,223,807,351	236,501,395	3,292,672,835	130,713,894

Note: Open Ended Mutual Funds though not listed are quoted on National Stock Exchange (NSE) and are transactable through the exchange with Fund Houses at previous day close Net Asset Value (NAV). Hence considered as quoted.

Particulars	Amount in ₹	
	As at 31 March 2017	As at 31 March 2016
Secured:		
Against equitable mortgage of immovable property under finance agreements	485,270	-
Overdue instalments considered doubtful	-	-
Less: Provision	-	-
	485,270	-

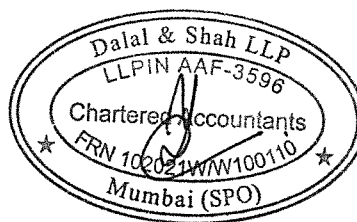


10 Loans and advances					Amount in ₹
(Unsecured, good, unless stated otherwise)					
Particulars	Long-term		Short-term		
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016	
Security deposits	-	11,219	-	-	
Less : Allowance for Doubtful Security Deposits	-	(11,219)	-	-	
	-	-	-	-	
Advances recoverable in cash or kind					
Secured considered good	-	-	-	-	
Unsecured considered good	268,625	-	-	-	
Doubtful	1,290,084	1,328,539	-	-	
Less Provisions	(1,290,084)	(1,328,539)	-	-	
	-	-	-	-	
Advance income-tax	105,741	208,629	-	-	
	374,366	208,629	-	-	
	374,366	208,629	-	-	

11 Receivables under financing activity -Current:				Amount in ₹
Particulars	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Secured:				
Against equitable mortgage of immovable property under financing agreements			9,390	-
Overdue instalments considered doubtful			-	-
Less Provision			-	-
			9,390	-

12 Cash and bank balances				Amount in ₹
Particulars	Current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Cash and Cash equivalents				
Balances with banks:				
On current accounts	2,367,987	1,626,330	2,367,987	1,626,330
Other bank balances				
Deposits with Bank				
Residual maturity less than 12 months	-	9,560,000	-	9,560,000
	-	-	-	-
	2,367,987	11,186,330	2,367,987	11,186,330

13 Other current assets					Amount in ₹
(Unsecured, good, unless stated otherwise)					
Particulars	Non-current		Current		
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016	
Interest receivable on fixed deposits	-	-	-	193,301	
Other Receivable	-	-	3,700	-	
	-	-	3,700	193,301	



Particulars	Amount in ₹	
	For the year ended	
	31 March 2017	31st March 2016
14 Revenue from operations		
Finance activity:		
a) Interest on loans	2,017	-
b) Service and administration charges	3,217	-
	<u>5,234</u>	<u>-</u>

Particulars	Amount in ₹	
	For the year ended	
	31 March 2017	31 March 2016
15 Other income		
Other Interest Income		
Interest on Fixed Deposit with Banks	136,666	768,000
Profit on Sale of Current Investment	31,206,351	116,149
Other Non Operating Income		
Miscellaneous Income	-	8,779
Sundry Credit Balance Appropriated	269,685	-
Provision no longer required	26,398	10,614
Interest on Income Tax Refund	5,210	26,370
	<u>31,644,310</u>	<u>929,912</u>

Particulars	Amount in ₹	
	For the year ended	
	31 March 2017	31 March 2016
16 Finance costs		
Other Finance Cost		
Other Finance Charges	3,505,107	-
	<u>3,505,107</u>	<u>-</u>

Particulars	Amount in ₹	
	For the year ended	
	31 March 2017	31 March 2016
17 Loan losses and provisions		
Provision for Standard Assets	4,000	-
	<u>4,000</u>	<u>-</u>

Particulars	Amount in ₹	
	For the year ended	
	31 March 2017	31 March 2016
18 Other expenses		
Auditors remuneration	216,506	172,350
Legal & Professional Fees	179,816	190,987
Share issue expenses	25,119,000	-
Subscription Expenses	57,188	-
Travelling & Conveyance	6,240	-
Printing & Stationery Expenses	938,376	-
Provision net of write off		
Sundry Debit Balances Written off	49,674	14,557
Provision made in earlier years adjusted	(49,674)	-
Bank Charges	27,150	266
Miscellaneous expenses	329,653	21,813
	<u>26,873,929</u>	<u>399,973</u>

Particulars	Amount in ₹	
	For the year ended	
	2017	2016
Payment to auditor (net of service tax)		
As auditor:		
Audit fee	107,750	107,750
Other services (certification fees)	107,750	64,600
Out of Pocket expenses	1,006	-
	<u>216,506</u>	<u>172,350</u>



19 Earning per share (EPS)

Earnings per share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below:

Particulars	For the year ended	
	2017	2016
a) Profit for the year after taxation (₹)	1,169,643	529,939
Weighted average number of shares outstanding during the year	283,424,658	50,000,000
b) Basic / Diluted Earnings per share (₹)	0.004	0.011
Face value per share ₹	10	10

20 Taxation

In view of carry forward losses, no provision for tax including minimum alternate tax is considered necessary.

21 Capital and Other Commitments

(a) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances) – Nil, (Previous year- Nil).

(b) Other Commitments

Company's capital commitments towards partially disbursed loans ₹ 3,585,929

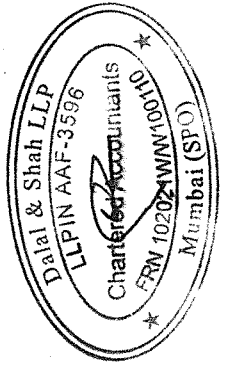


22. Disclosure of Transactions with Related Parties as required by the Accounting Standard - 18		2016-17	2015-16
Name of related party and Nature of relationship	Nature of transaction	Transaction Value	Outstanding amounts carried in the Balance Sheet
A. Holding company, Subsidiaries and Fellow subsidiary:			
Bajaj Finserv Limited (Ultimate Holding company)		-	-
Bajaj Finance Limited (Holding company from Nov. 1st 2014)	Contribution to Equity	3,000,000,000	(3,500,000,000)
	Asset Purchase - Building at Chennai	22,100,000	-
	Miscellaneous receivable	3,700	3,700
Bajaj Financial Securities Limited (Wholly owned subsidiary)	Contribution to Equity	-	140,000,000
Bajaj Allianz General Insurance Co Ltd (Fellow Subsidiary)		-	-
Bajaj Allianz Life Insurance Co Limited (Fellow Subsidiary)		-	-
Bajaj Financial Holdings Limited (Fellow Subsidiary)		-	-
B. Associates, joint ventures and investing parties:			
B. Individuals controlling voting power / exercising significant influence and their Relatives:			
Rahul Bajaj		-	-
Sheshwar Bajaj		-	-
Madhur Bajaj		-	-
Niraj Bajaj		-	-
C. Key Management Personnel & their Relatives:			
Rajesh Jain (Chairman & Managing Director)	Remuneration	-	-
D. Enterprises over which anyone in (b) & (c) exercises significant influence:			
Bajaj Electricals Ltd	Asset Purchase / Settlement	65,909	(65,909)

Note :
Name of the related party 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. Accordingly disclosure have been made in respective notes to financial statements as required by schedule III to the Companies Act, 2013.

Transaction values are excluding taxes and duties
Outstanding Amount in bracket denotes credit balances



23 **Business**

Company has been granted a certificate (Certificate No : 09 0127 15 Dated - 24 September 2015) from National Housing Bank to commence Housing Finance Business.

24 **Consolidation**

The Company is an intermediate wholly owned subsidiary of Bajaj Finance Limited and therefore is exempted from preparation of Consolidated Financials Statements.

25 **Disclosure required as per NHB notification**

Disclosure requirements as per Notification No. NHB HFC CG-DIR 1/MD&CEO/2016 dated 9th February, 2017 is not applicable to the Company as asset size as per last audited Balance Sheet i.e 31 March 2016 is less than ₹ 50 crores.

26 **Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016**

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on 08 Nov 2016	-	-	-
Add : Permitted Receipts	-	-	-
Less : Permitted payments	-	-	-
Less : Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

27 **Previous year figures**

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

Signature to Notes 1 to 27

In terms of our report of even date

For Dalal & Shah LLP
Firm Registration No. (102021W / W100110)
Chartered Accountants



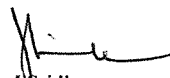
S. Venkatesh
Partner
Membership No. 037942

Mumbai: 12 May 2017

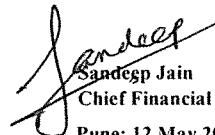
On behalf of the Board of Directors



Rajeev Jain
Chairman and Managing Director



J. Sridhar
Director and Chairman
Audit Committee



Sandeep Jain
Chief Financial Officer
Pune: 12 May 2017



Anant Damle
Company Secretary

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)

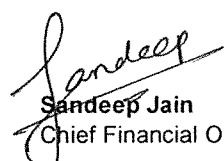
Part A: Subsidiaries

	(Amounts in ₹)
1 Name of the subsidiary	Bajaj Financial Securities Limited
2 The date since when subsidiary was acquired	07.04.2010
3 Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2016 – 31.03.2017
4 Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable
5 Share capital	140,000,000
6 Reserves and surplus	(14,151,523)
7 Total assets	126,321,720
8 Total Liabilities	473,243
9 Investments	125,432,274
10 Turnover	5,749,757
11 Profit before taxation	5,395,578
12 Provision for taxation (net)	570,000
13 Profit after taxation	4,825,578
14 Proposed dividend	NA
15 % of shareholding	100%

Part B: Associates and Joint Ventures – Not Applicable


Rajeev Jain
Chairman & Managing Director


J Sridhar
Director & Chairman
of Audit Committee


Sandeep Jain
Chief Financial Officer


Anant Damle
Company Secretary

Pune: 12 May 2017