

BAJAJ FINANCE LIMITED

19 May 2020

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

Dear Sir/Madam,

Sub: Outcome of Meeting of Board of Directors

In terms of provision of Regulation 30 (read with Part A of Schedule III) and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (SEBI Listing Regulations), this is to inform you that the Board of Directors, at its Meeting held today,

- approved audited standalone and consolidated financial results of the Company prepared as per Indian Accounting Standard (Ind AS) for the quarter and financial year ended 31 March 2020.

A copy of the said standalone and consolidated financial results, audit reports for standalone and consolidated financial results and press release in this respect are enclosed. The audit reports are submitted with unmodified opinion(s) (free from any qualifications) and a declaration to that effect is enclosed.

In accordance with SEBI circular dated 12 May 2020 read with circular dated 26 March 2020 granting relaxation from the provisions of Regulation 47 of the SEBI Listing Regulations, the above financial results will not be advertised in the newspapers. However, the same will be available on Company's website at <https://www.bajajfinserv.in/finance-investor-relations-financial-information>.

Further, pursuant to SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26 November 2018, for fund raising by issuance of Debt Securities by Large Entities, please find enclosed herewith disclosures in the format as prescribed in aforesaid SEBI circular.

- approved issue of 8,98,270 equity shares of face value of Rs.2 at the respective grant prices to the Trustees of BFL Employee Welfare Trust under the BFL Employee Stock Option Scheme, 2009.
- in view of the COVID-19 pandemic, MCA vide its General Circular No. 20/2020 dated 5 May 2020 has allowed Companies to hold Annual General Meeting (AGM) through video conferencing (VC) or other audio-visual means. Hence, AGM of shareholders of the Company will be conducted through VC on Tuesday, 21 July 2020.

The meeting commenced at 1.30 p.m. and concluded at 4.05 p.m.

Thanking you,
Yours faithfully,
For **BAJAJ FINANCE LIMITED**


R. VIJAY
COMPANY SECRETARY
Email ID: investor.service@bajajfinserv.in

BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of audited Standalone financial results for the Quarter and Financial year ended 31 March 2020

(₹ In Crore)

	Particulars	Quarter ended			Year ended	
		31.03.2020 (Audited)	31.12.2019 (Reviewed)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Income					
	(a) Revenue from operations					
	Interest income	5,616.29	5,485.87	4,273.11	20,668.15	15,345.64
	Fees and commission income	671.80	654.77	465.16	2,489.89	1,630.90
	Net gain on fair value changes	145.66	120.94	92.44	460.47	256.73
	Sale of services	41.69	4.24	16.17	53.32	62.90
	Other operating income	35.65	46.08	32.05	150.70	89.85
	Total revenue from operations	6,511.09	6,311.90	4,878.93	23,822.53	17,386.02
	(b) Other income	4.07	4.38	3.80	11.62	13.25
	Total income	6,515.16	6,316.28	4,882.73	23,834.15	17,399.27
2	Expenses					
	(a) Finance costs	2,056.34	2,051.64	1,644.22	7,857.55	5,938.85
	(b) Fees and commission expense	308.34	299.64	236.64	1,104.79	761.12
	(c) Impairment on financial instruments	1,865.17	816.96	400.71	3,805.15	1,476.29
	(d) Employee benefits expense	562.51	649.66	480.38	2,294.56	1,719.60
	(e) Depreciation and amortisation expenses	80.72	69.72	38.93	270.70	137.37
	(f) Other expenses	437.27	429.41	356.27	1,693.27	1,330.74
	Total expenses	5,310.35	4,317.03	3,157.15	17,026.02	11,363.97
3	Profit before tax (1-2)	1,204.81	1,999.25	1,725.58	6,808.13	6,035.30
4	Tax expense					
	Current tax	479.96	535.00	595.88	2,079.96	2,043.73
	Deferred tax (credit)/charge	-166.72	-23.90	16.11	-152.95	101.23
	Total tax expense	313.24	511.10	611.99	1,927.01	2,144.96
5	Profit after tax (3-4)	891.57	1,488.15	1,113.59	4,881.12	3,890.34
6	Other comprehensive income					
	a (i) Items that will not be reclassified to profit or loss	(121.63)	-	(13.64)	(121.63)	(13.64)
	(ii) Income tax related to items that will not be reclassified to profit or loss	30.61	-	4.77	27.20	4.77
	b (i) Items that will be reclassified to profit or loss	-51.27	5.37	8.15	-25.86	16.27
	(ii) Income tax related to items that will be reclassified to profit or loss	12.91	(1.36)	-2.85	6.63	-5.69
	Total other comprehensive income, net of tax	-129.38	4.01	-3.57	-113.66	1.71
7	Total comprehensive income for the year (5+6)	762.19	1,492.16	1,110.02	4,767.46	3,892.05
8	Paid-up equity share capital (Face value of ₹ 2)	119.99	119.97	115.37	119.99	115.37
9	Other equity				31,693.22	19,448.26
10	Earnings per share (not annualised)					
	Basic (₹)	14.86	25.19	19.31	83.25	67.52
	Diluted (₹)	14.76	25.01	19.16	82.60	66.95

BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of audited Standalone financial results for the Quarter and Financial year ended 31 March 2020

Notes:

- 1 Disclosure of standalone assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 31 March 2020:

(₹ In Crore)

	Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
A	Assets		
1	Financial assets		
	(a) Cash and cash equivalents	674.53	240.00
	(b) Bank balances other than cash and cash equivalents	4.83	1.69
	(c) Derivative financial instruments	171.76	-
	(d) Trade Receivables	867.18	805.38
	(e) Loans	1,13,417.08	95,181.26
	(f) Investments	20,138.98	10,370.41
	(g) Other financial assets	349.51	381.61
	Sub-total - Financial assets	1,35,623.87	1,06,980.35
2	Non-financial assets		
	(a) Current tax assets (net)	204.57	147.80
	(b) Deferred tax assets (net)	847.61	660.83
	(c) Property, plant and equipment	1,016.16	495.84
	(d) Intangible assets	211.98	158.49
	(e) Other non-financial assets	99.38	56.56
	Sub-total - Non-financial assets	2,379.70	1,519.52
	Total - Assets	1,38,003.57	1,08,499.87
B	Liabilities and equity		
	Liabilities		
1	Financial liabilities		
	(a) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	0.30	0.44
	Total outstanding dues of creditors other than micro enterprises and small enterprises	636.76	547.25
	(b) Other payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	179.46	218.64
	(c) Debt securities	41,713.77	39,048.97
	(d) Borrowings (other than debt securities)	36,923.32	29,970.67
	(e) Deposits	21,427.10	13,193.01
	(f) Subordinated debts	4,141.75	4,139.07
	(g) Other financial liabilities	669.90	1,411.81
	Sub-total - Financial liabilities	1,05,692.36	88,529.86
2	Non-financial liabilities		
	(a) Current tax liabilities (net)	52.10	22.37
	(b) Provisions	78.87	68.88
	(c) Other non-financial liabilities	367.03	315.13
	Sub-total - Non-financial liabilities	498.00	406.38
3	Equity		
	(a) Equity share capital	119.99	115.37
	(b) Other equity	31,693.22	19,448.26
	Sub-total - Equity	31,813.21	19,563.63
	Total - Liabilities and equity	1,38,003.57	1,08,499.87

BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of audited Standalone financial results for the Quarter and Financial year ended 31 March 2020

Notes:

- 2 Disclosure of standalone statement of cashflow as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2020:

(₹ In Crore)

Particulars	Year ended	
	31.03.2020 (Audited)	31.03.2019 (Audited)
A. Operating activities		
Profit before tax	6,808.13	6,035.30
Adjustments for:		
Interest income	(20,668.15)	(15,345.64)
Depreciation and amortisation	270.70	137.37
Impairment on financial instruments	3,805.15	1,476.29
Net (gain)/loss on disposal of property, plant and equipment	1.80	(3.65)
Finance costs	7,857.55	5,938.85
Share based payment to employees	93.71	74.79
Net (gain)/ loss on financial instruments at fair value through profit or loss	(460.47)	(256.73)
Service fees for management of assigned portfolio of loans	(53.32)	(62.90)
Dividend income (Previous year ₹12,000)	(0.64)	
	(2,345.54)	(2,006.32)
Cash inflow from interest on loans	20,617.76	15,200.71
Cash inflow from service asset	53.53	68.54
Cash outflow towards finance cost	(7,122.24)	(5,780.59)
Cash generated from operation before working capital changes	11,203.51	7,482.34
Working capital changes:		
(Increase) / decrease in trade receivables	(99.33)	(225.81)
(Increase) / decrease in loans	(22,133.46)	(21,110.43)
(Increase) / decrease in other financial assets	28.96	(73.38)
(Increase) / decrease in other non-financial assets	(46.31)	(0.91)
Increase / (decrease) in trade payables	89.37	108.37
Increase / (decrease) in other payables	(39.18)	48.70
Increase / (decrease) in other financial liabilities	(1,055.79)	162.22
Increase / (decrease) in provisions	(19.54)	(6.47)
Increase / (decrease) in other non-financial liabilities	51.90	91.46
	(23,223.38)	(21,006.25)
Income tax paid (net of refunds)	(2,107.00)	(2,169.75)
Net cash used in operating activities (A)	(14,126.87)	(15,693.66)
B. Investing activities		
Purchase of property, plant and equipment	(369.22)	(263.78)
Proceeds from sale of property, plant and equipment	6.09	30.45
Purchase of intangible assets	(106.90)	(91.00)
Purchase of investments measured at amortised cost	-	(44.89)
Proceeds from investments measured at amortised cost	33.39	33.60
Purchase of investments measured at FVOCI	(2,246.45)	(646.56)
Proceeds from sale of investments measured at FVOCI	826.09	200.07
Purchase of investments measured at FVTPL	(3,87,261.18)	(4,01,671.20)
Proceeds from sale of investments measured at FVTPL	3,81,111.79	3,97,722.00
Purchase of equity investments designated at FVOCI	(150.00)	-
Dividend received (Previous year ₹12,000)	0.64	
Interest received on investments measured at FVTPL and FVOCI	123.21	114.11
Investment in subsidiaries	(1,600.00)	(2,020.38)
Net cash used in investing activities (B)	(9,632.54)	(6,637.58)
C. Financing activities		
Issue of equity share capital (including securities premium)	8,568.04	57.45
Share issue expenses	(45.06)	-
Dividends paid	(943.28)	(230.15)
Dividend distribution tax paid	(195.20)	(47.52)
Payment of lease liability	(62.04)	-
Deposits received (net)	7,987.86	5,264.44
Debt securities issued (net)	2,151.76	7,467.90
Borrowings other than debt securities issued (net)	6,731.86	9,831.79
Net cash generated from financing activities (C)	24,193.94	22,343.91
Net increase in cash and cash equivalents (A+B+C)	434.53	12.67
Cash and cash equivalents at the beginning of the year	240.00	227.33
Cash and cash equivalents at the end of the year	674.53	240.00

Corporate Office Ext.: 3rd Floor, Panchshil Tech Park, Viman Nagar, Pune - 411014, Maharashtra, India
Registered Office: Mumbai-Pune Road, Akurdi, Pune - 411035, Maharashtra, India

Tel: +91 20 30186403
Fax: +91 20 30186364
Corporate ID No.:
L65910MH1987PLC042961

www.bajajfinserv.in/finance



BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of audited Standalone financial results for the Quarter and Financial year ended 31 March 2020

Notes:

- 3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on 19 May 2020, pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These financial results are available on the website of the Company viz. www.bajajfinserv.in/corporate-bajaj-finance and on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).
- 4 On 16 May 2019, the Board of Directors has approved the issue of 1,925,810 equity shares of face value of ₹ 2 at applicable grant prices to the Trustees of BFL Employee Welfare Trust under ESOS 2009. The said shares were allotted by Allotment Committee of the Board of Directors on 21 May 2019.
- 5 On 3 September 2019, the Company has invested an amount of ₹ 100 crore in Bajaj Financial Securities Limited, a wholly owned subsidiary of the Company, by subscribing to 10 crore equity shares of face value of ₹ 10 for cash at par, offered on rights basis.
- 6 On 7 November 2019, the Company through Qualified Institutions Placement (QIP) allotted 21,794,871 equity shares to the eligible Qualified Institutional Buyers (QIB) at a price of ₹ 3,900 per equity share of ₹ 2 face value (inclusive of premium of ₹ 3,898 per share) aggregating to approximately ₹ 8,500 crore. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Funds received pursuant to QIP have been utilised for the objects stated in the placement document.
- 7 On 5 February 2020, the Company has invested an amount of approximately ₹ 1,500 crore in Bajaj Housing Finance Limited, a wholly owned subsidiary of the Company, by subscribing to 133.33 crore equity shares of face value of ₹ 10 for cash at ₹ 11.25 (including premium of ₹ 1.25), offered on rights basis.
- 8 The Board of Directors, at its meeting held on 21 February 2020, has declared an interim dividend of ₹ 10 per equity share of the face value of ₹ 2 (500%) for the financial year 2019-20. The Board of Directors has not recommended any final dividend, thus, interim dividend shall be considered as the final dividend for the year.
- 9 The secured non-convertible debentures issued by the Company are fully secured by first pari passu charge by mortgage of the Company's immovable property at Chennai and by hypothecation of book debts/loan receivables to the extent as stated in the information memorandum.
- 10 Effective 1 April 2019, the Company has adopted Ind AS 116 'Leases' and applied it to all lease contracts existing on 1 April 2019 using the 'Modified Retrospective Approach'. Based on the same and as permitted under the specific transitional provisions in the standard, the Company has not restated the comparative figures. On transition, the adoption of the new standard has resulted in recognition of right-of-use asset and a corresponding lease liability of ₹ 202.42 crore. The effect of this adoption is not material to the profit for the period and earnings per share.
- 11 From the current financial year, the Company has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.
- 12 The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year which were subject to limited review by statutory auditors.
- 13 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.
- 14 The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 'Operating Segments'.
- 15 The Covid-19 pandemic has resulted in a significant decrease in the economic activities across the country, on account of lockdown that started on 24 March 2020. The lockdown also affected the Company's business operations in the last week of March 2020. Further, in accordance with the RBI guidelines relating to 'Covid-19 Regulatory Package' dated 27 March 2020, the Company offered EMI moratorium to its customers based on requests as well as on a suo-moto basis.
- Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Company's financial assets (Loans), are based on historical experience and other emerging/ forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Accordingly, the Company has recognised an additional impairment on Loans of ₹ 850 crore. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company.
- 16 During the quarter, the Company has charged off two large identified stress accounts resulting in impairment on financial instrument being higher by ₹ 390 crore for the quarter ended 31 March 2020 and ₹ 483 crore for the year ended 31 March 2020.
- 17 The Company has designated an exclusive email ID viz. investor.service@bajajfinserv.in for investor grievance redressal.

By order of the Board of Directors
For Bajaj Finance Limited

Rahul Bajaj
Chairman

Pune
19 May 2020

CIN : L65910MH1987PLC042961

Registered Office : Akurdi, Pune - 411 035 | Corporate Office : 4th Floor, Bajaj Finserv Corporate Office,
Off. Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014 | Tel. : 020-30405060 Fax : 020-30405030

Email : investor.service@bajajfinserv.in | Website : www.bajajfinserv.in/corporate-bajaj-finance

850 Cr. for Covid + 873 Cr. write off = 1723 Cr. of Additional Impairment. At least they are honest and upfront spiking their impairments by 162% annually and not carrying the dead load on balance sheet v/s a few micro finance companies just taking 1% of loans as provisions that too not an impairment. Better SAFE than SORRY!

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of Bajaj Finance Limited Pursuant to the Regulation 33 and 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Bajaj Finance Limited

Report on the audit of the Standalone Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Bajaj Finance Limited (the "Company") for the quarter and year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive loss and other financial information of the Company for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 15 to the Statement, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the Company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of

the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

S R B C & C O L L P

Chartered Accountants

Bajaj Finance Limited
Independent Auditor's Report for the quarter and year ended March 31, 2020

Page 3 of 3

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & C O L L P
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

**ARVIND
SETHI**  Digitally signed by ARVIND SETHI
DN: cn=ARVIND SETHI, o=IN,
o=Personal,
email=arvind.sethi@srb.in,
Location=Pune
Date: 2020.05.19 16:09:59 +05'30'

per Arvind Sethi
Partner
Membership No: 089802
UDIN: 20089802AAAABP4122

Pune
May 19, 2020

BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of audited Consolidated Financial Results for the Quarter and Financial year ended 31 March 2020

(₹ In Crore)

	Particulars	Quarter ended			Year ended	
		31.03.2020 (Audited)	31.12.2019 (Reviewed)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Income					
	(a) Revenue from operations					
	Interest income	6,302.26	6,103.70	4,656.39	39% 22,970.39	16,348.75
	Fees and commission income	696.91	687.36	479.47	54% 2,590.95	1,681.87
	Net gain on fair value changes	175.98	142.51	106.07		297.90
	Sale of services	15.78	39.74	20.51		68.77
	Other operating income	35.65	46.08	32.05		89.85
	Total revenue from operations			5,294.49		26,373.80
						10% rev from fee and Income
	(b) Other income	4.25	4.37	3.52		11.83
	Total income	7,230.83	7,023.76	5,298.01	42%	26,385.63
2	Expenses					
	(a) Finance costs	2,547.40	2,489.03	1,913.32	43%	9,473.21
	(b) Fees and commission expense	295.62	286.86	210.18		1,056.37
	(c) Impairment on financial instruments	1,953.76	830.75	409.26	162%	3,929.48
	(d) Employee benefits expense	618.07	720.97	531.39		1,938.53
	(e) Depreciation and amortisation expenses	85.31	75.62	40.82		294.63
	(f) Other expenses	452.47	450.46	381.41		1,760.74
	Total expenses	5,952.63	4,853.69	3,486.38		19,063.51
3	Profit before tax (1-2)	1,278.20	2,170.07	1,811.63	18%	7,322.12
4	Tax expense					
	Current tax	510.73	571.35	615.53		2,205.25
	Deferred tax (credit)/charge	-180.63	-15.39	20.04		-146.88
	Total tax expense	330.10	555.96	635.57		2,058.37
5	Profit after tax (3-4)	948.10	1,614.11	1,176.06	30%	5,263.75
6	Other comprehensive income					
	a (i) Items that will not be reclassified to profit or loss	(123.62)	-	(16.32)		(123.62)
	(ii) Income tax related to items that will not be reclassified to profit or loss	31.00	-	5.56		27.59
	b (i) Items that will be reclassified to profit or loss	-51.27	5.37	8.15		-25.86
	(ii) Income tax related to items that will be reclassified to profit or loss	12.91	-1.36	-2.85		6.63
	Total other comprehensive income, net of tax	-130.98	4.01	-5.46		-115.26
7	Total comprehensive income for the year (5+6)	817.12	1,618.12	1,170.60		5,148.49
8	Paid-up equity share capital (Face value of ₹ 2)	119.99	119.97	115.37		119.99
9	Other equity					32,207.64
10	Earnings per share (not annualised)					
	Basic (₹)	15.80	27.32	20.39		89.77
	Diluted (₹)	15.69	27.12	20.24		89.07

1500Cr. additional impairment within Q4 only due to Covid related provisions of 850 Cr + write-back of ILFS & Karvy. = 483+129 Cr. That not being the case the provisions would have modest as last year if i take off 1500 Cr from 3900 Cr. These are one off events no one can forecast about. Lending is all about risk , recognition, admission and taking the upfront hit to create a solid balance sheet.

Ability to Suffer PAT for Balance sheet strength would have been 47% if not for impairment.

BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of audited Consolidated Financial Results for the Quarter and Financial year ended 31 March 2020

Notes:

- 1 Disclosure of consolidated assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 31 March 2020:

(₹ In Crore)

	Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
A	Assets		
1	Financial assets		
	(a) Cash and cash equivalents	1,344.52	347.02
	(b) Bank balances other than cash and cash equivalents	38.20	1.69
	(c) Derivative financial instruments	171.76	-
	(d) Trade Receivables	952.49	808.70
	(e) Loans	1,41,376.05	1,12,512.82
	(f) Investments	17,543.90	8,599.03
	(g) Other financial assets	470.39	389.95
	Sub-total - Financial assets	1,61,897.31	1,22,659.21
2	Non-financial assets		
	(a) Current tax assets (net)	216.72	149.82
	(b) Deferred tax assets (net)	850.13	669.03
	(c) Property, plant and equipment	1,097.26	526.51
	(d) Goodwill	3.27	3.27
	(e) Other intangible assets	220.46	165.06
	(f) Other non-financial assets	106.22	59.61
	Sub-total - Non-financial assets	2,494.06	1,573.30
	Total - Assets	1,64,391.37	1,24,232.51
B	Liabilities and equity		
	Liabilities		
1	Financial liabilities		
	(a) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	0.54	0.44
	Total outstanding dues of creditors other than micro enterprises and small enterprises	761.43	563.36
	(b) Other payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	197.84	247.74
	(c) Debt securities	49,537.36	46,681.33
	(d) Borrowings (Other than debt securities)	54,700.17	37,574.44
	(e) Deposits	21,427.10	13,193.01
	(f) Subordinated debts	4,141.75	4,139.07
	(g) Other financial liabilities	745.05	1,704.15
	Sub-total - Financial liabilities	1,31,511.24	1,04,103.54
2	Non-financial liabilities		
	(a) Current tax liabilities (net)	59.17	22.37
	(b) Provisions	81.24	73.89
	(c) Other non-financial liabilities	412.09	335.69
	Sub-total - Non-financial liabilities	552.50	431.95
3	Equity		
	(a) Equity share capital	119.99	115.37
	(b) Other equity	32,207.64	19,581.65
	Sub-total - Equity	32,327.63	19,697.02
	Total - Liabilities and equity	1,64,391.37	1,24,232.51

62% growth in deposits is not a JOKE. around 40% of Borrowings other than debt sec

BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of audited Consolidated Financial Results for the Quarter and Financial year ended 31 March 2020

Notes:

- 2 Disclosure of consolidated statement of cashflow as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2020:

(₹ In Crore)

Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
A. Operating activities		
Profit before tax	7,322.12	6,179.16
Adjustments for:		
Interest income	(22,970.39)	(16,348.75)
Depreciation and amortisation	294.63	144.15
Impairment on financial instruments	3,929.48	1,501.35
Net (gain)/loss on disposal of property, plant and equipment	2.29	(3.39)
Finance costs	9,473.21	6,623.56
Share based payment to employees	100.76	74.79
Net (gain)/ loss on financial instruments measured under fair value through profit or loss	(537.49)	(297.90)
Service fees for management of assigned portfolio of loans	(124.27)	(63.77)
Dividend income (previous year ₹ 12,000)	(0.64)	
	(2,510.30)	(2,190.80)
Cash inflow from interest on loans	22,903.15	16,131.36
Cash inflow from service asset	61.70	67.86
Cash outflow towards finance cost	(8,366.49)	(6,262.45)
Cash generated from operation before working capital changes	12,088.06	7,745.97
	55% growth in Cash generation	
Working capital changes:		
(Increase) / decrease in trade receivables	(118.55)	(227.57)
(Increase) / decrease in loans	(32,880.54)	(34,827.06)
(Increase) / decrease in other financial assets	(116.97)	(77.75)
(Increase) / decrease in other non-financial assets	(49.84)	(1.84)
Increase / (decrease) in trade payables	198.19	117.84
Increase / (decrease) in other payables	(49.90)	71.71
Increase / (decrease) in other financial liabilities	(1,313.27)	251.93
Increase / (decrease) in provisions	(24.17)	(4.64)
Increase / (decrease) in other non-financial liabilities	76.16	105.20
	(34,278.89)	(34,592.18)
Income tax paid (net of refunds)	(2,235.35)	(2,215.32)
Net cash used in operating activities (A)	(24,426.18)	(29,061.53)
B. Investing activities		
Purchase of property, plant and equipment	(396.76)	(299.71)
Proceeds from sale of property, plant and equipment	7.21	31.23
Purchase of intangible assets	(110.38)	(97.81)
Purchase of investments measured at amortised cost	-	(44.89)
Proceeds from investments measured at amortised cost	33.39	33.60
Purchase of investments measured at FVOCI	(2,246.45)	(646.56)
Proceeds from sale of investments measured at FVOCI	826.09	200.07
Purchase of investments measured at FVTPL	(4,42,958.18)	(4,75,229.48)
Proceeds from sale of investments measured at FVTPL	4,36,102.25	4,70,558.03
Purchase of equity investments designated at FVOCI	(150.00)	-
Dividend received (Previous year ₹12,000)	0.64	
Interest received on investments measured at FVTPL and FVOCI	135.31	116.59
Net cash used in investing activities (B)	(8,756.88)	(5,378.93)
C. Financing activities		
Issue of equity share capital (including securities premium)	8,568.04	57.45
Share issue expenses	(45.06)	-
Dividends paid	(943.28)	(230.15)
Dividend distribution tax paid	(195.20)	(47.52)
Payment of lease liability	(71.12)	-
Deposits received (net)	7,987.86	5,264.44
Debt securities issued (net)	1,972.98	12,840.90
Borrowings other than debt securities issued (net)	16,906.34	16,564.19
Net cash generated from financing activities (C)	34,180.56	34,449.31
	51% growth in nett deposits recvd.	
Net increase in cash and cash equivalents (A+B+C)	997.50	8.85
Cash and cash equivalents at the beginning of the year	347.02	338.17
Cash and cash equivalents at the end of the year	1,344.52	347.02

Corporate Office Ext.: 3rd Floor, Panchshil Tech Park, Viman Nagar, Pune - 411014, Maharashtra, India
Registered Office: Mumbai-Pune Road, Akurdi, Pune - 411035, Maharashtra, India

Tel: +91 20 30186403

Fax: +91 20 30186364

Corporate ID No.:

L65910MH1987PLC042961

www.bajajfinserv.in/finance



BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of audited Consolidated Financial Results for the Quarter and Financial year ended 31 March 2020

Notes:

3 The consolidated financial results include results of the following companies:

Name of the Company	% Shareholding and voting power of Bajaj Finance Limited	Consolidated as
Bajaj Housing Finance Limited (BHFL)	100%	Subsidiary
Bajaj Financial Securities Limited	100%	Subsidiary

4 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on 19 May 2020, pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These financial results are available on the website of the Company viz. www.bajajfinserv.in/corporate-bajaj-finance and on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

5 On 16 May 2019, the Board of Directors has approved the issue of 1,925,810 equity shares of face value of ₹ 2 at applicable grant prices to the Trustees of BFL Employee Welfare Trust under ESOS 2009. The said shares were allotted by Allotment Committee of the Board of Directors on 21 May 2019.

6 On 7 November 2019, the Company through Qualified Institutions Placement (QIP) allotted 21,794,871 equity shares to the eligible Qualified Institutional Buyers (QIB) at a price of ₹ 3,900 per equity share of ₹ 2 face value (inclusive of premium of ₹ 3,898 per share) aggregating to approximately ₹ 8,500 crore. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Funds received pursuant to QIP have been utilised for the objects stated in the placement document.

7 The Board of Directors, at its meeting held on 21 February 2020, has declared an interim dividend of ₹ 10 per equity share of the face value of ₹ 2 (500%) for the financial year 2019-20. The Board of Directors has not recommended any final dividend, thus, interim dividend shall be considered as the final dividend for the year.

8 The secured non-convertible debentures issued by the Company and its subsidiary viz. BHFL are fully secured by first pari passu charge by mortgage of the Company and its subsidiary's immovable property at Chennai and by hypothecation of book debts/loan receivables to the extent as stated in the respective information memorandum.

9 Effective 1 April 2019, the Group has adopted Ind AS 116 'Leases' and applied it to all lease contracts existing on 1 April 2019 using the 'Modified Retrospective Approach'. Based on the same and as permitted under the specific transitional provisions in the standard, the Group has not restated the comparative figures. On transition, the adoption of the new standard has resulted in recognition of right-of-use asset and a corresponding lease liability of ₹ 231.16 crore. The effect of this adoption is not material to the profit for the period and earnings per share.

10 From the current financial year, the Parent Company and one of its subsidiary viz. BHFL has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.

11 The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year which were subject to limited review by statutory auditors.

12 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

13 The Company and one of its subsidiary viz BHFL operate in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles and hence are collectively operating under a single segment.

One of the subsidiary viz. Bfinsec has started broking operations in the current year. Since, Bfinsec does not satisfy the quantitative thresholds laid down under Ind AS 108 'Operating Segments' for reportable segments, it has not been considered for segment reporting.

The Group operates in a single geographical segment i.e. domestic.

14 The Covid-19 pandemic has resulted in a significant decrease in the economic activities across the country, on account of lockdown that started on 24 March 2020. The lockdown also affected the Group's business operations in the last week of March 2020. Further, in accordance with the RBI guidelines relating to 'Covid-19 Regulatory Package' dated 27 March 2020, the Group offered EMI moratorium to its customers based on requests as well as on a suo-moto basis.

Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Group's financial assets (Loans), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Group believes that the factors considered are reasonable under the current circumstances. The Group has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Accordingly, the Group has recognised an additional impairment on Loans of ₹ 900 crore. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Group.

15 During the quarter, the Company has charged off two large identified stress accounts resulting in impairment on financial instrument being higher by ₹ 390 crore for the quarter ended 31 March 2020 and ₹ 483 crore for the year ended 31 March 2020.

16 The Company has designated an exclusive email ID viz. investor.service@bajajfinserv.in for investor grievance redressal.

By order of the Board of Directors
For Bajaj Finance Limited

Rahul Bajaj
Chairman

Pune
19 May 2020

CIN : L65910MH1987PLC042961

Registered Office : Akurdi, Pune - 411 035 | Corporate Office : 4th Floor, Bajaj Finserv Corporate Office,
Off. Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014 | Tel. : 020-30405060 Fax : 020-30405030

Email : investor.service@bajajfinserv.in | Website : www.bajajfinserv.in/corporate-bajaj-finance

Corporate Office Ext.: 3rd Floor, Panchshil Tech Park, Viman Nagar, Pune - 411014,
Maharashtra, India
Registered Office: Mumbai-Pune Road, Akurdi, Pune - 411035, Maharashtra, India

Tel: +91 20 30186403
Fax: +91 20 30186364
Corporate ID No.:
L65910MH1987PLC042961

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Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of Bajaj Finance Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Bajaj Finance Limited

Report on the audit of the Consolidated Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Bajaj Finance Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter and year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. includes the results of the following subsidiaries:
 - a. Bajaj Housing Finance Limited
 - b. Bajaj Financial Securities Limited
- ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit, other comprehensive loss and other financial information of the Group for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 14 of the Statement, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the Group's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial

information of the Group including in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

S R B C & C O L L P

Chartered Accountants

Bajaj Finance Limited

Independent Auditor's Report for the quarter and year ended March 31, 2020

Page 3 of 3

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For **S R B C & C O L L P**

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

**ARVIND
SETHI**

Digitally signed by ARVIND SETHI
DN: cn=ARVIND SETHI, o=IN,
o=Personal,
email=arvind.sethi@srb.in
Location: Pune
Date: 2020.05.19 16:10:45 +05'30'

per **Arvind Sethi**

Partner

Membership No: 089802

UDIN: 20089802AAAABQ2837

Pune

May 19, 2020

BAJAJ FINANCE LIMITED

PRESS RELEASE

Financial results for Q4 and FY20

Bajaj Finance reports quarterly consolidated profit of ₹ 948 crore post a contingency provision of ₹ 900 crore for Covid-19. Adjusted for this provision, profit was up by 38% at ₹ 1,622 crore. Consolidated profit for FY20 was highest ever at ₹ 5,264 crore – a growth of 32% over FY19.

A meeting of the Board of Directors of Bajaj Finance Limited (BFL) was held today to consider and approve the audited standalone and consolidated results for the quarter and year ended 31 March 2020.

The consolidated results of BFL include the results of its wholly owned subsidiaries viz. Bajaj Housing Finance Limited (BHFL) and Bajaj Financial Securities Limited (BFinsec).

PERFORMANCE FOR Q4 FY20 AND FY20

Ideal situation is when the PAT can grow more than actual AUM signifying scale efficiencies and fee engine traction

Consolidated assets under management	- ₹ 147,153 crore	v/s	₹ 115,888 crore	↑ 27%
Consolidated profit after tax for Q4 FY20	- ₹ 948 crore	v/s	₹ 1,176 crore	↓ 19%
Consolidated profit after tax for FY20	- ₹ 5,264 crore	v/s	₹ 3,995 crore	↑ 32%

Due to Covid-19 pandemic and the consequent lockdown, the Company lost 10 productive days in Q4 FY20 resulting in lower acquisition of nearly 1.0 million loan accounts and lower AUM of approximately ₹ 4,500 crore. Adjusted for the impact of lockdown, AUM growth would have been 31%. 4% AUM hit

The Company is well capitalised with CRAR of 25.01% as at 31 March 2020. The Company remains one of the most capitalised amongst large NBFCs in India.

More than 12% of book's liquidity after strong provisioning and write offs

The Company's liquidity position remains very strong with overall liquidity surplus of approximately ₹ 15,725 crore as of 31 March 2020 on consolidated basis. The Company's liquidity surplus as of 15 May 2020 was approximately ₹ 20,900 crore.

Watch the trend in liquidity through April to Mid May. Liquidity boosted by a whopping 30% alone in 45 days. Cost Controls and agility in able to extract what is needed ; when needed. SPEAK VOLUMES ABOUT AGILITY. Currently sitting on 14% + odd liquidity to AUM ratio.

In accordance with the RBI guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020, the Company has offered EMI moratorium to its customers based on requests as well as on a suo-moto basis. The Company remains committed to help its customers navigate through this difficult time.

The Company, at this juncture, is focused on capital preservation, balance sheet protection and operating expenses management. Given it's healthy capital adequacy, strong liquidity position, low gross NPA and net NPA, access to retail deposits, large customer franchise, diversified portfolio mix, granular geographical distribution and strong risk metrics, the Company is confident of successfully dealing with challenges posed by Covid-19.

CONSOLIDATED PERFORMANCE HIGHLIGHTS – Q4 FY20

- **New loans booked** during Q4 FY20 **increased by 3%** to 6.03 million from 5.83 million in Q4 FY19. Adjusted for lower acquisition due to lockdown, new loans booked would have grown by 21% to approximately 7.03 million. 40 days of lockdown costed 18% in New loans booked, but now they should be fine with
- **Net Interest Income** for Q4 FY20 was **up by 38%** to ₹ 4,684 crore from ₹ 3,385 crore in Q4 FY19.

1 of 6

BAJAJ FINANCE LIMITED

- **Total operating expenses to net interest income** for Q4 FY20 was 31.0% as against 34.4% in Q4 FY19.
- **Loan losses and provisions (expected credit loss)** for Q4 FY20 was ₹ 1,954 crore as against ₹ 409 crore in Q4 FY19. During the quarter, the Company has taken an accelerated charge of ₹ 390 crore for two identified large accounts, an additional provision of ₹ 129 crore on account of recalibration of its ECL model and a contingency provision of ₹ 900 crore for Covid-19. Adjusted for these additional provisions of ₹ 1,419 crore, loan losses and provisions for Q4 FY20 was ₹ 535 crore. In lending, the trait to watch the most is the management backing up its balance sheet sacrificing the Profits then and there, no questions asked
- **Profit after tax** for Q4 FY20 was ₹ 948 crore as compared to ₹ 1,176 crore in Q4 FY19. Adjusted for contingency provision of ₹ 900 crore for Covid-19, profit for the quarter was up by 38% at ₹ 1,622 crore. From the current financial year, the Company and one of its subsidiary viz. BHFL has opted for reduced rate of 25.17% for computation of income tax as per recently inserted Section 115BAA of the Income Tax Act, 1961. Had they not taken the impairments or probably deferred the two accounts impairments by 2-3 quarters, when the PAT would be healthy; who would have bothered and analysts would have been happy with the EPS growth, that even it tough times BFAL PAT grew by 40%; but the mgmt didnt chose the easy path and took the blow on the chin to ensure long term balance sheet strength of the company; compare it to NBFC having 30% book in microfinance and haven taken only lip service(1-2% provisions); history has repeatedly seen than these kind of fragile lending models demanding huge capital infusions as booster shots from parent companies or face peril otherwise
- **Gross NPA and Net NPA**, recognized as per extant RBI prudential norms and provisioned as per expected credit loss (ECL) method prescribed in Ind AS, as of 31 March 2020 stood at 1.61% and 0.65% respectively. The provisioning coverage ratio was 60%. Standard assets provisioning (ECL stage 1 and 2) including contingency provision of ₹ 900 crore for Covid-19 stood at 159 bps and 97 bps excluding contingency provision under Ind AS.

CONSOLIDATED PERFORMANCE HIGHLIGHTS – FY20

- **New loans booked** during FY20 increased by 17% to 27.44 million from 23.50 million in FY19. Adjusted for lower acquisition due to lockdown, new loans acquisition would have grown by 21% to approximately 28.44 million.
- **Customer franchise increased by 24%** to 42.60 million as of 31 March 2020 from 34.48 million as of 31 March 2019.
- **Assets under management (AUM) grew by 27%** to ₹ 147,153 crore as of 31 March 2020 from ₹ 115,888 crore as of 31 March 2019. Adjusted for lower acquisition due to lockdown, AUM would have grown by 31% to approximately ₹ 151,700 crore.
- **Net Interest Income** for FY20 was up by 42% to ₹ 16,913 crore from ₹ 11,877 crore in FY19.
- **Total operating expenses to net interest income** for FY20 was 33.5% as against 35.3% in FY19. Getting efficient further
- **Loan losses and provisions (expected credit loss)** for FY20 were ₹ 3,929 crore as against ₹ 1,501 crore in FY19. During the year, the Company has taken an accelerated charge of ₹ 483 crore for two identified large accounts, an additional provision of ₹ 129 crore on account of recalibration of its ECL model and a contingency provision of ₹ 900 crore for Covid-19. Adjusted for these additional provisions of ₹ 1,512 crore, loan losses and provisions for FY20 was ₹ 2,417 crore. vs -1600 Cr prev year a growth of 50% v/s 27% AUM growth; showing risk is increasing
- **Profit after tax** for FY20 grew by 32% to ₹ 5,264 crore from ₹ 3,995 crore in FY19.
- **Capital adequacy ratio (including Tier-II capital)** as of 31 March 2020 stood at 25.01%. The Tier-I capital stood at 21.27%. During the year, the Company raised equity capital of approximately ₹ 8,500 crore through QIP route.

BAJAJ FINANCE LIMITED

- The Board of Directors has not recommended any final dividend. The interim dividend of ₹ 10 per equity share of the face value of ₹ 2 (500%) declared by Board of Directors, at its meeting held on 21 February 2020, shall be considered as the final dividend for the FY20. Thus, the total dividend for FY20 remains ₹ 10 per equity share (previous year ₹ 6 per equity share).

A – Breakup of consolidated AUM and deposits book

(₹ In Crore)

AUM	As of 31 March 2020			Consolidated as of 31 March 2019	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Consumer B2B	25,742	-	25,742	21,987	17%
Consumer B2C	30,513	742	31,255	23,002	36%
Rural lending	13,328	-	13,328	9,243	44%
SME lending	19,256	189	19,429	15,759	23%
Commercial lending	11,230	-	11,233	12,026	(7)%
Mortgage lending	16,033	31,774	46,166	33,871	36%
Total AUM	116,102	32,705	147,153	115,888	27%

BHFL contributing around 20% of Books consolidated

Deposits	As of 31 March 2020			Consolidated as of 31 March 2019	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Deposits book @	21,427	-	21,427	13,193	62%

@ Deposits contribute to approximately 17% of the consolidated borrowings and 21% of the standalone borrowings.

how for an NBFC CASA?

B – Summary of consolidated financial results

the ratio of the fee Income to their book is around 2.5% and to their Int Income is ~15% even in the Q where new loans booked were 3% in this component inc. by 45% speaks volumes bt this engine

(₹ In Crore)

Particulars	Q4 FY'20	Q4 FY'19	QoQ	FY'20	FY'19	YoY
New loans booked (number in million)	6.03	5.83	3%	27.44	23.50	17%
Assets under management	147,153	115,888	27%	147,153	115,888	27%
Receivables under financing activity	141,376	112,513	26%	141,376	112,513	26%
Interest income	6,302	4,656	35%	22,970	16,349	40%
Fees and other income	929	642	45%	3,416	2,151	59%
Total income	7,231	5,298	36%	26,386	18,500	43%
Interest expenses	2,547	1,913	33%	9,473	6,623	43%
Net interest income (NII)	4,684	3,385	38%	16,913	11,877	42%
Total operating expenses	1,452	1,164	25%	5,662	4,197	35%
Loan losses and provisions (ECL stage 1 and 2)	856	34	2418%	1,318	260	407%
Loan losses and provisions (ECL stage 3 and write off)	1,098	375	193%	2,611	1,241	110%
Profit before tax	1,278	1,812	(29)%	7,322	6,179	18%
Profit after tax	948	1,176	(19)%	5,264	3,995	32%

Fee and other Income enough to take care of 87% of their ECL Stage 1+2+3 losses and provisions; so if you have an engine that can take around 90% of your expected losses in **bad times**; you are actually earning bottom line positive net net on whatever you are lending - your operating costs. And if you can still grow this engine and tighten the ECL you have a good business for long term

3 of 6

BAJAJ FINANCE LIMITED

- During the quarter, the Company has invested an amount of ₹ 1,500 crore in BHFL by subscribing to 133.33 crore equity shares of face value of ₹ 10 for cash at ₹ 11.25 (including premium of ₹ 1.25), offered on rights basis.

STANDALONE PERFORMANCE HIGHLIGHTS

Bajaj Finance Limited - Q4 FY20

- **Net Interest Income** for Q4 FY20 was **up by 38%** to ₹ 4,459 crore from ₹ 3,239 crore in Q4 FY19.
- **Loan losses and provisions (expected credit loss)** for Q4 FY20 was ₹ 1,865 crore as against ₹ 401 crore in Q4 FY19. During the quarter, the Company has taken an accelerated charge of ₹ 390 crore for two identified large accounts, an additional provision of ₹ 123 crore on account of recalibration of its ECL model and a contingency provision of ₹ 850 crore for Covid-19. Adjusted for these additional provisions of ₹ 1,363 crore, loan losses and provisions for Q4 FY20 was ₹ 502 crore. less than the Actual AUM growth
- **Profit after tax** for Q4 FY20 was ₹ 892 crore compared to ₹ 1,114 crore in Q4 FY19.

Bajaj Finance Limited - FY20

- **Assets under management (AUM)** grew by **18%** to ₹ 116,102 crore as of 31 March 2020 from ₹ 98,671 crore as of 31 March 2019. Adjusted for lower acquisition due to lockdown, AUM would have grown by 21% to approximately ₹ 119,400 crore.
- **Net Interest Income** for FY20 was **up by 39%** to ₹ 15,977 crore from ₹ 11,460 crore in FY19.
- **Loan losses and provisions (expected credit loss)** for FY20 was ₹ 3,805 crore as against ₹ 1,476 crore in FY19. During the year, the Company has taken an accelerated charge of ₹ 483 crore for two identified large accounts, an additional provision of ₹ 123 crore on account of recalibration of its ECL model and a contingency provision of ₹ 850 crore for Covid-19. Adjusted for these additional provisions of ₹ 1,456 crore, loan losses and provisions for FY20 was ₹ 2,349 crore.
- **Profit after tax** for FY20 **grew by 25%** to ₹ 4,881 crore from ₹ 3,890 crore in FY19.

BAJAJ FINANCE LIMITED

C - Summary of standalone financial results of Bajaj Finance Limited.

(₹ In Crore)

Particulars	Q4'FY20	Q4' FY19	QoQ	FY'20	FY'19	YoY
New loans booked (number in million)	6.01	5.78	4%	27.35	23.43	17%
Assets under management	116,102	98,671	18%	116,102	98,671	18%
Receivables under financing activity	113,417	95,181	19%	113,417	95,181	19%
Interest income	5,616	4,273	31%	20,668	15,346	35%
Fee and other income	899	610	47%	3,166	2,053	54%
Total income	6,515	4,883	33%	23,834	17,399	37%
Interest expenses	2,056	1,644	25%	7,857	5,939	32%
Net interest income (NII)	4,459	3,239	38%	15,977	11,460	39%
Total operating expenses	1,389	1,112	25%	5,364	3,949	36%
Loan losses and provisions (ECL stage 1 and 2)	788	28	2714%	1,233	239	416%
Loan losses and provisions (ECL stage 3 and write off)	1,077	373	189%	2,572	1,237	108%
Profit before tax	1,205	1,726	(30)%	6,808	6,035	13%
Profit after tax	892	1,114	(20)%	4,881	3,890	25%

PERFORMANCE HIGHLIGHT OF SUBSIDIARIES

Bajaj Housing Finance Limited - Q4 FY'20

- **Net Interest Income** for Q4 FY20 was **up by 75%** to ₹ 283 crore from ₹ 162 crore in Q4 FY19.
- **Profit after tax** for Q4 FY20 was **up by 47%** to ₹ 91 crore from ₹ 62 crore in Q4 FY19.

Bajaj Housing Finance Limited - FY'20

- **Assets under management (AUM)** grew by **86%** to ₹ 32,705 crore as of 31 March 2020 from ₹ 17,562 crore as of 31 March 2019. Adjusted for lower acquisition due to lockdown, AUM would have grown by **93%** to approximately ₹ 33,900.
- **Net Interest Income** for FY20 was **up by 119%** to ₹ 1,030 crore from ₹ 471 crore in FY19.
- **Profit after tax** for FY20 was **up by 283%** to ₹ 421 crore from ₹ 110 crore in FY19.
- **Capital adequacy ratio** (including Tier-II capital) as of 31 March 2020 stood at **25.15%**

BAJAJ FINANCE LIMITED

D - Summary of standalone financial results of Bajaj Housing Finance Limited

(₹ In Crore)

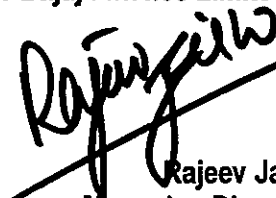
Particulars	Q4' FY20	Q4' FY19	QoQ	FY20	FY'19	YoY
Assets under management	32,705	17,562	86%	32,705	17,562	86%
Receivables under financing activity	27,975	17,332	61%	27,975	17,332	61%
Interest income	687	382	80%	2,303	998	131%
Fees and other income	87	49	78%	343	158	117%
Total Income	774	431	80%	2,646	1,156	129%
Interest Expenses	491	269	83%	1,616	685	136%
Net Interest Income (NII)	283	162	75%	1,030	471	119%
Operating Expenses	72	68	6%	339	297	14%
Loan losses and provisions (ECL stage 1 and 2)	69	6	1050%	86	21	310%
Loan losses and provisions (ECL stage 3 and write off)	20	2	900%	38	4	750%
Profit before tax	122	86	42%	567	149	281%
Profit after tax	91	62	47%	421	110	283%

Bajaj Financial Securities Limited - FY'20

Bajaj Financial Securities Limited has become operational from August 2019. Total Income for FY20 was ₹ 11 crore and Profit after tax for FY20 was ₹ 2 crore.

Pune
19 May 2020

For Bajaj Finance Limited



Rajeev Jain
Managing Director

BAJAJ FINANCE LIMITED

19 May 2020

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

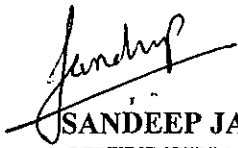
Dear Sir/Madam,

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

In terms of the second proviso to Regulation 33(3)(d) of the SEBI Listing Regulations, 2015, as amended, we declare that S R B C & CO LLP, Statutory Auditors of the Company have submitted Audit Reports for annual audited financial results (standalone and consolidated) of the Company for the financial year ended 31 March 2020 with unmodified opinion(s).

Thanking you,

Yours faithfully,
For **BAJAJ FINANCE LIMITED**


SANDEEP JAIN

CHIEF FINANCIAL OFFICER



BAJAJ FINANCE LIMITED

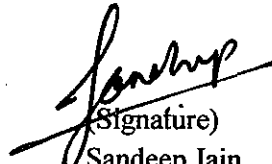
**Format of the Annual Disclosure to be made by an entity identified as a LC
(To be submitted to the Stock Exchange(s) within 45 days of the end of the FY)
(Applicable for FY 2020 and 2021)**

1. Name of the Company: Bajaj Finance Limited
2. CIN: L65910MH1987PLC042961
3. Report filed for FY: 2020
4. Details of the Long-term borrowings (all figures in Rs crore):

Sr. No.	Particulars	Details in Rs. Crs.
1	Incremental borrowing done in FY (a)	₹ 32,997.15
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	₹ 8,249.29
3	Actual borrowings done through debt securities in FY (c)	₹12,336.00
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {If the calculated value is zero or negative, write "nil"}	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	NA

- *Note: -1) All numbers are considering Face Value (FV) of the products.
2) Long term Borrowings basis original maturity more than 1yr
3) ECB amount borrowed is not considered.


(Signature)
R Vijay
Company Secretary
020-30186072


(Signature)
Sandeep Jain
Chief Financial Officer
020-30186015

Date -
19/5/20

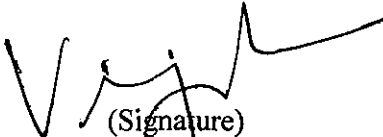
BAJAJ FINANCE LIMITED

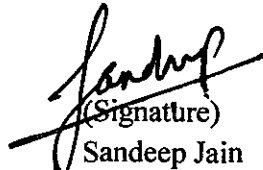
Format of the Initial Disclosure to be made by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
1	Name of the company	Bajaj Finance Limited
2	CIN	L65910MH1987PLC042961
3	Outstanding borrowing of company as on 31st March (in Rs cr)	₹ 88,682.06
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	CRISIL AAA/Stable ICRA AAA/Stable IND AAA/Stable CARE AAA/Stable
5	Name of Stock Exchange [#] in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Ltd.

- *Note:** -1) All numbers are considering Face Value (FV) of the products.
2) Long term Borrowings basis original maturity more than 1yr
3) ECB amount borrowed is not considered.

We confirm that we are a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.


(Signature)
R Vijay
Company Secretary
020-30186072


(Signature)
Sandeep Jain
Chief Financial Officer
020-30186015

Date - 19/5/20

- In terms para of 3.2(ii) of the circular, beginning F.Y 2022, in the event of shortfall in the mandatory borrowing through debt securities, a fine of 0.2% of the shortfall shall be levied by Stock Exchanges at the end of the two-year block period. Therefore, an entity identified as LC shall provide, in its initial disclosure for a financial year, the name of Stock Exchange to which it would pay the fine in case of shortfall in the mandatory borrowing through debt markets.