

BAJAJ FINANCE LIMITED

18 January 2022

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 provisions of Regulation 30 read with Regulation 51 (Part A and Part B of Schedule III) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) as amended, this is to inform that Board at its Meeting held today, i.e., 18 January 2022 approved the following:

1. Unaudited standalone and consolidated financial results of the Company prepared as per Indian Accounting Standard (Ind AS) for the quarter and nine months ended 31 December 2021, pursuant to Regulation 33 and Regulation 52 of SEBI Listing Regulations.

A copy of the said financial results along with limited review reports and press release in this respect are enclosed.

2. Raising of funds, *inter alia*, by way of debt issue/issue of non-convertible securities as a part of the proposed increase in overall borrowing limit, pursuant to Section 180(1)(c) of the Companies Act, 2013, from Rs. 160,000 crore to Rs. 225,000 crore, subject to approval of the shareholders by postal ballot.

If so approved by the shareholders, funds will be raised on the terms including, rate of interest, tenor, security, etc. as per the letter of offer(s)/information memorandum(s)/offer document as may be issued by the Company time to time.

The Notice of Postal Ballot will be filed with the stock exchanges simultaneously with dispatch of the same to Members of the Company.

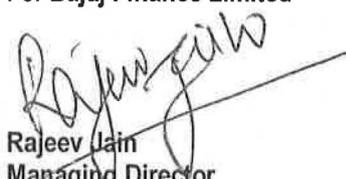
The Board of Directors has also approved an investment in the equity share capital of Bajaj Housing Finance Limited and Bajaj Financial Securities Limited, wholly owned subsidiaries of the Company up to Rs. 2,500 crore and Rs. 400 crore respectively.

The meeting commenced at 3:00 p.m. and concluded at 5:35 PM.

We request you to take the same on record.

Thanking you,

Yours Faithfully,
For Bajaj Finance Limited


Rajeev Jain
Managing Director

Email ID: investor.service@bajajfinserv.in



Cc: Catalyst Trusteeship Limited, Pune (Debenture Trustee)

Encl.: As above

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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF

BAJAJ FINANCE LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Bajaj Finance Limited (the "Company"), for the quarter and nine months ended December 31, 2021 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India ("ICAI"). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 6 to the Statement in which the Company describes the continuing uncertainties arising from the COVID 19 pandemic. Our conclusion is not modified in respect of this matter.



6. The Statement includes comparative financial figures of the Company for the quarter ended September 30, 2021 and quarter and nine months ended December 31, 2020 which have been reviewed by the predecessor auditor vide its reports dated October 26, 2021 and January 20, 2021, respectively, in which the predecessor auditor has expressed unmodified conclusions.

The Statement also includes figures of the Company for the year ended March 31, 2021, audited by the predecessor auditor vide its report dated April 27, 2021, in which the predecessor auditor has expressed an unmodified opinion.

Our conclusion is not modified in respect of this matter.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN: 22039826AAAAAJ3461)
Place: Mumbai
Date: 18 January 2022

For G.M. Kapadia & Co.
Chartered Accountants
(Firm's Registration. No. 104767W)



Rajen Ashar
Partner
(Membership No. 048243)
(UDIN: 22048243AAAAAW6114)
Place: Mumbai
Date: 18 January 2022

BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of unaudited Standalone financial results for the Quarter and Nine months ended 31 December 2021

(₹ In Crore)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2021 (Reviewed)	30.09.2021 (Reviewed)	31.12.2020 (Reviewed)	31.12.2021 (Reviewed)	31.12.2020 (Reviewed)	31.03.2021 (Audited)
1 Income						
(a) Revenue from operations						
Interest income	6,335.28	5,841.53	4,973.07	17,347.98	15,140.87	20,419.10
Fees and commission income	842.87	699.17	664.73	2,097.67	1,761.86	2,362.79
Net gain on fair value changes	44.18	51.83	129.38	178.90	487.15	527.72
Sale of services	6.26	2.60	36.71	10.85	45.11	59.55
Other operating income	294.48	213.10	41.52	611.80	90.99	163.00
Total revenue from operations	7,523.07	6,808.23	5,845.41	20,247.20	17,525.98	23,532.16
(b) Other income	2.48	0.55	2.26	4.09	10.01	14.17
Total Income	7,525.55	6,808.78	5,847.67	20,251.29	17,535.99	23,546.33
2 Expenses						
(a) Finance costs	1,972.10	1,889.33	1,870.24	5,625.33	5,723.12	7,446.39
(b) Fees and commission expense	454.81	523.43	357.91	1,265.01	853.91	1,301.56
(c) Impairment on financial instruments	994.64	1,239.29	1,244.95	3,958.33	4,520.47	5,721.28
(d) Employee benefits expense	920.13	848.06	612.45	2,316.88	1,555.73	2,242.42
(e) Depreciation and amortisation expenses	88.80	87.58	73.25	258.81	217.34	302.25
(f) Other expenses	485.23	453.47	267.10	1,300.00	874.14	1,169.55
Total expenses	4,915.71	5,041.16	4,425.90	14,724.36	13,744.71	18,183.45
3 Profit before tax (1-2)	2,609.84	1,767.62	1,421.77	5,526.93	3,791.28	5,362.88
4 Tax expense						
(a) Current tax	559.00	377.00	34.50	1,490.50	1,313.78	1,470.70
(b) Deferred tax (credit)/charge	116.99	84.85	338.69	(46.11)	(317.16)	(63.33)
Total tax expense	675.99	461.85	373.19	1,444.39	996.62	1,407.37
5 Profit after tax (3-4)	1,933.85	1,305.77	1,048.58	4,082.54	2,794.66	3,955.51
6 Other comprehensive income						
a (i) Items that will not be reclassified to profit or loss	(27.25)	(8.37)	26.14	(30.70)	40.90	(3.25)
(ii) Income tax related to items that will not be reclassified to profit or loss	3.11	0.96	(2.99)	3.01	(17.32)	(7.58)
b (i) Items that will be reclassified to profit or loss	27.41	23.49	26.58	34.26	(63.17)	(62.97)
(ii) Income tax related to items that will be reclassified to profit or loss	(6.90)	(5.91)	(6.69)	(8.62)	15.89	15.85
Total other comprehensive income, net of tax	(3.63)	10.17	43.04	(2.05)	(23.70)	(57.95)
7 Total comprehensive Income for the period (5+6)	1,930.22	1,315.94	1,091.62	4,080.49	2,770.96	3,897.56
8 Paid-up equity share capital (Face value of ₹ 2)				120.60	120.18	120.32
9 Other equity				39,567.15	34,623.63	35,818.42
10 Earnings per share (not annualised)						
Basic (₹)	32.08	21.67	17.45	67.77	46.54	65.85*
Diluted (₹)	31.86	21.53	17.33	67.27	46.21	65.33*

*annualised



Bajaj Finance Limited

Statement of unaudited Standalone financial results for the Quarter and Nine months ended 31 December 2021

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on 18 January 2022 and subjected to limited review by joint statutory auditors, pursuant to regulation 33 and 52 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).
- On 29 April 2021, the Allotment Committee allotted 1,007,006 equity shares of face value of ₹ 2 at applicable grant prices to the Trustees of BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009.
- On 20 July 2021, the Board of Directors have approved investment in equity and/or convertible loan or instrument convertible into equity shares upto an aggregate amount of ₹ 284 crore in Bajaj Finserv Direct Limited (a fellow subsidiary of the Company).
Consequently, the Company has disbursed ₹ 195.54 crore in the form of compulsorily convertible long term loan to Bajaj Finserv Direct Limited during the quarter ended 30 September 2021.
- 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/or by hypothecation of book debts/loan receivables to the extent as stated in the information memorandum. Further, the Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.
- The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment. The Company operates in a single geographical segment i.e. domestic.
- In the previous year ended 31 March 2021, in accordance with the Reserve Bank of India (RBI) guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on EMI moratorium dated 17 April 2020 and 23 May 2020, the Company had offered moratorium to its customers based on requests as well as on Suo-moto for EMIs falling due between 1 March 2020 to 31 August 2020. Further, the Company offered resolution plan to its customers pursuant to the RBI's guideline 'Resolution framework for COVID-19 related stress' dated 6 August 2020.
During the quarter and nine months ended 31 December 2021, the Company offered resolution plan to its customers pursuant to RBI's guideline 'Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses' dated 5 May 2021.
As a matter of prudence, the Company has written off principal outstanding of ₹ 213.35 crore and ₹ 681.18 crore for the quarter and nine months ended 31 December 2021 respectively, and corresponding interest outstanding (including capitalized interest) of ₹ 49.37 crore and ₹ 149.94 crore respectively, by utilizing the available expected credit loss (ECL) provision including management overlay. The aforesaid write offs were:
(i) On account of change in estimates with respect to write off for certain overdue positions based on assessment of recoverability. Consequently, the Company has written off principal outstanding of ₹ 50.28 crore and ₹ 191.32 crore for the quarter and nine months ended 31 December 2021 respectively, and corresponding interest outstanding (including capitalized interest) of ₹ 4.11 crore and ₹ 16.20 crore respectively. Had the Company applied the erstwhile estimate, the profit before tax for the quarter and nine months ended 31 December 2021 would have been higher by ₹ 23.96 crore and ₹ 77.28 crore respectively.
(ii) On account of additional write-off of potentially unrecoverable loans which were under deep moratorium comprising of principal outstanding of ₹ 163.07 crore and ₹ 489.86 crore for the quarter and nine months ended 31 December 2021 respectively and corresponding interest outstanding (including capitalized interest) of ₹ 45.26 crore and ₹ 133.74 crore respectively.
The Company holds a management and macro-economic overlay of ₹ 880 crore as at 31 December 2021.
Given the dynamic and evolving nature of the pandemic, these estimates includes the possible impact of known events till date and are subject to uncertainty caused by resurgence COVID-19 pandemic and related events.
- Disclosures pursuant to RBI Notification - RBI/2021-22/31 DOR,STR,REC.11/21.04.048/2021-22 dated 5 May 2021 - Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses

(₹ In Crore except number of accounts)

Description	Individual Borrowers		Small Business
	Personal Loans	Business Loans	
(A) Number of requests received for invoking resolution process under Part A	2,125	724	533
(B) Number of accounts where resolution plan has been implemented under this window	999	257	477
(C) Exposure to accounts mentioned at (B) before implementation of the plan	103.64	29.02	72.00
(D) Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F) Increase in provisions on account of the implementation of the resolution plan	3.71	2.29	7.38

There were 147 borrower accounts having an aggregate exposure of ₹ 34.27 crore to the Company, where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated 6 August 2020 and now modified under RBI's Resolution Framework 2.0 dated 5 May 2021.



Bajaj Finance Limited

Statement of unaudited Standalone financial results for the Quarter and Nine months ended 31 December 2021

Notes:

- 8 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 9 Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended 31 December 2021 is attached as Annexure 1.
- 10 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR,STR.REC.51/21.04.048/2021-22 dated 24 September 2021
(a) Details of transfer through assignment in respect of loans not in default during the nine months ended 31 December 2021

Entity	NBFC (Housing Finance Company)
Count of Loan accounts Assigned	1700 Loans
Amount of Loan account Assigned	₹ 291.10 crore
Retention of beneficial economic interest (MRR)	1%
Weighted Average Maturity (Residual Maturity)	176 months
Weighted Average Holding Period	54 months
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated

- (b) Details of stressed loans transferred during the nine months ended 31 December 2021

Particulars	To Asset Reconstruction Companies (ARC)	
	NPA	SMA
Number of accounts	983	374
Aggregate principal outstanding of loans transferred (₹ in crore)	78.45	2.70
Weighted average residual tenor of the loans transferred (in years)	14.27	2.57
Net book value of loans transferred (at the time of transfer) (₹ in crore)	59.96	1.83
Aggregate consideration (₹ in crore)	39.50	0.15
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Excess provisions reversed to the Profit and Loss Account on account of sale	-	-

In addition to above the Company has transferred 558,329 additional loans which have been written off, having an amount outstanding of ₹ 1,117.19 crore for a sale consideration of ₹ 59.97 crore.

- (c) The Company has not acquired any stressed loan during the nine months ended 31 December 2021.
- 11 Pursuant to the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has aligned its definition of default from number of EMI outstanding approach to Days Past Due approach. However, such alignment does not have any significant impact on the financial results for the quarter and nine months ended 31 December 2021.
- 12 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.
- 13 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

Rajeev Jain
Rajeev Jain
Managing Director

Pune
18 January 2022

CIN : L65910MH1987PLC042961

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BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of unaudited Standalone financial results for the Quarter and Nine months ended 31 December 2021

Annexure 1

Disclosure in compliance with Regulation 52 (4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for the quarter and nine months ended 31 December 2021

Particulars	For the quarter ended 31 December 2021	For the nine months ended 31 December 2021
1. Debt-Equity ratio [Debt securities+Borrowings (other than debt securities)+Deposits+Subordinated debts] / Total Equity		2.87
2. Net Worth (₹ in crore) [Total Equity]		39,687.75
3. Net Profit after tax (₹ in crore)	1,933.85	4,082.54
4. Earnings per share [not annualised]		
Basic (₹)	32.08	67.77
Diluted (₹)	31.86	67.27
5. Total debts to total assets ratio [Debt securities+Borrowings (other than debt securities)+Deposits+Subordinated debts] / Total Assets		0.73
6. Net profit margin [Profit after tax / Total Income]	25.70%	20.16%
7. Sector specific equivalent ratio, as applicable		
(A) Gross NPA (stage 3 asset, gross) ratio		2.19%
(B) Net NPA (stage 3 asset, net) ratio		0.98%
(C) Capital to risk-weighted assets ratio (Calculated as per RBI guidelines)		26.96%
(D) Liquidity Coverage Ratio (Calculated as per RBI guidelines)		170.23%

Note :

Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Accounts receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin ratio is not applicable to the Company.



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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF

BAJAJ FINANCE LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Bajaj Finance Limited** (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), for the quarter and nine months ended December 31, 2021 (the "Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ("SRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI"). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No.	Name of the Company
	Subsidiaries
1	Bajaj Housing Finance Limited
2	Bajaj Financial Securities Limited



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 7 to the Statement in which the Group describes the continuing uncertainties arising from the COVID 19 pandemic. Our conclusion on the Statement is not modified in respect of this matter.
7. The Statement includes comparative financial figures of the Group for the quarter ended September 30, 2021 and quarter and nine months ended December 31, 2020 which have been reviewed by the predecessor auditor vide its reports dated October 26, 2021 and January 20, 2021, respectively, in which the predecessor auditor has expressed unmodified conclusions.

The Statement also includes figures of the Group for the year ended March 31, 2021, audited by the predecessor auditor vide its report dated April 27, 2021, in which the predecessor auditor has expressed an unmodified opinion.

Our conclusion is not modified in respect of this matter.

8. We did not review the interim financial results of a subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of ₹986.11 crore and ₹2,709.27 crore for the quarter and nine months ended December 31, 2021 respectively, total net profit after tax of ₹185.15 crore and ₹511.98 crore for the quarter and nine months ended December 31, 2021 respectively and total comprehensive income of ₹185.15 crore and ₹511.98 crore for the quarter and nine months ended December 31, 2021, respectively, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Further the interim financial results of a subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of ₹38.27 crore and ₹84.86 crore. For the quarter and nine months ended December 31, 2021 respectively, total net profit after tax of ₹7.34 crore and ₹7.51 crore for the quarter and nine months ended December 31, 2021 respectively and total comprehensive income of ₹7.34 crore and ₹7.51 crore for the quarter and nine months ended December 31, 2021 respectively, as considered in the Statement. These interim financial results have been reviewed by G. M. Kapadia & Co., one of the joint auditors of the Group whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.



Our conclusion on the Statement is not modified in respect of these matters.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN: 22039826AAAAAK2239)
Place: Mumbai
Date: 18 January 2022

For G.M. Kapadia & Co.
Chartered Accountants
(Firm's Registration. No. 104767W)



Rajen Ashar
Partner
(Membership No. 048243)
(UDIN: 22048243AAAAAX3899)
Place: Mumbai
Date: 18 January 2022

BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Nine months ended 31 December 2021

(₹ In Crore)

	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2021 (Reviewed)	30.09.2021 (Reviewed)	31.12.2020 (Reviewed)	31.12.2021 (Reviewed)	31.12.2020 (Reviewed)	31.03.2021 (Audited)
1	Income						
	(a) Revenue from operations						
	Interest income	7,262.26	6,687.34	5,722.46	19,903.82	17,278.75	23,303.38
	Fees and commission income	876.43	733.28	680.92	2,186.16	1,827.71	2,452.39
	Net gain on fair value changes	59.72	66.68	138.75	227.56	540.33	591.22
	Sale of services	39.62	30.52	72.48	74.96	79.70	157.53
	Other operating income	294.55	213.54	41.52	613.35	90.99	163.65
	Total revenue from operations	8,532.58	7,731.36	6,656.13	23,005.85	19,817.48	26,668.17
	(b) Other income	2.48	0.70	2.21	4.28	10.63	14.88
	Total income	8,535.06	7,732.06	6,658.34	23,010.13	19,828.11	26,683.05
2	Expenses						
	(a) Finance costs	2,534.54	2,397.57	2,362.67	7,185.66	7,218.45	9,414.00
	(b) Fees and commission expense	449.51	519.86	344.47	1,249.10	810.55	1,246.48
	(c) Impairment on financial instruments	1,051.17	1,300.34	1,351.67	4,101.83	4,737.81	5,968.58
	(d) Employee benefits expense	1,015.73	937.20	678.45	2,569.45	1,729.86	2,498.67
	(e) Depreciation and amortisation expenses	96.58	94.53	79.64	280.13	235.38	325.27
	(f) Other expenses	519.55	478.11	286.93	1,385.67	926.39	1,237.79
	Total expenses	5,667.08	5,727.61	5,103.83	16,771.84	15,658.44	20,690.79
3	Profit before tax (1-2)	2,867.98	2,004.45	1,554.51	6,238.29	4,169.67	5,992.26
4	Tax expense						
	(a) Current tax	628.49	444.05	86.75	1,690.99	1,458.61	1,660.26
	(b) Deferred tax (credit)/charge	114.20	79.41	321.78	(61.42)	(362.12)	(87.82)
	Total tax expense	742.69	523.46	408.53	1,629.57	1,096.49	1,572.44
5	Profit after tax (3-4)	2,125.29	1,480.99	1,145.98	4,608.72	3,073.18	4,419.82
6	Other comprehensive income						
	a (i) Items that will not be reclassified to profit or loss	(27.25)	(8.37)	26.14	(30.70)	40.90	(1.99)
	(ii) Income tax related to items that will not be reclassified to profit or loss	3.11	0.96	(2.99)	3.01	(17.32)	(7.90)
	b (i) Items that will be reclassified to profit or loss	27.41	23.49	26.58	34.26	(63.17)	(62.97)
	(ii) Income tax related to items that will be reclassified to profit or loss	(6.90)	(5.91)	(6.69)	(8.62)	15.89	15.85
	Total other comprehensive income, net of tax	(3.63)	10.17	43.04	(2.05)	(23.70)	(57.01)
7	Total comprehensive income for the period (5+6)	2,121.66	1,491.16	1,189.02	4,606.67	3,049.48	4,362.81
8	Paid-up equity share capital (Face value of ₹ 2)				120.60	120.18	120.32
9	Other equity				41,073.02	35,416.59	36,798.09
10	Earnings per share (not annualised)						
	Basic (₹)	35.26	24.58	19.08	76.51	51.18	73.58*
	Diluted (₹)	35.02	24.42	18.94	75.95	50.82	73.00*

*annualised



Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Nine months ended 31 December 2021

Notes:

1 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 Ltd. (BHFL)	100%	Subsidiary
Bajaj Financial Securities Ltd. (BFinsec)	100%	Subsidiary

2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on 18 January 2022 and subjected to limited review by joint statutory auditors, pursuant to regulation 33 and 52 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).

3 On 29 April 2021, the Allotment Committee allotted 1,007,006 equity shares of face value of ₹ 2 at applicable grant prices to the Trustees of BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009.

4 On 20 July 2021, the Board of Directors have approved investment in equity and/or convertible loan or instrument convertible into equity shares upto an aggregate amount of ₹ 284 crores in Bajaj Finserv Direct Limited (a fellow subsidiary of the Company).

Consequently, the Company has disbursed ₹ 195.54 crore in the form of compulsorily convertible long term loan to Bajaj Finserv Direct Limited during the quarter ended 30 September 2021.

5 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/or by hypothecation of book debts/loan receivables to the extent as stated in the information memorandum. Further, the Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.

6 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 financial year 2019-20. 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.

7 In the previous year ended 31 March 2021, in accordance with the Reserve Bank of India ('RBI') guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on EMI moratorium dated 17 April 2020 and 23 May 2020, the Group had offered moratorium to its customers based on requests as well as on suo-moto for EMIs falling due between 1 March 2020 to 31 August 2020. Further, the Group offered resolution plan to its customers pursuant to the RBI's guideline 'Resolution framework for COVID-19 related stress' dated 6 August 2020.

During the quarter and nine-months ended 31 December 2021, the Group offered resolution plan to its customers pursuant to RBI's guideline 'Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses' dated 5 May 2021.

As a matter of prudence, the Group has written off principal outstanding of ₹ 213.35 crore and ₹ 681.18 crore for the quarter and nine months ended 31 December 2021 respectively, and corresponding interest outstanding (including capitalized interest) of ₹ 49.37 crore and ₹ 149.94 crore respectively, by utilizing the available expected credit loss (ECL) provision including management overlay. The aforesaid write offs were:

(i) On account of change in estimates with respect to write off for certain overdue positions based on assessment of recoverability. Consequently, the Group has written off principal outstanding of ₹ 50.28 crore and ₹ 191.32 crore for the quarter and nine months ended 31 December 2021 respectively, and corresponding interest outstanding (including capitalized interest) of ₹ 4.11 crore and ₹ 16.20 crore respectively. Had the Group applied the erstwhile estimate, the profit before tax for the quarter and nine months ended 31 December 2021 would have been higher by ₹ 23.96 crore and ₹ 77.28 crore respectively.

(ii) On account of additional write-off of potentially unrecoverable loans which were under deep moratorium comprising of principal write-off of ₹ 163.07 crore and ₹ 489.86 crore for the quarter and nine months ended 31 December 2021 respectively and corresponding interest outstanding (including capitalized interest) of ₹ 45.26 crore and ₹ 133.74 crore respectively.

The Group holds a management and macro-economic overlay of ₹ 1,083 crore as at 31 December 2021.

Given the dynamic and evolving nature of the pandemic, these estimates includes the possible impact of known events till date and are subject to uncertainty caused by resurgence of COVID-19 pandemic and related events.



Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Nine months ended 31 December 2021

Notes:

- 8 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 9 Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended 31 December 2021 is attached as Annexure 1.
- 10 Pursuant to the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Group has aligned its definition of default from number of EMI outstanding approach to Days Past Due approach. However, such alignment does not have any significant impact on the financial results for the quarter and nine months ended 31 December 2021.
- 11 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.
- 12 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


Rajeev Jain
Managing Director

Pune
18 January 2022

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

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BAJAJ FINANCE LIMITED

Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Nine months ended 31 December 2021

Annexure 1

Disclosure in compliance with Regulation 52 (4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for the quarter and nine months ended 31 December 2021

Particulars	For the quarter ended 31 December 2021	For the nine months ended 31 December 2021
1. Debt-Equity ratio [Debt securities+Borrowings (other than debt securities)+Deposits+Subordinated debts] / Total Equity		3.74
2. Net Worth (₹ in crore) [Total Equity]		41,193.62
3. Net Profit after tax (₹ in crore)	2,125.29	4,608.72
4. Earnings per share [not annualised]		
Basic (₹)	35.26	76.51
Diluted (₹)	35.02	75.95
5. Total debts to total assets ratio [Debt securities+Borrowings (other than debt securities)+Deposits+Subordinated debts] / Total Assets		0.77
6. Net profit margin [Profit after tax / Total Income]	24.90%	20.03%
7. Sector specific equivalent ratio, as applicable		
(A) Gross NPA (stage 3 asset, gross) ratio		1.73%
(B) Net NPA (stage 3 asset, net) ratio		0.78%

Note :

Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Accounts receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin ratio is not applicable to the Group.



BAJAJ FINANCE LIMITED

PRESS RELEASE

Financial results for Q3 FY22

Bajaj Finance reports highest ever consolidated profit after tax of ₹ 2,125 crore and highest ever quarterly Core AUM growth¹ of ₹ 14,700 crore for the quarter ended 31 December 2021

A meeting of the Board of Directors of Bajaj Finance Limited (BFL) was held today to consider and approve the unaudited standalone and consolidated results for the quarter ended 31 December 2021.

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).

CONSOLIDATED PERFORMANCE HIGHLIGHTS

Consolidated assets under management	- ₹ 181,250 crore	v/s	₹ 143,550 crore
Consolidated profit after tax	- ₹ 2,125 crore	v/s	₹ 1,146 crore

CONSOLIDATED PERFORMANCE HIGHLIGHTS – Q3 FY22

- **New loans booked** during Q3 FY22 were 7.44 million as against 6.04 million in Q3 FY21.
- **Customer franchise** stood at 55.36 million as of 31 December 2021 as compared to 46.31 million as of 31 December 2020, a growth of 20%. The Company's customer franchise increased by 2.56 million in Q3 FY22 as compared to 2.19 million in Q3 FY21.
- **Assets under management (AUM) grew by 26%** to ₹ 181,250 crore as of 31 December 2021 from ₹ 143,550 crore as of 31 December 2020. Core AUM growth¹ in Q3 FY22 was approximately ₹ 14,700 crore.
- **Net Interest Income (NII) for Q3 FY22 increased by 40%** to ₹ 6,000 crore as against ₹ 4,296 crore in Q3 FY21. Interest income reversal for the quarter was ₹ 241 crore as compared to ₹ 450 crore in Q3 FY21.
- **Total operating expenses to net interest income** for Q3 FY22 was 34.7% as against 32.3% in Q3 FY21.
- **Loan losses and provisions** for Q3 FY22 was ₹ 1,051 crore as against ₹ 1,352 crore in Q3 FY21. During the quarter, the Company has done accelerated write offs of ₹ 163 crore of principal outstanding on account of COVID-19 related stress. The Company holds a management and macro-economic overlay of ₹ 1,083 crore as of 31 December 2021.
- **Profit before tax** for Q3 FY22 **increased by 84%** to ₹ 2,868 crore from ₹ 1,555 in Q3 FY21.
- **Profit after tax** for Q3 FY22 **increased by 85%** to ₹ 2,125 crore from ₹ 1,146 crore in Q3 FY21.
- **Gross NPA and Net NPA** as of 31 December 2021 stood at 1.73% and 0.78% respectively, as against 2.45% and 1.10% as of 31 September 2021. The Company has provisioning coverage ratio of 56% on stage 3 assets and 156 bps on stage 1 and 2 assets as of 31 December 2021.

During the quarter, the Company has changed its NPA classification criteria from number of EMI outstanding to Days Past Due approach in line with the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications". This change did not have any negative impact on the Company's NPA.

¹ Core AUM growth = (AUM growth for the quarter – short tenor IPO financing book + additional COVID overlay on account of third wave of COVID-19)



BAJAJ FINANCE LIMITED

- **Capital adequacy ratio** (including Tier-II capital) as of 31 December 2021 was 26.96%. The Tier-I capital was 24.44%.

A – Breakup of consolidated AUM and deposits book

(₹ In Crore)

AUM	As of 31 December 2021			Consolidated as of 31 December 2020	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Consumer B2B – Auto Finance	10,620	-	10,620	12,707	(16)%
Consumer B2B - Sales Finance	14,920	-	14,920	10,185	46%
Consumer B2C	34,951	1,393	36,344	29,042	25%
Rural B2B	3,993	-	3,993	2,438	64%
Rural B2C	14,311	-	14,311	10,954	31%
SME lending	23,217	136	23,153	18,882	23%
Commercial lending	10,478	-	10,478	7,510	40%
Loan against securities	8,357	-	9,127	5,074	80%
Mortgage lending	12,066	47,673	58,304	46,758	25%
Total AUM	132,913	49,203	181,250	143,550	26%

Deposits	As of 31 December 2021			Consolidated as of 31 December 2020	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Deposits book	29,971	510	30,481	23,777	28%

@ Approximately 20% of the consolidated borrowings and 26% of the standalone borrowings.

B – Summary of consolidated financial results

(₹ In Crore)

Particulars	Q3'22	Q3'21	QoQ	9m'22	9m'21	9Mo9M	FY'21
New loans booked (numbers in million)	7.44	6.04	23%	18.40	11.41	61%	16.88
Assets under management	181,250	143,550	26%	181,250	143,550	26%	152,947
Receivables under financing activity	174,775	137,920	27%	174,775	137,920	27%	146,687
Interest income	7,262	5,723	27%	19,904	17,279	15%	23,304
Fees, commission and other income	1,213	797	52%	2,879	2,009	43%	2,788
Net gain on fair value changes on investments	60	139	(57)%	227	540	(58)%	591
Total income	8,535	6,659	28%	23,010	19,828	16%	26,683
Interest expenses	2,535	2,363	7%	7,186	7,218	0%	9,414
Net interest income (NII)	6,000	4,296	40%	15,824	12,610	25%	17,269
Total operating expenses	2,081	1,389	50%	5,484	3,702	48%	5,308
Loan losses and provisions	1,051	1,352	(22)%	4,102	4,738	(13)%	5,969
- on stage 1 and 2	208	(2,391)	(109)%	27	409	(93)%	414
- on stage 3 and write off	843	3,743	(77)%	4,075	4,329	(6)%	5,555
Profit before tax	2,868	1,555	84%	6,238	4,170	50%	5,992
Profit after tax	2,125	1,146	85%	4,609	3,073	50%	4,420

BAJAJ FINANCE LIMITED

- The Board of Directors has approved infusion of up to ₹ 2,500 crore of equity share capital in BHFL to support its capital needs for next 24 months.
- The Board of Directors has approved infusion of up to ₹ 400 crore of equity share capital in BFinsec to support its growth plans for next 24 months.

STANDALONE PERFORMANCE HIGHLIGHTS

- **Assets under management (AUM) grew by 21%** to ₹ 132,913 crore as of 31 December 2021 from ₹ 109,598 crore as of 31 December 2020.
- **Net Interest Income (NII) for Q3 FY22 increased by 40%** to ₹ 5,553 crore as against ₹ 3,977 crore in Q3 FY21. Interest income reversal for the quarter was ₹ 232 crore as compared to ₹ 456 crore in Q3 FY21.
- **Loan losses and provisions for Q3 FY22 was ₹ 995 crore as against ₹ 1,245 crore in Q3 FY21.** The Company holds a management and macro-economic overlay of ₹ 880 crore as of 31 December 2021.
- **Profit after tax for Q3 FY22 was ₹ 1,934 crore as against ₹ 1,049 crore in Q3 FY21.**

C - Summary of standalone financial results of Bajaj Finance Limited

Particulars	(₹ In Crore)						
	Q3'22	Q3'21	QoQ	9m'22	9m'21	9Mo9M	FY'21
New loans booked (numbers in million)	7.35	6.00	23%	18.11	11.36	59%	16.78
Assets under management	132,913	109,598	21%	132,913	109,598	21%	115,418
Receivables under financing activity	130,732	107,056	22%	130,732	107,056	22%	113,090
Interest income	6,335	4,973	27%	17,348	15,141	15%	20,419
Fees, commission and other income	1,146	745	54%	2,724	1,908	43%	2,599
Net gain on fair value changes on investments	44	129	(66)%	179	487	(63)%	528
Total income	7,525	5,847	29%	20,251	17,536	15%	23,546
Interest expenses	1,972	1,870	5%	5,625	5,723	(2)%	7,446
Net interest income (NII)	5,553	3,977	40%	14,626	11,813	24%	16,100
Total operating expenses	1,948	1,310	49%	5,141	3,502	47%	5,016
Loan losses and provisions	995	1,245	(20)%	3,958	4,520	(12)%	5,721
- on stage 1 and 2	179	(2,463)	(107)%	(21)	229	(109)%	215
- on stage 3 and write off	816	3,708	(78)%	3,979	4,291	(7)%	5,506
Profit before tax	2,610	1,422	84%	5,527	3,791	46%	5,363
Profit after tax	1,934	1,049	84%	4,083	2,795	46%	3,956

PERFORMANCE HIGHLIGHT OF SUBSIDIARIES

Bajaj Housing Finance Limited

- **Assets under management (AUM) grew by 39%** to ₹ 49,203 crore as of 31 December 2021 from ₹ 35,492 crore as of 31 December 2020.
- **Net Interest Income for Q3 FY22 increase by 30%** to ₹ 429 crore from ₹ 329 crore in Q3 FY21.



BAJAJ FINANCE LIMITED

- **Loan losses and provisions** for Q3 FY22 was ₹ 56 crore as against ₹ 107 crore in Q3 FY21. BHFL holds a management and macro-economic overlay of ₹ 203 crore as of 31 December 2021.
- **Profit after tax** for Q3 FY22 **increased by 87%** to ₹ 185 crore from ₹ 99 crore in Q3 FY21.
- **Gross NPA and Net NPA** as of 31 December 2021 stood at 0.35% and 0.18% respectively, as against 0.35% and 0.21% as of 30 September 2021. BHFL has provisioning coverage ratio of 49% on stage 3 assets and 82 bps on stage 1 and 2 assets as of 31 December 2021
- **Capital adequacy ratio** (including Tier-II capital) as of 31 December 2021 was 19.37%

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

Particulars	(₹ In Crore)						
	Q3'22	Q3'21	QoQ	9m'22	9m'21	9Mo9M	FY'21
Assets under management	49,203	35,492	39%	49,203	35,492	39%	38,871
Receivables under financing activity	43,479	30,772	41%	43,479	30,772	41%	33,419
Interest income	907	747	21%	2,520	2,134	18%	2,877
Fees, commission and other income	65	65	0%	146	130	12%	218
Net gain on fair value changes on Investments	14	9	56%	43	51	(16)%	60
Total Income	986	821	20%	2,709	2,315	17%	3,155
Interest expenses	557	492	13%	1,549	1,495	4%	1,966
Net Interest Income (NII)	429	329	30%	1,160	820	41%	1,189
Total operating expenses	123	87	41%	325	231	41%	329
Loan losses and provisions	56	107	(48)%	143	217	(34)%	247
- on stage 1 and 2	29	72	(60)%	48	180	(73)%	199
- on stage 3 and write off	27	35	(23)%	95	37	157%	48
Profit before tax	250	135	85%	692	372	86%	613
Profit after tax	185	99	87%	512	274	87%	453

Bajaj Financial Securities Limited (BFinsec)

- BFinsec acquired approximately 65K retail and HNI customers in Q3 FY22. Customer franchise as of 31 December 2021 stood at approximately 269K. During the quarter, BFinsec has changed its acquisition strategy to focus on higher activation rate.
- Margin trade financing (MTF) book stood at ₹ 770 crore as of 31 December 2021 as against ₹ 97 crore as of 31 December 2020.
- Total Income for Q3 FY22 was ₹ 38 crore as against ₹ 8 crore in Q3 FY21.
- BFinsec generated profit after tax of ₹ 7 crore in Q3 FY22.

Pune
18 January 2022



For Bajaj Finance Limited

Rajeev Jain
Rajeev Jain
Managing Director