

25 July 2019

To Corporate Relations Department. <b>BSE Limited</b> 1 <sup>st</sup> Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Mumbai 400 001	To Corporate Listing Department. <b>National Stock Exchange of India Ltd</b> Exchange Plaza, 5 <sup>th</sup> Floor Plot No.C-1, G Block Bandra-Kurla Complex Bandra (East), MUMBAI 400 051
<b>BSE Code: 532978</b>	<b>NSE Code: BAJAJFINSV</b>

**Subject: Unaudited standalone and consolidated financial results for the first quarter ended 30 June 2019 - Regulation 30**

Dear Sir/Madam,

In terms of the provisions of Regulation 30 (read with Part A of Schedule III) and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following statements for the first quarter ended 30 June 2019, which were approved and taken on record at the meeting of the Board of Directors held today, the 25 July 2019:

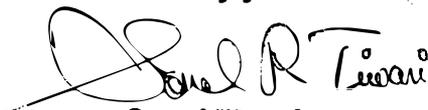
- a) Unaudited standalone and consolidated financial results of the Company for the first quarter ended 30 June 2019;
- b) Limited Review Reports for unaudited standalone and consolidated financial results for the first quarter ended 30 June 2019; and
- c) Press release.

The meeting commenced at 3.15 p.m. and concluded at 4.00 p.m.

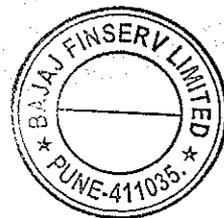
Thanking you,

Yours faithfully,

**For Bajaj Finserv Limited**



**Sonal Tiwari**  
**Company Secretary**



Encl: as above

**Bajaj Finserv Limited**



## Bajaj Finserv Limited

CIN : L65923PN2007PLC130075

Registered Office : Mumbai - Pune Road, Akurdi, Pune 411 035

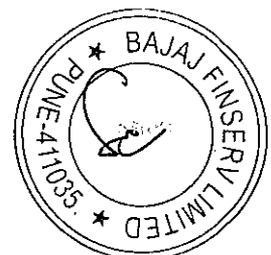
Corporate Office : Off Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014

Website : www.bajajfinserv.in ; E-mail : investors@bajajfinserv.in ; Telephone : +91 20 27472851 ; Fax : +91 20 27407380

### Statement of standalone unaudited financial results for the quarter ended 30 June 2019

(₹ In Crore)

	Particulars	Quarter ended			Year ended
		30.06.2019 (Reviewed)	31.03.2019 (Audited)	30.06.2018 (Reviewed)	31.03.2019 (Audited)
1	<b>Income</b>				
	Interest income	15.41	13.51	12.67	59.31
	Dividend income	-	-	-	286.76
	Rental income	0.53	0.54	0.48	2.05
	Windpower income	7.98	15.74	16.29	71.10
	Net gain on fair value changes	0.38	1.16	0.51	3.83
	Total revenue from operations	24.30	30.95	29.95	423.05
	Other income	7.24	7.70	4.81	25.51
	<b>Total income</b>	<b>31.54</b>	<b>38.65</b>	<b>34.76</b>	<b>448.56</b>
2	<b>Expenses</b>				
	Employee benefits expenses	20.03	23.15	8.85	53.53
	Depreciation, amortisation and impairment	0.43	0.44	0.36	1.55
	Other expenses	10.37	11.60	16.91	67.49
	<b>Total expenses</b>	<b>30.83</b>	<b>35.19</b>	<b>26.12</b>	<b>122.57</b>
3	<b>Profit before tax (1-2)</b>	<b>0.71</b>	<b>3.46</b>	<b>8.64</b>	<b>325.99</b>
4	<b>Tax expense</b>				
	Current tax	0.37	0.87	2.64	18.02
	Deferred tax	(0.15)	0.78	(0.09)	0.80
	<b>Total tax expense</b>	<b>0.22</b>	<b>1.65</b>	<b>2.55</b>	<b>18.82</b>
5	<b>Profit after tax (3-4)</b>	<b>0.49</b>	<b>1.81</b>	<b>6.09</b>	<b>307.17</b>
6	<b>Other comprehensive income, net of tax</b>				
	(a) Items that will not be reclassified to profit or loss	(0.07)	(1.06)	(0.07)	(1.27)
	(b) Items that will be reclassified to profit or loss	-	-	-	-
	<b>Total other comprehensive income, net of tax</b>	<b>(0.07)</b>	<b>(1.06)</b>	<b>(0.07)</b>	<b>(1.27)</b>
7	<b>Total comprehensive income (5+6)</b>	<b>0.42</b>	<b>0.75</b>	<b>6.02</b>	<b>305.90</b>
8	<b>Paid-up equity share capital (Face value of ₹ 5)</b>	<b>79.57</b>	<b>79.57</b>	<b>79.57</b>	<b>79.57</b>
9	<b>Other equity</b>				<b>3,081.34</b>
10	<b>Earnings per share (₹) (not annualised)</b>				
	Basic	0.0	0.1	0.4	19.3
	Diluted	0.0	0.1	0.4	19.3



**Notes :**

1. The above results have been reviewed by the Audit Committee, approved by the Board of Directors in the meeting held on 25 July 2019 and subjected to a limited review by the statutory auditors.
2. Figures for previous year / period have been regrouped wherever necessary.



Pune  
25 July 2019



By order of the Board of Directors  
For Bajaj Finserv Limited

  
Sanjiv Bajaj  
Managing Director & CEO

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**Bajaj Finserv Limited**

CIN : L65923PN2007PLC130075

Registered Office : Mumbai - Pune Road, Akurdi, Pune 411 035

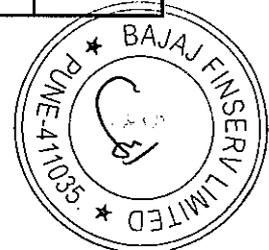
Corporate Office : Off Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014

Website : www.bajajfinserv.in ; E-mail : investors@bajajfinserv.in ; Telephone : +91 20 27472851 ; Fax : +91 20 27407380

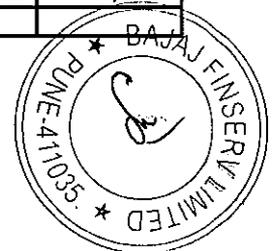
**Statement of consolidated unaudited financial results for the quarter ended 30 June 2019**

(₹ In Crores)

Particulars	Quarter ended			Year ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
<b>1 Income</b>				
Interest income	5,740.37	5,005.42	4,170.44	18,776.29
Dividend income	17.02	13.80	20.33	61.30
Rental income	1.10	1.30	1.26	5.20
Fees and commission income	589.01	779.93	226.06	1,681.87
Net gain on fair value change	883.21	562.00	182.41	1,978.10
Sale of Services	24.44	20.57	35.60	147.25
Premium and other operating income from insurance business	4,989.41	6,590.55	4,076.92	19,857.32
Others	27.10	20.57	57.65	96.67
Total revenue from operations	12,271.66	12,994.14	8,770.67	42,604.00
Other income	0.60	0.38	0.39	1.57
<b>Total income</b>	<b>12,272.26</b>	<b>12,994.52</b>	<b>8,771.06</b>	<b>42,605.57</b>
<b>2 Expenses</b>				
Employee benefits expenses	1,142.52	1,044.59	845.04	3,801.77
Finance costs	2,053.55	1,883.71	1,334.05	6,540.03
Fees and commission expense	466.45	501.64	361.29	1,692.77
Impairment of financial instruments - lending assets	550.74	406.27	326.45	1,501.35
Impairment of financial instruments - investments	201.14	55.37	0.18	187.32
Claims paid	2,309.35	3,141.57	2,493.12	10,663.70
Reinsurance ceded	843.04	1,172.06	556.38	3,119.33
Net change in insurance / investment contract liabilities	1,455.30	1,692.67	209.68	3,701.96
Depreciation, amortisation and impairment	97.48	71.17	42.97	226.09
Other expenses	897.41	896.35	611.79	3,017.87
<b>Total expenses</b>	<b>10,016.98</b>	<b>10,865.40</b>	<b>6,780.95</b>	<b>34,452.19</b>
<b>3 Share of profits of joint venture</b>	<b>(0.04)</b>	<b>0.95</b>	<b>0.15</b>	<b>1.36</b>
<b>4 Profit before tax (1-2+3)</b>	<b>2,255.24</b>	<b>2,130.07</b>	<b>1,990.26</b>	<b>8,154.74</b>
<b>5 Tax expense</b>				
Current tax	947.89	754.09	606.16	2,737.84
Deferred tax	(146.86)	(57.96)	55.58	43.05
<b>Total tax expense</b>	<b>801.03</b>	<b>696.13</b>	<b>661.74</b>	<b>2,780.89</b>
<b>6 Profit after tax (4-5)</b>	<b>1,454.21</b>	<b>1,433.94</b>	<b>1,328.52</b>	<b>5,373.85</b>
<b>7 Profit attributable to non-controlling interests</b>	<b>608.87</b>	<b>595.20</b>	<b>502.75</b>	<b>2,154.81</b>
<b>8 Profit for the period (6-7)</b>	<b>845.34</b>	<b>838.74</b>	<b>825.77</b>	<b>3,219.04</b>
<b>9 Other comprehensive Income, net of tax</b>				
(a) Items that will not be reclassified to profit or loss	(1.84)	(6.81)	(1.47)	(16.67)
(b) Items that will be reclassified to profit or loss	311.03	161.74	(491.75)	160.23
<b>Total other comprehensive Income, net of tax</b>	<b>309.19</b>	<b>154.93</b>	<b>(493.22)</b>	<b>143.56</b>
<b>10 Total comprehensive Income (6+9)</b>	<b>1,763.40</b>	<b>1,588.87</b>	<b>835.30</b>	<b>5,517.41</b>
<b>11 Profit attributable to:</b>				
Owners of the company	845.34	838.74	825.77	3,219.04
Non-controlling interests	608.87	595.20	502.75	2,154.81
<b>12 Total comprehensive income attributable to:</b>				
Owners of the company	1,073.47	954.24	462.74	3,325.07
Non-controlling interests	689.93	634.63	372.56	2,192.34
<b>13 Paid-up equity share capital (Face value of ₹ 5)</b>	<b>79.57</b>	<b>79.57</b>	<b>79.57</b>	<b>79.57</b>
<b>14 Other equity</b>				<b>23,686.35</b>
<b>15 Earnings per share (₹) (not annualised)</b>				
Basic	53.1	52.7	51.9	202.3
Diluted	53.1	52.7	51.9	202.3



Segment-wise revenue, results and capital employed					
				(₹ In Crore)	
	Particulars	Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
1	<b>Segment revenue</b>				
	Insurance				
	Gross written premium				
	Life insurance	1,836.70	3,289.92	1,361.47	8,857.16
	General insurance	2,843.31	3,402.31	2,429.39	11,097.01
		4,680.01	6,692.23	3,790.86	19,954.17
	Less: Premium for investment contracts of life insurance	243.08	423.61	148.01	1,364.88
	Reserve for unexpired risk of general insurance	70.04	325.67	270.64	1,021.09
		4,366.89	5,942.95	3,372.21	17,568.20
	Investment and other income(excluding accretions to unit linked holders)	2,170.49	1,839.03	1,489.35	6,657.97
	Insurance total	6,537.38	7,781.98	4,861.56	24,226.17
	Investments and others	51.93	51.44	18.47	460.25
	Retail financing	5,808.05	5,268.84	3,941.30	18,501.76
	Windmill	7.98	15.74	16.29	71.10
		12,405.34	13,118.00	8,837.62	43,259.28
	Less : Inter-segment revenue	133.08	123.48	66.56	653.71
	<b>Total</b>	<b>12,272.26</b>	<b>12,994.52</b>	<b>8,771.06</b>	<b>42,605.57</b>
2	<b>Segment profit before tax</b>				
	Insurance				
	Life insurance	91.20	153.38	224.98	771.31
	General insurance	311.44	187.66	475.17	1,255.67
	Insurance total	402.64	341.04	700.15	2,026.98
	Investments and others	(58.83)	(65.27)	(26.04)	(157.41)
	Retail financing	1,907.85	1,846.80	1,313.21	6,264.80
	Windmill	3.58	7.50	2.94	20.37
	<b>Total profit before tax</b>	<b>2,255.24</b>	<b>2,130.07</b>	<b>1,990.26</b>	<b>8,154.74</b>
3	<b>Capital employed</b>				
	<b>Segment assets</b>				
	Insurance				
	Life insurance	61,072.30	59,697.06	55,153.08	59,697.06
	General insurance	25,050.48	23,417.12	20,716.42	23,417.12
	Insurance total	86,122.78	83,114.18	75,869.50	83,114.18
	Investments and others	314.77	313.83	139.23	313.83
	Retail financing	138,098.27	124,283.84	95,745.49	124,283.84
	Windmill	35.93	36.56	40.81	36.56
	Unallocable	23.81	20.43	15.08	20.43
	<b>Subtotal</b>	<b>224,595.56</b>	<b>207,768.84</b>	<b>171,810.11</b>	<b>207,768.84</b>
	<b>Segment liabilities</b>				
	Insurance				
	Life insurance	51,490.21	50,334.34	45,998.25	50,334.34
	General insurance	20,034.97	18,779.45	16,368.44	18,779.45
	Insurance total	71,525.18	69,113.79	62,366.69	69,113.79
	Investments and others	64.06	58.64	20.75	58.64
	Retail financing	4,762.42	2,932.95	6,372.42	2,932.95
	Windmill	1.04	3.32	5.46	3.32
	Unallocable	17.41	17.41	17.41	17.41
	<b>Subtotal</b>	<b>76,370.11</b>	<b>72,126.11</b>	<b>68,782.73</b>	<b>72,126.11</b>
	<b>Capital employed</b>				
	Insurance				
	Life insurance	9,582.09	9,362.72	9,154.83	9,362.72
	General insurance	5,015.51	4,637.67	4,347.98	4,637.67
	Insurance total	14,597.60	14,000.39	13,502.81	14,000.39
	Investments and others	250.71	255.19	118.48	255.19
	Retail financing	133,335.85	121,350.89	89,373.07	121,350.89
	Windmill	34.89	33.24	35.35	33.24
	Unallocable	6.40	3.02	(2.33)	3.02
	<b>Total</b>	<b>148,225.45</b>	<b>135,642.73</b>	<b>103,027.38</b>	<b>135,642.73</b>



**Notes :**

1. The consolidated financial results include results of the following companies:

	Name of the company	% shareholding and voting power of Bajaj Finserv Limited	Segment	Consolidated as
(a)	Bajaj Allianz Life Insurance Company Limited	74%	Insurance - life	Subsidiary
(b)	Bajaj Allianz General Insurance Company Limited	74%	Insurance - general	Subsidiary
(c)	Bajaj Finance Limited*	54.81%	Retail financing	Subsidiary
(d)	Bajaj Finserv Direct Limited (formerly Bajaj Financial Holdings Limited)	100%	Others	Subsidiary
(e)	Bajaj Allianz Financial Distributors Limited**	50%	Others	Joint venture

\* The consolidated financial results of Bajaj Finance Limited include 100% interest in both, Bajaj Housing Finance Limited and Bajaj Financial Securities Limited as a subsidiary.

\*\* The consolidated financial results of Bajaj Allianz Financial Distributors Limited include 100% interest in Bajaj Allianz Staffing Solutions Limited.

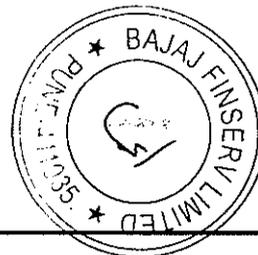
2. Key standalone financial information is given below:

(₹ In Crore)

Particulars	Quarter ended			Year ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
Revenue from operations and other income	31.54	38.65	34.76	448.56
Profit before tax	0.71	3.46	8.64	325.99
Profit after tax	0.49	1.81	6.09	307.17

3. The above results have been reviewed by the Audit Committee, approved by the Board of Directors in the meeting held on 25 July 2019 and subjected to a limited review by the statutory auditors.

4. Figures for previous year / period have been regrouped wherever necessary.



By order of the Board of Directors  
For Bajaj Finserv Limited

*(Signature)*  
Sanjiv Bajaj  
Managing Director & CEO

Pune  
25 July 2019

*(Signature)*

# **S R B C & CO LLP**

Chartered Accountants

Ground Floor  
Panchshil Tech Park, Yerwada  
(Near Don Bosco School)  
Pune - 411 006, India  
Tel : +91 20 6603 6000

## **Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors  
Bajaj Finserv Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Bajaj Finserv Limited (the 'Company') for the quarter ended June 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulation'), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 (the Circular).
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as 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 applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003

  
per **Arvind Sethi**  
Partner  
Membership No.: 089802  
UDIN: 19089802AAAABF5441

Pune  
July 25, 2019

**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.****Review Report to  
The Board of Directors  
Bajaj Finserv Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Bajaj Finserv Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group'), and its share of the net loss after tax and total comprehensive loss of its joint venture for the quarter ended June 30, 2019 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations'), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').
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 Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. 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. A review of interim financial information consists of making inquiries, primarily of persons 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 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 Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
  - a. Bajaj Allianz Life Insurance Company Limited
  - b. Bajaj Allianz General Insurance Company Limited
  - c. Bajaj Finance Limited
  - d. Bajaj Housing Finance Limited (wholly owned subsidiary of Bajaj Finance Limited)
  - e. Bajaj Financial Securities Limited (wholly owned subsidiary of Bajaj Finance Limited)
  - f. Bajaj Finserv Direct Limited (formerly known as Bajaj Financial Holdings Limited)
  - g. Bajaj Allianz Financial Distributors Limited (Joint Venture, including its wholly owned subsidiary Bajaj Allianz Staffing Solutions Limited)
5. Based on our review conducted and procedures performed 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 recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. a) The auditors of Bajaj Allianz Life Insurance Company Limited ('BALIC'), a subsidiary, have reported that the actuarial valuation of liabilities of BALIC for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at June 30, 2019 is the responsibility of BALIC's Appointed Actuary. The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at June 30, 2019 has been duly

# **S R B C & CO LLP**

Chartered Accountants

Bajaj Finserv Limited

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certified by the BALIC's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", Ind AS 109 "Financial Instruments", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. BALIC's auditors have relied upon the BALIC's Appointed Actuary's certificate for expressing their conclusion in this regard.

b) The auditors of Bajaj Allianz General Insurance Company Limited ('BAGIC'), a subsidiary, have reported that the actuarial valuation of liabilities for Incurred but not reported and Incurred but not enough reported claims of BAGIC as at June 30, 2019 is the responsibility of BAGIC's Appointed Actuary. The actuarial valuation of these liabilities has been duly certified by the BAGIC's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI, Ind AS 104 "Insurance Contracts" and Ind AS 109 "Financial Instruments". BAGIC's auditors have relied on the BAGIC's Appointed Actuary's certificate for expressing their conclusion in this regard.

Our conclusion is not modified in respect of these matters.

7. The Statement includes unaudited financial results and other unaudited financial information in respect of two subsidiaries, which have not been reviewed by their auditors, whose financial results reflect total revenues of Rs.28.75 crore, total net loss after tax of Rs.9.78 crore and total comprehensive loss of Rs.9.63 crore for the quarter ended June 30, 2019, as considered in the unaudited consolidated financial results. The Statement also includes the Group's share of net loss after tax of Rs.0.04 crore and total comprehensive loss of Rs.0.04 crore, for the quarter ended June 30, 2019, as considered in the unaudited consolidated financial results, in respect of one joint venture, based on its financial results which have not been reviewed by its auditor. These unaudited financial results and other unaudited financial information have been approved and furnished to us by the management. Our conclusion, in so far as it relates to the affairs of these subsidiaries and joint venture, is based solely on such unaudited financial statement and other unaudited financial information. According to the information and explanations given to us by the Management, these financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003

  
per Arvind Sethi  
Partner  
Membership No.: 089802

UDIN: 19089802AAAABG2670

Pune  
July 25, 2019

**Press release**  
**Financial results – Q1 FY20**  
**Profit after tax : ₹ 845 crore**

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q1 FY20.

Bajaj Finserv Limited (BFS) is the holding company for the various financial services businesses under the Bajaj group. It serves millions of customers in the financial services space by providing solutions for asset acquisition through financing, asset protection through general insurance, family protection and income protection in the form of life and health insurance and retirement and savings solutions.

BFS participates in the financing business through its 54.81% holding in Bajaj Finance Limited (BFL) and in the protection business through its 74% holding in two unlisted subsidiaries, Bajaj Allianz General Insurance Company Limited (BAGIC) and Bajaj Allianz Life Insurance Company Limited (BALIC). Bajaj Housing Finance Limited (BHFL), which does mortgage business, is a wholly-owned subsidiary of Bajaj Finance Limited.

The results of these subsidiaries are reflected in the consolidated results of the Company.

As required by regulation, BFS has adopted Indian Accounting Standards (Ind AS) from FY19.

The insurance companies are not covered under Ind AS. They have prepared Ind AS financials only for the purpose of consolidation. Accordingly, for BAGIC and BALIC, standalone numbers reported below are based on non-Ind AS accounting standards (Indian GAAP) as applicable to insurance companies.

**During this quarter, the tight liquidity conditions witnessed in the aftermath of a default by IL&FS did not show signs of abatement and companies with stronger balance sheets were favoured by lending banks and investors. This quarter also witnessed default by Dewan Housing Finance Limited (DHFL), a housing finance company, on a part of its commercial paper dues. In this difficult environment, it is heartening to see BFL continue to deliver excellent results. While both BAGIC and BALIC recorded strong growth in premiums, their profits were adversely impacted by provision for impairment on their holdings of DHFL's fixed income securities. BAGIC's underwriting result was also negatively impacted by losses from cyclone Fani which hit India's east coast in the quarter.**

**Highlights – Q1 FY20 v/s Q1 FY19**

✓ Consolidated total income	– ₹ 12,272 crore	v/s ₹ 8,771 crore	↑ 40%
✓ Consolidated profit after tax *	– ₹ 845 crore	v/s ₹ 826 crore	
✓ Bajaj Finance, consolidated profit after tax	– ₹ 1,195 crore	v/s ₹ 836 crore	↑ 43%
✓ General insurance, profit after tax	– ₹ 210 crore	v/s ₹ 291 crore	
✓ Life insurance, shareholders' profit after tax	– ₹ 62 crore	v/s ₹ 146 crore	

\*Excluding provision for impairment on DHFL, the consolidated profit after tax would have been ₹ 962 crore, an increase of 16%.

**Bajaj Finserv Limited**

Summary of consolidated results is given in **Annexure A**.

A synopsis of the **quarterly performance** of the individual companies is given below:

**A. Bajaj Finance Limited (BFL) – Consolidated- Ind AS**

- i) Total income for Q1 FY20 **increased by 47%** to ₹ 5,808 crore v/s ₹ 3,938 crore in Q1 FY19.
- ii) **Profit after tax** for Q1 FY20 **increased by 43%** to ₹ 1,195 crore v/s ₹ 836 crore in Q1 FY19.
- iii) Assets under management (AUM) stood at ₹ 128,898 crore as on 30 June 2019 v/s ₹ 91,287 crore as on 30 June 2018 - an **increase of 41%**. This includes AUM of ₹ 21,745 crore of its housing finance subsidiary, BHFL.
- iv) 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 on 30 June 2019 stood at 1.60% and 0.64% respectively.
- v) The capital adequacy ratio of BFL Standalone as at 30 June 2019 (including Tier-II capital) stood at 19.48%. The Tier-I capital stood at 15.48%.

For BHFL, the capital adequacy ratio (including Tier-II capital) stood at 23.17%.

Summary of financial results is given in **Annexure B**.

**B. Bajaj Allianz General Insurance Company Limited (BAGIC)- Indian GAAP**

- i) Gross written premium for Q1 FY20 **increased by 17%** to ₹ 2,843 crore v/s ₹ 2,429 crore in Q1 FY19.  
Gross written premium from core business (excluding crop) for Q1 FY20 **increased by 13%** to ₹ 2,724 crore v/s ₹ 2,419 crore in Q1 FY19.
- ii) Net earned premium for Q1 FY20 stood at ₹ 1,946 crore v/s ₹ 1,612 crore in Q1 FY19 – an **increase of 21%**.
- iii) Underwriting profit for Q1 FY20 stood at ₹ 9 crore v/s ₹ 128 crore in Q1 FY19 primarily due to higher claims which included provisions for ₹ 30 crore of claims arising out of the cyclone Fani.
- iv) Investment and other income for Q1 FY20 stood at ₹ 310 crore v/s ₹ 307 crore in Q1 FY19.
- v) Profit after tax for Q1 FY19 stood at ₹ 210 crore v/s ₹ 291 crore in Q1 FY19 mainly on account of lower underwriting profit and a provision for impairment of ₹ 76 crore (₹ 50 crore after tax), representing 60% of the outstanding amount in respect of fixed income investments in DHFL.
- vi) Claim ratio stood at **72.8%** in Q1 FY20 v/s 65.7% in Q1 FY19.
- vii) Combined ratio stood at **103.1%** in Q1 FY20 v/s 90.2% in Q1 FY19.
- viii) As on 30 June 2019, solvency ratio stood at **249%**, which is well above the minimum regulatory requirement of 150%.
- ix) Cash and investments as on 30 June 2019 stood at ₹ 17,466 crore v/s ₹ 14,973 crore as on 30 June 2018 – a healthy **increase of 17%**.

Summary of financial results and key ratios is given in **Annexure C**.

**C. Bajaj Allianz Life Insurance Company Limited (BALIC) – Indian GAAP**

- i) New business premium for Q1 FY20 **increased** by **41%** to ₹ **1,014 crore** v/s ₹ 721 crore in Q1 FY19.
  - a) Rated individual new business premium **increased** by **17%** to ₹ **332 crore** in Q1 FY20 v/s ₹ 283 crore in Q1 FY19
  - b) Group new business **increased** by **57%** to ₹ **668 crore** in Q1 FY20 v/s ₹ 425 crore in Q1 FY19
- ii) Renewal premium for Q1 FY20 **increased** by **29%** to ₹ **823 crore** v/s ₹ 640 crore in Q1 FY19.
- iii) Gross written premium **increased** by **35%** to at ₹ **1,837 crore** in Q1 FY20 v/s ₹ 1,361 crore in Q1 FY19.
- iv) Shareholders' profit after tax during Q1 FY20 stood at ₹ **62 crore** v/s ₹ 146 crore in Q1 FY19. The shareholders' profit after tax was adversely affected by a provision for impairment of ₹ 126 crore (₹ 108 crore after tax), representing 60% of the outstanding amount in respect of fixed income investments in DHFL.
- v) Solvency ratio stood at a healthy **790%** as on 30 June 2019 as against the minimum regulatory requirement of 150%.
- vi) Total investments stood at ₹ **57,860 crore** as on 30 June 2019 v/s ₹ 53,219 crore as on 30 June 2018 – an **increase** of **9%**.

Summary of financial results is given in **Annexure D**.



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**S Sreenivasan**  
**CFO**

25 July 2019

Agv

## Annexure A - Consolidated results of BFS - (Ind AS)

(₹ In Crore)		Q1 FY20	Q1 FY19	FY19
<b>1</b>	<b>Income</b>			
	Interest income	5,740.37	4,170.44	18,776.29
	Dividend income	17.02	20.33	61.30
	Rental income	1.10	1.26	5.20
	Fees and commission income	589.01	226.06	1,681.87
	Net gain on fair value change	883.21	182.41	1,978.10
	Sale of Services	24.44	35.60	147.25
	Premium and other operating income from insurance business	4,989.41	4,076.92	19,857.32
	Others	27.10	57.65	96.67
	<b>Total revenue from operations</b>	<b>12,271.66</b>	<b>8,770.67</b>	<b>42,604.00</b>
	Other income	0.60	0.39	1.57
	<b>Total income</b>	<b>12,272.26</b>	<b>8,771.06</b>	<b>42,605.57</b>
<b>2</b>	<b>Expenses</b>			
	Employee benefits expenses	1,142.52	845.04	3,801.77
	Finance costs	2,053.55	1,334.05	6,540.03
	Fees and commission expense	466.45	361.29	1,692.77
	Impairment of financial instruments - lending assets	550.74	326.45	1,501.35
	Impairment of financial instruments - investments	201.14	0.18	187.32
	Claims paid	2,309.35	2,493.12	10,663.70
	Reinsurance ceded	843.04	556.38	3,119.33
	Net change in insurance / investment contract liabilities	1,455.30	209.68	3,701.96
	Depreciation, amortisation and impairment	97.48	42.97	226.09
	Other expenses	897.41	611.79	3,017.87
	<b>Total expenses</b>	<b>10,016.98</b>	<b>6,780.95</b>	<b>34,452.19</b>
<b>3</b>	Share of profits of joint venture	(0.04)	0.15	1.36
<b>4</b>	<b>Profit before tax (1-2+3)</b>	<b>2,255.24</b>	<b>1,990.26</b>	<b>8,154.74</b>
<b>5</b>	<b>Tax expense</b>			
	Current tax	947.89	606.16	2,737.84
	Deferred tax	(146.86)	55.58	43.05
	<b>Total tax expense</b>	<b>801.03</b>	<b>661.74</b>	<b>2,780.89</b>
<b>6</b>	<b>Profit after tax (4-5)</b>	<b>1,454.21</b>	<b>1,328.52</b>	<b>5,373.85</b>
<b>7</b>	Profit attributable to non-controlling interests	608.87	502.75	2,154.81
<b>8</b>	<b>Profit for the period (6-7)</b>	<b>845.34</b>	<b>825.77</b>	<b>3,219.04</b>
<b>9</b>	<b>Other comprehensive income, net of tax</b>			
	(a) Items that will not be reclassified to profit or loss	(1.84)	(1.47)	(16.67)
	(b) Items that will be reclassified to profit or loss	311.03	(491.75)	160.23
	<b>Total other comprehensive income, net of tax</b>	<b>309.19</b>	<b>(493.22)</b>	<b>143.56</b>
<b>10</b>	<b>Total comprehensive income (6+9)</b>	<b>1,763.40</b>	<b>835.30</b>	<b>5,517.41</b>
<b>11</b>	<b>Profit attributable to:</b>			
	Owners of the company	845.34	825.77	3,219.04
	Non-controlling interests	608.87	502.75	2,154.81
<b>12</b>	<b>Total comprehensive income attributable to:</b>			
	Owners of the company	1,073.47	462.74	3,325.07
	Non-controlling interests	689.93	372.56	2,192.34
<b>13</b>	Paid-up equity share capital (Face value of ₹ 5)	79.57	79.57	79.57
<b>14</b>	Other equity			23,686.35
<b>15</b>	<b>Earnings per share (₹) (not annualised)</b>			
	Basic	53.1	51.9	202.3
	Diluted	53.1	51.9	202.3

**Annexure B - Summary financial results of BFL(consolidated) – (Ind-AS)**

₹ In Crore	Q1 FY20	Q1 FY19	FY19
Total income	5,808	3,938	18,502
Interest expenses	2,113	1,359	6,624
<b>Net interest income</b>	<b>3,695</b>	<b>2,579</b>	<b>11,878</b>
Operating expenses	1,293	955	4,198
Loan losses and provisions	551	327	1,501
<b>Profit before tax</b>	<b>1,851</b>	<b>1,297</b>	<b>6,179</b>
<b>Profit after tax</b>	<b>1,195</b>	<b>836</b>	<b>3,995</b>

**Annexure C - Summary financial results of BAGIC – (Indian GAAP)**

₹ In Crore	Q1 FY20	Q1 FY19	FY19
<b>Gross written premium</b>	<b>2,843</b>	<b>2,429</b>	<b>11,097</b>
Net earned premium	1,946	1,612	7,010
Underwriting result	9	128	18
Investment and other income	310	307	1,134
<b>Profit before tax</b>	<b>319</b>	<b>435</b>	<b>1,152</b>
<b>Profit after tax</b>	<b>210</b>	<b>291</b>	<b>780</b>

**Key ratios**

Claim ratio	72.8%	65.7%	68.6%
Combined ratio	103.1%	90.2%	96.7%

**Annexure D - Summary financial results of BALIC – (Indian GAAP)**

₹ In Crore	Q1 FY20	Q1 FY19	FY19
<b>New business premium</b>	<b>1,014</b>	<b>721</b>	<b>4,923</b>
Rated individual new business premium*	332	283	1,742
Group new business premium	668	425	3,122
<b>Renewal premium</b>	<b>823</b>	<b>640</b>	<b>3,934</b>
<b>Gross written premium</b>	<b>1,837</b>	<b>1,361</b>	<b>8,857</b>
Shareholders' profit	92	125	398
Amount transferred from the policyholders' account to the shareholders' account (net)	(30)	21	104
<b>Total shareholders' profit after tax</b>	<b>62</b>	<b>146</b>	<b>502</b>

\* Rated new business premium = 100% of Regular premium + 10% of Single premium policies sold.