

20 January 2021

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: Intimation of unaudited standalone and consolidated financial results for the third quarter and nine-months ended 31 December 2020 - Regulation 30**

Dear Sir/Madam,

In terms of the provisions of Regulation 30 (read with Part A of Schedule III) and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following statements for the third quarter and nine-months ended 31 December 2020, which were approved and taken on record at the meeting of the Board of Directors held today, 20 January 2021:

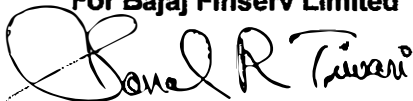
- a) Unaudited standalone and consolidated financial results of the Company;
- b) Limited Review Reports for unaudited standalone and consolidated financial results for the third quarter and nine-months ended 31 December 2020; and
- c) Press release.

The meeting commenced at 5.00 p.m. and concluded at 5.30 p.m.

Thanking you,

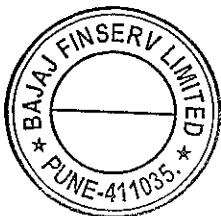
Yours faithfully,

**For Bajaj Finserv Limited**



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

Encl: as above



Page 1 of 1

**Bajaj Finserv Limited**

# SRBC & COLLP

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 December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 (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 Regulations").
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 Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") 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. 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 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.
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 aforesaid Ind AS 34 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, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SRBC & CO LLP  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003



per Vaibhav Kumar Gupta  
Partner  
Membership No.: 213935  
UDIN: 21213935AAAAAL3432



Pune  
January 20, 2021



**Bajaj Finserv Limited**

CIN : L65923PN2007PLC130075

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

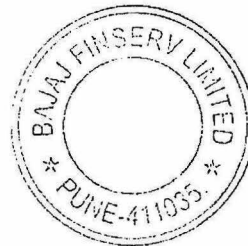
Corporate Office : Off Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014

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

**Statement of standalone unaudited financial results for the quarter and nine months ended 31 December 2020**

(₹ In Crore)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2020 (Reviewed)	30.09.2020 (Reviewed)	31.12.2019 (Reviewed)	31.12.2020 (Reviewed)	31.12.2019 (Reviewed)	31.03.2020 (Audited)
<b>1 Income</b>						
Interest income	15.15	14.76	17.53	47.69	50.17	67.28
Dividend income	-	-	-	-	350.33	668.14
Rental income	0.48	0.49	0.53	1.50	1.62	2.16
Windpower income	3.88	9.87	11.79	21.57	32.10	39.23
Net gain on fair value changes	0.22	0.55	0.74	2.27	2.06	3.05
Total revenue from operations	19.73	25.67	30.59	73.03	436.28	779.86
Other income	26.94	13.96	8.94	51.21	25.81	35.30
<b>Total income</b>	<b>46.67</b>	<b>39.63</b>	<b>39.53</b>	<b>124.24</b>	<b>462.09</b>	<b>815.16</b>
<b>2 Expenses</b>						
Employee benefits expenses	25.66	26.19	21.28	74.32	63.65	84.72
Depreciation, amortisation and impairment	1.17	1.13	0.94	3.43	1.81	2.90
Other expenses	9.76	11.38	11.20	32.29	35.51	45.66
<b>Total expenses</b>	<b>36.59</b>	<b>38.70</b>	<b>33.42</b>	<b>110.04</b>	<b>100.97</b>	<b>133.28</b>
<b>3 Profit before tax (1-2)</b>	<b>10.08</b>	<b>0.93</b>	<b>6.11</b>	<b>14.20</b>	<b>361.12</b>	<b>681.88</b>
<b>4 Tax expense</b>						
Current tax	1.44	0.02	2.76	3.08	12.79	13.94
Deferred tax	0.24	0.27	0.16	1.04	(0.38)	1.08
<b>Total tax expense</b>	<b>1.68</b>	<b>0.29</b>	<b>2.92</b>	<b>4.12</b>	<b>12.41</b>	<b>15.02</b>
<b>5 Profit after tax (3-4)</b>	<b>8.40</b>	<b>0.64</b>	<b>3.19</b>	<b>10.08</b>	<b>348.71</b>	<b>666.86</b>
<b>6 Other comprehensive income, net of tax</b>						
(a) Items that will not be reclassified to profit or loss	(0.07)	(0.07)	(0.07)	(0.21)	(0.21)	(2.30)
(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>Total other comprehensive income, net of tax</b>	<b>(0.07)</b>	<b>(0.07)</b>	<b>(0.07)</b>	<b>(0.21)</b>	<b>(0.21)</b>	<b>(2.30)</b>
<b>7 Total comprehensive income (5+6)</b>	<b>8.33</b>	<b>0.57</b>	<b>3.12</b>	<b>9.87</b>	<b>348.50</b>	<b>664.56</b>
<b>8 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>79.57</b>	<b>79.57</b>
<b>9 Other equity</b>						<b>3,455.86</b>
<b>10 Earnings per share (₹) (not annualised)</b>						
Basic	0.5	0.0	0.2	0.6	21.9	41.9
Diluted	0.5	0.0	0.2	0.6	21.9	41.9



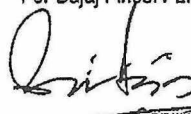
**Notes :**

1. The above results have been reviewed by the Audit Committee, approved by the Board of Directors in the meeting held on 20 January 2021 and subjected to a limited review by the statutory auditors.
2. The Company, being a Core Investment Company (CIC), has invested its surplus funds primarily in money market instruments and debt instruments of its subsidiary with CRISIL AAA & STABLE A1+ rating. Hence, temporary market shocks (such as those due to pandemics/epidemics like COVID) are not considered to have a material impact on the carrying value of these Investments.
3. Figures for previous year / period have been regrouped wherever necessary.

Pune  
20 January 2021



By order of the Board of Directors  
For Bajaj Finserv Limited

  
Sanjiv Bajaj  
Chairman and Managing Director



**Independent Auditor's Review Report on the Quarterly and Year to Date 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 "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and joint venture for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") 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. 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 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 No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 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)
  - h. Bajaj Finserv Health 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 Ind AS 34 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, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to note 3 to the Statement, relating to the consolidated financial results of Bajaj Finance Limited, a subsidiary of the Holding Company, which describes the uncertainty caused by COVID-19 pandemic with respect to its estimates of impairment of loans to its customers and that such estimates may be affected by the severity and duration of the pandemic. Our conclusion is not modified in respect of this matter.



7. 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 December 31, 2020 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 December 31, 2020 has been duly 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 December 31, 2020 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.

8. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of:

- two subsidiaries, whose interim financial results and other financial information reflect total revenues of Rs.36.54 crore and Rs.65.81 crore, total net loss after tax of Rs.28.93 crore and Rs.79.44 crore and total comprehensive loss of Rs.28.94 crore and Rs.79.47 crore, for the quarter ended December 31, 2020 and the period ended on that date respectively; and
- one joint venture, whose interim financial results include Group's share of net loss of Rs.0.02 crore and Rs.0.36 crore and Group's share of total comprehensive loss of Rs.0.02 crore and Rs.0.36 crore for the quarter ended December 31, 2020 and for the period ended on that date respectively.


The unaudited interim financial results and other unaudited financial information of these subsidiaries and joint venture have not been reviewed by their auditors and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries and joint venture is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in para 8 above is not modified with respect to our reliance on the financial results certified by the Management.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

  
per Vaibhav Kumar Gupta  
Partner  
Membership No.: 213935  
UDIN: 21213935AAAAAM9547



Pune

January 20, 2021





**Bajaj Finserv Limited**

CIN : L65923PN2007PLC130075

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

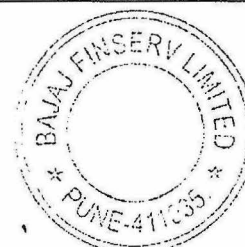
Corporate Office : Off Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014

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

**Statement of consolidated unaudited financial results for the quarter and nine months ended 31 December 2020**

(₹ In Crore)

	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
<b>1</b>	<b>Income</b>						
	Interest income	6,598.53	6,720.86	6,698.72	19,934.08	18,585.05	26,504.37
	Dividend income	25.91	27.84	7.51	66.65	44.39	60.84
	Rental income	0.99	1.74	1.11	4.13	3.12	4.17
	Fees and commission income	666.30	582.43	594.42	1,795.29	1,811.80	2,476.34
	Net gain on fair value change (See note 4)	2,060.60	735.86	818.24	4,690.33	2,405.87	333.37
	Sale of energy generated and Services	118.58	28.97	51.61	171.69	142.70	187.89
	Premium and other operating Income from Insurance business	6,394.22	6,888.82	6,248.82	18,327.02	17,847.57	24,498.56
	Others	93.40	83.06	138.49	208.91	210.93	281.35
	Total revenue from operations	15,958.53	15,049.58	14,558.92	45,198.10	41,052.44	54,346.69
	Other income	2.19	2.01	1.82	6.22	4.78	4.78
	<b>Total Income</b>	<b>15,960.72</b>	<b>15,051.59</b>	<b>14,560.74</b>	<b>45,204.32</b>	<b>41,057.22</b>	<b>54,351.47</b>
<b>2</b>	<b>Expenses</b>						
	Employee benefits expenses	1,230.38	1,013.91	1,293.28	3,237.85	3,637.35	4,755.11
	Finance costs	2,258.42	2,340.20	2,419.41	6,993.85	6,786.20	9,338.53
	Fees and commission expense	719.36	613.87	557.29	1,774.47	1,533.02	2,206.10
	Impairment of financial instruments - lending assets	1,351.67	1,700.41	830.73	4,737.81	1,975.70	3,929.48
	Impairment of financial instruments - investments	24.67	(40.34)	(1.84)	(19.59)	164.73	190.89
	Claims paid	3,094.50	2,802.93	3,198.44	8,003.19	8,473.40	12,512.17
	Reinsurance ceded	1,274.25	1,715.21	1,163.51	3,762.42	3,605.20	4,520.67
	Net change in insurance / investment contract liabilities (See note 4)	2,306.95	1,884.74	1,378.32	6,649.12	4,186.16	4,353.87
	Depreciation, amortisation and impairment	123.84	114.01	116.19	363.23	329.70	456.79
	Other expenses	797.50	749.96	978.44	2,197.77	2,856.53	3,786.86
	<b>Total expenses</b>	<b>13,181.54</b>	<b>12,894.90</b>	<b>11,933.77</b>	<b>37,700.12</b>	<b>33,547.99</b>	<b>46,050.47</b>
<b>3</b>	Share of profits of joint venture	(0.02)	(0.09)	0.19	(0.36)	(0.47)	0.66
<b>4</b>	<b>Profit before tax (1-2+3)</b>	<b>2,779.16</b>	<b>2,156.60</b>	<b>2,627.16</b>	<b>7,503.84</b>	<b>7,508.76</b>	<b>8,301.66</b>
<b>5</b>	<b>Tax expense</b>						
	Current tax	222.50	737.27	615.15	1,912.60	1,945.19	2,557.12
	Deferred tax	474.81	(198.94)	33.96	(31.10)	110.08	(249.06)
	<b>Total tax expense</b>	<b>697.31</b>	<b>538.33</b>	<b>649.11</b>	<b>1,881.50</b>	<b>2,055.27</b>	<b>2,308.06</b>
<b>6</b>	<b>Profit after tax (4-5)</b>	<b>2,081.85</b>	<b>1,618.27</b>	<b>1,978.05</b>	<b>5,622.34</b>	<b>5,453.49</b>	<b>5,993.60</b>
<b>7</b>	Profit attributable to non-controlling interests	791.89	631.98	852.41	2,130.94	2,278.79	2,624.47
<b>8</b>	<b>Profit for the period (6-7)</b>	<b>1,289.96</b>	<b>986.29</b>	<b>1,125.64</b>	<b>3,491.40</b>	<b>3,174.70</b>	<b>3,369.13</b>
<b>9</b>	<b>Other comprehensive Income, net of tax</b>						
	(a) Items that will not be reclassified to profit or loss	26.97	(3.47)	1.79	23.34	0.70	(99.02)
	(b) Items that will be reclassified to profit or loss	427.74	(426.65)	42.88	479.15	445.58	760.54
	<b>Total other comprehensive Income, net of tax</b>	<b>454.71</b>	<b>(430.13)</b>	<b>44.67</b>	<b>502.49</b>	<b>446.28</b>	<b>661.52</b>
<b>10</b>	<b>Total comprehensive income (6+9)</b>	<b>2,536.56</b>	<b>1,188.14</b>	<b>2,022.72</b>	<b>6,124.83</b>	<b>5,899.77</b>	<b>6,655.12</b>
<b>11</b>	<b>Profit attributable to:</b>						
	Owners of the company	1,289.96	986.29	1,125.64	3,491.40	3,174.70	3,369.13
	Non-controlling interests	791.89	631.98	852.41	2,130.94	2,278.79	2,624.47
<b>12</b>	<b>Total comprehensive income attributable to:</b>						
	Owners of the company	1,617.28	670.74	1,157.89	3,868.18	3,501.94	3,882.47
	Non-controlling interests	919.28	517.40	864.83	2,256.65	2,397.83	2,772.65
<b>13</b>	<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>	<b>79.57</b>	<b>79.57</b>
<b>14</b>	<b>Other equity</b>						<b>31,221.68</b>
<b>15</b>	<b>Earnings per share (₹) (not annualised)</b>						
	Basic	81.1	62.0	70.7	219.4	199.5	211.7
	Diluted	81.0	62.0	70.7	219.3	199.5	211.7









## 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*	52.74%	Retail financing	Subsidiary
(d) Bajaj Finserv Direct Limited (formerly Bajaj Financial Holdings Limited)	100%	Others	Subsidiary
(e) Bajaj Finserv Health Limited	100%	Others	Subsidiary
(f) 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:

Particulars	Quarter ended		Nine months ended		Year ended	
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	
Total income	46.67	39.63	39.53	124.24	462.09	815.16
Profit before tax	10.08	0.93	6.11	14.20	361.12	681.88
Profit after tax	8.40	0.64	3.19	10.08	348.71	666.86

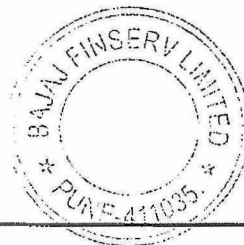
(₹ In Crore)

3. The COVID-19 pandemic has affected several countries across the world, including India. The pandemic and consequent lockdown imposed by the governmental authorities has considerably impacted the Group's business operations for nine months ended 31 December 2020, in respect of subsidiaries engaged in the business of lending (i.e. Bajaj Finance Limited, together with its subsidiary, Bajaj Housing Finance Limited). Apart from other adverse effects, the pandemic has also resulted in a significantly lower business acquisition and put constraints on recovery of overdues from customers of aforesaid subsidiaries. Further, in accordance with the RBI guideline 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 offered moratorium to its customers based on requests as well as on a suo-moto basis between 1 March 2020 to 31 August 2020.

During the quarter, the aforesaid subsidiaries, as a matter of prudence, have written-off principal and interest amounts (including capitalised interest) of ₹ 1,970 crore and ₹ 365 crore respectively, of potentially unrecoverable book under moratorium, by utilising the available expected credit loss provision (including management overlay). Post such write off, the Group holds a management overlay of ₹ 800 crore as at 31 December 2020.

Given the dynamic and evolving nature of the pandemic, these estimates are subject to uncertainty and may be affected by the severity, duration of the pandemic and other variables.

4. Income representing mark-to-market gain on investments held under the Participating Life Insurance (Par) business included under the income head 'Net gain on fair value change' aggregating to ₹ 989.69 crore for the quarter and ₹ 1,701.11 crore for the nine months ended 31 December 2020 respectively, flows to the corresponding liabilities held for Par business and therefore does not directly impact net profit for the period.
5. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund Act, the Gratuity Act and rules there under. 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 and its subsidiaries will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
6. The above results have been reviewed by the Audit Committee, approved by the Board of Directors in the meeting held on 20 January 2021 and subjected to a limited review by the statutory auditors.
7. Figures for previous year / period have been regrouped wherever necessary.



By order of the Board of Directors  
For Bajaj Finserv Limited

-Sanjiv Bajaj  
Chairman and Managing Director

Pune  
20 January 2021

## Press release

### Financial results – Q3 FY21

A meeting of the Board of Directors of Bajaj Finserv Limited (BFS) was held today i.e. 20 January 2021 to consider and approve the results for Q3 FY21.

Details about BFS, the businesses carried by its subsidiaries, its group structure and GAAP followed, are indicated separately at the end of this release.

After extremely difficult conditions in H1 FY21, on the back of negative GDP growth in Q1 of 23.9%, narrowing to negative 7.5% in Q2, business conditions and mobility improved significantly in Q3 although still below pre-COVID levels. Under these challenging times, our businesses have shifted focus to regaining growth while continuing to tightly manage risk.

- New loans booked by BFL during Q3 FY21 were 6.04 Mn as against 3.62 Mn in Q2 FY21 – a significant increase of 67% sequentially, though lower compared to 7.67 Mn loans booked in Q3 FY20. BFL moved to balance growth vis a vis risk and collections, while maintaining strong liquidity and capital adequacy.
- BAGIC recorded growth in GWP and continued to deliver robust improvement in its underwriting result and profit after tax.
- BALIC recorded market beating growth of 14% in individual rated new business premium in Q3 FY21. BALIC's Assets Under Management reached an all-time high level of ₹ 70,295 crore as at quarter end.

#### 1. Highlights – Q3 FY21 v/s Q3 FY20\*

- |  |                  |     |                |
|--|------------------|-----|----------------|
| ✓ Consolidated total income                      | - ₹ 15,961 crore | v/s | ₹ 14,561 crore |
| ✓ Consolidated profit after tax                  | - ₹ 1,290 crore  | v/s | ₹ 1,126 crore  |
| <i>(see note below)</i>                          |                  |     |                |
| ✓ Bajaj Finance, consolidated profit after tax   | - ₹ 1,146 crore  | v/s | ₹ 1,614 crore  |
| ✓ General insurance, profit after tax            | - ₹ 330 crore    | v/s | ₹ 191 crore    |
| ✓ Life insurance, shareholders' profit after tax | - ₹ 118 crore    | v/s | ₹ 143 crore    |

#### Bajaj Finserv Limited

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Corporate ID No: L65923PN2007PLC130075



### Highlights - 9M FY21 v/s 9M FY20\*

✓ Consolidated total income	- ₹ 45,204 crore	v/s	₹ 41,057 crore
✓ Consolidated profit after tax (see note below)	- ₹ 3,491 crore	v/s	₹ 3,175 crore
✓ Bajaj Finance, consolidated profit after tax	- ₹ 3,073 crore	v/s	₹ 4,316 crore
✓ General insurance, profit after tax	- ₹ 1,057 crore	v/s	₹ 695 crore
✓ Life insurance, shareholders' profit after tax	- ₹ 346 crore	v/s	₹ 412 crore

\* All figures under Ind AS except for general and life insurance which are as per Indian GAAP

Summary of consolidated results is given in Annexure A.

#### **Note on consolidated profit after tax:**

The consolidated profit figures for the current quarter and nine months ended may not be directly comparable with those of the corresponding previous periods for the reasons mentioned below.

- i) Under Ind AS, the insurance subsidiaries have chosen to hold equity securities as Fair Value Through Profit and Loss Account. The spread of the COVID-19 pandemic resulted in a significantly larger than normal fall in the value of shares traded on the stock exchanges in Q4 FY20. As on 31 December 2020, the Nifty 50 index and BSE 200 index have rebounded by over 60% from 31 March 2020 levels, resulting in higher than normal mark-to-market gain on investments of insurance subsidiaries during the current quarter and nine months ended. This has resulted in an increase of ₹ 384 crore and ₹ 896 crore in consolidated profit after tax for Q3 FY21 and 9M FY21, respectively.
- ii) Consequent to the ongoing pandemic, BFL has as a matter of prudence, written off/provided for principal and interest of potentially unrecoverable loans, which were under moratorium, by also utilising the available expected credit loss provision. BFL continues to hold a management overlay of ₹ 800 crore in provisions, given the dynamic and evolving nature of the pandemic along with other variables. Overall credit costs for BFL were higher by ₹ 521 crore and ₹ 2,762 crore for Q3 FY21 and 9M FY21, respectively.

## **2. Performance of material subsidiaries**

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 Q3 FY21 stood at ₹ 6,659 crore v/s ₹ 7,024 crore in Q3 FY20.
- ii) Profit after tax for Q3 FY21 contracted by 29% YoY to ₹ 1,146 crore after taking pre-tax provision on standard assets of ₹ 1,352 crore and interest income reversal of ₹ 450 crore. Pre-provision profitability remained strong and adequate to cover expected credit losses.
- iii) Ratio of operating expenses to net interest income for Q3 FY21 improved to 32.3% v/s 33.8% in Q3 FY20.
- iv) Assets Under Management (AUM) as at 31 December 2020 was ₹ 143,550 crore v/s ₹ 145,092 crore as at 31 December 2019. This includes AUM of ₹ 35,492 crore of its housing finance subsidiary, BHFL, which recorded a growth of 18% over the AUM as on 31 December 2019.
- v) Gross NPA and Net NPA (ECL Stage 3), recognized as per extant RBI prudential norms and provisioned applying the expected credit loss (ECL) method prescribed in Ind AS, as of 31 December 2020 stood at 0.55% and 0.19% respectively. Stage 1 and 2 assets provisioning stood at 1.90% including additional provision for COVID-19 as against approximately 1% during pre-pandemic condition.

Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated 3 September 2020, has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Accordingly, BFL has not classified any of the accounts which were not NPA as of 31 August 2020, as per RBI norms, as NPA after 31 August 2020. However, if BFL had classified borrower accounts NPA after 31 August 2020 as per RBI's prudential norms, the Company's Gross NPA and Net NPA ratio would have been 2.86% and 1.22% respectively.

- vi) Capital adequacy ratio (including Tier-II capital) as of 31 December 2020 was very strong at 28.18%. The Tier-I capital stood at 24.73%.

For Bajaj Housing Finance Limited (BHFL), a 100% mortgage subsidiary of BFL, the capital adequacy ratio (including Tier-II capital) stood at 24.94%.

Summary of financial results is given in Annexure B.

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

- i) Gross written premium for Q3 FY21 increased by 11% to ₹ 3,392 crore v/s ₹ 3,055 crore in Q3 FY20. BAGIC wrote crop insurance of ₹ 655 crore in Q3 FY21 v/s ₹ 392 crore in Q3 FY20. Gross written premium excluding crop insurance for Q3 FY21 was ₹ 2,737 crore v/s ₹ 2,663 crore in Q3 FY20.
- ii) Net earned premium for Q3 FY21 was ₹ 1,838 crore v/s ₹ 2,156 crore in Q3 FY20.
- iii) Claim ratio reduced to 66.6% in Q3 FY21 v/s 72.6% in Q3 FY20, despite higher claims in health segment from COVID.
- iv) Combined ratio improved to 96.1% in Q3 FY21 v/s 103.6% in Q3 FY20.
- v) Underwriting result improved significantly with a profit of ₹ 27 crore for Q3 FY21 v/s a loss of ₹ 87 crore in Q3 FY20. The higher underwriting profit was due to the lower claim and expense ratios.
- vi) Investment and other income (net) for Q3 FY21 increased by 15% to ₹ 413 crore v/s ₹ 359 crore in Q3 FY20. Profit on sale of investments was higher by ₹ 29 crore (before tax).
- vii) Profit after tax for Q3 FY21 increased by 73% to ₹ 330 crore v/s ₹ 191 crore in Q3 FY20.
- viii) As on 31 December 2020, the solvency ratio was 330%, which is well above the minimum regulatory requirement of 150%.
- ix) Assets Under Management (AUM), represented by cash and investments as on 31 December 2020 stood at ₹ 21,873 crore v/s ₹ 18,604 crore as on 31 December 2019 – an increase of 18%.

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 Q3 FY21 was ₹ 1,706 crore v/s ₹ 1,411 crore in Q3 FY20 – an increase of 21%.
- a) Individual rated new business premium was ₹ 613 crore in Q3 FY21 v/s ₹ 539 crore in Q3 FY20 – an increase of 14%.
- b) Group protection new business was ₹ 431 crore in Q3 FY21 v/s ₹ 492 crore in Q3 FY20. The fall in growth was due to lower disbursements by banks and NBFCs.
- ii) Renewal premium for Q3 FY21 was ₹ 1,441 crore v/s ₹ 1,141 crore in Q3 FY20 – a healthy increase of 26%.



- iii) Gross written premium increased by 23% to ₹ 3,147 crore in Q3 FY21 v/s ₹ 2,552 crore in Q3 FY20.
- iv) Shareholders' profit after tax during Q3 FY21 stood at ₹ 118 crore v/s ₹ 143 crore in Q3 FY20, impacted mainly due to higher new business strain.
- v) Solvency ratio stood at a healthy 708% as on 31 December 2020 as against the minimum regulatory requirement of 150%.
- vi) Assets Under Management (AUM), represented by total investments stood at ₹ 70,295 crore as on 31 December 2020 v/s ₹ 60,789 crore as on 31 December 2019 – an increase of 16%.

Summary of financial results is given in Annexure D.

### 3. BFS approach on COVID-19

As earlier mentioned, faced with COVID-19 and its impact on economic activity, the Company and its subsidiaries have well managed through this once in a life-time situation.

The Company and its subsidiaries remain focused on balancing growth with profitability. With strong solvency, well above the required capital as well as healthy liquidity, continued focus on risk and collections, digitised processes, improved cost structures, all our businesses have strong foundation to grow from hereon. With normalcy restored, all our businesses are seeking to grow with a more confident outlook while maintaining a disciplined approach to risk.



S Sreenivasan

CFO

20 January 2021

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**About BFS:**

*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 52.74% 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.*

*Both BFS and BFL are included in the benchmark BSE Sensex and Nifty 50 index of large cap stocks.*

*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 and the previous period figures are comparable.*

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



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

₹ In Crore)		Q3 FY21	Q3 FY20	9M FY21	9M FY20	FY20
1	<b>Income</b>					
	Interest income	6,598.53	6,698.72	19,934.08	18,585.06	26,504.37
	Dividend income	25.91	7.51	66.65	44.39	60.84
	Rental income	0.99	1.11	4.13	3.12	4.17
	Fees and commission income	666.30	594.42	1,795.29	1,811.80	2,476.34
	Net gain on fair value change	2,060.60	818.24	4,690.33	2,406.87	333.37
	Sale of energy generated and Services	118.58	51.61	171.69	142.70	187.69
	Premium and other operating income from insurance business	6,394.22	6,248.82	18,327.02	17,847.57	24,498.56
	Others	93.40	138.49	208.91	210.93	281.35
	<b>Total revenue from operations</b>	<b>15,958.53</b>	<b>14,558.92</b>	<b>45,198.10</b>	<b>41,052.44</b>	<b>54,346.69</b>
	Other income	2.19	1.82	6.22	4.78	4.78
	<b>Total income</b>	<b>15,960.72</b>	<b>14,560.74</b>	<b>45,204.32</b>	<b>41,057.22</b>	<b>54,351.47</b>
2	<b>Expenses</b>					
	Employee benefits expenses	1,230.38	1,293.28	3,237.85	3,637.35	4,755.11
	Finance costs	2,258.42	2,419.41	6,993.85	6,786.20	9,338.53
	Fees and commission expense	719.36	557.29	1,774.47	1,533.02	2,206.10
	Impairment of financial instruments - lending assets	1,351.67	830.73	4,737.81	1,975.70	3,929.48
	Impairment of financial instruments - investments	24.67	(1.84)	(19.59)	164.73	190.89
	Claims paid	3,094.50	3,198.44	8,003.19	8,473.40	12,512.17
	Reinsurance ceded	1,274.25	1,163.51	3,762.42	3,605.20	4,520.67
	Net change in insurance / investment contract liabilities	2,306.95	1,378.32	6,649.12	4,186.16	4,353.87
	Depreciation, amortisation and impairment	123.84	116.19	363.23	329.70	456.79
	Other expenses	797.50	978.44	2,197.77	2,856.53	3,786.86
	<b>Total expenses</b>	<b>13,181.54</b>	<b>11,933.77</b>	<b>37,700.12</b>	<b>33,547.99</b>	<b>46,050.47</b>
3	Share of profits of joint venture	(0.02)	0.19	(0.36)	(0.47)	0.66
4	<b>Profit before tax (1-2+3)</b>	<b>2,779.16</b>	<b>2,627.16</b>	<b>7,503.84</b>	<b>7,508.76</b>	<b>8,301.66</b>
5	<b>Tax expense</b>					
	Current tax	222.50	615.15	1,912.60	1,945.19	2,557.12
	Deferred tax	474.81	33.96	(31.10)	110.08	(249.06)
	<b>Total tax expense</b>	<b>697.31</b>	<b>649.11</b>	<b>1,881.50</b>	<b>2,055.27</b>	<b>2,308.06</b>
6	<b>Profit after tax (4-5)</b>	<b>2,081.85</b>	<b>1,978.05</b>	<b>5,622.34</b>	<b>5,453.49</b>	<b>5,993.60</b>
7	Profit attributable to non-controlling interests	791.89	852.41	2,130.94	2,278.79	2,624.47
8	<b>Profit for the period (6-7)</b>	<b>1,289.96</b>	<b>1,125.64</b>	<b>3,491.40</b>	<b>3,174.70</b>	<b>3,369.13</b>
9	<b>Other comprehensive income, net of tax</b>					
	(a) Items that will not be reclassified to profit or loss	26.97	1.79	23.34	0.70	(99.02)
	(b) Items that will be reclassified to profit or loss	427.74	42.88	479.15	445.58	760.54
	<b>Total other comprehensive income, net of tax</b>	<b>454.71</b>	<b>44.67</b>	<b>502.49</b>	<b>446.28</b>	<b>661.52</b>
10	<b>Total comprehensive income (6+9)</b>	<b>2,536.56</b>	<b>2,022.72</b>	<b>6,124.83</b>	<b>5,899.77</b>	<b>6,655.12</b>
11	<b>Profit attributable to:</b>					
	Owners of the company	1,289.96	1,125.64	3,491.40	3,174.70	3,369.13
	Non-controlling interests	791.89	852.41	2,130.94	2,278.79	2,624.47
12	<b>Total comprehensive income attributable to:</b>					
	Owners of the company	1,617.28	1,157.89	3,868.18	3,501.94	3,882.47
	Non-controlling interests	919.28	864.83	2,256.65	2,397.83	2,772.65
13	Paid-up equity share capital (Face value of ₹ 5)	79.57	79.57	79.57	79.57	79.57
14	Other equity					31,221.68
15	<b>Earnings per share (₹) (not annualised)</b>					
	Basic	81.1	70.7	219.4	199.5	211.7
	Diluted	81.0	70.7	219.3	199.5	211.7

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

₹ In Crore	Q3 FY21	Q3 FY20	9M FY21	9M FY20	FY20
Total income	6,659	7,024	19,828	19,155	26,386
Interest expenses	2,363	2,489	7,218	6,926	9,473
Net interest income	4,296	4,535	12,610	12,229	16,913
Operating expenses	1,389	1,534	3,702	4,209	5,662
Loan losses and provisions	1,352	831	4,738	1,976	3,929
Profit before tax	1,555	2,170	4,170	6,044	7,322
Profit after tax	1,146	1,614	3,073	4,316	5,264

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

₹ In Crore	Q3 FY21	Q3 FY20	9M FY21	9M FY20	FY20
Gross written premium	3,392	3,055	9,837	10,178	12,833
Net earned premium	1,838	2,156	5,642	6,234	8,206
Underwriting result	27	(87)	230	(169)	(11)
Investment and other income (net)	413	359	1,180	1,131	1,387
Profit before tax	440	272	1,410	962	1,376
Profit after tax	330	191	1,057	695	999

Key ratios

Claim ratio	66.6%	72.6%	69.8%	73.5%	70.7%
Combined ratio	96.1%	103.6%	96.8%	103.1%	100.8%

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

₹ In Crore	Q3 FY21	Q3 FY20	9M FY21	9M FY20	FY20
New business premium	1,706	1,411	3,820	3,660	5,179
Individual rated new business premium*	613	539	1,479	1,321	1,927
Group protection new business premium	431	492	858	1,318	1,872
Renewal premium	1,441	1,141	3,704	2,964	4,574
Gross written premium	3,147	2,552	7,524	6,624	9,753
Shareholders' profit	148	133	460	433	460
Amount transferred from the policyholders' account to the shareholders' account (net)	(30)	10	(114)	(21)	(10)
Total shareholders' profit after tax	118	143	346	412	450

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