



21 October 2020

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

Subject: Intimation of unaudited standalone and consolidated financial results for the second quarter and half-year ended 30 September 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 second quarter and half-year ended 30 September 2020, which were approved and taken on record at the meeting of the Board of Directors held today, 21 October 2020:

- Unaudited standalone and consolidated financial results of the Company;
- Limited Review Reports for unaudited standalone and consolidated financial results for the second quarter and half-year ended 30 September 2020; and
- Press release.

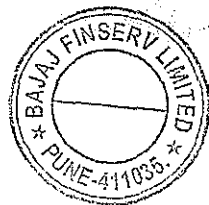
The meeting commenced at 3.30 p.m. and concluded at 5.34 p.m.

Thanking you,

Yours faithfully,

For Bajaj Finserv Limited

Sonal Tiwari
Company Secretary
Encl: as above



Bajaj Finserv Limited

Corporate Office: 6th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road,
Viman Nagar, Pune - 411 014, Maharashtra, India
Registered Office: Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra, India

Tel: +91 20 30405700
Fax: +91 20 30405792

www.bajajfinserv.in
Corporate ID No: L65923PN2007PLC130075



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 half year ended 30 September 2020

(₹ In Crore)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2020 (Reviewed)	30.06.2020 (Reviewed)	30.09.2019 (Reviewed)	30.09.2020 (Reviewed)	30.09.2019 (Reviewed)	31.03.2020 (Audited)
1 Income						
Interest income	14.76	17.78	17.23	32.54	32.64	67.28
Dividend income	-	-	350.33	-	350.33	668.14
Rental income	0.49	0.53	0.56	1.02	1.09	2.16
Windpower income	9.87	7.82	12.33	17.69	20.31	39.23
Net gain on fair value changes	0.55	1.50	0.94	2.05	1.32	3.05
Total revenue from operations	25.67	27.63	381.39	53.30	405.69	779.86
Other income	13.96	10.31	9.63	24.27	16.87	35.30
Total Income	39.63	37.94	391.02	77.57	422.56	815.16
2 Expenses						
Employee benefits expenses	26.19	22.47	22.34	48.66	42.37	84.72
Depreciation, amortisation and impairment	1.13	1.13	0.44	2.26	0.87	2.90
Other expenses	11.38	11.15	13.94	22.53	24.31	45.66
Total expenses	38.70	34.75	36.72	73.45	67.55	133.28
3 Profit before tax (1-2)	0.93	3.19	354.30	4.12	355.01	681.88
4 Tax expense						
Current tax	0.02	1.62	9.66	1.64	10.03	13.94
Deferred tax	0.27	0.53	(0.39)	0.80	(0.54)	1.08
Total tax expense	0.29	2.15	9.27	2.44	9.49	15.02
5 Profit after tax (3-4)	0.64	1.04	345.03	1.68	345.52	666.86
6 Other comprehensive income, net of tax						
(a) Items that will not be reclassified to profit or loss	(0.07)	(0.07)	(0.07)	(0.14)	(0.14)	(2.30)
(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
Total other comprehensive income, net of tax	(0.07)	(0.07)	(0.07)	(0.14)	(0.14)	(2.30)
7 Total comprehensive income (5+6)	0.57	0.97	344.96	1.54	345.38	664.56
8 Paid-up equity share capital (Face value of ₹ 5)	79.57	79.57	79.57	79.57	79.57	79.57
9 Other equity						3,455.86
10 Earnings per share (₹) (not annualised)						
Basic	0.0	0.1	21.7	0.1	21.7	41.9
Diluted	0.0	0.1	21.7	0.1	21.7	41.9



INITIALED FOR IDENTIFICATION
BY
S R B C & COLLP
S R B C & COLLP

Notes:

1. Disclosure of standalone assets and liabilities (Balance Sheet) as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 30 September 2020 -

(₹ In Crore)

Particulars	As at	As at	As at
	30.09.2020 (Reviewed)	30.09.2019 (Reviewed)	31.03.2020 (Audited)
A Assets			
1 Financial assets			
Cash and cash equivalents	4.16	0.91	4.35
Bank balances other than cash and cash equivalents	100.44	0.32	0.61
Trade receivables	2.11	4.00	0.43
Investment in subsidiaries and joint venture	2,323.57	2,227.53	2,282.77
Other investments	928.16	920.59	1,057.23
Other financial assets	82.26	44.40	61.53
Sub-total - Financial assets	3,440.70	3,197.75	3,406.92
2 Non-financial assets			
Current tax assets (net)	38.62	20.39	24.61
Deferred tax assets (net)	7.20	8.68	7.94
Investment property	5.43	5.56	5.50
Property, plant and equipment	152.03	96.29	152.88
Capital work-in-progress	2.73	39.60	-
Other non-financial assets	2.31	10.21	2.31
Sub-total - Non-financial assets	208.32	180.73	193.24
Total - Assets	3,649.02	3,378.48	3,600.16
B Liabilities and equity			
1 Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.72	5.35	2.10
Other financial liabilities	18.74	16.11	32.52
Sub-total - Financial liabilities	22.46	21.26	34.62
2 Non-financial liabilities			
Current tax liabilities (net)	17.41	18.98	17.41
Provisions	8.61	10.16	8.80
Other non-financial liabilities	3.39	3.25	3.90
Sub-total - Non-financial liabilities	29.41	32.39	30.11
3 Equity			
Equity share capital	79.57	79.57	79.57
Other equity	3,517.58	3,245.26	3,455.86
Sub-total - Equity	3,597.15	3,324.83	3,535.43
Total - Liabilities and Equity	3,649.02	3,378.48	3,600.16

INITIALED FOR IDENTIFICATION
BY
SRAJ & G LLP
S R B C & CO LLP



Notes (contd) :

2. Disclosure of standalone statement of cash flows as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 30 September 2020

(₹ In Crore)

Particulars	Half year ended		Year ended
	30.09.2020	30.09.2019	31.03.2020
	(Reviewed)	(Reviewed)	(Audited)
I. Operating activities			
Profit before tax	4.12	355.01	681.88
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation, amortisation and impairment	2.26	0.87	2.90
ESOP reserve	8.80	7.05	14.17
Loss on sale of assets	0.07	-	0.40
Profit on sale of investments, net	(2.05)	(1.32)	(3.05)
Amortisation of premium/discount on acquisition of debt securities	(5.39)	(0.21)	(0.60)
	7.81	361.40	695.70
Change in assets and liabilities			
(Increase)/decrease in trade receivables	(1.68)	(3.71)	(0.14)
(Increase)/decrease in loans and other assets	24.82	5.25	(3.98)
(Increase)/decrease in other bank balances	0.17	(0.02)	(0.31)
Increase/(decrease) in liabilities and provisions	(12.88)	(6.13)	3.19
(Purchase) / sale of money market mutual funds, etc., net	47.07	(32.24)	(37.47)
Net cash flow from / (used in) from operating activities before income-tax	65.31	324.55	656.99
Income-tax paid	(15.64)	(8.46)	(18.16)
Net cash flow from / (used in) operating activities	49.67	316.09	638.83
II. Investing activities			
Purchase of property, plant and equipment	(4.39)	(36.05)	(55.24)
Sales proceeds of assets	0.23	0.48	0.32
Investment in subsidiaries	(35.00)	(50.00)	(90.00)
Sale of investments	560.00	25.00	141.50
Purchase of investments	(570.56)	(151.95)	(397.74)
Investment in treasury shares/receipt from ESOP trust	0.02	(122.95)	(174.32)
Net cash flow from / (used in) investing activities	(49.70)	(335.47)	(575.48)
III. Financing activities			
Dividend paid	(0.17)	(39.76)	(119.05)
Rights issue proceeds (net of expenses)	0.01	0.08	0.08
Net cash flow from / (used in) financing activities	(0.16)	(39.68)	(118.97)
Net change in cash and cash equivalents	(0.19)	(59.06)	(55.62)
Cash and cash equivalents as at the beginning of the year	4.35	59.97	59.97
Cash and cash equivalents as at the end of the year	4.16	0.91	4.35

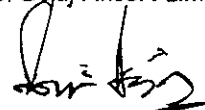
INITIALED FOR IDENTIFICATION
BY
SRBC & COLLP
SRBC & COLLP



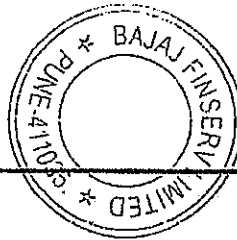
Notes (contd) :

3. The above results have been reviewed by the Audit Committee, approved by the Board of Directors in the meeting held on 21 October 2020 and subjected to a limited review by the statutory auditors.
4. 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.
5. 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
21 October 2020

INITIALED FOR IDENTIFICATION
BY
S R B C & C O L L P
S R B C & C O L L P



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 27472651

Statement of consolidated unaudited financial results for the quarter and half year ended 30 September 2020

(₹ In Crores)

	Particulars	Quarter ended			Half year ended		Year ended 31.03.2020 (Audited)
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	
1	Income						
	Interest income	6,720.86	6,614.69	6,145.97	13,335.55	11,886.34	26,504.37
	Dividend income	27.84	12.90	19.86	40.74	36.88	60.84
	Rental income	1.74	1.40	0.91	3.14	2.01	4.17
	Fees and commission income	562.43	566.56	628.37	1,128.99	1,217.38	2,476.34
	Net gain on fair value change	735.86	1,893.87	705.42	2,629.73	1,588.63	333.37
	Sale of energy generated and services	28.97	24.14	66.65	53.11	91.09	187.69
	Premium and other operating income from insurance business	6,888.82	5,043.98	6,609.34	11,932.80	11,598.75	24,498.56
	Others	83.05	32.45	45.34	115.51	72.44	281.35
	Total revenue from operations	15,049.58	14,189.99	14,221.86	29,239.57	26,493.52	54,346.69
	Other Income	2.01	2.02	2.36	4.03	2.96	4.78
	Total Income	15,051.59	14,192.01	14,224.22	29,243.60	26,496.48	54,351.47
2	Expenses						
	Employee benefits expenses	1,013.91	993.56	1,201.55	2,007.47	2,344.07	4,755.11
	Finance costs	2,340.20	2,395.23	2,313.24	4,735.43	4,366.79	9,338.53
	Fees and commission expense	613.87	441.24	509.28	1,055.11	975.73	2,206.10
	Impairment of financial instruments - lending assets	1,700.41	1,685.73	594.23	3,386.14	1,144.97	3,929.48
	Impairment of financial instruments - investments	(40.34)	(3.92)	(34.57)	(44.26)	166.57	190.89
	Claims paid	2,802.93	2,105.76	2,965.61	4,908.69	5,274.96	12,512.17
	Reinsurance ceded	1,715.21	772.96	1,598.65	2,488.17	2,441.69	4,520.67
	Net change in insurance / investment contract liabilities	1,884.74	2,457.43	1,352.54	4,342.17	2,807.84	4,353.87
	Depreciation, amortisation and impairment	114.01	125.38	116.03	239.39	213.51	456.79
	Other expenses	749.96	650.31	980.68	1,400.27	1,878.09	3,786.66
	Total expenses	12,894.90	11,623.68	11,597.24	24,518.58	21,614.22	46,050.47
3	Share of profits of joint venture	(0.09)	(0.25)	(0.62)	(0.34)	(0.66)	0.66
4	Profit before tax (1-2+3)	2,156.60	2,568.08	2,626.36	4,724.68	4,881.60	8,301.66
5	Tax expense						
	Current tax	737.27	952.83	382.15	1,690.10	1,330.04	2,557.12
	Deferred tax	(198.94)	(306.97)	222.98	(505.91)	76.12	(249.06)
	Total tax expense	538.33	645.86	605.13	1,184.19	1,406.16	2,308.06
6	Profit after tax (4-5)	1,618.27	1,922.22	2,021.23	3,540.49	3,475.44	5,993.60
7	Profit attributable to non-controlling interests	631.98	707.07	817.51	1,339.05	1,426.38	2,624.47
8	Profit for the period (6-7)	986.29	1,215.15	1,203.72	2,201.44	2,049.06	3,369.13
9	Other comprehensive Income, net of tax						
	(a) Items that will not be reclassified to profit or loss	(3.47)	(0.16)	0.75	(3.63)	(1.09)	(99.02)
	(b) Items that will be reclassified to profit or loss	(426.66)	478.07	91.67	51.41	402.70	760.54
	Total other comprehensive Income, net of tax	(430.13)	477.91	92.42	47.78	401.61	661.52
10	Total comprehensive Income (6+9)	1,188.14	2,400.13	2,113.65	3,588.27	3,877.05	6,655.12
11	Profit attributable to:						
	Owners of the company	986.29	1,215.15	1,203.72	2,201.44	2,049.06	3,369.13
	Non-controlling interests	631.98	707.07	817.51	1,339.05	1,426.38	2,624.47
12	Total comprehensive Income attributable to:						
	Owners of the company	670.74	1,580.16	1,270.58	2,250.90	2,344.05	3,882.47
	Non-controlling interests	517.40	819.97	843.07	1,337.37	1,533.00	2,772.65
13	Paid-up equity share capital (Face value of ₹ 5)	79.57	79.57	79.57	79.57	79.57	79.57
14	Other equity						31,221.68
15	Earnings per share (₹) (not annualised)						
	Basic	62.0	76.4	75.6	138.3	128.0	211.7
	Diluted	62.0	76.4	75.6	138.3	128.7	211.7

INITIALED FOR IDENTIFICATION

BY

SUBC & Co LLP

SRBC & CO LLP



Segment-wise revenue, results and capital employed

(₹ In Crore)

Particulars	Quarter ended		Half year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
1 Segment revenue					
Insurance					
Gross written premium					
Life insurance	2,677.12	1,699.68	2,235.63	4,376.80	4,072.33
General insurance	4,155.57	2,289.12	4,279.27	6,444.69	7,122.58
	6,832.69	3,988.80	6,514.90	10,821.49	11,194.91
Less: Premium for investment contracts of life insurance	420.47	294.23	262.09	714.70	505.17
Reserve for unexpired risk of general insurance	478.77	(279.97)	567.53	198.80	637.57
	5,933.45	3,974.54	5,685.28	9,907.99	10,052.17
Investment and other income(excluding accretions to unit linked holders)	2,592.73	3,666.80	2,219.57	6,259.53	4,390.06
Insurance total	8,526.18	7,641.34	7,904.85	16,167.52	14,442.23
Investments and others	47.56	41.59	410.10	89.15	462.03
Retail financing	6,523.29	6,649.74	6,322.79	13,173.03	12,130.84
Windmill	9.87	7.82	12.33	17.69	20.31
	15,106.90	14,340.49	14,650.07	29,447.39	27,055.41
Less : Inter-segment revenue	55.31	148.48	425.85	203.79	558.93
Total	15,051.59	14,192.01	14,224.22	29,243.60	26,496.48
2 Segment profit before tax					
Insurance					
Life insurance	288.86	460.98	232.45	749.84	323.65
General insurance	587.16	709.37	402.21	1,296.53	713.65
Insurance total	876.02	1,170.35	634.66	2,046.37	1,037.30
Investments and others	(63.21)	(58.97)	(64.10)	(122.18)	(122.93)
Retail financing	1,340.75	1,453.15	2,050.70	2,793.90	3,958.55
Windmill	3.04	3.55	5.10	6.59	8.68
Total profit before tax	2,156.60	2,568.08	2,626.36	4,724.68	4,881.60
3 Capital employed					
Segment assets					
Insurance					
Life insurance	67,401.29	64,932.42	61,859.72	67,401.29	61,859.72
General insurance	29,530.25	27,089.05	26,922.54	29,530.25	26,922.54
Insurance total	96,931.54	92,021.47	88,782.26	96,931.54	88,782.26
Investments and others	845.33	972.45	507.83	845.33	507.83
Retail financing	1,61,687.15	1,56,812.76	1,46,414.59	1,61,687.15	1,46,414.59
Windmill	37.13	35.16	39.71	37.13	39.71
Unallocable	38.62	30.26	20.39	38.62	20.39
Subtotal	2,59,539.77	2,49,872.10	2,35,764.78	2,59,539.77	2,35,764.78
Segment liabilities					
Insurance					
Life insurance	57,677.56	55,200.89	52,171.99	57,677.56	52,171.99
General insurance	23,038.65	20,862.89	21,580.10	23,038.65	21,580.10
Insurance total	80,716.21	76,063.78	73,752.09	80,716.21	73,752.09
Investments and others	65.34	65.55	75.28	65.34	75.28
Retail financing	3,251.15	2,968.42	4,634.51	3,251.15	4,634.51
Windmill	1.65	0.93	2.50	1.65	2.50
Unallocable	17.41	17.41	18.98	17.41	18.98
Subtotal	84,051.76	79,116.09	78,403.36	84,051.76	78,483.36
Capital employed					
Insurance					
Life insurance	9,723.73	9,731.53	9,687.73	9,723.73	9,687.73
General insurance	6,491.60	6,226.16	5,342.44	6,491.60	5,342.44
Insurance total	16,215.33	15,957.69	15,030.17	16,215.33	15,030.17
Investments and others	779.99	906.90	432.55	779.99	432.55
Retail financing	1,58,436.00	1,53,844.34	1,41,780.08	1,58,436.00	1,41,780.08
Windmill	35.48	34.23	37.21	35.48	37.21
Unallocable	21.21	12.85	1.41	21.21	1.41
Total	1,75,488.01	1,70,756.01	1,57,281.42	1,75,488.01	1,57,281.42

INITIALED FOR IDENTIFICATION

BY

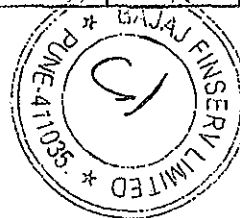
S R B C & CO LLP

S R B C & CO LLP



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			
2. Disclosure of consolidated assets and liabilities (Balance Sheet) as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 30 September 2020 -			
(€ in Crore)			
Particulars	As at 30.09.2020 (Reviewed)	As at 30.09.2019 (Reviewed)	As at 31.03.2020 (Audited)
A Assets			
1 Financial assets			
Cash and cash equivalents	2,858.05	1,879.31	2,385.52
Bank balances other than cash and cash equivalents	209.91	7.10	123.71
Derivative financial instruments	3.46	-	171.76
Trade receivables	3,636.25	2,792.95	2,657.61
Other receivables	129.21	1,539.89	157.07
Loans	1,31,726.44	1,30,790.28	1,41,742.76
Investment in a joint venture	13.48	12.52	13.82
Shareholders' investments	35,627.50	21,018.80	27,699.70
Policyholders' investments	72,788.64	64,888.36	64,107.53
Other financial assets	2,658.54	3,067.85	2,364.49
Sub-total - Financial assets	2,49,653.48	2,26,087.07	2,41,440.17
2 Non-financial assets			
Current tax assets (net)	193.87	571.79	296.19
Deferred tax assets (net)	1,538.44	644.73	885.47
Investment property	36.63	37.57	37.24
Property, plant and equipment	1,621.15	1,425.89	1,615.23
Right-of-use asset	447.20	544.02	540.59
Capital work-in-progress	19.18	87.14	13.20
Intangible assets under development	52.21	12.30	31.48
Goodwill on consolidation	689.34	689.34	689.34
Other intangible assets	359.59	255.09	333.22
Other non-financial assets	6,466.92	6,134.57	5,502.05
Sub-total - Non-financial assets	11,425.73	10,402.44	9,944.02
Total - Assets	2,61,079.21	2,36,489.51	2,51,384.19
B Liabilities and equity			
1 Financial liabilities			
Derivative financial instruments	88.07	-	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	1.33	0.22	4.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,309.66	3,580.54	3,141.33
Other payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	779.07	974.20	793.25
Debt securities	43,270.89	49,934.64	46,337.36
Borrowings	53,286.14	45,979.66	54,700.17
Deposits	21,669.40	17,632.62	21,427.10
Subordinated debts	3,813.11	4,008.66	4,141.75
Insurance contracts liabilities	67,263.58	60,949.86	58,772.95
Investment contracts liabilities	7,830.11	6,831.03	6,945.04
Lease liabilities	524.08	577.50	605.65
Other financial liabilities	687.07	2,658.31	664.40
Sub-total - Financial liabilities	2,02,522.51	1,93,127.14	1,97,635.11
2 Non-financial liabilities			
Current tax liabilities (net)	1,326.49	699.45	443.59
Deferred tax liabilities (net)	288.38	127.94	80.04
Provisions	206.49	219.00	175.80
Other non-financial liabilities	2,035.81	1,993.25	2,288.26
Sub-total - Non-financial liabilities	3,857.17	3,039.64	2,987.69
3 Equity			
Equity share capital	79.57	79.57	79.57
Other equity	33,608.31	25,975.04	31,221.69
Equity attributable to owners of the Company	33,687.88	25,954.61	31,301.25
Non-controlling interest	21,011.65	14,188.12	19,550.15
Sub-total - Total equity	54,699.53	40,242.73	50,851.40
Total - Liabilities and Equity	2,61,079.21	2,36,489.51	2,51,384.19

INITIALED FOR IDENTIFICATION
BY
SRAC 9 to UR
SRBC & CO LLP



Notes (contd) :

3. Disclosure of consolidated statement of cash flows as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 30 September 2020 -

(₹ In Crore)

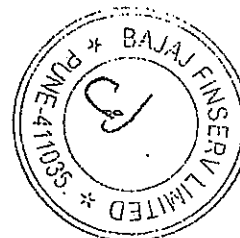
Particulars	Half year ended		Year ended
	30.09.2020	30.09.2019	31.03.2020
	(Reviewed)	(Reviewed)	(Audited)
I. Operating activities			
Profit before tax	4,724.68	4,881.60	8,301.66
Adjustments to reconcile profit before tax to net cash flows:			
Interest income	(13,335.55)	(11,886.34)	(26,504.37)
Dividend income	(40.74)	(36.88)	(60.84)
Rental income	(3.14)	(2.01)	(4.17)
Unwinding of discount on security deposit	(0.06)	(0.25)	(0.90)
Realised gain on sale of investment	(129.92)	(19.92)	(281.54)
Depreciation and amortisation	239.39	213.51	456.79
Share of profit/loss of joint venture	0.34	0.66	(0.66)
Impairment on financial instruments	3,341.88	1,305.93	4,120.37
Net (gain)/ loss on disposal of property, plant and equipment	0.02	0.01	2.99
Finance costs	4,735.43	4,366.79	9,338.53
Share based payment to employees	73.61	54.49	127.70
Net (gain)/ loss on financial instruments at fair value through profit or loss	(2,629.73)	(1,588.63)	(333.37)
Interest from loans (other than financing activity)	(15.47)	(17.27)	(37.21)
Remeasurement gain/(loss) on defined benefit plans	(0.02)	0.29	(0.04)
Service fees for management of assigned portfolio of loans	(7.23)	(71.55)	(124.27)
Provision for doubtful debts	(0.84)	-	0.99
	(3,047.35)	(2,799.57)	(4,998.34)
Cash inflow from service asset	35.09	33.38	61.70
Cash inflow from interest on loans under financing activity	9,657.36	10,514.34	22,903.15
Cash outflow towards finance cost	(4,827.22)	(4,048.46)	(8,366.49)
Cash from operation before working capital changes	1,817.88	3,699.69	9,600.02
Working capital changes			
(Increase) / decrease in trade and other receivables	(83.38)	(1,906.89)	(490.74)
(Increase) / decrease in loans	8,333.00	(19,377.20)	(32,487.71)
(Increase) / decrease in other financial assets	(59.86)	(88.38)	(210.76)
(Increase) / decrease in other non-financial assets	(134.56)	(264.38)	(223.89)
(Increase) / Decrease re-insurance assets	(789.10)	(1,174.25)	(605.74)
Increase / (decrease) in trade payables	668.69	292.69	245.65
Increase / (decrease) in other payables	(150.72)	470.66	(318.44)
Increase / (decrease) in other financial liabilities	114.78	809.06	(1,242.00)
Increase / (decrease) in provisions	30.89	52.40	(26.68)
Increase / (decrease) in other non-financial liabilities	(223.55)	326.58	628.11
Increase / (Decrease) insurance contract liabilities	5,177.05	3,521.99	4,418.82
Net cash flow from / (used in) from operating activities before income-tax	14,701.12	(13,638.03)	(20,713.36)
Income-tax paid	(693.89)	(1,591.79)	(2,655.67)
Net cash flow from / (used in) operating activities	14,007.23	(15,229.82)	(23,369.03)

INITIALED FOR IDENTIFICATION

BY

S R B C & C O L L P

S R B C & C O L L P



Notes (contd) :

3. Disclosure of consolidated statement of cash flows as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 30 September 2020 -

(₹ In Crore)

Particulars	Half year ended		Year ended
	30.09.2020	30.09.2019	31.03.2020
	(Reviewed)	(Reviewed)	(Audited)
II. Investing activities			
Purchase of property, plant and equipment	(141.58)	(534.57)	(768.94)
Proceeds from sale of property, plant and equipment	4.60	89.60	9.34
Purchase of intangible assets	(48.43)	(33.91)	(110.38)
Purchase of investments measured at amortised cost	(51,492.11)	(53,959.86)	(1,69,402.65)
Proceeds from investments measured at amortised cost	47,794.86	53,368.64	1,64,286.59
Expenses related to investments	(2.46)	(8.08)	(10.66)
Purchase of investments measured at FVTOCI	(1,402.92)	(1,073.36)	(2,246.45)
Proceeds from sale of investments measured at FVTOCI	1,376.17	540.10	826.09
Purchase of investments measured at FVTPL	(1,33,879.83)	(2,20,278.72)	(4,42,984.73)
Proceeds from sale of investments measured at FVTPL	1,28,180.65	2,19,446.39	4,36,535.68
Purchase of equity investments designated at FVTOCI	-	(15.02)	(150.00)
Loan against policies	(18.63)	(36.77)	(76.77)
Repayment of loan received	-	8.33	16.67
Rent / interest / dividend received	2,014.95	1,792.23	4,195.45
Interest received on investment measured at FVTPL and FVTOCI	115.37	61.45	135.32
Fixed deposits placed during the year	-	(28.63)	(287.00)
Fixed deposits matured during the year	-	68.75	258.76
Investment in treasury shares/receipt from ESOP trust	0.02	(122.95)	(174.32)
Net cash flow from / (used in) investing activities	(7,499.34)	(716.38)	(9,948.00)
III. Financing activities			
Issue of equity share capital (including securities premium)	37.98	51.07	8,568.12
Share issue expenses	-	-	(45.06)
Dividends paid	(2.86)	(251.48)	(682.83)
Dividend distribution tax	-	(115.86)	(115.86)
Deposits received, net	1.77	4,180.71	7,987.85
Debt securities issued, net	(3,317.31)	4,964.61	1,972.98
Borrowings other than debt securities issued, net	(1,244.30)	8,384.34	16,794.15
Cash payment for principal portion of operating lease liability	(38.45)	-	-
Subordinated debts issued, net	(196.14)	-	-
Net cash flow from / (used in) financing activities	(4,759.31)	17,213.39	34,479.35
Net change in cash and cash equivalents	1,748.58	1,267.19	1,162.32
Cash and cash equivalents as at the beginning of the year	5,261.33	4,099.01	4,099.01
Cash and cash equivalents as at the end of the year	7,009.91	5,366.20	5,261.33
Cash and cash equivalents as per Balance Sheet	2,858.05	1,879.31	2,395.52
Other short-term liquid investment	4,151.86	3,490.26	3,000.53
Temporary overdraft, units receivable and others	-	(3.37)	(134.72)
	7,009.91	5,366.20	5,261.33

INITIALED FOR IDENTIFICATION
BY
SRBC & Co LLP
SRBC & Co LLP



Notes (contd):

4. Key standalone financial information is given below:

(₹ In Crore)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
Total income	39.63	37.94	391.02	77.57	422.56	815.16
Profit before tax	0.93	3.19	354.30	4.12	355.01	681.88
Profit after tax	0.64	1.04	345.03	1.68	345.52	666.86

5. 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 the half year ended 30 September 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 overdue 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 Group has made an expected credit loss (ECL) provision on standard (stage 1 and 2) assets of ₹ 1,370 crore, in respect of aforesaid subsidiaries, taking the overall ECL provision on standard assets to ₹ 5,099 crore as of 30 September 2020. The Group continues to hold a management overlay of ₹ 2,260 crore as part of its ECL provision for standard assets of ₹ 5,099 crore as at 30 September 2020.

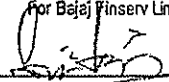
Further, the Group, based on its estimate and judgement, has reversed capitalised interest of ₹ 142 crore during the quarter ended 30 September 2020, taking the overall reversal for the half year ended 30 September 2020 to ₹ 361 crore.

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.

6. The above results have been reviewed by the Audit Committee, approved by the Board of Directors in the meeting held on 21 October 2020 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
21 October 2020



INITIALED FOR IDENTIFICATION
BY
SRBC & CO LLP
SRBC & CO LLP

SRBC & COLLP

Chartered Accountants

Ground Floor
Panchshil Tech Park, Yerwade
(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 September 30, 2020 and year to date from April 1, 2020 to September 30, 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

Vaibhav Kumar Gupta

per Vaibhav Kumar Gupta
Partner
Membership No.: 213935

UDIN: 20213935AAAADE6357

Pune
October 21, 2020



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 September 30, 2020 and year to date from April 1, 2020 to September 30, 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 5 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.



SRBC & COLLP

Chartered Accountants

Bajaj Finserv Limited

Page 2 of 2

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 September 30, 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 September 30, 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 September 30, 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:

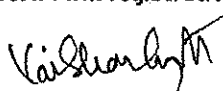
- two subsidiaries, whose interim financial results and other financial information reflect total assets of Rs.141.85 crore as at September 30, 2020, and total revenues of Rs.17.80 crore and Rs.29.27 crore, total net loss after tax of Rs.25.73 crore and Rs.50.51 crore and total comprehensive loss of Rs.25.74 crore and Rs.50.53 crore, for the quarter ended September 30, 2020 and the period ended on that date respectively and net cash outflows of Rs.11.70 crore for the period from April 1, 2020 to September 30, 2020; and
- one joint venture, whose interim financial results include Group's share of net loss of Rs.0.09 crore and Rs.0.34 crore and Group's share of total comprehensive loss of Rs.0.09 crore and Rs.0.34 crore for the quarter ended September 30, 2020 and for the period ended on that date respectively.

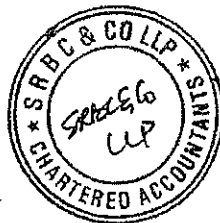
The unaudited interim financial results and other unaudited financial information of these subsidiaries and joint venture have not been reviewed by their auditors and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of 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 & COLLP
Chartered Accountants

ICAI Firm registration number: 324982E/E300003


per Vaibhav Kumar Gupta
Partner
Membership No.: 213935
UDIN: 20213935AAAADF6099



Pune
October 21, 2020



Press release Financial results – Q2 FY21

A meeting of the Board of Directors of Bajaj Finserv Limited (BFS) was held today i.e. 21 October 2020 to consider and approve the results for Q2 FY21.

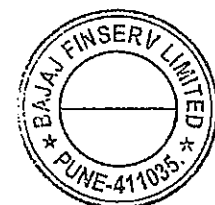
Details about BFS, the businesses carried by its subsidiaries, its group structure and GAAP followed, are indicated separately at the end of this release.

As a result of significant slowdown in economic activity post the complete nation-wide COVID-19 lockdown, India's GDP contracted sharply by 23.9% during Q1 FY21. However, economic growth started picking up pace quite well in Q2 as evidenced by few high frequency indicators. With month-on-month growth being witnessed after the process of unlocking started, we are looking forward to the second half of the year with greater optimism. Under these testing times, our businesses have focussed on managing risk with a calibrated approach to growth.

- New loans booked by BFL during Q2 FY21 were 3.62 Mn as against 6.47 Mn in Q2 FY20 due to elevated risk levels requiring a prudent approach to fresh growth. However, BFL, more than doubled new loans booked as compared to the previous quarter on the back of improved market conditions post unlocking. Localised lockdowns caused difficulty in collections. BFL continued to focus on risk and collections maintaining strong liquidity and preserving capital. BFL remains one of the most adequately capitalised amongst large NBFCs in India with a healthy liquidity position.
- While BAGIC's gross written premium was marginally lower due to the decline in sales of commercial vehicles insurance, travel insurance and tenders for government health business, it was able to deliver strong improvement in its underwriting result, continuing the trend from Q1 FY21.
- Although the life insurance market recorded negative growth in Q2 FY21 due to retail customers conserving liquidity and group business being affected by lower disbursements from banks and NBFCs, BALIC was able to record excellent growth of 19% in individual rated new business premium in Q2 FY21, while delivering solid growth in New Business Value.

1. Highlights – Q2 FY21 v/s Q2 FY20*

- ✓ Consolidated total income - ₹ 15,052 crore v/s ₹ 14,224 crore
- ✓ Consolidated profit after tax - ₹ 986 crore v/s ₹ 1,204 crore
(see note below)
- ✓ Bajaj Finance, consolidated profit after tax - ₹ 965 crore v/s ₹ 1,506 crore
- ✓ General insurance, profit after tax - ₹ 332 crore v/s ₹ 294 crore
- ✓ Life insurance, shareholders' profit after tax - ₹ 98 crore v/s ₹ 207 crore



Bajaj Finserv Limited

Corporate Office: 6th Floor, Bajaj Finserv Corporate Office, Off Pune-Almednagar Road,
Viman Nagar, Pune - 411 014, Maharashtra, India
Registered Office: Munhaji - Pune Road, Akurdi, Pune - 411 035, Maharashtra, India

Tel: +91 20 30405700
Fax: +91 20 30405792

www.bajajfinserv.in
Corporate ID No: 165923PIN2007PFC109475

Highlights – H1 FY21 v/s H1 FY20*

✓ Consolidated total income	- ₹ 29,244 crore	v/s	₹ 26,496 crore
✓ Consolidated profit after tax (see note below)	- ₹ 2,201 crore	v/s	₹ 2,049 crore
✓ Bajaj Finance, consolidated profit after tax	- ₹ 1,927 crore	v/s	₹ 2,702 crore
✓ General insurance, profit after tax	- ₹ 727 crore	v/s	₹ 504 crore
✓ Life insurance, shareholders' profit after tax	- ₹ 228 crore	v/s	₹ 269 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 half year 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 30 September 2020, the Nifty 50 index and BSE 200 index have recovered ~30% from 31 March 2020 levels. The insurance companies had an unrealised mark-to-market (MTM) pre-tax gain of ₹ 306 crore in Q2 FY21 and ₹ 862 crore in H1 FY21, while in Q4 of FY20, there was an MTM loss of ₹ 768 crore.
- ii) Consequent to the ongoing pandemic, BFL has further increased its provisions on stage 1 and 2 assets by ₹ 1,370 crore to ₹ 5,099 as of 30 September 2020.

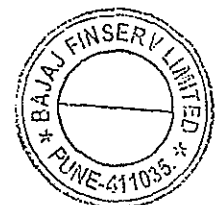
The combined effect of these adjustments is a reduction in the consolidated profit after tax of the Company of ₹ 359 crore in Q2 FY21 and ₹ 603 crore in H1 FY21.

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 Q2 FY21 stood at ₹ 6,523 crore v/s ₹ 6,323 crore in Q2 FY20.
- ii) Profit after tax for Q2 FY21 contracted by 36% YoY to ₹ 965 crore after taking additional provision on standard assets of ₹ 1,370 crore and interest income reversal of ₹ 142 crore. Pre-provision profitability remained strong and adequate to cover expected credit losses.
- iii) Ratio of operating expenses to net interest income for Q2 FY21 improved to 27.8% v/s 34.6% in Q2 FY20.
- iv) Assets Under Management (AUM) as at 30 September 2020 was ₹ 137,090 crore v/s ₹ 135,533 crore as at 30 September 2019. This includes AUM of ₹ 33,463 crore of its housing finance subsidiary, BHFL, which recorded a growth of 30% over the AUM as on 30 September 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 30 September 2020 stood at 1.03% and 0.37% respectively. Stage 1 and 2 assets provisioning stood at 3.69% including additional provision for COVID-19 as against ~ 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 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, the Company's Gross NPA and Net NPA ratio would have been 1.34% and 0.56% respectively.

- vi) Capital adequacy ratio (including Tier-II capital) as of 30 September 2020 was very strong at 26.64%. The Tier-I capital stood at 23.01%.

For Bajaj Housing Finance Limited (BHFL), a 100% mortgage subsidiary of BFL, the capital adequacy ratio (including Tier-II capital) stood at 25.97%.

Summary of financial results is given in Annexure B.

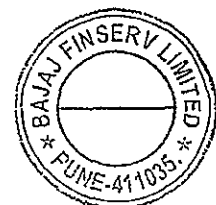
B. Bajaj Allianz General Insurance Company Limited (BAGIC) – Indian GAAP

- i) Gross written premium for Q2 FY21 stood at ₹ 4,156 crore v/s ₹ 4,279 crore in Q2 FY20. BAGIC wrote crop insurance of ₹ 1,759 crore in Q2 FY21 v/s ₹ 1,729 crore in Q2 FY20. Gross written premium excluding crop insurance for Q2 FY21 was ₹ 2,397 crore v/s ₹ 2,550 crore in Q2 FY20.
- ii) Net earned premium for Q2 FY21 was ₹ 1,986 crore v/s ₹ 2,131 crore in Q2 FY20.
- iii) Claim ratio reduced to 74.2% in Q2 FY21 v/s 75.0% in Q2 FY20. Claims experience was mixed during the quarter with higher claims in health including COVID-19 claims and property due to heavy rainfall, compensated by lower claims in motor own damage segment.
- iv) Combined ratio improved to 97.4% in Q2 FY21 v/s 102.7% in Q2 FY20.
- v) Underwriting result improved significantly with a profit of ₹ 29 crore for Q2 FY21 v/s a loss of ₹ 91 crore in Q2 FY20. The higher underwriting profit was due to the lower claim ratio and expense control measures introduced by the company.
- vi) Investment and other income for Q2 FY21 stood at ₹ 414 crore v/s ₹ 462 crore in Q2 FY20. Profit on sale of investments was lower by ₹ 84 crore (before tax).
- vii) Profit after tax for Q2 FY21 increased by 13% to ₹ 332 crore v/s ₹ 294 crore in Q2 FY20.
- viii) As on 30 September 2020, the solvency ratio was 307%, which is well above the minimum regulatory requirement of 150%.
- ix) Assets Under Management (AUM), represented by cash and investments as on 30 September 2020 stood at ₹ 20,626 crore v/s ₹ 18,139 crore as on 30 September 2019 – an increase of 14%.

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 Q2 FY21 was ₹ 1,372 crore v/s ₹ 1,235 crore in Q2 FY20 – an increase of 11%.
- a) Individual rated new business premium was ₹ 535 crore in Q2 FY21 v/s ₹ 450 crore in Q2 FY20 – an increase of 19%.
- b) Group protection new business was ₹ 338 crore in Q2 FY21 v/s ₹ 428 crore in Q2 FY20. The negative growth was due to lower disbursements by banks and NBFCs.
- ii) Renewal premium for Q2 FY21 was ₹ 1,305 crore v/s ₹ 1,000 crore in Q2 FY20 – a healthy increase of 31%.
- iii) Gross written premium increased by 20% to ₹ 2,677 crore in Q2 FY21 v/s ₹ 2,235 crore in Q2 FY20.
- iv) Shareholders' profit after tax during Q2 FY21 stood at ₹ 98 crore v/s ₹ 207 crore in Q2 FY20. Profit on sale of investments was lower by ₹ 55 crore (before tax).



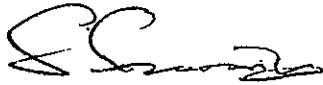
- v) Solvency ratio stood at a healthy 730% as on 30 September 2020 as against the minimum regulatory requirement of 150%.
- vi) Assets Under Management (AUM), represented by total investments stood at ₹ 64,367 crore as on 30 September 2020 v/s ₹ 58,273 crore as on 30 September 2019 - an increase of 10%.
- vii) For H1 FY21, the New Business Value was ₹ 61 crore as against ₹ 30 crore in H1 FY20 - an increase of 103%.

Summary of financial results is given in Annexure D.

3. BFS approach on COVID-19

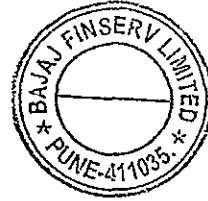
As earlier mentioned, faced with COVID-19 and its impact on economic activity, the Company and its subsidiaries continue to manage through this once in a life-time situation.

The Company and its subsidiaries remain focused on profitability over growth. They are conserving cash, focusing on risk, strengthening collections, improving and digitising processes and reducing overheads. As a result, the operating companies have strong solvency, well above the required capital as well as healthy liquidity. With signs of normalcy being evident across sectors, all our businesses will be seeking to grow in H2 of this year and enter FY22 with a positive outlook.



S Sreenivasan
CFO
21 October 2020

AGM



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.

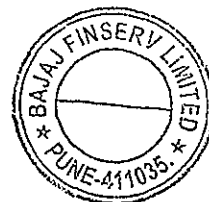
BFS participates in the financing business through its 52.74% holding in Bajaj Finance Limited (BFL) and in the protection business through its 74% holding in two unlisted subsidiaries, Bajaj Allianz General Insurance Company Limited (BAGIC) and Bajaj Allianz Life Insurance Company Limited (BALIC). Bajaj 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.

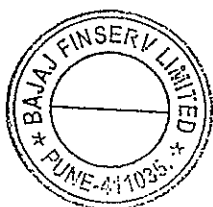
As required by regulation, BFS has adopted Indian Accounting Standards (Ind AS) from FY19 and the previous period figures are comparable.

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)		Q2 FY21	Q2 FY20	H1 FY21	H1 FY20	FY 20
1	Income					
	Interest Income	6,720.86	6,145.97	13,335.55	11,886.34	26,504.37
	Dividend income	27.84	19.86	40.74	36.88	60.84
	Rental income	1.74	0.91	3.14	2.01	4.17
	Fees and commission income	562.43	628.37	1,128.99	1,217.38	2,476.34
	Net gain on fair value change	735.86	705.42	2,629.73	1,588.63	333.37
	Sale of energy generated and services	28.97	66.65	53.11	91.09	187.69
	Premium and other operating income from insurance business	6,888.82	6,609.34	11,932.80	11,598.75	24,498.56
	Others	83.06	45.34	115.51	72.44	281.35
	Total revenue from operations	15,049.58	14,221.86	29,239.57	26,493.52	54,346.69
	Other income	2.01	2.36	4.03	2.96	4.78
	Total income	15,051.59	14,224.22	29,243.60	26,496.48	54,351.47
2	Expenses					
	Employee benefits expenses	1,013.91	1,201.55	2,007.47	2,344.07	4,755.11
	Finance costs	2,340.20	2,313.24	4,735.43	4,366.79	9,338.53
	Fees and commission expense	613.87	509.28	1,055.11	975.73	2,206.10
	Impairment of financial instruments - lending assets	1,700.41	594.23	3,386.14	1,144.97	3,929.48
	Impairment of financial instruments - investments	(40.34)	(34.57)	(44.26)	166.57	190.89
	Claims paid	2,802.93	2,965.61	4,908.69	5,274.96	12,512.17
	Reinsurance ceded	1,715.21	1,598.65	2,488.17	2,441.69	4,520.67
	Net change in insurance / investment contract liabilities	1,884.74	1,352.54	4,342.17	2,807.84	4,353.87
	Depreciation, amortisation and impairment	114.01	116.03	239.39	213.51	456.79
	Other expenses	749.96	980.68	1,400.27	1,878.09	3,786.86
	Total expenses	12,994.90	11,597.24	24,518.58	21,614.22	46,050.47
3	Share of profits of joint venture	(0.09)	(0.62)	(0.34)	(0.66)	0.66
4	Profit before tax (1-2+3)	2,156.60	2,626.36	4,724.68	4,881.60	8,301.66
5	Tax expense					
	Current tax	737.27	382.15	1,690.10	1,330.04	2,557.12
	Deferred tax	(198.94)	222.98	(505.91)	76.12	(249.06)
	Total tax expense	538.33	605.13	1,184.19	1,406.16	2,308.06
6	Profit after tax (4-5)	1,618.27	2,021.23	3,540.49	3,475.44	5,993.60
7	Profit attributable to non-controlling interests	631.98	817.51	1,339.05	1,426.38	2,624.47
8	Profit for the period (6-7)	986.29	1,203.72	2,201.44	2,049.06	3,369.13
9	Other comprehensive income, net of tax					
	(a) Items that will not be reclassified to profit or loss	(3.47)	0.75	(3.63)	(1.09)	(99.02)
	(b) Items that will be reclassified to profit or loss	(426.66)	91.67	51.41	402.70	760.54
	Total other comprehensive income, net of tax	(430.13)	92.42	47.78	401.61	661.52
10	Total comprehensive income (6+9)	1,188.14	2,113.65	3,588.27	3,877.05	6,655.12
11	Profit attributable to:					
	Owners of the company	986.29	1,203.72	2,201.44	2,049.06	3,369.13
	Non-controlling interests	631.98	817.51	1,339.05	1,426.38	2,624.47
12	Total comprehensive income attributable to:					
	Owners of the company	670.74	1,270.58	2,250.90	2,344.05	3,882.47
	Non-controlling interests	517.40	843.07	1,337.37	1,533.00	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	Earnings per share (₹) (not annualised)					
	Basic	62.0	75.6	138.3	128.8	211.7
	Diluted	62.0	75.6	138.3	128.7	211.7



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

₹ In Crore	Q2 FY21	Q2 FY20	H1 FY21	H1 FY20	FY20
Total income	6,523	6,323	13,173	12,131	26,386
Interest expenses	2,358	2,323	4,856	4,437	9,473
Net interest income	4,165	4,000	8,317	7,694	16,913
Operating expenses	1,160	1,384	2,316	2,675	5,662
Impairment on financial assets	1,700	594	3,386	1,145	3,929
Profit before tax	1,305	2,022	2,615	3,874	7,322
Profit after tax	965	1,506	1,927	2,702	5,264

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

₹ In Crore	Q2 FY21	Q2 FY20	H1 FY21	H1 FY20	FY20
Gross written premium	4,156	4,279	6,445	7,123	12,833
Net earned premium	1,986	2,131	3,804	4,078	8,206
Underwriting result	29	(91)	204	(82)	(11)
Investment and other income	414	462	766	772	1,387
Profit before tax	443	371	970	690	1,376
Profit after tax	332	294	727	504	999

Key ratios

Claim ratio	74.2%	75.0%	71.3%	73.9%	70.7%
Combined ratio	97.4%	102.7%	97.0%	102.8%	100.8%

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

₹ In Crore	Q2 FY21	Q2 FY20	H1 FY21	H1 FY20	FY20
New business premium	1,372	1,235	2,114	2,249	5,179
Individual rated new business premium*	535	450	866	782	1,927
Group protection new business premium	338	428	427	826	1,872
Renewal premium	1,305	1,000	2,263	1,823	4,574
Gross written premium	2,677	2,235	4,377	4,072	9,753
Shareholders' profit	131	208	313	300	460
Amount transferred from the policyholders' account to the shareholders' account (net)	(33)	(1)	(85)	(31)	(10)
Total shareholders' profit after tax	98	207	228	269	450

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

