

4 November 2019

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

Dear Sir/Madam,

Sub: Qualified institutions placement of equity shares of face value ₹ 2 each (the “Equity Shares”) by Bajaj Finance Limited (the “Company”) under the provisions of Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”), and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder (the “Issue”).

1. We wish to inform you that pursuant to the approval accorded by the Board of Directors of the Company (the “Board”), at its meeting held on September 17, 2019 and the special resolution passed by the members of the Company by way of postal ballot on October 23, 2019, the Special Committee of the Board (the “Special Committee”) has, at its meeting held today i.e. November 4, 2019, *inter alia*, passed resolutions for the following:
 - a) Authorised the opening of the Issue today, i.e. November 4, 2019;
 - b) Approved and adopted the preliminary placement document dated November 4, 2019 and the application form dated November 4, 2019 in connection with the Issue; and
 - c) Approved the floor price for the Issue.

In this relation we have filed the preliminary placement document dated November 4, 2019 with your office on November 4, 2019.

2. We further wish to inform you that the ‘Relevant Date’ for the purpose of the Issue, in terms of the Regulation 171 of the SEBI ICDR Regulations, is November 4, 2019 and accordingly the floor price in respect of the aforesaid Issue, based on the pricing formula as prescribed under Regulation 176(1) of the SEBI ICDR Regulations is ₹ 4,019.78 per Equity Share. Pursuant to Regulation 176(1) of the SEBI ICDR Regulations, the Company may offer such discount on the floor price as may be approved by the Special Committee in accordance with SEBI ICDR Regulations.

BAJAJ FINANCE LIMITED

3. In addition to the above, the Special Committee has approved filing and uploading of the unaudited condensed interim consolidated financial statements of the Company for half-year ended September 30, 2019, together with the review report, with the stock exchanges and on the website of the Company respectively.

The meeting of the Special Committee commenced at 3.30 p.m. and concluded at 5.00 p.m.

We request you to take the above on record and the same be treated as compliance under the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Thanking you,
Yours faithfully,

For **BAJAJ FINANCE LIMITED**

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

Encl.: As above

Bajaj Finance Limited
Interim Condensed Consolidated Balance Sheet as at 30 September 2019

(₹ In Crore)

Particulars	As at 30 September 2019 (Reviewed)	As at 30 September 2018 (Reviewed)	As at 31 March 2019 (Audited)
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	993.90	1,171.31	347.02
(b) Bank balances other than (a) above	1.90	1.63	1.69
(c) Receivables			
Trade receivables	818.38	831.07	805.38
Other receivables	1,539.89	71.97	92.19
(d) Loans	130,790.27	94,477.86	112,512.82
(e) Investments	9,212.88	4,252.29	8,599.03
(f) Other financial assets	418.63	319.42	303.08
Total financial assets	143,775.85	101,125.55	122,661.21
(2) Non-financial assets			
(a) Current tax assets (net)	547.39	56.08	149.82
(b) Deferred tax assets (net)	611.55	696.65	669.03
(c) Property, plant and equipment	643.98	425.80	526.51
(d) Right-of-use asset	304.17	-	-
(e) Goodwill	3.27	3.27	3.27
(f) Other intangible assets	173.95	117.64	165.06
(g) Other non-financial assets	214.92	108.78	57.60
Total non-financial assets	2,499.23	1,408.22	1,571.29
Total assets	146,275.08	102,533.77	124,232.50
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables			
Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	0.14	-	0.44
-Total outstanding dues of creditors other than micro enterprises and small enterprises	705.55	585.31	563.36
Other payables			
-Total outstanding dues of micro enterprises and small enterprises	-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	248.66	187.73	280.22
(b) Debt securities	51,918.04	37,376.92	46,681.33
(c) Borrowings (other than debt securities)	46,292.25	29,535.48	37,574.44
(d) Deposits	17,632.62	11,013.81	13,193.01
(e) Subordinated debts	4,008.66	3,921.20	4,139.07
(f) Other financial liabilities	2,523.31	2,066.52	1,671.66
Total financial liabilities	123,329.23	84,686.97	104,103.53
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	262.29	37.47	22.37
(b) Provisions	109.56	89.43	73.89
(c) Other non-financial liabilities	483.36	317.52	335.69
Total non-financial liabilities	855.21	444.42	431.95
(3) Equity			
(a) Equity share capital	115.55	115.29	115.37
(b) Other equity	21,975.09	17,287.09	19,581.65
Total equity	22,090.64	17,402.38	19,697.02
Total liabilities and equity	146,275.08	102,533.77	124,232.50

The accompanying notes are an integral part of the interim condensed consolidated financial statements

As per our report of even date

For SRBC & Co LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

For and on behalf of the Board of Directors of Bajaj Finance Ltd.

per Arvind Sethi
Partner
Membership No.: 089802



Rajeev Jain
Rajeev Jain
Managing Director

Sandeep Jain
Sandeep Jain
Chief Financial Officer

Pune: 22 October 2019

Bajaj Finance Limited
Interim Condensed Consolidated Statement of Profit and Loss for the half year ended 30 September 2019

(₹ In Crore)

Particulars	For the half year ended 30 September 2019 (Reviewed)	For the half year ended 30 September 2018 (Reviewed)
(I) Revenue from operations		
Interest income	10,563.28	7,305.01
Fees and commission income	1,206.68	727.80
Net gain on fair value changes	218.82	87.22
Sale of services	68.75	42.13
Recoveries of financial assets written off	65.17	35.44
Total revenue from operations	12,122.70	8,197.60
(II) Other income	8.14	13.47
(III) Total income (I + II)	12,130.84	8,211.07
(IV) Expenses		
Finance costs	4,436.78	2,924.52
Fees and commission expense	472.72	319.53
Impairment on financial instruments	1,144.97	641.32
Employee benefits expense	1,211.16	899.20
Depreciation and amortisation expenses	133.70	62.25
Other expenses	857.66	632.40
Total expenses	8,256.99	5,479.22
(V) Profit before tax (III - IV)	3,873.85	2,731.85
(VI) Tax expense		
Current tax	1,123.17	895.67
Deferred tax (credit)/charge	49.14	76.82
Total tax expense	1,172.31	972.49
(VII) Profit after tax (V - VI)	2,701.54	1,759.36
(VIII) Other comprehensive income		
<u>Items that will not be reclassified to profit or loss:</u>		
-Re-measurement gains/(losses) on defined benefit plans	-	-
-Tax impact on above	(3.41)	-
<u>Items that will be reclassified to profit or loss in subsequent periods:</u>		
-Changes in fair value of FVOCI debt securities	20.04	(16.93)
-Tax impact on above	(4.92)	5.92
Other comprehensive income for the period (net of tax)	11.71	(11.01)
(IX) Total comprehensive income for the period (VII + VIII)	2,713.25	1,748.35
(X) Earnings per share:		
(Nominal value per share ₹ 2/-)		
Basic (₹)	46.79	30.56
Diluted (₹)	46.43	30.29

The accompanying notes are an integral part of the interim condensed consolidated financial statements

As per our report of even date

For **S R B C & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

For and on behalf of the Board of Directors of
Bajaj Finance Ltd.

per **Arvind Sethi**
Partner
Membership No. : 089802



Rajeev Jain
Managing Director

Sandeep Jain
Chief Financial Officer



Pune: 22 October 2019

Bajaj Finance Limited
Interim Condensed Consolidated Statement of changes in equity for the half year ended 30 September 2019

a. Equity share capital

(₹ In Crore)

Particulars	For the half year	For the half
	ended 30 September 2019	year ended 30 September 2018
At the beginning of the period	115.37	115.03
Changes in equity share capital during the period	0.18	0.26
At the end of the period	115.55	115.29

b. Other equity

For the half year ended 30 September 2019

Particulars	Reserves and surplus							Other comprehensive income on debt securities	Total other equity
	Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account		
Balance as at 31 March 2019	8,298.81	7,719.15	19.06	2,602.75	786.64	16.65	137.85	0.74	19,581.65
Profit after tax	-	2,701.54	-	-	-	-	-	-	2,701.54
Other comprehensive income (net of tax)	-	(3.41)	-	-	-	-	-	15.12	11.71
Total	8,298.81	10,417.28	19.06	2,602.75	786.64	16.65	137.85	15.86	22,294.90
Transfer to reserve fund in terms of section 45IC(1) of the Reserve Bank of India Act, 1934	-	-	-	-	-	-	-	-	-
Transfer to reserve fund in terms of section 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	-	-	-
Transfer to infrastructure reserve in terms of section 36 (1) (viii) of the Income Tax Act, 1961	-	-	-	-	-	-	-	-	-
Dividend including tax thereon	-	(418.04)	-	-	-	-	-	-	(418.04)
Fair value of stock options - charge for the period	-	-	-	-	-	-	47.42	-	47.42
Received on allotment of shares to Trust for employees pursuant to stock options	100.14	-	-	-	-	-	-	-	100.14
Transfer on allotment of shares to employees pursuant to ESOP scheme	18.91	-	-	-	-	-	(18.91)	-	-
Transfer on cancellation of stock options	-	-	-	-	1.14	-	(1.14)	-	-
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2019	8,417.86	9,999.24	19.06	2,602.75	787.78	16.65	165.22	15.86	22,024.42
34.68	-	-	-	-	-	-	-	-	34.68
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 30 September 2019	84.01	-	-	-	-	-	-	-	84.01
Balance as at 30 September 2019	8,368.53	9,999.24	19.06	2,602.75	787.78	16.65	165.22	15.86	21,975.09

For the half year ended 30 September 2018

Particulars	Reserves and surplus							Other comprehensive income on debt securities	Total other equity
	Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account		
Balance as at 31 March 2018	8,223.73	4,813.77	4.49	1,823.75	785.65	9.25	82.01	(9.84)	15,732.81
Profit after tax	-	1,759.36	-	-	-	-	-	-	1,759.36
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(11.01)	(11.01)
Total	8,223.73	6,573.13	4.49	1,823.75	785.65	9.25	82.01	(20.85)	17,481.16
Dividend including tax thereon	-	(277.88)	-	-	-	-	-	-	(277.88)
Fair value of stock options - charge for the period	-	-	-	-	-	-	38.57	-	38.57
Transfer on allotment of shares to employees pursuant to ESOP scheme	14.96	-	-	-	-	-	(14.96)	-	-
Transfer on cancellation of stock options	-	-	-	-	0.80	-	(0.80)	-	-
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2018	8,238.69	6,295.25	4.49	1,823.75	786.45	9.25	104.82	(20.85)	17,241.85
91.79	-	-	-	-	-	-	-	-	91.79
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 30 September 2018	46.55	-	-	-	-	-	-	-	46.55
Balance as at 30 September 2018	8,283.93	6,295.25	4.49	1,823.75	786.45	9.25	104.82	(20.85)	17,287.09

The accompanying notes are an integral part of the interim condensed consolidated financial statements

As per our report of even date

For S R B C & Co LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

For and on behalf of the Board of Directors of
Bajaj Finance Ltd.

per Arvind Sethi
Partner
Membership No.: 089802



Rajiv Jain
Rajiv Jain
Managing Director

Sandeep Jain
Sandeep Jain
Chief Financial Officer



Pune: 22 October 2019

Bajaj Finance Limited

Interim Condensed Consolidated Statement of Cash Flows for the half year ended 30 September 2019

(₹ In Crore)

Particulars	For the half year ended 30 September 2019 (Reviewed)	For the six month ended 30 September 2018 (Reviewed)
A. Operating activities		
Profit before tax	3,873.85	2,731.85
Adjustments for:		
Interest income	(10,563.28)	(7,305.01)
Depreciation and amortisation	133.70	62.25
Impairment on financial instruments	1,144.97	641.32
Net (gain)/ loss on disposal of property, plant and equipment	0.05	(4.28)
Finance costs	4,436.78	2,924.52
Share based payment to employees	47.44	38.63
Net (gain)/ loss on financial instruments at fair value through profit or loss	(218.82)	(87.22)
Liabilities no longer required written back	0.00	0.00
Service fees for management of assigned portfolio of loans	(47.87)	(42.13)
	(1,193.18)	(1,040.07)
Cash inflow from interest on loans	10,516.70	7,299.96
Cash inflow from service asset	9.69	33.72
Cash outflow towards finance cost	(4,048.19)	(2,970.87)
Cash from operation before working capital changes	5,285.02	3,322.74
Working capital changes		
(Increase) / decrease in trade receivables	(34.78)	(237.45)
(Increase) / decrease in other receivables	(1,387.75)	(18.30)
(Increase) / decrease in loans	(19,444.43)	(16,083.98)
(Increase) / decrease in other financial assets	(115.67)	(84.98)
(Increase) / decrease in other non-financial assets	(160.01)	(52.62)
Increase / (decrease) in trade payables	141.90	163.58
Increase / (decrease) in other payables	(22.85)	(28.45)
Increase / (decrease) in other financial liabilities	842.64	654.38
Increase / (decrease) in provisions	35.67	27.23
Increase / (decrease) in other non-financial liabilities	147.66	86.82
	(19,997.61)	(15,573.79)
Income tax paid (net of refunds)	(1,280.82)	(916.40)
Net cash used in operating activities (A)	(15,993.42)	(13,167.45)
B. Investing activities		
Purchase of property, plant and equipment	(185.81)	(129.18)
Proceeds from sale of property, plant and equipment	3.41	25.77
Purchase of intangible assets	(33.91)	(30.14)
Purchase of investments measured at amortised cost	0.00	0.00
Proceeds from investments measured at amortised cost	19.66	16.12
Purchase of investments measured at FVOCI	(1,073.36)	(152.62)
Proceeds from sale of investments measured at FVOCI	540.10	199.20
Purchase of investments measured at FVTPL	(220,278.51)	(141,326.99)
Proceeds from sale of investments measured at FVTPL	220,439.27	140,233.11
Purchase of equity investments designated at FVOCI	(15.02)	0.00
Interest received on investment measured at FVTPL and FVOCI	61.44	61.03
Net cash generated from/ (used in) investing activities (B)	(522.72)	(1,103.71)



Bajaj Finance Limited

Interim Condensed Consolidated Statement of Cash Flows for the half year ended 30 September 2019

(₹ In Crore)

Particulars	For the half year ended 30 September 2019 (Reviewed)	For the six month ended 30 September 2018 (Reviewed)
Financing activities		
Issue of equity share capital (including securities premium)	50.99	45.50
Share issue expenses	0.00	0.00
Dividends paid	(346.32)	(230.21)
Dividend distribution tax	(71.52)	(47.52)
Deposits received, net	4,180.71	3,082.46
Debt securities issued, net	4,964.61	3,783.31
Borrowings other than debt securities issued, net	8,384.54	8,470.76
Net cash generated from financing activities (C)	17,163.02	15,104.30
Net increase in cash and cash equivalents (A+B+C)	646.88	833.14
Cash and cash equivalents at the beginning of the period	347.02	338.17
Cash and cash equivalents at the end of the year	993.90	1,171.31

Note:

The above statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard 7 - 'Statement of cash flows'.

In terms of our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003

For and on behalf of the Board of Directors of

Bajaj Finance Ltd.

per Arvind Sethi
Partner

Membership No. : 089802



Rajeev Jain
Rajeev Jain
Managing Director

Sandeep Jain
Sandeep Jain
Chief Financial Officer



Pune: 22 October 2019

1. Corporate information

Bajaj Finance Ltd. ('the Parent Company') is a company limited by shares, incorporated on 25 March 1987 and domiciled in India. The Parent Company is engaged in the business of lending. The Parent Company together with its subsidiaries (hereinafter collectively referred to as the 'Group') has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India. The Parent Company also accepts public and corporate deposits and offers variety of financial services products to its customers. The Parent Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 4th floor, Bajaj Finserv corporate office, Viman nagar, Pune, Maharashtra, India. The ultimate parent Company of the Group is Bajaj Finserv Ltd.

The Parent Company is deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) with effect from 5 March 1998, with Registration No. A-13.00243. RBI, vide the circular - 'Harmonisation of different categories of NBFCs' issued on 22 February 2019, with a view to provide NBFCs with greater operational flexibility and harmonisation of different categories of NBFCs into fewer categories based on the principle of regulation by activity, merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). Accordingly, the Parent Company has been reclassified as NBFC-Investment and Credit Company (NBFC-ICC).

The interim condensed consolidated financial statements for the half year ended 30 September 2019 were and authorised and approved by the Board of Directors on 22 October 2019.

2. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) - 34 'Interim Financial Reporting' notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI and National Housing Bank Guidelines/ Regulations ('NHB directions') to the extent applicable. The interim condensed consolidated financial statements have been prepared on a going concern basis. The Group uses accrual basis of accounting except in case of significant uncertainties.

The accounting policies applied by the Group for preparation of these interim condensed consolidated financial statements are consistent with those adopted for preparation of consolidated financial statements of the Group as at and for the year ended 31 March 2019 except for the following changes in the accounting policy with respect to amendments to the standard that were effective for the annual period beginning from on or after 1 April 2019 :

Lease accounting policy

With effect from April 1, 2019, the Company has applied Ind AS 116 'leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Measurement of Lease Liability

At the time of initial recognition, the Group measures lease liability as present value of all lease payment discounted using the Group's incremental cost of borrowing rate. Subsequently, the lease liability is measured as –

- (i) increased by interest on lease liability;
- (ii) reduce by lease payment made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications specified in Ind AS 116 "Leases, or to reflect revised fixed lease payments.

Measurement of Right-of-Use assets

At the time of initial recognition, the company measures "Right to Use assets" as present value of all lease payment discounted using the Group's incremental cost of borrowing rate plus any initial cost incurred w.r.t said lease contract. Subsequently, "Right-of-Use assets" is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 "Leases". "Right-of-Use assets" is depreciated on straight line basis over the lease period.

2.2 Principles of consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. Control is evidenced where the investor is exposed is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.

The Parent Company holds the entire shareholding in its subsidiaries and there are no contractual arrangements which rebute the control of the Parent Company over its subsidiaries.

The financial statements of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

- (ii) The Consolidated financial statements include results of the subsidiaries of Bajaj Finance Ltd. (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

Name of the Company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Bajaj Housing Finance Ltd.	India	100%	Subsidiary
Bajaj Financial Securities Ltd.*	India	100%	Subsidiary

* On 10 August 2018, the Parent Company acquired 100% shareholding in Bajaj Financial Securities Ltd. from its wholly owned subsidiary, Bajaj Housing Finance Ltd..

Figures for preparation of consolidated financial statements have been derived from the unaudited/reviewed financial statements of the respective companies in the Group.



3. (a) Loans (₹ In Crore)

Particulars	As at 30 September 2019			As at 30 September 2018			As at 31 March 2019		
	At amortised Cost	At fair value through OCI	Total	At amortised Cost	At fair value through OCI	Total	At amortised Cost	At fair value through OCI	Total
A. Term loans	111,289.25	22,065.65	133,354.90	82,844.42	13,453.91	96,298.33	96,487.70	18,082.70	114,570.40
Less: Impairment loss allowance	2,458.67	105.96	2,564.63	1,709.14	111.33	1,820.47	1,967.17	90.41	2,057.58
Total (A)	108,830.58	21,959.69	130,790.27	81,135.28	13,342.58	94,477.86	94,520.53	17,992.29	112,512.82

(b) Analysis of changes in the gross carrying amount by stages in relation to loans and its corresponding impairment loss allowances (ECL) is as follows: (₹ In Crore)

Particulars	As at 31 March 2019							
	Stage 1		Stage 2		Stage 3		Total	
	Gross AR	ECL	Gross AR	ECL	Gross AR	ECL	Gross AR	ECL
As at 31 March 2018	78,350.76	468.48	1,082.24	251.78	1,200.08	810.32	80,633.08	1,530.58
Transfer during the period								
– transfers to stage 1	93.82	20.50	(89.95)	(18.28)	(3.87)	(2.22)	(0.00)	-
– transfers to stage 2	(1,662.54)	(21.38)	1,671.38	26.04	(8.84)	(4.66)	0.00	-
– transfers to stage 3	(1,592.83)	(30.63)	(562.35)	(148.63)	2,155.18	179.26	-	-
	(3,161.55)	(31.51)	1,019.08	(140.87)	2,142.47	172.38	0.00	-
Impact on ECL on account of stage movements	-	(14.68)	-	226.89	-	1,028.88	-	1,241.09
Changes in opening credit exposures (additional disbursement net of repayments)	(35,314.11)	(214.93)	(732.59)	(119.13)	(950.90)	(181.61)	(36,997.60)	(515.67)
New credit exposures during the year, net of repayments	70,872.89	411.14	641.83	143.65	385.57	212.16	71,900.29	766.95
Amounts written off during the year	-	-	-	-	(965.37)	(965.37)	(965.37)	(965.37)
As at 31 March 2019	110,747.99	618.50	2,010.56	362.32	1,811.85	1,076.76	114,570.40	2,057.58



Particulars	As at 30 September 2019							
	Stage 1		Stage 2		Stage 3		Total	
	Gross AR	ECL	Gross AR	ECL	Gross AR	ECL	Gross AR	ECL
As at 31 March 2019	110,748.00	618.50	2,010.56	362.32	1,811.85	1,076.76	114,570.40	2,057.58
Transfer during the period								
– transfers to stage 1	307.80	51.79	(245.33)	(27.37)	(62.47)	(24.42)	-	-
– transfers to stage 2	(2,570.13)	(29.84)	2,624.25	54.57	(54.12)	(24.73)	-	-
– transfers to stage 3	(1,396.04)	(17.32)	(709.06)	(181.69)	2,105.10	199.00	-	-
	(3,658.37)	4.63	1,669.86	(154.48)	1,988.51	149.85	-	-
Impact on ECL on account of transfers between the stages during the period	-	(37.67)	-	360.46	-	667.76	-	990.55
Changes in opening credit exposures (additional disbursement net of repayments)	(14,333.89)	(77.61)	(1,832.94)	(276.41)	(1,923.51)	(576.78)	(18,090.35)	(930.80)
New credit exposures during the period, net of repayments	35,358.05	203.38	1,131.07	236.18	1,023.64	645.65	37,512.76	1,085.21
Amounts written off during the period					(637.91)	(637.91)	(637.91)	(637.91)
As at 30 September 2019	128,113.79	711.24	2,978.55	528.07	2,262.57	1,325.33	133,354.90	2,564.63

(c) Impairment on financial instruments

(₹ In Crore)

Particulars	For the half year ended 30 September 2019	For the half year ended 30 September 2018
	On loans	1,135.39
On others	9.58	3.32
Total	1,144.97	641.32



4. Segment Information

The Group operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Group operates in a single geographical segment i.e. domestic.

5. Revenue from contract with customers

Type of services	For the half year ended 30 September 2019	For the half year ended 30 September 2018
	Service and administration charges	423.80
Fees on value added services and products	209.78	145.43
Foreclosure charges	69.47	46.30
Distribution income	503.63	285.80
Sale of services	68.75	42.13
Total	1,275.43	769.93
Geographical markets		
India	1,275.43	769.93
Outside India	-	-
Total	1,275.43	769.93
Timing of revenue recognition		
Services transferred at a point in time	1,275.43	769.93
Services transferred over time	-	-
Total	1,275.43	769.93
Contract balances		
Service asset receivable	71.17	107.00
Fees, commission and other receivable	225.92	89.30
Total	297.09	196.30

Accounts receivable are recognised when the right to consideration becomes unconditional.
Impairment allowance recognised on contract asset is Nil (Previous year Nil)

6. Contingent liabilities

Particulars	₹ In Crore	
	As at 30 September 2019	As at 30 September 2018
Disputed claims against the Group not acknowledged as debts	41.86	34.35
VAT matters under appeal	3.05	1.10
ESI matters under appeal	5.14	5.14
Service tax matters under appeal		
-On interest subsidy	1,888.89	1,282.30
-On penal interest/ charges	248.23	147.07
-On others	5.73	3.84
Income tax matters:		
-Appeals by the Group	0.32	12.91
-Appeals by the Income tax department	0.24	32.73
Total	2,193.46	1,519.44

i) The Group is of the opinion that the above demands are not tenable and expects to succeed in its appeals / defense.

ii) The Commissioner, Service Tax Commissionerate, Pune, through an order dated 31 March 2017, has confirmed the demand of service tax of ₹644.65 crore and penalties of ₹198.95 crore from the Parent Company in relation to the interest subsidy the Parent Company received from manufacturers and dealers during the period 1 April 2010 to 30 September 2016. In addition, the Commissioner has demanded payment of interest on the service tax amount confirmed until the date the Parent Company pays the service tax demanded, which as at 30 September 2019 amounted to ₹537.43 crore. In accordance with legal advice, the Parent Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

iii) In addition, the Commissioner, Central Excise and CGST, Pune -I, Commissionerate, has issued a periodical show cause notice on 09 September 2019 demanding payment of service tax of ₹217.22 crore and penalty thereon of ₹217.22 crore on Interest subsidy received by the Parent Company from the manufacturers and dealers during the period October 2016 to June 2017. The Commissioner has also demanded payment of interest on the service tax amount demanded, through a show cause notice, until the date the Parent Company pays the demand, which as at 30 September 2019, amounted to ₹83.42 crore. The Parent Company is in the process of preparation and filing of reply against this periodical show cause notice.

The Commissioner, Central Excise and CGST, Pune -I, Commissionerate, through an order dated 7 September 2018, has confirmed the demand of service tax ₹53.87 crore and penalties of ₹53.87 crore from the Parent Company in relation to the penal interest/ charges the Parent Company received from the customers during the period 1 July 2012 to 31 March 2017. In addition, the Commissioner has demanded payment of interest on the service tax amount confirmed until the date the Parent Company pays the service tax demanded, which as at 30 September 2019 amounted to ₹47.41 crore. In accordance with legal advice, the Parent Company filed an appeal on 26 December 2018 with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

In addition, the Commissioner, Central Excise and CGST, Pune -I, Commissionerate, has issued a periodical show cause notice on 30 March 2019 demanding payment of service tax of ₹40.22 crore and penalty thereon of ₹40.22 crore on penal interest/ charges received by the Parent Company from the customers during the period April 2016 to June 2017. The Commissioner has also demanded payment of interest on the service tax amount demanded, through a show cause notice, until the date the Parent Company pays the demand, which as at 30 September 2019, amounted to ₹16.68 crore. The Parent Company has filed reply on 22 May 2019 against this periodical show cause notice.

iv) It is not practicable for the Parent Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.



7. Disclosure of transactions with related parties as required by Ind AS 24

(₹ In Crore)

Name of the related party and nature of relationship	Nature of transaction	For the half year ended 30 September 2019		For the half year ended 30 September 2018	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(A) Holding Company and Fellow Subsidiaries					
1. Bajaj Finserv Ltd. (Holding company)	Contribution to equity (317,816,130 shares of ₹ 2 each)	-	(63.56)	-	(63.56)
	Business support charges paid	10.41	-	8.14	(0.80)
	Business support charges received	0.25	-	0.17	-
	Secured non convertible debentures issued	-	(876.00)	-	(816.00)
	Interest paid on non convertible debentures	38.85	-	42.01	-
	Secured non convertible debentures redemption	25.00	-	-	-
	Asset purchase	0.16	-	-	-
	Asset sale	-	-	0.51	-
	Dividend paid	190.69	-	127.13	-
	License fee paid (PY ₹ 505)	-	-	-	-
	Other payments	-	-	0.03	-
2. Bajaj Allianz Life Insurance Company Ltd. (Fellow subsidiary)	Contribution to equity (2,00,000 shares of ₹ 2 each)	-	(0.04)	-	-
	Security deposit for property	-	0.60	-	0.60
	Insurance expenses	0.53	0.04	0.39	0.02
	Insurance premium adjusted (including cancellation receipts)	194.58	(9.39)	228.83	0.50
	Commission income	9.39	4.55	5.64	2.07
	Secured non convertible debentures issued	-	(220.00)	-	(60.00)
	Secured non convertible debentures redemption	25.00	-	5.00	-
	Unsecured non convertible debentures issued	-	(497.50)	-	(72.50)
	Interest paid on non convertible debentures	9.10	-	7.20	-
	Business support charges received	-	0.05	0.05	0.03
	Rent and maintenance Expense	0.59	-	0.42	(0.13)
	Claim receipts	19.01	-	10.78	-
	Dividend paid	0.12	-	-	-
3. Bajaj Allianz General Insurance Company Ltd. (Fellow subsidiary)	Insurance expenses	11.11	0.59	2.74	0.19
	Insurance premium adjusted (including cancellation receipts)	317.47	4.78	186.19	(6.50)
	Commission income	44.94	8.10	25.38	8.85
	Secured non convertible debentures issued	-	(350.00)	-	(50.00)
	Secured non convertible debentures redemption	50.00	-	-	-
	Unsecured non convertible debentures issued	-	(40.00)	-	(40.00)
	Interest paid on non convertible debentures	22.56	-	7.44	-
	Interest subsidy received	2.50	-	1.24	-
	Claim receipts	0.24	-	-	-
4. Bajaj Finserv Direct Ltd. (Fellow subsidiary)	Business support charges paid	24.53	(0.64)	15.99	-
	Sourcing commission paid	24.16	-	-	-
	Assets sale	0.06	0.04	20.61	-
	Assets purchase	0.11	-	-	-
	Other payments	0.93	(0.25)	1.43	(1.43)
(B) Key management personnel and their relatives					
1. Rahul Bajaj (Chairman)	Sitting fees	0.05	-	0.02	-
2. Nanoo Pamnani (Vice Chairman)	Sitting fees	0.11	-	0.04	-
3. Sanjiv Bajaj (Vice Chairman)	Sitting fees	0.11	-	0.04	-
4. Rajeev Jain (Managing Director)	Remuneration	3.19	-	2.76	-
	Fair value of stock options granted	5.89	-	5.39	-
5. Madhur Bajaj (Director)	Sitting fees	0.01	-	0.02	-
6. Rajiv Bajaj (Director)	Sitting fees	0.03	-	0.02	-
7. Dipak Poddar (Director)	Sitting fees	0.01	-	0.03	-
8. Ranjan Sanghi (Director)	Sitting fees	0.07	-	0.03	-
9. D J Balaji Rao (Director)	Sitting fees	0.04	-	0.02	-



Name of the related party and nature of relationship	Nature of transaction	For the half year ended 30 September 2019		For the half year ended 30 September 2018	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
10. Omkar Goswami (Director)	Sitting fees	0.07	-	0.04	-
11. Gita Piramal (Director)	Sitting fees	0.04	-	0.02	-
12. Anami Narayan Roy (Director)	Sitting fees	0.04	-	-	-
13. Naushad Forbes (Director)	Sitting fees	0.04	-	-	-
14. Shekher Bajaj	Nil	-	-	-	-
15. Niraj Bajaj	Nil	-	-	-	-
(C) Other entities					
1. Bajaj Auto Ltd.	Investment in equity shares (₹ 7,685)	-	-	-	-
	Security deposit	-	0.23	-	0.21
	Dividend received (TV ₹ 9,000)	-	-	-	-
	Business support charges paid	13.92	(2.46)	12.85	(0.71)
	Business support charges received	0.08	0.09	0.12	-
	Interest subsidy received	0.03	0.03	9.78	0.16
	Rend paid	0.02	-	-	-
2. Bajaj Holdings & Investments Ltd.	Investment in equity shares (₹ 19,646)	-	-	-	-
	Secured non convertible debentures issued	-	(150.00)	-	-
	Business support charges paid	7.91	-	1.27	-
	Business support charges received	0.25	-	0.17	-
	Dividend received (TV ₹ 2,438, PY TV ₹ 3,000)	-	-	-	-
	Other payments (TV ₹ 4,309)	-	-	0.02	-
3. Mukand Ltd.	Loan given	25.00	36.07	-	34.07
	Principal repayment received	13.35	-	8.56	-
	Income received	2.42	-	2.08	-
4. Hind Musafir Agency Ltd.	Services received	27.52	(1.42)	18.62	(0.29)
5. Bajaj Electricals Ltd	Assets purchased	0.21	0.30	0.21	0.01
	Interest subsidy received (Q2 ₹ 28,305, O/s ₹ 16,605)	0.02	-	-	-
6. Jamnalal Sons Pvt. Ltd.	Contribution to equity (940 shares of ₹ 2 each - ₹ 1880)	-	-	-	-
	Security deposit	-	0.19	-	0.19
	Rent and other expenses	0.25	-	0.24	-
	Dividend paid (TV ₹ 5,640, PY TV ₹ 3,760)	-	-	-	-
7. Maharashtra Scooters Ltd.	Contribution to equity (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
	Secured non convertible debentures issued	-	(140.00)	5.00	(115.00)
	Secured non convertible debentures redemption	-	-	5.00	-
	Interest paid on non convertible debentures	1.46	-	0.84	-
	Business support charges received	0.08	0.03	0.06	0.03
	Dividend paid	11.38	-	7.59	-
(D) Post employment benefit entity					
1. Bajaj Auto Ltd. Provident Fund	Unsecured non convertible debentures issued	-	(52.00)	-	(52.00)
	Interest paid on non convertible debentures	3.53	-	3.54	-
	Provident fund contribution (Employer's share)	15.87	(7.60)	10.20	(5.26)
2. Bajaj Auto Employees Superannuation Fund	Superannuation contribution	-	-	0.01	-
3. Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	-	-	-	-
4. Bajaj Auto Senior Staff Group Gratuity Fund	Gratuity contribution	-	-	-	-

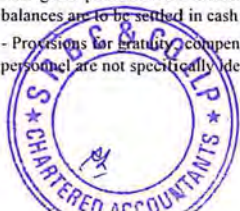
- Transaction values are excluding taxes and duties.

- Amount in bracket denotes credit balance.

- Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.

- Related parties as defined under clause 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms' length basis. All outstanding balances are to be settled in cash and are unsecured except secured non-convertible debentures issued to related parties which are disclosed appropriately.

- Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.



8. Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments

Valuation framework

The Group has an internal fair-value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Group's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held for trading under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model.
- Fair values of other investments under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans have been determined under level 3.

The Group has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

The Group determines fair values of its financial instruments according to the following hierarchy:

Level 1 - valuation based on quoted market price: - financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.

Level 2 - valuation using observable inputs: - financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - valuation technique with significant unobservable inputs: - financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

Quantitative disclosures of fair value measurement hierarchy for assets as at 30 September 2019 (₹ In Crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	30-Sep-19	7,101.21	-	-	7,101.21
Equity instrument classified under FVOCI*	30-Sep-19	-	-	240.02	240.02
Other investments under FVOCI	30-Sep-19	1,836.44	-	-	1,836.44
Loans under FVOCI	30-Sep-19	-	21,959.69	-	21,959.69
Total		8,937.65	21,959.69	240.02	31,137.36

* There is no fair value gain/losses on equity instruments designated under FVOCI.

Quantitative disclosures fair value measurement hierarchy for assets as at 30 September 2018 (₹ In Crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	30-Sep-18	3,282.94	-	-	3,282.94
Equity instrument classified under FVOCI*	30-Sep-18	-	-	225.00	225.00
Other investments under FVOCI	30-Sep-18	718.05	-	-	718.05
Loans under FVOCI	30-Sep-18	-	13,342.58	-	13,342.58
Total		4,000.99	13,342.58	225.00	17,568.57

* There is no fair value gain/losses on equity instruments designated under FVOCI.

Sensitivity analysis of significant unobservable input on the fair value of equity instrument classified under FVOCI

	Sensitivity to fair value as at 30 September 2019 (₹ In Crore)	
	1 % increase	1 % decrease
Discounting rate on Cash flows	(7.34)	7.14
	6.29	(6.64)



Fair value of financial instruments not measured at fair value as at 30 September 2019: (₹ In Crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	993.90	993.90	-	-	993.90
Earmarked balances with banks	1.90	1.90	-	-	1.90
Trade receivables	818.38	-	-	818.38	818.38
Other receivables	1,539.89	-	-	1,539.89	1,539.89
Loans	108,830.58	-	-	109,229.37	109,229.37
Investments	35.21	-	-	31.94	31.94
Other financial assets	418.63	-	-	418.63	418.63
Total financial assets	112,638.49	995.80	-	112,038.21	113,034.01
Financial liabilities					
Trade payables	705.55	-	-	705.55	705.55
Other payables	248.66	-	-	248.66	248.66
Debt securities	51,918.04	-	52,045.67	-	52,045.67
Borrowings (other than debt securities)	46,292.25	-	-	46,292.25	46,292.25
Deposits	17,632.62	-	17,626.88	-	17,626.88
Subordinated debts	4,008.66	-	4,199.07	-	4,199.07
Other financial liabilities	2,523.31	-	-	2,523.31	2,523.31
Total financial liabilities	123,329.09	-	73,871.62	49,769.77	123,641.39

Fair value of financial instruments not measured at fair value as at 30 September 2018: (₹ in Crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	1,171.31	1,171.31	-	-	1,171.31
Earmarked balances with banks	1.63	1.63	-	-	1.63
Trade receivables	831.07	-	-	831.07	831.07
Other receivables	71.97	-	-	71.97	71.97
Loans	81,135.28	-	-	81,422.32	81,422.32
Investments	26.30	-	-	23.69	23.69
Other financial assets	319.42	-	-	319.42	319.42
Total financial assets	83,556.98	1,172.94	-	82,668.47	83,841.41
Financial liabilities					
Trade payables	585.31	-	-	585.31	585.31
Other payables	187.73	-	-	187.73	187.73
Debt securities	37,376.92	-	36,961.62	-	36,961.62
Borrowings (other than debt securities)	29,535.48	-	-	29,535.48	29,535.48
Deposits	11,013.81	-	10,925.64	-	10,925.64
Subordinated debts	3,921.20	-	4,121.77	-	4,121.77
Other financial liabilities	2,066.52	-	-	2,066.52	2,066.52
Total financial liabilities	84,686.97	-	52,009.03	32,375.04	84,384.07



9. Details of issuance of equity and potential equity shares and dividend declared during the period:

a) 1 April 2018 to 30 September 2018**Issue of equity shares :**

The Company has not issued any equity shares of ₹ 2 each pursuant to exercise of stock options granted to the employees.

Issue of potential equity shares :

The Company granted 12,73,416 stock options to employees

Dividend declared :

The Company declared and paid dividend of ₹ 4 per share amounting to ₹ 231.19 crores and dividend tax of ₹ 47.52 crores thereon.

b) 1 April 2019 to 30 September 2019**Issue of equity shares :**

The Company issued 19,25,810 equity shares of ₹ 2 each pursuant to exercise of stock options granted to the employees.

Issue of potential equity shares :

The Company granted 11,23,900 stock options to employees

Dividend declared :

The Company declared and paid dividend of ₹ 6 per share amount to ₹ 347.94 crores and dividend tax of ₹ 71.52 crores thereon.

10. Movement of borrowing :

For the half year ended 30 September 2019 :

(₹ In Crore)

Particulars	As at 31 March 2019	Availment	Repayment	EIR Adjustment***	As at 30 September 2019
Debt securities					
(i) Secured*					
Privately placed redeemable non-convertible debentures/bonds	35,723.96	4,794.10	(3,432.22)	498.90	37,584.74
(ii) Unsecured					
Privately placed partly paid redeemable non-convertible debentures	1,274.81	760.35	-	61.18	2,096.34
Borrowings by issue of commercial papers	9,682.56	35,091.18	(32,975.00)	438.22	12,236.96
Borrowings (other than debt securities)**					
Term loans from banks	34,339.00	10,625.00	(2,399.84)	(10.29)	42,553.87
Cash credit	1,773.93	1,154.06	(1,773.93)	-	1,154.06
Working capital demand loans	796.59	7,975.33	(7,314.01)	(1.54)	1,456.38
Overdraft facility	250.07	735.36	(250.07)	-	735.36
Collateralised borrowing and lending obligation (CBLO) against Government securities	414.85	51,197.81	(51,545.00)	12.33	79.99
Lease Liability [†]	-	357.77	(45.18)	-	312.59
Subordinated debts (Unsecured)					
Privately placed subordinated (Tier II) redeemable non-convertible debentures	4,139.07	-	-	(130.41)	4,008.66
Deposits					
Public	6,828.34	3,792.23	(847.50)	150.26	9,923.33
Other deposits	6,364.65	4,404.42	(3,133.43)	73.65	7,709.29
Total	101,587.83	120,887.61	(103,716.18)	1,092.30	119,851.57

* Secured against Property, Book debts, loan receivable as applicable.

** Secured against Book debts, loan receivable as applicable.

*** Includes Amortization of charges and interest paid during the period.

[†] Availment includes transition impact of Ind AS 116 amounting to ₹ 244.50 crore.



For the half year ended 30 September 2018 :

(₹ In Crore)

Particulars	As at 31 March 2018	Availment	Repayment	EIR Adjustment***	As at 30 September 2018
Debt securities					
(i) Secured*					
Privately placed redeemable non-convertible debentures/bonds	29,423.39	1,290.91	(2,668.93)	126.96	28,172.32
(ii) Unsecured					
Privately placed partly paid redeemable non-convertible debentures	466.36	200.00	-	134.41	800.77
Borrowings by issue of commercial papers	3,681.28	36,013.08	(31,658.00)	367.47	8,403.83
Borrowings (other than debt securities)**					
Term loans from banks	16,894.48	9,150.00	(1,597.50)	(26.06)	24,420.92
Cash credit	1,261.07	1,717.00	(1,261.07)	-	1,717.00
Working capital demand loans	850.77	9,289.00	(8,619.00)	1.67	1,522.44
Overdraft facility	989.41	450.32	(989.41)	-	450.32
Collateralised borrowing and lending obligation (CBLO) against Government securities	1,059.43	162,794.96	(162,470.00)	40.41	1,424.80
Subordinated debts (Unsecured)					
Privately placed subordinated (Tier II) redeemable non-convertible debentures	4,138.16	-	-	-216.96	3,921.20
Deposits					
Public	3,418.50	1,748.17	(494.97)	84.66	4,756.36
Other deposits	4,374.37	4,421.67	(2,591.76)	53.17	6,257.45
Total	66,557.22	227,075.11	(212,350.64)	565.73	81,847.41

* Secured against Property, Book debts, loan receivable as applicable.

** Secured against Book debts, loan receivable as applicable.

*** Includes Amortization of charges and interest paid during the period.

11. Effective 1 April 2019, the Group has adopted Ind AS 116- Leases and applied it to all lease contracts existing on 1 April 2019 using the Modified Retrospective Approach. Based on the same and as permitted under the specific transitional provisions in the standard, the Group has not restated the comparative figures. On transition, the adoption of the new standard resulted in recognition of right-to-use asset and a corresponding lease liability of ₹ 272.25 crore. The effect of this adoption is not material to the profit for the period and earnings per share.



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

As per our report of even date

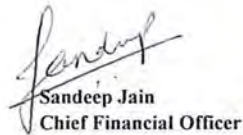
For S R B C & Co LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

For and on behalf of the Board of Directors of
Bajaj Finance Ltd.

per Arvind Sethi
Partner
Membership No. : 089802




Ravi Jain
Managing Director


Sandeep Jain
Chief Financial Officer



Pune: 22 October 2019

Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Statements**Review Report to
The Board of Directors
Bajaj Finance Limited**

1. We have reviewed the accompanying interim condensed consolidated financial statements of Bajaj Finance Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the interim condensed consolidated balance sheet as at September 30, 2019, the related interim condensed consolidated statement of profit and loss (including the statement of comprehensive income), the interim condensed consolidated cash flow statement and the interim condensed consolidated statement of changes in equity for the half year ended September 30, 2019 and a summary of selected explanatory notes (collectively, referred to as the "Interim Condensed Consolidated Financial Statements").
2. The preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with the principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India, is the responsibility of the Holding Company's management and have been approved by the Board of Directors of the Holding Company. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.
3. We conducted our review of the Interim Condensed Consolidated Financial Statements 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 interim financial information 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 Interim Condensed Consolidated Financial Statements are not prepared and presented, in all material respects, in accordance with the Ind AS 34 specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India.
5. The Interim Condensed Consolidated Financial Statements include unaudited interim condensed financial statements and other unaudited financial information in respect of one subsidiary, Bajaj Financial Securities Limited, which have not been audited/ reviewed by its auditors, whose interim financial statements reflect Group's share of total assets of Rs.125.86 crore as at September 30, 2019, Group's share of total revenues of Rs.2.80 crore, Group's share of total net loss after tax of Rs.0.002 crore, Group's share of total comprehensive loss of Rs.0.002 crore and net cash inflows of Rs.7.73 crore for the period from April 1, 2019 to September 30, 2019, as considered in the Interim Condensed Consolidated Financial Statements. These unaudited interim condensed financial statements and other unaudited financial information have been approved and furnished to us by the Holding Company's Management and our conclusion on these Interim Condensed Consolidated Financial Statements, in so far as it relates to the affairs of this subsidiary, is based solely on such unaudited interim condensed financial statements and other unaudited financial information. According to the information and explanations given to us by the Holding Company's Management, these unaudited interim condensed financial statements are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.
6. We report that the amounts appearing in the accompanying Interim Condensed Consolidated Financial Statements for the corresponding half year ended September 30, 2018 in respect of summary of selected explanatory notes are based on management certified accounts of the Group and have not been subjected to any review by us.

SRBC & CO LLP

Chartered Accountants

Bajaj Finance Limited


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7. Further, the amounts and explanatory notes appearing in the accompanying Interim Condensed Consolidated Financial Statements in respect of balance sheet as at March 31, 2019 are based on the audited consolidated financial statements of the Group as at and for the year ended March 31, 2019, on which we had issued an unmodified audit opinion dated May 16, 2019.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Arvind Sethi

Partner

Membership No.: 089802

UDIN: 19089802AAAADS8348

Pune

October 22, 2019