

22 October 2022

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

Dear Sir/Madam,

**Sub: Submission of half-yearly communication**

Pursuant to Regulation 30 & Regulation 51 (Part A and Part B of Schedule III) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of communication on financial performance of the Company for the half year ended 30 September 2022. The same has been circulated to the members and debentureholders through electronic mode.

Copy of Communication is also placed on the Company's website at <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>

Kindly take the same on record.

Thanking you,

Yours sincerely,

For **BAJAJ FINANCE LIMITED**

**R VIJAY**  
**COMPANY SECRETARY**

Email ID: [investor.service@bajajfinserv.in](mailto:investor.service@bajajfinserv.in)

Copy to Catalyst Trusteeship Ltd. (Debenture Trustee, Pune)



**BAJAJ FINANCE LIMITED**

**HALF  
YEARLY  
REPORT  
2022-23**



## Dear Shareholder,

I am pleased to share with you the consolidated financial results of your Company for the half year ended 30 September 2022.

During this half, your Company has made good progress on new features on digital assets and adoption of its Omnipresence strategy. It is on track to go fully digital across products and services on its app and web in Q4 FY23.

On the macro-economic front, inflation has emerged as a key global challenge in the backdrop of surge in energy prices, food and non-food commodities, disruption in global supply chains and rising freight costs. To rein in rising inflation rates, central banks across the world have started adopting monetary tightening viz., raising interest rates and curbing liquidity. The RBI during its Monetary Policy meeting in September 2022 revised its

inflation forecast for FY23 to 6.7% from its earlier projection of 5.7%. To curb inflation to below 6% by end of fiscal year, the RBI started to increase policy rates from 4% in May 2022 to 5.9% now and has sharply reduced systemic liquidity. This along with global tightening may dampen the pace of economic growth which has been revised downward by various agencies.

Given the systemic risks that the sector poses, the RBI issued 'Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs' on 22 October 2021 to make the financial sector sounder and more resilient while allowing a majority of NBFCs to continue under a regulation-light structure. The objective behind this scale based approach is the principle of



“ Your Company has emerged even stronger from the pandemic with highest ever half yearly profit after tax of ₹ 5,377 crore, NNPA of 0.44% and crossed a milestone of ₹ 200,000 crore assets under management which stood at ₹ 218,366 crore as of 30 September 2022. ”

**Sanjiv Bajaj**  
Chairman

proportionality for regulating the non-banking financial companies. The purpose is to calibrate the degree of regulatory prescription based on the systemic importance of NBFCs and the contagion risk they pose to other entities in the financial system. Your Company and one of its subsidiary Bajaj Housing Finance Limited ('BHFL') has been classified under the Upper layer. Your Company and BHFL are well prepared to meet the enhanced regulatory and compliance requirements envisaged under the SBR.

## Consolidated Financial Performance Highlights of H1 FY23 vs H1 FY22

- New loans booked during H1 FY23 grew by 29% to 14.18 MM from 10.96 MM in H1 FY22.
- Assets under management grew by 31% to ₹ 218,366 crore as of 30 September 2022 from ₹ 166,937 crore as of 30 September 2021.
- Deposits book grew by 37% to ₹ 39,422 crore as of 30 September 2022 – contributing 22% of consolidated borrowings.
- Your Company has a healthy liquidity surplus of ₹ 9,288 crore as of 30 September 2022.
- Net interest income for H1 FY23 increased by 39% to ₹ 13,641 crore from ₹ 9,829 crore in H1 FY22.
- Total operating expenses to net interest income for H1 FY23 was 35.9% as against 34.7% in H1 FY22.
- Loan losses and provisions for H1 FY23 was ₹ 1,489 crore as against ₹ 3,051 crore in H1 FY22. Your Company holds a management and macro-economic overlay of ₹ 1,000 crore as of 30 September 2022.
- Profit before tax for H1 FY23 increased by 115% to ₹ 7,255 crore from ₹ 3,370 crore in H1 FY22.
- Profit after tax for H1 FY23 increased by 117% to ₹ 5,377 crore from ₹ 2,483 crore in H1 FY22.
- Gross NPA and Net NPA as of 30 September 2022 stood at 1.17% and 0.44% respectively, as against 2.45% and 1.10% as of 30 September 2021. Your Company has provisioning coverage ratio of 62% on stage 3 asset and 120 bps on stage 1 and stage 2 assets as of 30 September 2022.
- Capital adequacy ratio (including Tier-II capital) as of 30 September 2022 stood at 25.13%. The Tier-I capital was 23.14%.

## A synopsis of financial performance of subsidiaries

### Bajaj Housing Finance Limited (BHFL)

- Assets under management grew by 42% to ₹ 62,931 crore as of 30 September 2022 from ₹ 44,429 crore as of 30 September 2021.
- Net interest income for H1 FY23 increased by 62% to ₹ 1,184 crore from ₹ 731 crore in H1 FY22.
- Loan losses and provisions for H1 FY23 was ₹ 36 crore as against ₹ 87 crore in H1 FY22. BHFL holds a management and macro-economic overlay of ₹ 242 crore as of 30 September 2022.
- Profit after tax for H1 FY23 increased by 90% to ₹ 622 crore from ₹ 327 crore in H1 FY22.
- Gross NPA and Net NPA as of 30 September 2022 stood at 0.24% and 0.11% respectively, as against 0.39% and 0.24% as of 30 September 2021. BHFL has provisioning coverage ratio of 54% on stage 3 assets and 74 bps on stage 1 and 2 assets as of 30 September 2022.
- Capital adequacy ratio (including Tier II capital) as of 30 September 2022 stood at 24.58%.

## Bajaj Financial Securities Limited (BFinsec)

- Customer franchise as of 30 September 2022 stood at approximately 446,200. During the half year, BFinsec acquired approximately 115,200 customers.
- Margin trade financing (MTF) book stood at ₹ 692 crore as of 30 September 2022 as against ₹ 564 crore as of 30 September 2021.
- Total income for H1 FY23 was ₹ 85 crore as against ₹ 47 crore in H1 FY22.
- Profit after tax for H1 FY23 was ₹ 2 crore.

## Update on key business developments and initiatives during the period

- Customer franchise grew by 19% to 62.9 MM as of 30 September 2022 from 52.8 MM as of 30 September 2021. Your Company's customer franchise grew by 5.3 MM in H1 FY23.
- Expanded geographic reach from 3,329 locations as at 30 September 2021 to 3,685 locations as at 30 September 2022.
- Expanded the EMI Network from nearly 107,000 stores as at 30 September 2021 to almost 129,000 stores as at 30 September 2022.

- Existing Member Identification (EMI) card franchise stood at 32.8 MM Cards in force (CIF) as of 30 September 2022.
- Your Company has nearly 3.15 MM co-brand credit cards in partnership with two banks as of 30 September 2022.
- Your Company is progressing well on its Omnipresence financial services strategy across Geography, App, web and payments.
- Your Company has made good progress on download and adoption of its new app. It has 26.6 MM net users as of 30 September 2022.
- Your Company has over 11.8 MM Bajaj pay wallet users as of 30 September 2022.
- Your Company has the highest credit rating of AAA/Stable from CRISIL, ICRA, CARE and India Rating for its long-term debt programme and A1+ from CRISIL, ICRA and India Ratings for its short-term debt programme. Your Company's deposit programme is rated the highest with credit rating of CRISIL AAA/Stable and ICRA AAA/Stable.
- Your Company has long-term issuer credit rating of 'BB+/Stable' and a short-term issuer credit rating of 'B' by S&P Global Ratings.

- Your Company launched a non-captive two-wheeler financing business on 6 July 2022. The product offers consumers a full stack two-wheeler marketplace and full suite of point-of-sale capabilities. Given the large franchise, your Company is confident of significantly growing this business over the next 12-18 months.

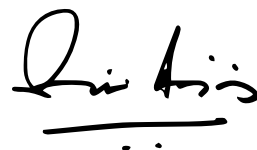
Detailed updates on the above initiatives and achievements including progress of your Company's Omnipresence strategy are given in the investor presentations for Q1 and Q2 FY23. I urge you to refer to the same.

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

Your Company remains focused on strong and sustainable growth trajectory.

I would like to thank you for your continued support and wish you and your family a very happy Diwali and a prosperous New Year.

With my very best,



**Sanjiv Bajaj**  
Chairman  
22 October 2022

## Annexure A

### Highlights of the consolidated financial results for H1 FY23

(₹ in crore)

Particulars	H1 FY23	H1 FY22	Growth HoH %	FY22
New loans booked (nos. in MM)	14.18	10.96	29%	24.68
Assets under management	218,366	166,937	31%	197,452
Receivables under financing activity	212,721	160,808	32%	191,423
Interest income	16,430	12,644	30%	27,277
Fees, commission and other income	2,697	1,668	62%	4,043
Net gain on fair value changes on investments	130	168	(23%)	328
<b>Total income</b>	<b>19,257</b>	<b>14,480</b>	<b>33%</b>	<b>31,648</b>
Interest expenses	5,616	4,651	21%	9,748
<b>Net interest income</b>	<b>13,641</b>	<b>9,829</b>	<b>39%</b>	<b>21,900</b>
Total operating expenses	4,897	3,408	44%	7,593
Loan losses and provisions	1,489	3,051	(51%)	4,803
<b>Profit before tax</b>	<b>7,255</b>	<b>3,370</b>	<b>115%</b>	<b>9,504</b>
<b>Profit after tax</b>	<b>5,377</b>	<b>2,483</b>	<b>117%</b>	<b>7,028</b>
Earnings per share (face value ₹ 2):				
Basic (₹)	89.07	41.24		116.64
Diluted (₹)	88.59	40.95		115.79

#### Bajaj Finance Limited

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**Website:** [www.bajajfinserv.in/corporate-bajaj-finance](http://www.bajajfinserv.in/corporate-bajaj-finance)

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