12th ANNUAL REPORT 2019-20

BAJAJ HOUSING FINANCE LIMITED

CONTENTS

CORPORATE INFORMATION

Board of Directors

Nanoo Pamnani
Chairman (up to 22 February 2020)

Sanjiv Bajaj
Chairman (w.e.f. 18 May 2020)

Rajeev Jain
Managing Director

Lila Poonawalla

Dr. Omkar Goswami (w.e.f. 19 May 2020)

Anami N Roy (w.e.f. 19 May 2020)

Audit Committee

Lila Poonawalla
Chairperson

Sanjiv Bajaj

Dr. Omkar Goswami

Nomination and Remuneration Committee

Lila Poonawalla
Chairperson

Sanjiv Bajaj

Anami N Roy

Corporate Social Responsibility Committee

Sanjiv Bajaj
Chairman

Rajeev Jain

Lila Poonawalla

Risk Management Committee

Lila Poonawalla
Chairperson

Sanjiv Bajaj

Rajeev Jain

Atul Jain

Gaurav Kalani

Niraj Adiani

Anurag Jain

Chief Executive Officer

Atul Jain

Chief Financial Officer

Gaurav Kalani

Company Secretary

R Vijay

Auditors

S R B C & CO LLP
Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye
Practising Company Secretary

Bankers

State Bank of India

Canara Bank

Union Bank of India

HDFC Bank

ICICI Bank

IndusInd Bank

Axis Bank

Central Bank of India

Bank of Baroda

Registrar and Transfer Agent

KFin Technologies Pvt. Ltd.
(earlier known as Karvy Fintech Pvt. Ltd.)
Selenium Tower B, Plot 31–32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032
Tel. No. 040-6716 2222
Email ID: einward.ris@kfintech.com

Debenture Trustee

Catalyst Trusteeship Ltd.
GDA House, Plot No. 85,
Bhusari Colony (Right),
Paud Road, Pune – 411 038
Tel No.: (020) 25280081
Email ID: dt@ctltrustee.com

Registered Office

Bajaj Auto Ltd. Complex,
Mumbai-Pune Road, Akurdi,
Pune – 411 035

Corporate Office

5th Floor, B2 Cerebrum IT Park,
Kumar City, Kalyani Nagar
Pune – 411 014

CIN: U65910PN2008PLC132228

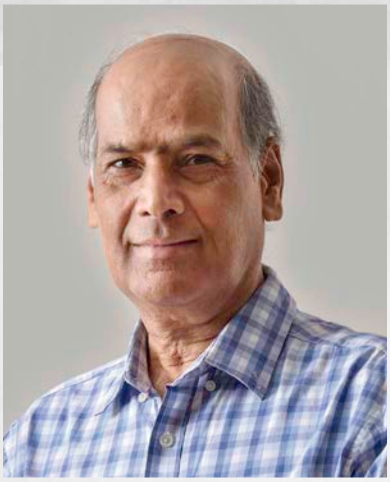
LEADING THE WAY


Sanjiv Bajaj


Rajeev Jain


Lila Poonawalla


Dr. Omkar Goswami


Anami N Roy


Atul Jain

MANAGEMENT DISCUSSION AND ANALYSIS

Bajaj Housing Finance Ltd. ('BHFL' or 'the Company') is registered with National Housing Bank (NHB) as a Housing Finance Company (HFC). It is a 100% subsidiary of Bajaj Finance Ltd. ('BFL'). BHFL is engaged in the business of mortgage lending since 2017-18.

The COVID-19 Pandemic and Lockdown

We are amidst unprecedented times. The COVID-19 pandemic has spread across the world — leading to well above 4.6 million confirmed infections, over 308,000 deaths, enormous human suffering and a full stop on virtually all commercial and economic activities. Even India, apparently relatively fortunate up to now, has had over 86,000 confirmed cases and more than 2,750 deaths. With lockdowns spreading across countries accounting for over 50% of the world's gross domestic product (GDP), it has caused disruptions on an unimaginable scale. Nobody really knows how long the pandemic will last; whether it will increase in the winter of 2020-21 and if so how, and what will be its final toll on lives and livelihood.

In India too, which implemented a lockdown since 25 March 2020, the pandemic has created shocks ripping through society and the world of business. After a nationwide lockdown involving 1.35 billion people over 55 continuous days, the debate is now on how to gradually open the economy without seriously risking a major spike in infections — something that India's frail medical facility can ill cope with.

As we write this, the Government of India has announced lockdown 4.0 from 18 May 2020 till 31 May 2020. Containment zones in cities and metropolises continue to remain locked down and local authorities are to intensify focus on containment zones and the so-called 'buffer zones', with some relaxations in non-containment zones. Efforts are being made to carefully open up economic activities including construction, factories, shops and stores across most parts of the country with adequate social distancing, use of masks and other stringent health protocols. Even so, returning to the pre-COVID-19 normal seems a long way away. The exit path from such a massive lockdown will be precarious with uneasy consumers, tricky health protocols and an irregular, downbeat business rhythm that will inhibit efficiency.

A group of empirically sound and carefully trained economists have been attempting to estimate what might be the impact of the pandemic in the financial year 2020-21 (FY2021). The consensus seems to be that real GDP growth may drop from 4.9% - 5% in FY2020 to (-)0.5% in FY2021. According to this group of economists, Q1 FY2021 will show zero or negative growth; Q2 FY2021 will see some limping back; and H2 FY2021 will see a gradual pickup in growth which, unfortunately, may not be sufficient to take the full year's GDP growth into the positive territory. Frankly speaking, we do not know. What we can say quite clearly is that FY2021 will be the most difficult year that we have seen for a very long time. Not just us in India, but across much of the world.

In response, governments across the world have unleashed massive fiscal measures to protect economic activity and dramatically strengthen health services and testing. Central banks, too, have initiated multiple monetary and regulatory measures.

India, too, has initiated relief measures. The Government of India announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating ₹ 20 lakh crore — or approximately 10% of nominal GDP — which covered among others (i) direct cash transfers and food security for vulnerable sections of society, (ii) collateral free loans and concessional credit to farmers and street vendors, (iii) enhancement of systemic liquidity by the Reserve Bank of India (RBI), (iv) special liquidity and partial credit guarantee scheme to provide liquidity to NBFCs, HFCs, MFIs and mutual funds, (v) 100% credit guarantee scheme for aggregate ₹ 3 lakh crore of emergency credit lines by banks and NBFCs to their MSME borrowers, and (vi) subordinated debt and equity support to MSMEs. The Government has also initiated compliance relief measures across various regulatory requirements. The RBI has initiated several measures like reduction in policy rates, monetary transmission, credit flows to the economy and providing relief on debt servicing.

BHFL took immediate steps to handle this force majeure situation, some of which have been:

- Keeping employee safety as the topmost priority, and so ensuring that all employees moved immediately to 'Work-from-Home' (WFH). All employees were advised to strictly follow lockdown guidelines of the Government;
- Activating the Company's business continuity plans. As a result, BHFL continued operating under a WFH protocol;
- IT team of the Company moved in swiftly to ensure availability of sufficient bandwidth, setting up virtual private networks and making available multiple platforms for collaboration and team meetings over digital media;
- Triggering business continuity plans — for servicing and recovery; and
- Engaging all business partners digitally and through WFH protocol for business continuity.

The situation is still evolving and it is not possible to hazard a guess on how this pandemic will evolve. On its part, BHFL will be focusing on capital preservation, balance sheet protection, conservative liquidity management, operating expenses management and strengthening collections.

Macroeconomic overview

A brief summary of the year gone by and the emerging trends in the wake of COVID-19 pandemic are discussed below.

FY2020 began with an expectation that the year would witness a slowdown in the growth owing to a significant moderation in economic activity. Recognising the economic headwinds, the Government of India undertook various measures to boost growth — which included a substantial tax relief to the corporate sector to facilitate investments. Even without the terrible effects of COVID-19, India's GDP growth was rapidly slowing down. It was 5.9% in January-March 2019; fell to 5.6% in April-June 2019; then yet again to 5.1% in July-September 2019; followed by 4.7% growth in October-December 2019. At the time of writing this Management Discussion and Analysis, we do not have the official data for GDP growth in the fourth quarter of FY2020 (i.e. January-March 2020).

Before the COVID-19 pandemic and lockdown, both the RBI and the Central Statistical Office (CSO) of the Government of India had revised the GDP growth rate downwards. The RBI changed its full year GDP growth estimate from an initial 7.2% to 6% in February 2020. In a similar vein, the second advance estimates of national income for FY2020 released by the CSO on 28 February 2020 was substantially lower: GDP growth for FY2020 was pegged at 5% — a decadal low — compared to 6.1% in the financial year FY2019; and growth in gross value added was estimated at 4.9% in FY2020 versus 6% in FY2019. Table 1 gives the data on real GDP and gross value added (GVA) growth over the last four financial years.

Table 1: Growth in real GDP and GVA, India

	FY2017 (3rd RE)	FY2018 (2nd RE)	FY2019 (1st RE)	FY2020 (E)
Real GDP growth	8.3%	7.0%	6.1%	5.0%
Real GVA growth	8.0%	6.6%	6.0%	4.9%

Source: Government of India, CSO. (E) denotes estimate and (RE) denotes revised estimate.

In line with slowdown in economic growth in FY2020, bank credit recorded a dismal 6.1% year on year growth as of 27 March 2020 — largely driven by growth in personal loans. Credit growth to industry and services has been decelerating sharply.

Systemic liquidity remained in surplus territory since June 2019. The domestic money market conditions tightened considerably since the onset of COVID-19, with the bond markets witnessing a sharp rise in yields on the back of sustained Foreign Portfolio Investor (FPI) selling. Continuous redemption pressures and an overall risk aversion have elevated yields on all fixed income segments like commercial papers and corporate bonds.

The outlook for the coming year is expected to be extremely demanding. In the current situation, lending businesses face four truly daunting challenges of (i) disruption in business acquisition, (ii) providing customers adequate relief on their debt servicing obligations, (iii) dealing with a weakened customer service and debt recovery infrastructure, and (iv) continuing to service their own debt.

To overcome the COVID-19 crisis, governments across the world will look to the financial sector to help in reviving their economies. Having stated our concerns, given BHFL's healthy capital adequacy, strong liquidity position and robust risk metrics, we at BHFL are confident of successfully dealing with these challenges in FY2021.

Industry overview

Housing finance market has seen a steady growth over the years with the overall share of outstanding individual housing loans of banks and HFCs to GDP (at market prices) having increased from 6.6% in 2010-11 to 9.6% in FY2019 (source NHB Annual report 2018-19). However, the growth in the housing finance sector has witnessed a moderation since FY2019 in the backdrop of a slowdown in economic activity.

While the importance of HFC sector in credit intermediation continued to grow, repayment default by a systemically important NBFC in September 2018 brought the focus on asset-liability mismatches (ALM) of the NBFCs and HFCs. The Government of India announced a partial credit guarantee scheme for first loss of up to 10% for 6 months to public sector banks to buy high rated pooled assets of NBFCs and HFCs of up to ₹ 100,000 crore to enable funding.

During FY2020, the transition of supervision of HFCs from NHB to RBI was announced, with this change all players in the housing finance sector are now governed by a single regulator. Also, with banks transitioning to external benchmark linked pricing of loans, there would be greater transparency in pricing of home-loans across various providers of finance to home loan buyers.

In order to provide a growth impetus to the housing sector multiple policy measures were announced, some of which were:

- reduced GST on certain category of housing,
- income tax relief for home loan customers and developers of affordable housing,
- measures to introduce liquidity for home loan providers like (i) relaxation of on-lending guidelines (ii) relaxation of minimum holding periods in securitisation/assignment guidelines and (iii) NHBs Liquidity infusion facility (LIFt)

COVID-19 will impact demand for home loans and further accentuate the ALM challenges of the HFC sector. The RBI's moratorium measures for customers is likely to put additional stress on many HFCs.

To ease liquidity pressure on NBFCs and HFCs, the RBI has taken multiple actions including a Targeted Long-Term Repo Operation (TLTRO) for the sector of ₹ 50,000 crore and a special financing window through SIDBI, NABARD and NHB of another ₹ 50,000 crore to enable financing NBFCs and HFCs. It remains to be seen whether the RBI will open a direct window to support the NBFC and HFC sector.

The COVID-19 pandemic is also expected to result in a deterioration in the asset quality of the financial sector. HFCs too will face similar pressures. Early indicators of non-delinquent customers opting for moratoriums reflect a considerable level of anxiety from customers. It remains to be seen how this anxiety eases when economic activities resume. A long-drawn lockdown or frequent lockdowns of economic activities may require RBI to frame forbearance schemes for impacted customers without impacting asset classification.

The Company

BHFL (earlier known as 'Bajaj Financial Solutions Ltd.') was incorporated as a subsidiary of Bajaj Finserv Ltd. ('BFS') on 13 June 2008. It was acquired by BFL in November 2014 with the intent to conduct housing finance business in a dedicated subsidiary company. The Company's name was changed to Bajaj Housing Finance Ltd. on 14 November 2014 and it received its certificate of registration from NHB as a Housing Finance Company on 24 September 2015.

BHFL started full scale operations effective February 2018. BHFL closed FY2020 with Assets under management (AUM) of ₹ 32,705 crore compared to ₹ 17,562 crore as at the end of FY2019 – which represented a growth of 86%.

During the year, BHFL raised equity capital of approximately ₹ 1,500 crore by way of rights issue to BFL of 1,333,333,329 equity shares of face value of ₹ 10 at a price of ₹ 11.25 per equity share (inclusive of premium of ₹1.25 per equity share). The Company's net worth was ₹ 5,585 crore as at 31 March 2020.

Performance highlights, FY2020

Performance highlights of FY2020 are given below:

- Assets under management grew by 86% to ₹ 32,705 crore.
- Total income increased by 130% to ₹ 2,646 crore.
- Net interest income rose by 122% to ₹ 1,030 crore.
- Total operating cost to net interest income improved significantly to 33% from 64% in FY2019.
- Impairment on financial instruments was ₹ 124 crore – included a contingency provision of ₹ 50 crore for COVID-19.
- Gross NPA and Net NPA was at 0.08% and 0.05%, respectively, among the lowest across all HFCs.
- Profit before tax (PBT) increased sharply by 281% to ₹ 567 crore.
- PAT grew by 283% to ₹ 421 crore.
- As on 31 March 2020, capital adequacy was 25.15% – well above the NHB norms of 13%.

BHFL focusses on the following business verticals: (i) home loans, (ii) loan against property (iii) lease rental discounting, (iv) developer loans and (v) rural mortgage loans.

BHFL's capital adequacy stood at a healthy 25.15% as on 31 March 2020 which was well above the regulatory stipulated norms of 13%. Its tier I capital adequacy was 24.48%.

BHFL continued to prudently manage its asset liability management (ALM) with a mix of short term and long-term borrowings from banks and money market. It has a comprehensive liquidity management framework and maintains an abundant liquidity buffer to manage liquidity risk. The Company had a liquidity buffer of ₹ 3,150 crore as at the end of FY2020.

The Company enjoys highest long-term credit rating of AAA (Stable) by CRISIL and IND AAA (Stable) by India Ratings and highest short-term credit rating of CRISIL A1+ by CRISIL and IND A1+ by India Ratings. As on 31 March 2020, BHFL's total borrowings stood at ₹ 25,600 crore.

Assets under management: A Snapshot

Table 2 breaks down the AUM across the major business verticals.

Table 2: Assets under management

(₹ In Crore)

Assets Under Management	FY2020	FY2019	Growth (in %)	Share of total (FY2020)
Housing loans (including top ups)	21,435	11,584	85%	66%
Loan against property	3,996	2,176	84%	12%
Lease rental discounting	2,940	1,705	72%	9%
Developer loans	1,774	705	152%	5%
Rural mortgage loans	1,629	860	89%	5%
Other loans	931	532	75%	3%
Total	**32,705**	**17,562**	**86%**	**100%**

Business update

Home loans

BHFL offers home loans to mass affluent salaried customers in 32 locations across India for amounts ranging from ₹ 3 million to ₹ 15 million. It offers home loans for ready to move in homes as well as those under construction. It follows a micro-market presence strategy using a mix of direct and indirect channels with focus on pre-launch and approved project finance led acquisition. As on 31 March 2020, the home loans business had AUM of ₹ 21,435 crore, a growth of 85% over FY2019.

Loan against property

BHFL offers loans against property (LAP) to SMEs, MSMEs, self-employed individuals and professionals against mortgage of their residential and commercial properties. The LAP business is operational in 15 locations across India. BHFL acquires its LAP business predominantly through its 'direct to customer' channel which enables lower cost of acquisition and higher customer retention. It ended FY2020 with AUM of ₹ 3,996 crore, a growth of 84% over FY2019.

Lease rental discounting

BHFL focusses on high net worth individuals (HNIs) and developers for their lease rental discounting needs with loan amounts ranging from ₹ 5 crore to ₹ 200 crore. It offers this product across 8 cities in India. Moreover, it offers financing against lease rental cashflows of commercial properties occupied by prominent lessees under a long-term lease contract. It ended FY2020 with AUM of ₹ 2,940 crore, a growth of 72% over FY2019.

Developer loans

BHFL offers construction finance and inventory finance to small to mid-size developers with strong track record of timely delivery of projects and loan repayments. It is present in 8 locations across the country. Developer relationships enable BHFL to acquire retail customers for home loans. Inventory finance is offered to developers against their unsold completed construction inventory. The repayments for these loans are secured through escrow arrangement. Developer loans AUM, as at 31 March 2020, stood at ₹ 1,774 crore.

Rural mortgage loans

BHFL offers home loans and loans against property to salaried and self-employed customers across 73 small towns in India. Rural mortgages business operates at an average loan value of nearly ₹ 1.3 million per customer. This business helps BHFL widen its geographic reach and reduce portfolio concentration risk. It closed FY2020 with AUM of ₹ 1,629 crore, a growth of 89% over FY2019.

Partnerships and services

In partnership with various financial service providers, the Company offers the following products to its customers: life insurance, general insurance, health insurance, online primary healthcare, property search services and other financial services products.

Financial performance

Table 3 gives BHFL's financial performance for FY2020 vis-à-vis the FY2019.

Table 3: BHFL's financials

(₹ In Crore)

Particulars	FY2020	FY2019	% Change over FY2019
Total income	2,646	1,150	130
Interest and finance charges	1,616	685	136
Net interest income	**1,030**	**465**	**122**
Total operating expenses	339	297	14
Pre-provisioning operating profit	**691**	**168**	**311**
Loan losses and provisions	124	25	396
Profit before exceptional item and tax	567	143	297
Exceptional item	-	6	(100)
Profit before tax (PBT)	**567**	**149**	**281**
Profit after tax (PAT)	**421**	**110**	**283**
Other comprehensive income/(expenses)	(1)	(2)	(50)
Total comprehensive income	**420**	**108**	**289**
Earnings per share (EPS) basic, in ₹	1.12	0.52	

Risk management and portfolio quality

As a HFC, BHFL is exposed to credit, liquidity and interest rate risk. It continues to invest in talent, processes and emerging technologies for building advanced risk and underwriting capabilities.

BHFL has a well-defined risk governance structure which provides for identification, assessment and management of risks. Risk management involves making decisions and establishing governance systems that embed and support effective risk process, as well as building an organisational culture that supports agility. The Company has a Risk Management Committee (RMC) that comprises of its directors and members of its senior management team.

BHFL's balanced approach to portfolio management coupled with a rigorous portfolio review mechanism has enabled it to pick up early warning signals and take corrective actions. BHFL loan portfolio continues to remain healthy and in the growth mode.

A robust governance framework ensures that Board and its Committees approve risk strategies and delegates credit authorities, and robust underwriting practices and continuous risk monitoring ensure that portfolios stays within acceptable risk levels. BHFL follows NHB prudential norms for asset classifications and Expected Credit Loss (ECL) model prescribed under Ind AS for provisioning.

The unprecedented health scare caused by COVID-19 which led to a countrywide lockdown is going to have a varying impact on different sectors of the economy. Salaried individuals may have to contend with a scenario of reduced income and/or job losses. Corporates, SMEs and MSMEs will struggle on account of reduced economic activities and business rhythm that is no longer efficient due to severe disruption in both demand and supply. All these will lead to major cash flow constraints and erosion in the asset value. These developments in turn will severely test risk management framework across financial sector; BHFL will be no exception.

To provide relief on debt servicing obligations, the RBI has permitted financial institutions to offer moratorium to their borrowers on instalments falling due between 1 March 2020 to 31 May 2020. With uncertainties about the pace of easing of the lockdown restrictions, the time needed to restart the economy and attaining some level of normalcy, the servicing of debt obligation by these customers need to be monitored closely.

Based on early indicators of moratorium and delayed payment metrics observed in April 2020, the Company has made a contingency provision of ₹ 50 crore for COVID-19 in FY2020.

Asset liability management (ALM)

BHFL had a total borrowing of ₹ 25,600 crore as on 31 March 2020. It has a robust Asset Liability Committee ('ALCO') and Investment committee which meets every month and continuously monitors asset-liability mismatches to ensure that there are no imbalances on either side of the Balance Sheet.

The ALM position of BHFL is based on the maturity buckets as per the guidelines issued by NHB. BHFL assesses behavioralised maturity pattern of its assets and liabilities and maintains adequate liquidity for its business. BHFL has maintained its ALM position well within the 15% negative mismatch permissible for 0 to 14 days and 14 days to 30 days individually, and cumulative mismatch up to 1 year bucket under the extant NHB norms. Its liquid investments as on 31 March 2020 were ₹ 3,150 crore.

BHFL has an Asset Liability Committee as required under NHB circular no Ref. NHB ND/DRS/Pol-No.35/2010-11 dated October 11,2010 to monitor its ALM. It also has an Investment policy which covers interest rate and market risk. ALCO and Investment committee meets every month to review macroeconomic conditions affecting housing finance business, liquidity situation and interest rate environment, and provide direction to treasury on fund planning and business metrics. The Company also has a board approved Interest rate and currency risks hedging policy to hedge itself for any adverse movement in interest rate and currency risk and it continuously tracks the movements across these metrics.

Customer service

Mortgages is a long duration product and a high involvement buying decision for the customer-which involves frequent and regular interactions. To enable a transparent, convenient and hassle-free customer experience, our dedicated team of customer service coupled with transparent operations enabled by strong technology infrastructure helps us to be responsive to our customers and maintain high standard of customer service. Digital communication, continuous customer feedback and transparency remain key focus areas of the Company while engaging with customers.

Human resources

Employees are the company's most valuable assets. BHFL focusses on continuous training and upgrading the work skills of its employees. It runs various induction and training programmes throughout the year in functional areas as well as in the areas of leadership, soft skills, train the trainer, etc. As on 31 March 2020, BHFL had 2,404 employees.

Internal control systems and their adequacy

BHFL has instituted adequate internal control systems commensurate with the nature of its business and the size of its operations. Internal audit is carried out by an internal team to evaluate the adequacy of all internal controls and processes. All significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Audit Committee comprises of three directors of which two are independent. The Audit committee reviews the internal audit reports and the adequacy and effectiveness of internal control.

Fulfilment of the NHB's norms and standards

BHFL fulfils and often exceeds norms and standards laid down by the NHB relating to the recognition and provisioning of non-performing assets and capital adequacy, etc. The capital adequacy ratio of the Company was 25.15% as of 31 March 2020, which is well above the NHB norm of 13%.

Key ratios

Table 4 gives a summary of key ratios for FY2020 vis-a-vis FY2019.

Table 4: BHFL's key ratios

Ratios	FY2020	FY2019
Net interest income to average loans	4.55%	4.45%
Total operating expenses to NII	32.91%	63.87%
Return on equity (ROE)	9.12%	4.22%
Capital to risk-weighted assets ratio (CRAR)	25.15%	25.81%
Tier I	24.48%	25.32%
Tier II	0.67%	0.49%
Gross NPA	0.08%	0.05%
Net NPA	0.05%	0.04%
Provisioning coverage ratio (PCR)	38.02%	35.37%
EPS - Basic (₹)	1.12	0.52
Diluted (₹)	1.12	0.52

Cautionary statement

Some statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.

DIRECTORS' REPORT

Your directors present the twelfth Annual Report and audited financial statements for FY2020.

Sad demise of Nanoo Pamnani

At the outset, your directors express their profound grief on the sudden and sad demise of Nanoo Pamnani, Chairman and independent director of Bajaj Housing Finance Ltd. (the 'Company') who passed away on 22 February 2020.

His association with the Company began on 22 January 2018 when he joined the Board. He was the Chairman and Member of several Committees of the Board.

The Board places on record its sincere appreciation for guidance and mentorship provided by Nanoo Pamnani as an Independent Director and Chairman of the Company and acknowledges his valuable contribution towards the performance of the Company.

COVID-19 pandemic

The worldwide pandemic of COVID-19 has caused a huge disruption creating an unprecedented impact on the financial well-being of nations, corporations and individuals. A detailed discussion on impact of COVID-19 on the HFC sector and operations of the Company is covered in 'Management Discussion and Analysis'.

Financial results

The highlights of financial results are as under:

(₹ In Crore)

Particulars	FY2020	FY2019	% change over FY2019
Total income	2,646	1,150	130
Finance costs	1,616	685	136
Net interest income (NII)	**1,030**	**465**	**122**
Total operating expenses	339	297	14
Pre-provisioning operating profit	**691**	**168**	**311**
Impairment on financial instruments	124	25	396
Profit before exceptional item and tax	**567**	**143**	**297**
Exceptional item	–	6	(100)
Profit before tax (PBT)	**567**	**149**	**281**
Profit after tax (PAT)	**421**	**110**	**283**
Retained earnings as at the beginning of the year	**82**	**(4)**	**2,150**
Profit after tax (PAT)	421	110	283
Other comprehensive income on defined benefit plan	(1)	(2)	(50)
Retained earnings before appropriations	**502**	**104**	**382**
Appropriations			
Transfer to reserve fund u/s 29C of the NHB Act, 1987	84	22	282
Retained earnings as at the end of the year	**417**	**82**	**409**

AIM FOR THE STARS

NANOO PAMNANI

(05.04.1945 - 22.02.2020)

Transfer to Reserve Fund

As per section 29C of National Housing Bank Act, 1987, HFCs are required to transfer a sum not less than 20 per cent of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of ₹ 84.27 crore to reserve fund.

Subsidiaries, associates and joint ventures

The Company does not have any subsidiary, associate or joint venture company as on the date of this Report. Accordingly, Form AOC-1 is not attached to the financial statements.

Dividend

The directors do not recommend any dividend for the consideration of members at the ensuing annual general meeting (AGM).

Share capital

The Company, on 5 February 2020, raised equity capital of approximately ₹ 1,500 crore by issuing 1,333,333,329 equity shares at a price of ₹ 11.25 per share (inclusive of premium of ₹ 1.25 per equity share), being the book value of shares as on 31 December 2019. The equity shares were issued by way of rights issue to the holding company, i.e., Bajaj Finance Ltd. (BFL). The infused funds have been utilised for general business purpose.

As on 31 March 2020, paid-up share capital of the Company stood at ₹ 4,883.33 crore comprising of 4,883,333,329 equity shares of face value ₹ 10 fully paid up.

Increase in borrowing powers

Pursuant to section 180(1)(c) of the Companies Act, 2013 (the 'Act'), the borrowing limits approved by the shareholders which may be exercised by the Board, presently stand at ₹ 55,000 crore.

Working results

The Company had a good year of operations, aided by strong growth across all its lines of businesses.

- AUM as on 31 March 2020 was ₹ 32,705 crore as compared to ₹ 17,562 crore as on 31 March 2019, representing an increase of 86% over the previous year.
- Loan receivables as on 31 March 2020 was ₹ 27,975 crore as compared to ₹ 17,332 crore as on 31 March 2019, an increase of 61% over the previous year.
- Total income during FY2020 increased to ₹ 2,646 crore from ₹ 1,150 crore during FY2019 registering a growth of 130% over the previous year.
- Total operating cost to net interest income improved significantly to 33% from 64% in FY2019.
- Impairment on financial instruments was ₹ 124 crore, which included a contingency provision of ₹ 50 crore for COVID-19. The Company ended FY2020 with a Gross NPA of 0.08% and Net NPA of 0.05%.
- Profit before tax for FY2020 was ₹ 567 crore as against ₹ 149 crore for FY2019, an increase of 281% over the previous year.
- The profit after tax for FY2020 was ₹ 421 crore as compared to ₹ 110 crore for FY2019, an increase of 283% over the previous year. This has been due to the Company's healthy net interest margin, operating efficiencies and prudent risk management.

Moratorium of loans

The Reserve Bank of India, issued guidelines on 27 March 2020 permitting all commercial banks, co-operative banks, all-India Financial Institutions and NBFCs (including housing finance companies and micro-finance institutions) ("lending institutions") to give moratorium to customers on payment of instalments falling due between 1 March 2020 to 31 May 2020. Accordingly, the Company started offering moratorium to its customers basis a Board approved policy.

Operations

Detailed information about the operations and the state of affairs of the Company are covered in the 'Management Discussion and Analysis'.

Annual return

The extract of annual return as provided under section 92(3) of the Act, in the prescribed form MGT-9 is annexed to this Report and is also hosted on the Company's website at https://www.bajajhousingfinance.in/annual-reports

Directors and key managerial personnel (KMP)

A. Change in Directorate:

Nanoo Pamnani, the Chairman of the Company passed away on 22 February 2020 and consequently ceased to be a director of the Company.

Apart from the above, there has been no other change in the Board composition during FY2020. The Board at its meeting held on 18 May 2020, based on the recommendation of Nomination and Remuneration Committee, appointed Dr. Omkar Goswami (DIN: 00004258) and Anami N Roy (DIN: 01361110) as additional and independent directors for a period of 5 years with effect from 19 May 2020. In the opinion of the Board, Dr. Omkar Goswami and Anami N Roy possess integrity, requisite expertise and experience (including proficiency). The Board also, at the said meeting, appointed Sanjiv Bajaj (DIN: 00014615) as the Chairman of the Board.

Resolutions seeking approval of members for the appointment of independent directors forms part of notice convening the 12th AGM. Necessary details regarding their appointment as required under the Act are given in the notice of AGM.

B. Directors liable to retire by rotation:

Rajeev Jain, Managing Director (DIN: 01550158) retires by rotation at the ensuing AGM, being eligible, offers himself for re-appointment.

Resolution seeking approval of the members for his re-appointment forms part of notice convening the 12th AGM. Necessary details regarding his re-appointment as required under the Act are given in the notice of AGM.

C. Re-appointment of Managing Director:

Rajeev Jain was appointed as the Managing Director of the Company for a period of 5 years from 10 November 2014 up to 9 November 2019.

The Board of Directors, at their meeting held on 21 October 2019, on the recommendation of the Nomination and Remuneration Committee, approved the re-appointment of Rajeev Jain as Managing Director, for a further term of 3 years commencing from 10 November 2019 subject to the approval of shareholders.

The shareholders at their extra-ordinary general meeting held on 22 October 2019 approved the re-appointment of Rajeev Jain as Managing Director.

D. KMP:

There was no change in KMP during FY2020.

Number of meetings of the Board

The Board met four times during the year on 6 May 2019, 18 July 2019, 21 October 2019 and 28 January 2020. The gap between two consecutive meetings is less than one hundred and twenty days.

Audit Committee

Pursuant to the Act and Para 3 (I) of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Company has constituted an Audit Committee.

The composition of the Committee as on 31 March 2020 was as under:

Name of the Directors	Category
Lila Poonawalla	Chairperson, non-executive, independent
Nanoo Pamnani*	Non-executive, independent
Sanjiv Bajaj	Non-executive

* Ceased to be a member of the Committee w.e.f. 22 February 2020 on account of his demise.

Consequent to demise of Nanoo Pamnani, the Committee was re-constituted by the Board at their meeting held on 18 May 2020 by inducting Dr. Omkar Goswami as its member with effect from 19 May 2020.

The Company Secretary acted as the secretary to the Committee.

The Committee reviews, *inter alia,* the financial statements, adequacy of the internal audit function, the internal audit reports and grants approval for transactions to be entered into by the Company with its related parties. The Committee also performs all such functions as per the Act, NHB regulations and circulars, as amended, and as may be entrusted by the Board.

During FY2020, the Committee met four times. The meetings were held on 6 May 2019, 18 July 2019, 21 October 2019 and 28 January 2020. In addition to the members of the Audit Committee, these meetings were attended by the Managing Director, Chief Executive Officer, Chief Financial Officer, Internal auditor, other senior executives considered necessary for providing inputs to the Committee and representatives of the statutory auditors.

During FY2020, all the recommendations of the Committee were accepted by the Board.

Particulars of loans, guarantees or investments

The Company, being a housing finance company registered with NHB and engaged in the business of giving loans, is exempt from complying with the provisions of section 186 of the Act. Accordingly, the disclosures of the loans given, as required under the aforesaid section, have not been made in this Report.

Information regarding investments is detailed in the financial statements.

Related party transactions

All contracts/arrangements/transactions with related parties entered by the Company during FY2020, were on an arm's length basis and in the ordinary course of business. The details of such transactions were placed before the Audit Committee for review on quarterly basis.

During FY2020, there were no material related party transactions requiring disclosure under section 134 of the Act. Hence, the prescribed Form AOC – 2 does not form part of this Report. However, the details of transactions with related parties are provided in the Company's financial statements in accordance with the Indian Accounting Standards.

The Company's policy on materiality of and dealing with related party transactions, as approved by the Board, is reproduced below and is also uploaded on the website of the Company at https://www.bajajhousingfinance.in/media/document/1558446810472/rpt_policy.pdf

Policy on materiality of and dealing with related party transactions:

Quote

"Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016" ('NHB Directions') require a housing finance company to formulate a policy on materiality of related party transactions and also on dealing with such related party transactions.

Accordingly, a policy is hereby framed as under:

1. All related party transactions (RPTs) of the Company covered under the Companies Act, 2013 and relevant provision of accounting standards will be approved by the Audit Committee of the board from time to time.
2. Consent of the Board and the Shareholders would be taken in respect of all RPTs, except in the following cases:
    I. Where the transactions are below the threshold limits specified in the Companies Act, 2013 and Rules thereunder; or
    II. Where the transactions are entered into by the company in its ordinary course of business and are on an arms' length basis;
3. Material transactions mean the transactions which are above the threshold limits specified in the Companies Act, 2013 and Rules thereunder.

Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 and Rules thereunder and other applicable provisions for the time being in force.

The above policy is subject to change from time to time.

Unquote

Nomination and Remuneration Committee

Pursuant to the Act and Para 3 (II) of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Company has constituted a Nomination and Remuneration Committee (NRC).

The composition of the Committee as on 31 March 2020 was as under:

Name of the Directors	Category
Lila Poonawalla	Chairperson, non-executive, independent
Nanoo Pamnani*	Non-executive, independent
Sanjiv Bajaj	Non-executive

*Ceased to be a member of the Committee w.e.f. 22 February 2020 on account of his demise.

Consequent to demise of Nanoo Pamnani, the Committee was re-constituted by the Board at their meeting held on 18 May 2020 by inducting Anami N Roy as its member with effect from 19 May 2020.

The Company Secretary acted as the secretary to the Committee.

The terms of reference of the Committee, *inter alia,* includes formulation of criteria for determining qualifications, positive attributes and independence of a director, identifying persons who are qualified to become directors of the Company, specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees and devising a policy on Board diversity.

During FY2020, the Committee met two times. The meetings were held on 6 May 2019 and 21 October 2019.

Declaration by independent directors

The independent directors have submitted the declaration of independence stating that they meet the criteria of independence as provided in section 149(6) of the Act, as amended. They have also confirmed compliance with the provisions of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

Policy on directors' appointment and remuneration

The Company has a Board approved remuneration policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of directors.

The said Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The non–executive directors (including independent directors) were paid a sitting fee of ₹ 50,000 per meeting for Board/Committee meetings attended by them during the FY2020.

The said Policy is hosted on the Company's website
https://www.bajajhousingfinance.in/media/document/1558446810354/remuneration_policy.pdf

Risk Management Committee

Pursuant to Para 3(III) of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Company has constituted a Risk Management Committee to manage the integrated risk.

The Board of Directors have adopted a risk management policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

As per NHB Policy circular no. 95 dated 29 May 2019, the Company, on 18 July 2019, appointed Niraj Adiani as the Chief Risk Officer of the Company to hold office up to 30 June 2022.

The composition of the Committee as on 31 March 2020 was as under:

Name of the Directors/Senior Executive	Category
Nanoo Pamnani*	Chairman, non-executive, independent
Sanjiv Bajaj	Non-executive
Rajeev Jain	Managing Director
Lila Poonawalla	Non-executive, independent
Atul Jain	Chief Executive Officer
Gaurav Kalani	Chief Financial Officer
Niraj Adiani	Chief Risk Officer
Anurag Jain	Chief Information Officer and Chief Technology Officer

*Ceased to be Chairman and member of the Committee w.e.f. 22 February 2020 on account of his demise.

Consequent to demise of Nanoo Pamnani, Lila Poonawalla was appointed as the Chairperson of the Risk Management Committee by the Board at their meeting held on 18 May 2020.

The Company Secretary acted as the secretary to the Committee.

IT Strategy committee

In compliance of NHB Policy circular no. 90 dated 15 June 2018 for framework on information technology for Housing Finance Companies, the Board has constituted an IT Strategy Committee.

The composition of the Committee as on 31 March 2020 was as under:

Name of the Directors/Senior Executive	Category
Nanoo Pamnani*	Chairman, non-executive, independent
Sanjiv Bajaj	Non-executive
Rajeev Jain	Managing Director
Atul Jain	Chief Executive Officer
Gaurav Kalani	Chief Financial Officer
Niraj Adiani	Chief Risk Officer
Anurag Jain	Chief Information Officer and Chief Technology Officer

*Ceased to be Chairman and member of the Committee w.e.f. 22 February 2020 on account of his demise.

Consequent to demise of Nanoo Pamnani, Lila Poonawalla was inducted as a member and Chairperson of the IT Strategy Committee by the Board at their meeting held on 18 May 2020.

The Company Secretary acted as the secretary to the Committee.

The Committee meets once in six months. During FY2020, the Committee met on 8 August 2019 and 28 January 2020. The Committee, *inter alia*, reviews the IT strategies in line with its corporate strategies, cyber security arrangements and other matters related to IT governance.

Directors' responsibility statement

In compliance of section 134(5) of the Act, the directors state that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for FY2020;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Corporate social responsibility

The Company being covered under the provisions of section 135 of the Act, constituted a Corporate Social Responsibility Committee ('CSR Committee').

The composition of the Committee as on 31 March 2020 was as under:

Name of the Directors	Category
Nanoo Pamnani*	Chairman, non-executive, independent
Sanjiv Bajaj	Non-executive
Rajeev Jain	Managing Director

*Ceased to be the Chairman and member of the Committee w.e.f. 22 February 2020 on account of his demise.

Consequent to demise of Nanoo Pamnani, Sanjiv Bajaj was appointed as Chairman of the Committee and Lila Poonawalla was inducted as its member by the Board at their meeting held on 18 May 2020.

The Company Secretary acted as the secretary to the Committee.

The terms of reference of the Committee, *inter alia,* includes formulating and recommending to the Board a Corporate Social Responsibility Policy, recommending the amount of expenditure as Corporate Social Responsibility and monitoring the implementation of the Policy.

During FY2020, the Company spent ₹ 56.41 lakh on corporate social responsibility (CSR) activities, being 2% of the average net profits as per section 135 of the Act. The Company confirms that there has been no shortfall in the CSR spends. Detailed information on the CSR policy and CSR initiatives undertaken during FY2020 and composition of the Committee is given in the annexed 'Annual Report on CSR activities'.

The CSR policy of the Company has been hosted on the website of the Company and can be accessed at https://www.bajajhousingfinance.in/media/document/1558447077885/csr_policy.pdf

Performance evaluation

Pursuant to the provisions of the Act, the Board has carried out an annual performance evaluation of its own performance, that of its Committees, Chairperson and individual directors.

The manner in which formal annual evaluation of performance was carried out by the Board is given below:

1. The NRC, at its meeting held on 20 March 2017, revised the criteria for performance evaluation.

2. Based on the said criteria, questionnaire-cum-rating sheets were deployed using an IT platform for seeking feedback of the directors with regards to the performance of the Board, its Committees, Chairperson and individual directors.

3. From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, Committees, Chairman and individual directors for the year 2019-20 and a consolidated report thereof were arrived at.

4. The report of performance evaluation so arrived at, was then noted and discussed by the Board at its meeting held on 18 May 2020. The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 18 May 2020.

In terms of provisions of Schedule IV the Act, the Board shall determine, *inter alia*, whether to continue the term of appointment of the independent director on the basis of the performance evaluation report. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors.

Meeting of independent directors

On account of demise of Nanoo Pamnani, one of the two independent directors on the Board of the Company, the Independent Directors meeting could not be scheduled during FY2020.

Material subsidiary

Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the 'SEBI Listing Regulations') defines "material subsidiary" as a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Company's net worth exceeds ten percent of the consolidated net worth of BFL and Bajaj Finserv Ltd. ('BFS') respectively and therefore it is a material subsidiary of BFL and BFS, as per SEBI Listing Regulations.

Remuneration of directors

During FY2020, no remuneration was paid to any of the directors and there were no pecuniary relationship/transactions of any of the non-executive directors with the Company apart from sitting fees paid to them.

Rajeev Jain, Managing Director, does not draw any remuneration from the Company.

Material changes and commitments

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this Report.

Conservation of energy

The operations of the Company are not energy intensive. However, the Company has taken various measures for conservation of energy. These include:

- Switching from conventional lighting systems to LED lights at most of the branches in metro areas.
- Selecting and designing offices to facilitate maximum natural light utilisation.
- Use of cloud based virtual servers to increase energy efficiency and data security.

Technology absorption

The Company leverages innovative and cutting edge digital ecosystem for customer acquisition and servicing. It has moved its entire enterprise IT ecosystem on cloud, leading to flexible architecture for its business applications, data warehousing and analytics, which is high performing, rapidly scalable, cost effective and highly secure. The Company has improvised its stack of web based applications compatible across computing devices enabling mobility along with API gateways for seamless integration. Company's advance technology adoption also helped in instant switching to Work from Home structure during COVID-19 lockdown.

Foreign exchange earnings and outgo

During FY2020, the Company did not have any foreign exchange earnings. Foreign exchange outgo amounted to ₹ 0.35 lakh (FY2019 – ₹ 3.81 lakh).

Significant and material orders

During FY2020, there were no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status and operations of the Company in future.

Internal audit

At the beginning of each financial year, an audit plan is rolled out after the same has been approved by the Audit Committee. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Internal financial controls

The internal financial controls within the Company are commensurate with the size, scale and complexity of its operations. The Company has robust policies and procedures which, *inter alia,* ensure integrity in conducting business, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

Listing

The secured and unsecured redeemable non-convertible debentures and commercial papers issued by the Company are listed for trading on the wholesale debt market segment of BSE Ltd.

Annual listing fees, as prescribed, have been paid to the said stock exchange up to 31 March 2021.

Debenture redemption fund

The Ministry of Corporate Affairs (MCA) has amended the Companies (Share Capital and Debenture) Rules, 2014, doing away with creation of Debenture Redemption Reserve by HFCs with respect to issue of Non Convertible Debentures (NCDs). Vide the said amendment, now HFCs are required on or before 30 April of each year to invest or deposit in prescribed securities, a sum not less than 15 per cent of the debentures maturing during the year ending on 31 March of the next year.

In view of the COVID-19 pandemic, MCA announced several special measures under the Act. As a part of such special measures, the due date to make investment/deposit for debentures maturing FY2021 has been extended from 30 April 2020 to 30 June 2020.

Debenture trustee

The details of debenture trustee for the privately placed debentures of the Company:

Catalyst Trusteeship Ltd.
GDA House, Plot No. 85, Bhusari Colony (Right),
Paud Road, Pune – 411 038
Tel No.: (020) 25280081
Email ID: dt@ctltrustee.com

Credit rating

During FY2020, the Company retained its credit rating owing to high capital adequacy, strong promoter support and tightened credit acceptance criteria. The Company has been assigned the following ratings for its long term and short-term borrowings:

Long term debt rating

"CRISIL AAA/Stable" for its long term borrowing programme, which comprises of ₹ 10,000 crore for the NCD programme, ₹ 500 crore for the subordinate debt programme, ₹ 10,000 crore for its bank loan rating programme.

"IND AAA/Stable" for its long term borrowing programme, which comprises of ₹ 500 crore for the NCD programme and ₹ 15,600 crore for its bank loan rating programme.

Short term debt rating

"CRISIL A1+" for its short-term debt programme with a programme size of ₹ 5,000 crore.
"IND A1+" for its short-term debt programme with a programme size of ₹ 5,000 crore.
"CRISIL A1+" for its short-term bank loan facilities.
"IND A1+" for its short-term bank loan facilities.

All the above ratings indicate a high degree of safety with regard to timely payment of interest and principal. The Company updates its Long term and Short term ratings on its website and can be accessed at https://www.bajajhousingfinance.in/credit-rating .

Vigil mechanism

Pursuant to the Act, the Company has a Board adopted a vigil mechanism policy to enable directors and employees to report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said policy is placed on the website of the Company. It also provides safeguards against victimisation of directors/employees who avail of the mechanism and for direct access to the Chairperson of the Audit Committee in exceptional cases.

During FY2020, no complaints were received under the vigil mechanism of the Company.

The said Policy can be accessed at
https://www.bajajhousingfinance.in/media/document/1558446809619/vigil_mechanism_policy.pdf

National Housing Bank guidelines

The Company has complied with the applicable provisions of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions 2016, other circulars, notifications and guidelines issued by NHB from time to time.

Other disclosures

- The financial results are placed on the Company's website https://www.bajajhousingfinance.in/financial-information
- There is no change in the nature of business of the Company during FY2020.
- The provisions of section 148 of the Act are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under section 148(1) of the Act.
- During FY2020, none of the non-convertible debentures were due for redemption. Accordingly, no amount in respect of such debentures remained unclaimed or unpaid beyond the date of redemption.
- Details required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this Report.
- Details required under the provisions of section 197(12) of the Act read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any member on request, as per provisions of section 136(1) of the Act.
- During FY2020, the auditors have not reported any fraud pursuant to section 143(12) of the Act.
- The Company being a housing finance company, the provisions relating to Chapter V, i.e., The Companies (Acceptance of Deposit) Rules, 2014, of the Companies Act, 2013, are not applicable. The Company being registered as a Housing Finance Company without acceptance of public deposits, your directors confirm that no deposits were accepted during the year under review.
- The Company being a wholly owned subsidiary of Bajaj Finance Ltd. does not have an ESOP scheme. However, eligible employees of the Company are allotted ESOPs of the holding company as per the applicable policies.
- The Company has a policy on prevention of sexual harassment of women at the workplace. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During FY2020, no case of sexual harassment was reported.

Secretarial standards of ICSI

The Company has complied with the requirements under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

Statutory auditors

Pursuant to the provisions of section 139 of the Act, S R B C & CO LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003) were appointed as statutory auditors of the Company to hold office from the conclusion of the 9th AGM of the Company till the conclusion of the 14th AGM.

The Audit Report by S R B C & CO LLP, for FY2020 is unmodified i.e., it does not contain any qualification, reservation or adverse remark.

Secretarial auditor

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572), to undertake secretarial audit of the Company.

A report from the secretarial auditor in the prescribed Form MR-3 is annexed to this Report. The same does not contain any qualification, reservation or adverse remark.

Acknowledgement

The Board of Directors would like to express its gratitude and appreciation for the support and co-operation from its members, NHB and other regulators, banks, financial institutions and trustee for debenture holders.

The Board of Directors also place on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company.

On behalf of the Board of Directors

Sanjiv Bajaj
Chairman
Pune: 18 May 2020

BHFL Annual Report on CSR activities

1. **Brief outline of Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes**

Introduction:
The vision and philosophy of late Shri Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility (CSR) activities of the Group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that the true and full measure of growth, success and progress lies beyond Balance Sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, the Bajaj Group addresses the needs of communities residing in the vicinity of its facilities, taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure, community development and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment. It is the reason behind the smiles that light up a million faces.

Its goodwill resonates in the two simple words that live in the collective consciousness of Indians – 'Hamara Bajaj'.

Guiding Principles:
The Bajaj group believes that social investments should:

- **Benefit Generations:** The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.

- **Educate for Self-Reliance and Growth:** To usher in a growth oriented society and thereby a very strong and prosperous nation by educating each and every Indian.

- **Promote Health:** The Company believes that good health is a pre-requisite for both education and productivity.

- **Encourage for Self Help:** To guide and do hand holding for self-help, individually and collectively, to create excellence for self and for the team.

- **Be Focused:** The Company believes that activities should be preferably focused around locations where the Company has its presence and hence can effectively guide, monitor and implement specific projects.

- **Target those who need it the most:** Care for the sections of the society that are socially and economically at the lowest rung irrespective of their religion or caste or language or colour.

- **Sustain Natural Resources:** The Company encourages balanced development and ensure least adverse impact on environment - 'Growth with Mother Nature's blessings'.

CSR policy:

A detailed CSR policy was framed by the Company with approvals of the CSR Committee and Board on 16 July 2018. The policy, *inter alia,* covers the following:

- Philosophy
- Scope
- List of CSR activities
- Modalities of execution of projects/programmes
- Implementation through CSR cell
- Monitoring assessment of projects/programmes

CSR policy gives an overview of the projects or programmes which are proposed to be undertaken by the Company in the coming years.

The CSR policy is placed on the Company's website
https://www.bajajhousingfinance.in/media/document/1558447077885/csr_policy.pdf

2. **Composition of the CSR Committee**

A Committee of the directors, titled 'Corporate Social Responsibility Committee', was constituted by the Board at its meeting held on 16 May 2018 with the following members:

- Nanoo Pamnani – Chairman
- Sanjiv Bajaj – Member
- Rajeev Jain – Member

Consequent to demise of Nanoo Pamnani, the CSR Committee was re-constituted with induction Lila Poonawalla as its member and appointment of Sanjiv Bajaj, as Chairman with effect from 18 May 2020.

During FY2020, the Committee met two times on 14 October 2019 and 16 March 2020.

3. **Average net profit of the Company for last three financial years prior to FY2020:** ₹ 28.20 crore

4. **Prescribed CSR expenditure (2% of the amount as in item No. 3 above):** ₹ 56.41 lakh

5. **Details of CSR spent during FY2020:**

Particulars	**(₹ In Lakh)**
a. Total amount to be spent	56.41
b. Amount spent	56.41
c. Amount unspent, if any (a-b)	Nil
d. Manner in which the amount spent is detailed below	As provided in Table 1

In addition to what is stated above, Bajaj Group implements many CSR initiatives of substantial value through its Group Charitable Trusts operating at various locations in the country.

6. **In case the Company fails to spend the 2% of the average net profit of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board Report.**

   Not applicable

7. **Responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.**

   The CSR Committee confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Sanjiv Bajaj
Chairman of the Committee

Rajeev Jain
Managing Director

Pune: 18 May 2020

Table 1: Report on manner of expenditure for CSR during the financial year ended 31 March 2020

(₹ In Lakh)

Name of implementing agency	CSR Project/Activity identified	Sector in which the project is covered and clause of Schedule VII of the Companies Act, 2013	Location of the project (Local area or State or District)	Amount outlay/ approved	Amount spent direct/ overheads	Cumulative expenditure
Hrudaya Cure A Little Heart Foundation	Funding for 120 surgeries of children diagnosed with Congenital Heart Disease	Health	Hyderabad, Telangana	100.00*	56.41	56.41
				Total Disbursement	**56.41**	

*jointly with Bajaj Finance Limited. Out of ₹ 100 lakh, Company contributed ₹ 56.41 lakh

Extract of annual return (Form MGT-9)

As on 31 March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

Particulars	Details
CIN	U65910PN2008PLC132228
Registration date	13/06/2008
Name of the Company	Bajaj Housing Finance Ltd.
Category/Sub-category of the Company	Public Company, Limited by shares
Address of the registered office and contact details	Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi, Pune - 411035 Tel: 020 7187 8060 Website: https://www.bajajhousingfinance.in/ Email id: bhflinvestor.service@bajajfinserv.in
Whether listed company	Yes (BSE Ltd. – Debenture listed)
Name, Address and Contact details of the Registrar and Transfer Agent, if any	KFin Technologies Pvt. Ltd. (previously known as Karvy Fintech Private Ltd.) Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Contact Persons: Mr. S P Venugopal Tel: 040-6716 2222 Fax: 040-23001153 Toll Free No.1800 345 4001 Email ID: einward.ris@kfintech.com Website: https://www.kfintech.com/

II. Principal business activities of the Company

Sr. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Housing Finance (other credit granting)– Home loan, loan against property and construction funding.	64920	100

III. Particulars of holding, subsidiary and associate companies

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Bajaj Finserv Ltd.* Bajaj Auto Ltd. Complex, Mumbai - Pune Road, Akurdi - 411 035	L65923PN2007PLC130075	Holding	-	2(46)
2.	Bajaj Finance Ltd. Bajaj Auto Ltd. Complex, Mumbai - Pune Road, Akurdi - 411 035	L65910MH1987PLC042961	Holding	100	2(46)

*Bajaj Finserv Ltd. holds 52.82% shares in Bajaj Finance Ltd.

IV. Shareholding pattern
(Equity share capital breakup as percentage of total equity)

i) Category-wise shareholding

Category of shareholders	No. of shares held at the beginning of the year (as on 1 April 2019)				No. of shares held at the end of the year (as on 31 March 2020)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt		0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2,549,999,400	1,000,000,600	3,550,000,000	100	3,549,999,400	1,333,333,929	4,883,333,329	100	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
sub-total (A) (1)	**2,549,999,400**	**1,000,000,600**	**3,550,000,000**	**100**	**3,549,999,400**	**1,333,333,929**	**4,883,333,329**	**100**	**0**
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of promoters and promoters group (A)=(A)(1)+ (A)(2)	**2,549,999,400**	**1,000,000,600**	**3,550,000,000**	**100**	**3,549,999,400**	**1,333,333,929**	**4,883,333,329**	**100**	**0**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0

i) Category-wise shareholding (Contd.)

Category of shareholders	No. of shares held at the beginning of the year (as on 1 April 2019) Demat	Physical	Total	% of total shares	No. of shares held at the end of the year (as on 31 March 2020) Demat	Physical	Total	% of total shares	% change during the year
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**2,549,999,400**	**1,000,000,600**	**3,550,000,000**	**100**	**3,549,999,400**	**1,333,333,929**	**4,883,333,329**	**100**	**0**

ii) Shareholding of promoters

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (as on 1 April 2019) No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	Shareholding at the end of the year (as on 31 March 2020) No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Bajaj Finance Ltd.	*3,550,000,000	100	0	*4,883,333,329	100	0	0
	Total	**3,550,000,000**	**100**	**0**	**4,883,333,329**	**100**	**0**	**0**

Note: * Out of the total number of shares held, 600 shares are held jointly by Bajaj Finance Ltd. (100 shares jointly with six individuals each).

iii) Change in promoters’ shareholding

Name of shareholder	Particulars		Shareholding at the beginning of the year (as on 1 April 2019): No. of shares	Shareholding at the beginning of the year (as on 1 April 2019): % of total shares of the Company	Cumulative shareholding during the year: No. of shares	Cumulative shareholding during the year: % of total shares of the Company
	At the beginning of the year		*3,550,000,000	100		
Bajaj Finance Ltd.	05 February 2020	Allotment of share	1,333,333,329	27.30	4,883,333,329	100
	At the end of the year (31 March 2020)		***4,883,333,329**	**100**		

* Out of the total number of shares held, 600 shares are held jointly by Bajaj Finance Ltd. (100 shares jointly with six individuals each).

iv) Shareholding pattern of top ten shareholders (Other than directors, promoters and holders of GDRs and ADRs):

The Company is a wholly-owned subsidiary of Bajaj Finance Ltd.

v) Shareholding of directors and key managerial personnel

Sr. No.	Name of director and key managerial personnel	Shareholding of each director and each key managerial personnel	Shareholding at the beginning of the year (as on 1 April 2019): No. of shares	Shareholding at the beginning of the year (as on 1 April 2019): % of total shares of the Company	Cumulative shareholding during the year: No. of shares	Cumulative shareholding during the year: % of total shares of the Company
(i)	Sanjiv Bajaj jointly with Bajaj Finance Ltd.	At the beginning of the year	100	0		
		At the end of the year (31 March 2020)			100	0
(ii)	Rajeev Jain jointly with Bajaj Finance Ltd.	At the beginning of the year	100	0		
		At the end of the year (31 March 2020)			100	0

V. Indebtedness
(Indebtedness of the Company including interest outstanding/accrued but not due for payment)

(Amount in ₹)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	116,920,563,774	32,890,993,500	NIL	149,811,557,274
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	2,508,102,555	386,835,764	NIL	2,894,938,319
iv) Amortisation	(342,060,385)	(3,128,394)	NIL	(345,188,780)
Total (i+ii+iii+iv)	**119,086,605,944**	**33,274,700,870**	**NIL**	**152,361,306,813**
Change in Indebtedness during the financial year				
· Addition	129,043,618,210	133,226,089,600	NIL	262,269,707,810
· Reduction	12,849,677,129	149,427,021,250	NIL	162,276,698,379
Net Change	**116,193,941,081**	**(16,200,931,650)**	**NIL**	**99,993,009,431**
Indebtedness at the end of the financial year				
i) Principal Amount	233,114,504,855	16,690,061,850	NIL	249,804,566,705
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued	6,294,465,064	371,088,592	NIL	6,665,553,656
iv) Amortisation	(447,282,595)	(18,394,744)	NIL	(465,677,339)
Total (i+ii+iii+iv)	**238,961,687,324**	**17,042,755,698**	**NIL**	**256,004,443,022**

VI. Remuneration of directors and key managerial personnel

A. Remuneration to managing director, whole-time directors and/or manager: NIL

B. Remuneration to other directors

(Amount in ₹)

Sr. No	Particulars of Remuneration	Fee for attending Board/Committee Meetings	Commission	Total Amount
I	**Independent Directors**			
	1. Nanoo Pamnani*	550,000	-	550,000
	2. Lila Poonawalla	550,000	-	550,000
	Total (I)	**1,100,000**	-	**1,100,000**
II	**Non-independent, non-executive**			
	1. Sanjiv Bajaj	550,000	-	550,000
	Total (II)	**550,000**	**-**	**550,000**
	Total (B)=(I+II)			**1,650,000**
	Total Managerial Remuneration (A+B)			**1,650,000**
	Overall Ceiling as per the Act			543,681,813

*Ceased to be director w.e.f 22 February 2020 on account of his demise.

Note: Overall ceiling as per the Act is not applicable to sitting fees.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(Amount in ₹)

Sr. No	Particulars of Remuneration	Key managerial personnel: Atul Jain Chief Executive Officer	Key managerial personnel: Gaurav Kalani Chief Financial Officer	Key managerial personnel: R Vijay Company Secretary	Total Amount
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	71,578,536	13,049,803	NIL	84,628,339
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	23,346,460	39,600	NIL	23,386,060
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	NIL	0
2	Stock Option#	31,681,620	4,375,527	NIL	36,057,147
3	Sweat Equity	0	0	NIL	0
4	Commission	0	0	NIL	0
	- as % of profit	0	0	NIL	0
	- others, specify	0	0	NIL	0
5	Others, please specify	0	0	NIL	0
	Total*	**94,924,996**	**13,089,403**	**NIL**	**108,014,399**

#Fair value of ESOPS grants, as per black scholes in the year of vesting

*Does not include fair value of ESOPs grant. .

VII. Penalties/punishment/compounding of offences

During FY2020, there were no penalties/punishment/compounding of offences under the Act.

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended for the financial year ended 31 March 2020

Name of Director/ Key Managerial Personnel	Ratio of Remuneration of director to Median Remuneration of employees	% increase in Remuneration in the financial Year
A. Whole time director		
Rajeev Jain – Managing Director	NIL	NIL
B. Non- executive directors		
Nanoo Pamnani - Chairman	NIL	NIL
Sanjiv Bajaj	NIL	NIL
Lila Poonawalla	NIL	NIL
C. Key Managerial Personnel		
Rajeev Jain, Managing Director		NIL
Atul Jain, Chief Executive Officer		33.33
Gaurav Kalani, Chief Financial Officer		19.25
R Vijay, Company Secretary		NIL
D. % increase in Median Remuneration of employees other than managing director		**11.32%**
E. Number of permanent employees on the rolls of the Company as on 31 March 2020:		**2,404**

Notes:

1. No remuneration was paid to any of the directors, except sitting fees.

Notes on disclosures under rule 5

1. Average percentage increase in salary of employees other than Managing Director is 13.11%.
2. No remuneration was paid to the managing director during the year.
3. The remuneration paid as above was as per the Remuneration Policy of the Company.

Secretarial audit report (Form MR-3)

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2020

To The Members of
Bajaj Housing Finance Ltd.
(CIN: U65910PN2008PLC132228)
Bajaj Auto Ltd. Complex,
Mumbai-Pune Road,
Akurdi, Pune-411035

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Bajaj Housing Finance Ltd. (hereinafter called as "the Company"). Subject to limitation of physical interaction and verification of records caused by Covid 19 Pandemic lock down while taking review after completion of financial year, the Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2020, according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder;

2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

6) Rules, regulations, directions and guidelines issued by the National Housing Bank as are applicable to the Company;

I have also examined compliance with the applicable clauses of the following:-

(i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
(ii) Listing Agreement entered into by the Company with BSE Ltd. (for Debentures) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one Woman Director. Except for vacation of office by Nanoo Pamnani consequent to his demise on 22 February 2020, there was no change in the composition of the Board of Directors during the year under review.

Adequate notices were given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors. The decisions were carried unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the period, the Company has:

(i) On 29 January 2020-, increased the borrowing powers of the Company from ₹ 35,000 crore to ₹ 55,000 crore under section 180(1)(c) of the Companies Act, 2013 and creation of charge/ security on the Company's assets with respect to borrowings up to maximum of ₹ 55,000 crore under section 180(1)(a) of the Companies Act, 2013.

(ii) On 05/02/2020 allotted 1,333,333,329 equity shares at ₹ 11.25 (including premium of ₹ 1.25) aggregating to ₹ 14,999,999,951.25/- on right basis to its promoter i.e. Bajaj Finance Ltd.

(iii) Allotted 14,500 secured non- convertible Debentures on Private Placement basis from time to time, totalling to an amount equal to the face value of ₹ 1,450 crore and complied with the rules and regulations under various Acts. The Company has also raised ₹ 525 crore by issuing partly paid unsecured Non-convertible Debentures during the financial year.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Shyamprasad D Limaye
FCS No. 1587 CP No. 572

Place: Pune
Date: 18 May 2020
UDIN: F001587B000249241

FINANCIAL STATEMENTS

Independent Auditors' Report on the Ind AS Financial Statements

To the Members of **Bajaj Housing Finance Ltd.**

Opinion

We have audited the accompanying Ind AS financial statements of Bajaj Housing Finance Ltd. ('the Company'), which comprise the Balance sheet as at 31 March 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of matter

We draw attention to note 3 to the Ind AS financial statements, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the Company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended 31 March 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Independent Auditors' Report on the Ind AS Financial Statements (Contd.)

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial assets as at balance sheet date (expected credit losses) *(as described in note 7 of the Ind AS financial statements)*	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for: • Staging of loans (i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories); • Grouping of borrowers based on homogeneity by using appropriate statistical techniques; • Estimation of behavioral life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/minimal historical defaults. Additional considerations on account of COVID-19 Pursuant to the Reserve Bank of India circular dated 27 March 2020 ('RBI circular') allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between 1 March 2020 and 31 May 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy. In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay of around ₹ 50 crore as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.	• Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on 13 March 2020. • Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on moratorium. • Tested the ECL model, including assumptions and underlying computation. Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic). • Assessed disclosures included in the Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on ECL estimation.
(b) IT systems and controls	
Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	• We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorised. • We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorisation. • In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Independent Auditors' Report on the Ind AS Financial Statements (Contd.)

Other information

The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon. The Company's Board of Directors is responsible for the other information.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Independent Auditors' Report on the Ind AS Financial Statements (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended 31 March 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure 1' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with

Independent Auditors' Report on the Ind AS Financial Statements (Contd.)

reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report;

(g) In our opinion, the managerial remuneration for the year ended 31 March 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 37 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Arvind Sethi
Partner
Membership Number: 089802
UDIN: 20089802AAAABH2789
Pune: 18 May 2020

Annexure 1 to Independent Auditors' Report

Annexure 1 referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

Re: Bajaj Housing Finance Ltd.

(1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/fixed assets are held in the name of the Company.

(2) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(4) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(5) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(6) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.

(7) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities.

With respect to certain dues of profession tax, we are informed by the management that, due to the nationwide lock-down imposed by the Central Government on account of COVID-19, the Company has either been unable to deposit the dues with the appropriate authorities or the physical payment challans of the dues deposited are currently not retrievable from the respective locations for examination. Accordingly, we are unable to comment on the regularity of deposit of the profession tax dues by the Company in respect of the months of February and March 2020.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to the Company were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and services tax and cess which have not been deposited on account of any dispute.

(8) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.

Annexure 1 to Independent Auditors' Report (Contd.)

(9) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.

(10) Based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(11) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(12) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(13) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(14) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(15) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(16) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Arvind Sethi
Partner
Membership Number: 089802
UDIN: 20089802AAAABH2789
Pune: 18 May 2020

Annexure 2 to Independent Auditors' Report

Annexure 2 referred to in paragraph 2 (f) under the heading 'Report on other legal and regulatory requirements' of our report of even date

Report on Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of Bajaj Housing Finance Ltd. (the 'Company') as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of internal financial controls over financial reporting with reference to these Ind AS financial statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure 2 to Independent Auditors’ Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Arvind Sethi
Partner
Membership Number: 089802
UDIN: 20089802AAAABH2789
Pune: 18 May 2020

Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March 2020	2019
ASSETS			
Financial assets			
Cash and cash equivalents	5	658.72	106.98
Receivables	6		
Trade receivables		118.40	3.31
Other receivables		–	–
Loans	7	27,975.41	17,331.56
Investments	8	2,508.02	1,756.17
Other financial assets	9	8.44	8.39
		31,268.99	**19,206.41**
Non-financial assets			
Current tax assets (net)		11.10	2.00
Deferred tax assets (net)	10	–	8.20
Property, plant and equipment	11	77.80	31.36
Intangible assets	11	7.98	6.57
Other non-financial assets	12	6.55	3.30
		103.43	**51.43**
Total assets		**31,372.42**	**19,257.84**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		0.24	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		30.35	16.06
Other payables			
Total outstanding dues of micro enterprises and small enterprises		–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		17.83	29.10
Debt securities	14	7,823.59	7,632.36
Borrowings (other than debt securities)	15	17,776.85	7,603.77
Other financial liabilities	16	73.59	292.39
		25,722.45	**15,573.68**

Balance Sheet (Contd.)

(₹ In Crore)

Particulars	Note No.	As at 31 March 2020	2019
Non-financial liabilities			
Current tax liabilities (net)		7.07	-
Provisions	17	2.28	5.01
Deferred tax liabilities (net)	10	11.43	-
Other non-financial liabilities	18	44.06	20.80
		64.84	**25.81**
EQUITY			
Equity share capital	19	4,883.33	3,550.00
Other equity	20	701.80	108.35
		5,585.13	**3,658.35**
Total liabilities and equity		**31,372.42**	**19,257.84**
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Arvind Sethi
Partner
Membership number: 089802

Pune: 18 May 2020

On behalf of the Board of Directors

Atul Jain
Chief Executive Officer

Sanjiv Bajaj
Chairman

Gaurav Kalani
Chief Financial Officer

R Vijay
Company Secretary

Rajeev Jain
Managing Director

Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2020	2019
Revenue from operations			
Interest income	21	2,303.08	997.83
Fees and commission income	22	100.08	56.84
Net gain on fair value changes	23	73.71	39.64
Sale of services	24	169.15	54.84
Total revenue from operations		**2,646.02**	**1,149.15**
Other income	25	0.21	0.22
Total income		**2,646.23**	**1,149.37**
Expenses			
Finance costs	26	1,616.03	684.71
Fees and commission expense	27	1.30	1.32
Impairment on financial instruments	28	124.33	25.06
Employee benefits expenses	29	248.51	218.93
Depreciation and amortisation expenses	11	23.14	6.82
Other expenses	30	65.47	70.21
Total expenses		**2,078.78**	**1,007.05**
Profit before exceptional items and tax		**567.45**	**142.32**
Exceptional Items	31	-	6.38
Profit before tax		**567.45**	**148.70**
Tax expense			
Current tax		126.10	41.85
Deferred tax charge/(credit)		20.02	(2.95)
Total tax expense		**146.12**	**38.90**
Profit after tax		**421.33**	**109.80**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/(losses) on defined benefit plans		(1.99)	(2.69)
Income tax effect relating to these items that will not be reclassified to profit or loss		0.39	0.79
		(1.60)	**(1.90)**
Items that will be reclassified to profit or loss in subsequent periods:		-	-
Income tax effect relating to these items that will be reclassified to profit or loss in subsequent periods		-	-
		-	-
Other comprehensive income for the year, net of tax		**(1.60)**	**(1.90)**
Total comprehensive income for the year		**419.73**	**107.90**

Statement of Profit and Loss (Contd.)

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March 2020	2019
Earnings per equity share	32		
(Nominal value per share ₹ 10)			
Basic (₹)		1.12	0.52
Diluted (₹)		1.12	0.52
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the financial statements

As per our report of even date

On behalf of the Board of Directors

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

per Arvind Sethi
Partner
Membership number: 089802

Pune: 18 May 2020

Atul Jain
Chief Executive Officer

Gaurav Kalani
Chief Financial Officer

R Vijay
Company Secretary

Sanjiv Bajaj
Chairman

Rajeev Jain
Managing Director

Statement of Changes in Equity

a. Equity share capital

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Balance at the beginning of the year	3,550.00	1,550.00
Changes in equity share capital during the year [refer note no. 19(a.)]	1,333.33	2,000.00
Balance at the end of the year	**4,883.33**	3,550.00

b. Other equity

For the year ended 31 March 2020

(₹ In Crore)

Particulars	Note no.	Reserves and Surplus: Securities Premium	Statutory reserve in terms of NHB Act	Retained earnings	Capital Contribution from Holding-ESOPs	Total other equity
Balance as at 31 March 2019		-	26.45	81.90	-	108.35
Profit after tax		-	-	421.33	-	421.33
Other comprehensive income (net of tax)		-	-	(1.60)	-	(1.60)
Total		**-**	**26.45**	**501.63**	**-**	**528.08**
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987		-	84.27	(84.27)	-	-
Add: Issue of equity shares to Holding Company		166.67	-	-	-	166.67
Add: Fair value of ESOPs issued by Holding Company		-	-	-	7.05	7.05
Balance as at 31 March 2020	20	**166.67**	**110.72**	**417.36**	**7.05**	**701.80**

For the year ended 31 March 2019

(₹ In Crore)

Particulars	Note no.	Reserves and Surplus: Securities Premium	Statutory reserve in terms of NHB Act	Retained earnings	Capital Contribution from Holding-ESOPs	Total other equity
Balance as at 31 March 2018		-	4.49	(4.04)	-	0.45
Profit after tax		-	-	109.80	-	109.80
Other comprehensive income (net of tax)		-	-	(1.90)	-	(1.90)
Total		-	4.49	103.86	-	108.35
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987		-	21.96	(21.96)	-	-
Balance as at 31 March 2019	20	**-**	**26.45**	**81.90**	**-**	**108.35**

The accompanying notes are an integral part of the financial statements

As per our report of even date

On behalf of the Board of Directors

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

Atul Jain
Chief Executive Officer

Sanjiv Bajaj
Chairman

per Arvind Sethi
Partner
Membership number: 089802

Gaurav Kalani
Chief Financial Officer

Pune: 18 May 2020

R Vijay
Company Secretary

Rajeev Jain
Managing Director

Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
(I) Operating activities		
Profit before tax	567.45	148.70
Adjustments for:		
Interest income	(2,303.08)	(997.83)
Depreciation and amortisation expenses	23.14	6.82
Impairment on financial instruments	124.33	25.06
Finance costs	1,616.03	684.71
Net (gain)/loss on disposal of property, plant and equipment	0.49	0.26
Share based payments to employees	7.05	-
Gain on sale of investment in subsidiary	-	(6.38)
Service fees for management of assigned portfolio of loans	(129.81)	(1.55)
Net (gain)/loss on financial instruments measured at fair value through profit and loss (FVTPL)	(73.71)	(39.64)
	(168.11)	**(179.85)**
Cash inflow from interest on loans	2,286.61	925.37
Cash inflow from service asset	16.53	-
Cash outflow towards finance cost	(1,244.72)	(481.86)
Cash generated from operations before working capital changes	**890.31**	**263.66**
Working capital changes:		
(Increase)/decrease in trade receivables	(1.81)	(1.76)
(Increase)/decrease in loans	(10,763.52)	(13,716.63)
(Increase)/decrease in other financial assets	(0.05)	(4.35)
(Increase)/decrease in other non-financial assets	(3.25)	(0.92)
Increase/(decrease) in trade payables	14.53	9.47
Increase/(decrease) in other payables	(11.27)	23.01
Increase/(decrease) in other financial liabilities	(257.50)	89.71
Increase/(decrease) in provisions	(4.72)	1.83
Increase/(decrease) in other non-financial liabilities	23.26	13.74
	(10,114.02)	(13,322.24)
Income taxes paid (net of refunds)	(128.13)	(43.51)
Net cash used in operating activities (I)	**(10,242.15)**	**(13,365.75)**
Carried forward	(10,242.15)	(13,365.75)

Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Brought forward	(10,242.15)	(13,365.75)
(II) Investing activities		
Purchase of property, plant and equipment	(24.70)	(35.93)
Proceeds from sale of property, plant and equipment	1.12	0.78
Purchase of intangible assets	(2.92)	(6.81)
Purchase of investments measured at FVTPL	(55,545.26)	(73,538.44)
Proceeds from sale of investments measured at FVTPL	54,866.91	72,814.07
Interest received on investments measured at FVTPL and cash equivalent fixed deposits	12.02	2.48
Proceeds from sale of investment in subsidiary	-	20.38
Net cash used in investing activities (II)	**(692.83)**	**(743.47)**
(III) Financing activities		
Issue of equity share capital (including securities premium)	1,500.00	2,000.00
Debt securities issued (net)	(178.78)	5,373.00
Borrowings other than debt securities issued (net)	10,174.58	6,732.40
Payment of lease liability	(9.08)	-
Net cash generated from financing activities (III)	**11,486.72**	**14,105.40**
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**551.74**	**(3.82)**
Cash and cash equivalents at the beginning of the year	**106.98**	**110.80**
Cash and cash equivalents at the end of the year	**658.72**	**106.98**

- 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.
- Components of cash and cash equivalents are disclosed in note no. 5.

As per our report of even date

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

per Arvind Sethi
Partner
Membership number: 089802

Pune: 18 May 2020

On behalf of the Board of Directors

Atul Jain
Chief Executive Officer

Sanjiv Bajaj
Chairman

Gaurav Kalani
Chief Financial Officer

R Vijay
Company Secretary

Rajeev Jain
Managing Director

Notes to financial statements for the year ended 31 March 2020

1 Corporate information

The Company (earlier known as 'Bajaj Financial Solutions Ltd.') was incorporated as a subsidiary of Bajaj Finserv Ltd. ('BFS') on 13 June 2008, is a company limited by shares and domiciled as well as having its operations in India. The Company was acquired by Bajaj Finance Ltd. (BFL) from BFS in November 2014 to conduct housing finance business in a dedicated subsidiary company and accordingly the Company's name was changed to Bajaj Housing Finance Ltd. (BHFL) on 14 November 2014. It got registered with National Housing Bank ('NHB') as a non deposit taking Housing Finance Company vide certificate no 09.0127.15 on 24 September 2015. BHFL is a 100% subsidiary of BFL and started its operation in financial year 2017-18 (FY2018). The Company has a diversified lending model and focuses on six broad categories viz: (i) home loans, (ii) loan against property (iii) lease rental discounting, (iv) developer loans, (v) rural mortgage loans and (vi) unsecured loans. The Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business is at 5th floor, B2 Building, Cerebrum IT Park, Kalyani Nagar, Pune Maharashtra, India.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 18 May 2020, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2 Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and Master Circular - The Housing Finance Companies (NHB) Directions, 2010 ('Master Directions') issued by NHB. The Company uses accrual basis of accounting except in case of significant uncertainties.

The financial statements are presented in Indian Rupee (INR) which is also functional currency of the Company.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended are prepared under previous GAAP to comply with Policy Circular NHB (ND)/DRS/Policy Circular No.89/2017-18 June 14, 2018 issued by NHB on Implementation of Indian Accounting Standards (Ind AS) which requires Housing Finance Companies to follow the extant provisions of National Housing Bank Act 1987 and Housing Finance Companies (NHB) Directions 2010 including framework on Prudential Norms, and other related Circulars etc., issued in this regard by the NHB from time to time for regulatory & supervisory purposes, including various kinds of reporting to the National Housing Bank (NHB). HFCs are also required to provide adequate disclosures/statements for furnishing compliance in the aforesaid matter in the notes forming part of the financial statements of the HFC.

3 Presentation of Financial Statements

The Company presents its balance sheet in order of liquidity.

The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed in the Division III of Schedule III to the Act as amended from time to time. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows' as amended from time to time.

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

3 Presentation of Financial Statements (Contd.)

Critical accounting estimates and judgements:

The preparation of the Company's financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

i) Business model assessment [Refer note no. 4.4.(i)]
ii) Fair value of financial instruments (Refer note no. 4.15, 42, and 43)
iii) Effective interest rate (EIR) [Refer note no. 4.1.(i)]
iv) Impairment on financial assets [Refer note no. 4.4.(i), 7, 44]
v) Provisions and other contingent liabilities [Refer note no. 4.10 and 37(a)]
vi) Provision for tax expenses (Refer note no. 4.6)
vii) Residual value, useful life and indicators of impairment and recoverable value of property, plant and equipment (Refer note no. 4.7)

Estimation of impairment allowance under COVID-19 pandemic

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets (loan receivables and investments), are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.

4 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Income

(i) Interest income

The Company recognises interest income using effective interest rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets (as set out in note no. 4.4 (i)) regarded as 'Stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired (as outlined in note no. 4.4 (i)), the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

4 Summary of significant accounting policies (Contd.)

4.1 Income (Contd.)

(ii) Dividends

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(iii) Other revenue from operations

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 - 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 - 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Fees and commission

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognised on rendering of services and products to the customer.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

(b) Net gain on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

(c) Sale of services

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets for a fee is retained, recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit and loss and, correspondingly creates a service asset in balance sheet. Any subsequent increase in the fair value of service assets is recognised as service income and any decrease is recognised as an expense in the period in which it occurs. The embedded interest component in the service asset is recognised as interest income in line with Ind AS 109 - 'Financial instruments'.

Other revenues on sale of services are recognised as per Ind AS 115 - 'Revenue from contracts with customers' as articulated above in 'other revenue from operations'.

(d) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

4 Summary of significant accounting policies (Contd.)

4.1 Income (Contd.)

(iv) Other Income

Other income is accounted on accrual basis, except in case of significant uncertainties.

(v) Taxes

Incomes are recognised net of the goods and services tax, wherever applicable.

4.2 Expenditures

(i) Finance Cost

Borrowing costs on financial liabilities is recognised using the EIR method (Refer note no. 4.1.(i)).

(ii) Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the statement of profit and loss on an accrual basis.

(iii) Taxes

Expenses are recognised net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.4 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

Date of recognition

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

(i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

4 Summary of significant accounting policies (Contd.)

4.4 Financial instruments (Contd.)

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into four categories:

a) Debt instruments at amortised cost

b) Debt instruments at FVOCI

c) Debt instruments at FVTPL

d) Equity instruments designated at FVOCI

a) Debt instruments at amortised cost:

The Company measures its financial assets at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the nature of portfolio, and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may sell these portfolios to banks and/or asset reconstruction companies.

After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). For further details, refer note no. 4.1(i). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

b) Debt instruments at FVOCI:

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in the Other Comprehensive Income (OCI). The interest income on these assets are recognised in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

4 Summary of significant accounting policies (Contd.)

4.4 Financial instruments (Contd.)

Debt instruments such as mortgage loans portfolio where the Company periodically resorts to partially selling the loans by way of assignment to willing buyers are classified as FVOCI.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from other comprehensive income to P&L.

c) Debt instruments at FVTPL:

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the balance sheet at fair value. Interest and dividend income is recorded in interest income and dividend income respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

The Company's investments into mutual funds, commercial papers and certificate of deposits for trading and short term cash flow management have been classified under this category.

d) Equity investments designated under FVOCI:

All equity investments in scope of Ind AS 109 - 'Financial instruments' are measured at fair value. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

Derecognition of Financial Assets:

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

a) The rights to receive cash flows from the asset have expired; or

b) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.

The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised at fair value if the fee to be received is not expected to compensate the Company adequately for performing the service. If the fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:
- The carrying amount (measured at the date of derecognition) and
- The consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial Assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and infrequent transaction of sale of portfolio which doesn’t affect the business model of the Company.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

4 Summary of significant accounting policies (Contd.)

4.4 Financial instruments (Contd.)

Impairment on financial assets:

Expected Credit losses ('ECL') are recognised for financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3' for which a lifetime ECL is recoginsed.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk or default, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment allowances) are written off in full, when there is no realistic prospect of recovery.

The treatment of the different stages of financial assets and the methodology of determination of ECL is set out below.

a) Credit impaired/default (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Restructured loans where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the effective interest rate to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

4 Summary of significant accounting policies (Contd.)

4.4 Financial instruments (Contd.)

c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behavioural score cards and other performance indicators, determined statistically.

d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

(ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. few examples of financial liabilities are trade payables, debt securities and other borrowings.

Initial measurement:

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

Subsequent measurement:

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method (Refer note no 4.1 (i)). Any gains or losses arising on derecognition of liabilities are recognised in profit or loss.

Derecognition:

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

4 Summary of significant accounting policies (Contd.)

4.5 Investment in subsidiaries

Investment in subsidiaries are recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investments.

The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

4.6 Taxes

(i) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside the profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4.7 Property, plant and equipment

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 - 'Property, plant and equipment'.

Depreciation on property, plant and equipment:

(a) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets, except buildings which is determined on written down value method.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

4 Summary of significant accounting policies (Contd.)

4.7 Property, plant and equipment (Contd.)

(b) Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

(c) Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.

(d) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.

(e) Tangible assets which are depreciated over useful life different than those indicated in Schedule II are as under:

Nature of assets	Useful life as per Schedule II	Useful life adopted by the Company
Motor vehicles	8 years	4 years

(f) Assets having unit value upto ₹ 5,000 is depreciated fully in the financial year of purchase of asset.

(g) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the statement of profit and loss when the asset is derecognised.

(h) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.8 Intangible assets and amortisation thereof

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of Intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.9 Impairment on non-financial assets

An assessment is done at each balance sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

4.10 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4.11 Foreign currency translation

Initial recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

4 Summary of significant accounting policies (Contd.)

4.11 Foreign currency translation (Contd.)

Conversion:

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences:

All exchange differences are accounted in the Statement of Profit and Loss.

4.12 Retirement and other employee benefits

(i) Gratuity: Payment for present liability of future payment of gratuity is made to the approved gratuity fund viz. Bajaj Auto Ltd. gratuity fund trust, which covers the same under cash accumulation policy and debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALICL). However, any deficits in Plan Assets managed by LIC and BALICL as compared to actuarial liability determined by an appointed Actuary using the projected unit credit method are recognised as a liability. Gains or losses through remeasurements of the net defined benefit liability/(assets) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments are recognised in statement of profit and loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

(ii) Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (e.g.. Employees' Provident Fund Organisation (EPFO)) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Since the Company pays all Provident fund & Pension fund contributions to EPFO, no actuarial assumptions are required to measure the obligation or the expense and there is no possibility of any actuarial gain or loss. Moreover, the obligations are measured on an undiscounted basis, except where they are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

(iii) Compensated absences: Privilege leave entitlements are recognised as a liability as per the rules of the Company. The liability for accumulated leaves which can be availed and/or encashed at any time during the tenure of employment is recognised using the projected unit credit method at the actuarially determined value by an appointed actuary. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the balance sheet date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

4.13 Employee Stock Option Scheme

The Holding Company operates Employee Stock Option Scheme through a trust formed for the purpose and had issued ESOPs to the employees of the Company.

The cost of transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised in employee benefits expenses together with a corresponding increase in capital contribution from Holding Company in other equity, over the period in which the service conditions are fulfilled.

4.14 Leases

With effect from 1 April 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.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

4 Summary of significant accounting policies (Contd.)

4.14 Leases (Contd.)

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payment discounted using the Company's incremental cost of borrowing rate and directly attributable cost. Subsequently, the lease liability is

(i) increased by interest on lease liability;

(ii) reduce by lease payment made; and

(iii) remeasured 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-of-Use assets' as present value of all lease payment discounted using the Company's incremental cost of borrowing rate 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'.

Depreciation on 'Right-of-Use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company.'

4.15 Fair value measurement

The Company measures its qualifying financial instruments at fair value on each balance sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 42 and 43.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

5 Cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	-	-
Balances with banks:		
In current accounts	7.24	106.98
Fixed deposits (maturity less than 3 months from date of acquisition)	651.48	-
	658.72	106.98

6 Receivables

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Considered good – unsecured		
Service asset*	114.83	1.55
Fees, commission and others**	3.57	1.76
Other receivables	-	-
	118.40	3.31

* includes receivable from related parties ₹ 47.99 crore ((previous year: ₹ Nil))

** includes receivable from related parties ₹ 0.74 crore ((previous year: ₹ Nil))

- Impairment allowance recognised on trade and other receivables is ₹ Nil (previous year: ₹ Nil).
- No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

7 Loans

(₹ In Crore)

Particulars	As at 31 March 2020 At amortised cost	At FVOCI	Total	As at 31 March 2019 At amortised Cost	At FVOCI	Total
Term loan						
(A) Secured						
Against equitable mortgage of immovable property under finance agreements	5,415.50	21,742.46	27,157.96	3,777.21	13,050.69	16,827.90
Less: Impairment loss allowances	30.61	82.92	113.53	7.95	19.95	27.90
Total (A)	5,384.89	21,659.54	27,044.43	3,769.26	13,030.74	16,800.00
(B) Unsecured						
Unsecured loans at agreement values less instalments received	938.07	-	938.07	532.87	-	532.87
Less: Impairment loss allowances	7.09	-	7.09	1.31	-	1.31
Total (B)	930.98	-	930.98	531.56	-	531.56
Total (A+B)	**6,315.87**	**21,659.54**	**27,975.41**	**4,300.82**	**13,030.74**	**17,331.56**
Out of above						
(i) Loans in India						
Public sector	-	-	-	-	-	-
Less: Impairment loss allowances	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
Others	6,353.57	21,742.46	28,096.03	4,310.08	13,050.69	17,360.77
Less: Impairment loss allowances	37.70	82.92	120.62	9.26	19.95	29.21
Sub-total	**6,315.87**	**21,659.54**	**27,975.41**	**4,300.82**	**13,030.74**	**17,331.56**
(ii) Loans outside India	-	-	-	-	-	-
Total (i+ii)	**6,315.87**	**21,659.54**	**27,975.41**	**4,300.82**	**13,030.74**	**17,331.56**

Summary of loans by stage distribution

(₹ In Crore)

Particulars	As at 31 March 2020 Stage 1	Stage 2	Stage 3	Total	As at 31 March 2019 Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	27,778.42	293.91	23.70	28,096.03	17,291.64	59.63	9.50	17,360.77
Less: Impairment loss allowance	89.01	22.60	9.01	120.62	22.55	3.30	3.36	29.21
	27,689.41	**271.31**	**14.69**	**27,975.41**	**17,269.09**	**56.33**	**6.14**	**17,331.56**

Notes to financial statements for the year ended 31 March 2020 (Contd.)

7 Loans (Contd.)

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	For the year ended 31 March 2020							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2019	17,291.64	22.55	59.63	3.30	9.50	3.36	17,360.77	29.21
Transfer during the year								
Transfer to stage 1	16.21	1.12	(15.85)	(1.07)	(0.36)	(0.05)	-	-
Transfer to stage 2	(278.51)	(0.46)	278.51	0.46	-	-	-	-
Transfer to stage 3	(97.12)	(0.17)	(14.07)	(1.05)	111.19	1.22	-	-
Sub-total	**(359.42)**	**0.49**	**248.59**	**(1.66)**	**110.83**	**1.17**	**-**	**-**
Impact of changes in credit risk on account of stage movements		(1.00)		22.89		8.36	-	30.25
Changes in opening credit exposures (additional disbursement net of repayments)	(5,327.63)	15.33	(90.47)	(7.08)	(74.78)	22.99	(5,492.88)	31.24
New credit exposures during the year, net of repayments	16,173.83	51.64	76.16	5.15	11.07	6.05	16,261.06	62.84
Amounts written off during the year	-	-	-	-	(32.92)	(32.92)	(32.92)	(32.92)
As at 31 March 2020	**27,778.42**	**89.01**	**293.91**	**22.60**	**23.70**	**9.01**	**28,096.03**	**120.62**

Particulars	For the year ended 31 March 2019							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2018	3,573.52	4.39	0.57	0.08	-	-	3,574.09	4.47
Transfer during the year								
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	(30.25)	(0.07)	30.25	0.07	-	-	-	-
Transfer to stage 3	(5.92)	(0.02)	-	-	5.92	0.02	-	-
Sub-total	**(36.17)**	**(0.09)**	**30.25**	**0.07**	**5.92**	**0.02**	**-**	**-**
Impact of changes in credit risk on account of stage movements	-	-	-	1.24	-	2.06	-	3.30
Changes in opening credit exposures (additional disbursement net of repayments)	(385.95)	(0.31)	(1.00)	(0.08)	(0.08)	-	(387.03)	(0.39)
New credit exposures during the year, net of repayments	14,140.24	18.56	29.81	1.99	3.98	1.60	14,174.03	22.15
Amounts written off during the year	-	-	-	-	(0.32)	(0.32)	(0.32)	(0.32)
As at 31 March 2019	**17,291.64**	**22.55**	**59.63**	**3.30**	**9.50**	**3.36**	**17,360.77**	**29.21**

Details of impairment on financial instruments disclosed in the Statement of Profit and Loss

(₹ In Crore)

Particulars	For the year ended 31 March	
	2020	2019
Net impairment loss allowance charge/(release) for the year	91.41	24.74
Amounts written off during the year	32.92	0.32
Impairment on financial instruments	124.33	25.06

Notes to financial statements for the year ended 31 March 2020 (Contd.)

8 Investments

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
At fair value through profit or loss		
(i) In mutual funds	2,500.45	1,350.00
Add: Fair value gain/(losses)	7.57	1.44
Total (i)	2,508.02	1,351.44
(ii) In certificate of deposits*	-	404.64
Add: Fair value gain/(losses)	-	0.09
Total (ii)	-	404.73
Total (i+ii)	2,508.02	1,756.17

* Impairment allowance recognised on these investments is ₹ Nil (previous year ₹ Nil).

Particulars	As at 31 March 2020	As at 31 March 2019
Out of above:		
In India	2,508.02	1,756.17
Outside India	-	-
	2,508.02	1,756.17

9 Other financial assets

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposits*	5.75	4.20
Advances to related parties	2.07	3.59
Other advances	0.62	0.60
	8.44	8.39

- Impairment allowance recognised on other financial assets is ₹ Nil (previous year: ₹ Nil).

* Includes security deposits with related parties ₹ 0.02 crore (previous year ₹ 0.02 crore)

Notes to financial statements for the year ended 31 March 2020 (Contd.)

10 Deferred tax assets/(liabilities), (net)

Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Profit before tax	567.45	148.70
At corporate tax rate of 25.17% (previous year: 29.12%)	142.83	43.30
Tax on expenditure not considered for tax provision (net of allowance)	2.39	-
Tax on additional deductions	(0.10)	-
Tax on utilisation of previously unrecognised tax losses	-	(2.54)
Tax impact due to revaluation of deferred tax due to change in Income tax rate*	1.00	-
Tax on income not subject to tax	-	(1.86)
Tax expense (effective tax rate of 25.75%, previous year 26.16%)	146.12	38.90

* Company opted for reduced corporate tax rate of 25.17% under section 115BAA of the Income Tax Act, 1961

Deferred tax assets/(liabilities) recorded in balance sheet

(₹ In Crore)

Particulars	As at 31 March 2020	2019
Deferred tax relates to the following:		
(A) Deferred tax assets		
Disallowance u/s 43B of the Income Tax Act, 1961	0.52	1.47
Depreciation and amortisation expenses	1.11	-
Impairment on Financial Instruments	24.23	6.31
Financial instruments measured at EIR	-	3.11
Lease liability impact	0.46	-
Total (A)	26.32	10.89
(B) Deferred tax liabilities		
Depreciation and amortisation expenses	-	0.10
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	8.15	2.15
Financial instruments measured at EIR	27.70	-
Unrealised net gain on fair value changes	1.90	0.44
Total (B)	37.75	2.69
Deferred tax assets/(liabilities), net (A-B)	(11.43)	8.20

Notes to financial statements for the year ended 31 March 2020 (Contd.)

10 Deferred tax assets (net) (Contd.)

Changes in deferred tax assets/(liabilities) recorded in profit or Loss

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Deferred tax relates to the following		
Disallowance u/s 43B of the Income Tax Act, 1961	1.34	(0.55)
Impairment on financial instruments	(17.92)	(5.00)
Depreciation and amortisation expenses	(1.21)	(0.30)
Financial instruments measured at EIR	30.81	0.44
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	6.00	2.15
Lease liability impact	(0.46)	-
Unrealised net gain/(loss) on fair value changes	1.46	0.31
Total	20.02	(2.95)

Changes in deferred tax recorded in other comprehensive income

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Deferred tax relates to the following		
Disallowance u/s 43B of the Income Tax Act, 1961	(0.39)	(0.78)
	(0.39)	(0.78)

Notes to financial statements for the year ended 31 March 2020 (Contd.)

11 Property, plant and equipment and intangible assets

For the year ended 31 March 2020

(₹ In Crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2019	Additions	Deductions/ adjustments	As at 31 March 2020	As at 1 April 2019	Deductions/ adjustments	For the year	As at 31 March 2020	As at 31 March 2020
Property, plant and equipment (a)									
Buildings	2.39	-	-	2.39	0.24	-	0.10	0.34	2.05
Computers	9.69	7.03	0.76	15.96	1.86	0.43	4.70	6.13	9.83
Furniture and fixtures	7.53	3.04	(0.07)	10.64	1.62	0.01	1.82	3.43	7.21
Vehicles	3.83	3.42	0.33	6.92	0.74	0.10	1.69	2.33	4.59
Office equipment	7.57	4.95	0.73	11.79	1.00	0.07	2.08	3.01	8.78
Lease hold improvement	6.84	6.26	0.87	12.23	1.03	0.37	3.05	3.71	8.52
Right-of-use - Premises	28.74*	16.90	0.73	44.91	-	0.10	8.19	8.09	36.82
Sub-total	**66.59**	**41.60**	**3.35**	**104.84**	**6.49**	**1.08**	**21.63**	**27.04**	**77.80**
Intangible assets (b)									
Computer software	6.85	2.92	-	9.77	0.28	-	1.51	1.79	7.98
Sub-total	**6.85**	**2.92**	**-**	**9.77**	**0.28**	**-**	**1.51**	**1.79**	**7.98**
Total	**73.44**	**44.52**	**3.35**	**114.61**	**6.77**	**1.08**	**23.14**	**28.83**	**85.78**

* Represents right to use assets recognised on application of Ind AS 116 (revised) w.e.f 1 April 2019.

For the year ended 31 March 2019

(₹ In Crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2018	Additions	Deductions/ adjustments	As at 31 March 2019	As at 1 April 2018	Deductions/ adjustments	For the year	As at 31 March 2019	As at 31 March 2019
Property, plant and equipment (a)									
Buildings	2.39	-	-	2.39	0.13	-	0.11	0.24	2.15
Computers	0.01	10.73	1.05	9.69	-	0.20	2.06	1.86	7.83
Furniture and fixtures	-	7.57	0.04	7.53	-	-	1.62	1.62	5.91
Vehicles	0.75	3.24	0.16	3.83	0.01	0.01	0.74	0.74	3.09
Office equipment	0.02	7.55	-	7.57	0.02	-	0.98	1.00	6.57
Lease hold improvement	-	6.84	-	6.84	-	-	1.03	1.03	5.81
Right-of-use - Premises	-	-	-	-	-	-	-	-	-
Total (i)	**3.17**	**35.93**	**1.25**	**37.85**	**0.16**	**0.21**	**6.54**	**6.49**	**31.36**
Intangible assets (b)									
Computer software	0.04	6.81	-	6.85	-	-	0.28	0.28	6.57
Sub-total	**0.04**	**6.81**	**-**	**6.85**	**-**	**-**	**0.28**	**0.28**	**6.57**
Total	**3.21**	**42.74**	**1.25**	**44.70**	**0.16**	**0.21**	**6.82**	**6.77**	**37.93**

(a)See note no. 4.7

(b)See note no. 4.8

Notes to financial statements for the year ended 31 March 2020 (Contd.)

12 Other non-financial assets

(₹ In Crore)

Particulars	As at 31 March 2020	2019
Capital advances	1.44	0.71
Indirect tax credits available for utilisation	0.92	0.70
Advances to suppliers and others*	4.19	1.89
	6.55	3.30

* Includes receivable from related parties ₹ 0.17 crore (Previous year ₹ 0.13 crore)

13 Payables

(₹ In Crore)

Particulars	As at 31 March 2020	2019
Trade payables		
Total outstanding dues of micro enterprises and small enterprises#	0.24	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	30.35	16.06
	30.59	16.06
Other payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises**	17.83	29.10
	17.83	29.10

* Includes payable to related parties ₹ 4.80 crore (previous year ₹ 1.63 crore).

** Includes payable to related parties ₹ 5.58 crore (previous year ₹ nil).

Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

(₹ In Crore)

Particulars	As at 31 March 2020	2019
Principal amount due to suppliers under MSMED Act, as at the year end (since Paid) (Previous Year ₹ 25,784)	0.24	
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	4.95	0.93
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	0.12	0.01
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (Previous Year ₹ 276)	-	

Notes to financial statements for the year ended 31 March 2020 (Contd.)

14 Debt securities

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
(A) At amortised cost		
(i) Secured*		
Privately placed redeemable non-convertible debentures*#	6,119.32	4,304.89
Total (i)	6,119.32	4,304.89
(ii) Unsecured		
Borrowings by issue of Commercial Paper	1,450.88	3,327.47
Privately placed partly paid redeemable non-convertible debentures$	253.39	-
Total (ii)	1,704.27	3,327.47
Total (i+ii)	7,823.59	7,632.36
(B) Out of above		
In India	7,823.59	7,632.36
Outside India	–	–
	7,823.59	7,632.36

* Privately placed redeemable non-convertible debentures are secured by a first pari-passu charge by mortgage of Company's office at Unit No.804, admeasuring 2,610 sq. ft. 8th Floor, Block-A of Wing Delta, bearing old Door nos. 113 to 122 and 128 to 134 and New No.177, Raheja Towers, Anna Salai, Mount Road, Chennai – 600 002 of nominal value and debts/loan receivables under financing activity as stated in the respective information memorandum.

Related parties are current holders of ₹ 301.10 crore in aggregate of the above debt securities (Previous year ₹ Nil).

$ Related parties are current holders of ₹ 218.20 crore in aggregate of the above debt securities (Previous year ₹ Nil).

(a) Terms of repayment of non-convertible debentures (NCDs) as at 31 March 2020

(₹ In Crore)

Original maturity of NCDs (In no. of days)	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
Issued at par and redeemable at par					
731-1095	–	758.32	165.00	–	923.32
1096-1460	100.00	79.80	960.00	–	1,139.80
More than 1460	–	–	–	252.00	252.00
Issued at par and redeemable at premium					
366-730	320.00	–	–	–	320.00
731-1095	–	428.29	–	–	428.29
1096-1460	–	1,848.51	834.26	–	2,682.77
Issued at discount and redeemable at par					
366-730	–	–	–	–	-
731-1095	–	–	–	–	-
1096-1460	–	–	24.50	–	24.50
Interest accrued and impact of EIR					602.03
					6,372.71

- Interest rate ranges from 6.94% p.a. to 9.21% p.a.
- As at 31 March 2020, partly called and paid unsecured debentures of ₹ 253.39 crore.
- Amount to be called and paid is ₹ 105 crore each in Feb 2021, Feb 2022,Feb 2023, Feb 2024 and ₹ 120 crore in Feb 2025
- Amount to be called and paid is ₹ 147 crore each in Mar 2021, Mar 2022,Mar 2023, Mar 2024 and ₹ 168 crore in Mar 2025

Notes to financial statements for the year ended 31 March 2020 (Contd.)

14 Debt securities (Contd.)

Terms of repayment of non-convertible debentures (NCDs) as at 31 March 2019

(₹ In Crore)

Original maturity of NCDs (In no. of days)	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
Issued at par and redeemable at par					
731-1095	–	100	352.63	–	452.63
1096-1460	–	–	79.94	110.00	189.94
Issued at par and redeemable at premium					
366-730	–	320.00	–	–	320.00
731-1095	–	–	428.29	–	428.29
1096-1460	–	–	1,848.51	834.26	2,682.77
Interest accrued and impact of EIR					231.26
					4,304.89

- Interest rate ranges from 7.50% p.a. to 8.25% p.a.

(b) Terms of repayment of commercial papers as at 31 March 2020

(₹ In Crore)

Original maturity (In no. of days)	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
Issued at discount and redeemable at par					
Up to 365	1,452.13	–	–	–	1,452.13
Interest accrued and impact of EIR					(1.25)
					1,450.88

- Interest rate ranges from 6.60% p.a. to 7.85% p.a.
- Face value of commercial paper is ₹ 1,515 crore as at 31 March 2020 (previous year ₹ 3,350 crore)

Terms of repayment of commercial papers as at 31 March 2019

(₹ In Crore)

Original maturity (In no. of days)	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
Issued at discount and redeemable at par					
Up to 365	3,327.78	–	–	–	3,327.78
Interest accrued and impact of EIR					(0.31)
					3,327.47

- Interest rate ranges from 7.46% p.a. to 7.60% p.a.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

15 Borrowings (Other than debt securities)

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
(A) At amortised cost		
Secured*		
Term loans from banks	17,714.41	7,335.57
Loans repayable on demand from banks		
Cash credit	49.77	268.20
Working capital demand loan	12.67	-
	17,776.85	7,603.77
(B) Out of above		
In India	17,776.85	7,603.77
Outside India	-	-
	17,776.85	7,603.77

* Secured against hypothecation of book debts, loan receivables and other receivables.

(a) Terms of repayment of term loans as at 31 March 2020

Original maturity of loan (In no. of days)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total
	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	₹ In Crore
Quarterly									
Upto 365	-	-	-	-	-	-	-	-	-
366 to 730	30	486.46	14	300.00	-	-	-	-	786.46
731 to 1095	18	282.29	50	947.90	21	491.67	-	-	1,721.86
More than 1095	4	16.67	20	164.58	82	1,482.31	166	3,476.71	5,140.27
Half yearly									
Upto 365	-	-	-	-	-	-	-	-	-
366 to 730	3	192.46	6	230.77	-	-	-	-	423.23
731 to 1095	2	154.00	6	307.85	7	270.77	-	-	732.62
More than 1095	-	-	2	154.00	13	846.85	69	3,253.96	4,254.81
Yearly									
Upto 365	3	80.00	-	-	-	-	-	-	80.00
366 to 730	1	30.00	1	25.00	-	-	-	-	55.00
731 to 1095	5	223.34	4	210.00	1	25.00	-	-	458.34
More than 1095	-	-	6	323.32	10	550.00	23	1,015.96	1,889.28
On maturity (Bullet)									
Upto 365	-	-	-	-	-	-	-	-	-
366 to 730	4	50.00	5	62.50	-	-	-	-	112.50
731 to 1095	1	100.00	10	765.00	4	50.00	-	-	915.00
More than 1095	1	50.00	-	-	1	211.25	5	899.71	1,160.96
Interest accrued and impact of EIR									(15.92)
									17,714.41

- Interest rate ranges from 6.59% p.a. to 9.00% p.a.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

15 Borrowings (Other than debt securities) (Contd.)

(b) Terms of repayment of working capital demand loan as at 31 March 2020

(₹ In Crore)

Original maturity (In no. of days)	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
Up to 365	12.67	–	–	–	12.67
Interest accrued and impact of EIR					–
					12.67

– Interest rate ranges from 7.80% p.a. to 8.10% p.a.

Terms of repayment of term loans as at 31 March 2019

Original maturity of loan (In no. of days)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total
	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	₹ In Crore
Quarterly									
Upto 365	3	58.33	–	–	–	–	–	–	58.33
366 to 730	–	–	39	558.33	–	–	–	–	558.33
731 to 1095	–	–	–	–	15	234.38	–	–	234.38
More than 1095	–	–	–	–	21	173.96	56	875.00	1,048.96
Half yearly									
Upto 365	4	308.00	–	–	–	–	–	–	308.00
366 to 730	–	–	4	308.00	–	–	–	–	308.00
731 to 1095	–	–	–	–	2	154.00	–	–	154.00
More than 1095	–	–	–	–	2	154.00	26	1,876.00	2,030.00
Yearly									
Upto 365	6	253.34	–	–	–	–	–	–	253.34
366 to 730	–	–	6	253.34	–	–	–	–	253.34
731 to 1095	–	–	–	–	1	30.00	–	–	30.00
More than 1095	–	–	–	–	6	323.32	11	540.00	863.32
On maturity (Bullet)									
Upto 365	–	–	–	–	–	–	–	–	-
366 to 730	–	–	2	150.00	–	–	–	–	150.00
731 to 1095	–	–	–	–	2	450.00	–	–	450.00
More than 1095	–	–	–	–	–	–	3	650.00	650.00
Interest accrued and impact of EIR									(14.43)
									7,335.57

– Interest rate ranges from 7.77% p.a. to 9.00% p.a.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

16 Other financial liabilities

(₹ In Crore)

Particulars	As at 31 March 2020	2019
Security deposits*	0.08	0.08
Book overdrafts	-	248.86
Lease liabilities***	38.70	-
Others**	34.81	43.45
	73.59	292.39

* Includes amounts pertaining to related parties ₹ 0.08 crore (previous year ₹ 0.08 crore)

** Includes amounts pertaining to related parties ₹ 0.12 crore (previous year ₹ 9.33 crore)

*** Disclosures as required by Ind AS 116 - Leases are stated below:

(a) Lease liability movement

(₹ In Crore)

Particulars	Amount
Balance as on 1 April 2019	28.74
Add:	
Addition during the year	16.90
Interest on Lease Liability	2.79
Less:	
Deletion during the year	0.65
Lease rental payments	9.08
Balance as on 31 March 2020	38.70

(b) Lease rentals of ₹ 1.13 crores pertaining to short-term leases and low value assets has been directly debited to Statement of Profit and Loss.

(c) Future Lease Cash Outflow for all leased assets:

(₹ In Crore)

Particulars	Amount
Not later than one year	10.90
Later than one year but not later than five years	32.00
Later than five years	3.49

(d) Maturity Analysis of Lease Liability as at 31 March 2020:

(₹ In Crore)

Particulars	Within 12 months	After 12 months
Lease Liability	8.15	30.55

Notes to financial statements for the year ended 31 March 2020 (Contd.)

17 Provisions

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Gratuity	-	2.12
Compensated absences	1.16	2.17
Other long term service benefits	1.12	0.72
	2.28	5.01

18 Other non-financial liabilities

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	18.58	14.36
Others	25.48	6.44
	44.06	20.80

19 Equity share capital

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised 6,000,000,000 equity shares of ₹ 10 each (31 March 2019: 6,000,000,000 equity shares of ₹ 10 each)	6,000.00	6,000.00
Issued 4,883,333,329 equity shares of ₹ 10 each (31 March 2019: 3,550,000,000 equity shares of ₹ 10 each)	4,883.33	3,550.00
Subscribed and paid up 4,883,333,329 equity shares of ₹ 10 each fully called up and paid up (31 March 2019: 3,550,000,000 equity shares of ₹ 10 each)	4,883.33	3,550.00
	4,883.33	3,550.00

Notes to financial statements for the year ended 31 March 2020 (Contd.)

19 Equity share capital (Contd.)

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity share capital issued, subscribed and fully paid up	As at 31 March 2020 Nos.	As at 31 March 2020 ₹ In Crore	As at 31 March 2019 Nos.	As at 31 March 2019 ₹ In Crore
Outstanding at the beginning of the year	3,55,00,00,000	3,550.00	1,55,00,00,000	1,550.00
Add: Issue of equity shares on right basis	1,33,33,33,329	1,333.33	2,00,00,00,000	2,000.00
Outstanding at the end of the year	**4,883,333,329**	**4,883.33**	**3,550,000,000**	**3,550.00**

- 1,333,333,329 fully paid-up equity shares of face value of ₹ 10 each were allotted at premium of ₹ 1.25 per share on 5 February 2020 to Bajaj Finance Ltd., holding company of the Company on rights basis.
- 1,000,000,000 fully paid-up equity shares of face value of ₹ 10 each were allotted at par on 25 March 2019 to Bajaj Finance Ltd., holding company of the Company on rights basis.
- 1,000,000,000 fully paid-up equity shares of face value of ₹ 10 each were allotted at par on 19 September 2018 to Bajaj Finance Ltd., holding company of the Company on rights basis.

(b) Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by Holding Company (face value ₹ 10 per share)

Particulars	As at 31 March 2020 Nos.	As at 31 March 2020 ₹ In Crore	As at 31 March 2019 Nos.	As at 31 March 2019 ₹ In Crore
Bajaj Finance Ltd.*	4,88,33,33,329	4,883.33	3,55,00,00,000	3,550.00

* A subsidiary of Bajaj Finserv Ltd.

(d) Details of shareholders holding more than 5% shares in the Company (face value ₹ 10 per share)

Particulars	As at 31 March 2020 Nos.	As at 31 March 2020 % Holding	As at 31 March 2019 Nos.	As at 31 March 2019 % Holding
Bajaj Finance Ltd. (Holding Company)	4,88,33,33,329	100%	3,55,00,00,000	100%

Notes to financial statements for the year ended 31 March 2020 (Contd.)

20 Other equity

(₹ In Crore)

Particulars	As at 31 March 2020	2019
(A) Securities premium		
Balance as at the beginning of the year	-	-
Add: Received during the year		
On right issue of shares	166.67	-
Balance as at the end of the year (A)	166.67	-
(B) Statutory reserve in terms of section 29C of the NHB Act, 1987		
Balance as at the beginning of the year		
Statutory Reserve u/s 29C of the NHB Act, 1987	19.05	4.49
Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	7.40	-
Total	26.45	4.49
Addition/appropriation/withdrawal during the year		
Add:		
Amount transferred u/s 29C of the NHB Act, 1987	59.27	14.56
Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	25.00	7.40
Less:		
Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance as at the end of the year		
Statutory Reserve u/s 29C of the NHB Act, 1987	78.32	19.05
Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	32.40	7.40
Total (B)	110.72	26.45
(C) Retained earnings		
Balance as at the beginning of the year	81.90	(4.04)
Profit for the year	421.33	109.80
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	(1.60)	(1.90)
Less: Appropriations:		
Transfer to statutory reserve in terms of section 29C of the NHB Act, 1987	59.27	14.56
Transfer to special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under section 29C of the NHB Act, 1987	25.00	7.40
Total appropriations	84.27	21.96
Balance as at the end of the year (C)	417.36	81.90

Notes to financial statements for the year ended 31 March 2020 (Contd.)

20 Other equity (Contd.)

(₹ In Crore)

Particulars	As at 31 March 2020	2019
(D) Capital Contribution from Holding-ESOPs		
Balance as at the beginning of the year	-	-
Add: fair value of stock options issued by holding company	7.05	-
Balance as at the end of the year (D)	7.05	-
Total (A+B+C+D)	701.80	108.35

Nature and purpose of other equity

i. Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

ii. Statutory Reserve in terms of section 29C of the National Housing Bank Act, 1987

Reserve Fund is created as per the section 29C of the National Housing Bank Act, 1987, which requires every housing finance company to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. This includes Special Reserve created to avail the deduction as per the provisions of section 36(1)(viii) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes

iii. Retained earnings

Retained earnings represents the surplus in profit and loss account after appropriation. The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

(a) actuarial gains and losses; and
(b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset).

iv. Capital Contribution from Holding-ESOPs

Represents fair value of ESOPs issued by the Holding Company to the employees of the Company.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

20 Other equity (Contd.)

v. Other comprehensive income

On loans

The Comapny recognises changes in the fair value of loans measured under FVOCI in other comprehensive income and impairment loss allowances are recognised in profit or loss. The table gives details of movement of fair value changes:

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at the beginning of the year	-	-
Fair value changes	82.92	19.95
Impairment loss allowances transferred to profit or loss	(82.92)	(19.95)
Balance as at the end of the year	-	-

21 Interest income

(₹ In Crore)

Particulars	For the year ended 31 March 2020 – On financial assets measured at – Amortised cost	FVOCI	FVTPL	Total	For the year ended 31 March 2019 – On financial assets measured at – Amortised cost	FVOCI	FVTPL	Total
On loans*	630.67	1,660.60	-	2,291.27	286.22	709.52	-	995.74
On investments	-	-	0.83	0.83	-	-	1.50	1.50
On deposits with banks	10.98	-	-	10.98	0.59	-	-	0.59
	641.65	**1,660.60**	**0.83**	**2,303.08**	**286.81**	**709.52**	**1.50**	**997.83**

* As per Effective Interest Rate (EIR). Refer note no. 4.1(i)

22 Fees and commission income

(₹ In Crore)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Distribution income	65.26	37.92
Fees on value added services and products	16.77	9.60
Service and administration charges	15.78	7.58
Foreclosure income	2.27	1.74
	100.08	56.84

Notes to financial statements for the year ended 31 March 2020 (Contd.)

23 Net gain on fair value changes

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Net gain/(loss) on financial instruments measured at fair value through profit or loss		
On trading portfolio		
Realised gain/(loss) on debt instruments at FVTPL	67.67	38.55
Unrealised gain/(loss) on debt instruments at FVTPL	6.04	1.09
	73.71	39.64

24 Sale of services

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Service charges	39.34	53.29
Service fees for management of assigned portfolio of loans	129.81	1.55
	169.15	54.84

25 Other income

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Income from Rent	0.17	0.17
Interest on income tax refund (₹ Nil, previous year ₹ 953)	–	
Miscellaneous income	0.04	0.05
	0.21	0.22

26 Finance costs

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
On financial liabilities measured at amortised cost:		
On debt securities	649.98	385.63
On borrowings other than debt securities	963.26	299.08
On lease liabilities	2.79	–
	1,616.03	684.71

Notes to financial statements for the year ended 31 March 2020 (Contd.)

27 Fees and commission expenses

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Commission and incentives	0.50	0.59
Loan portfolio management service charges	0.80	0.73
	1.30	1.32

28 Impairment on financial instruments

(₹ In Crore)

Particulars	For the year ended 31 March 2020			For the year ended 31 March 2019		
	At amortised cost	At FVOCI	Total	At amortised cost	At FVOCI	Total
On loans	35.80	88.53	124.33	8.14	16.92	25.06
	35.80	88.53	124.33	8.14	16.92	25.06

29 Employee benefits expenses

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Employees emoluments	223.05	204.05
Contribution to provident fund and other funds	10.44	6.00
Share based payments to employees	7.05	-
Staff welfare expenses	7.97	8.88
	248.51	218.93

Notes to financial statements for the year ended 31 March 2020 (Contd.)

30 Other expenses

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Travelling expenses	14.85	16.53
Advertisement, branding and promotion	9.10	1.11
Information technology expenses	8.17	8.93
Repairs and maintenance	5.92	6.50
Rent, taxes and energy cost	3.83	9.71
Outsourcing/back office expenses	3.47	13.83
Communication expenses	3.45	2.72
Legal and professional charges	2.14	1.83
Printing and stationery	1.83	1.54
Bank charges	1.52	0.65
Expenditure towards Corporate Social Responsibility activities**	0.56	-
Net loss on sale of property, plant and equipment	0.49	0.26
Business support services	0.41	2.58
Director's fees	0.18	-
Insurance	0.17	0.02
Customer experience	0.15	0.16
Auditor's fees and expenses*	0.09	0.04
Miscellaneous expenses	9.14	3.80
	65.47	70.21

* Break-up of payment to auditor (net of GST credit availed)

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
As auditor		
Audit fee	0.01	0.01
Tax audit fee	0.00	0.00
Limited review fee	0.01	0.01
In other capacity		
Other services	0.04	0.02
Reimbursement of expenses	0.03	-
	0.09	0.04

** Corporate Social Responsibility expenditure

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
(a) Gross amount required to be spent by the Company during the year	0.56	-
(b) Amount spent in cash during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.56	-
	0.56	-

Notes to financial statements for the year ended 31 March 2020 (Contd.)

31 Exceptional items

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Profit on sale of investments in subsidiary	-	6.38
	-	6.38

32 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2020	2019
(A) Net profit attributable to equity shareholders (₹ In Crore)	421.33	109.80
(B) Weighted average number of equity shares for basic and diluted earnings per share	3,754,007,285	2,100,684,932
Earning per share (basic and diluted) (₹) (A/B)	1.12	0.52

Notes to financial statements for the year ended 31 March 2020 (Contd.)

33 Segment Information

The Company 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 Company operates in a single geographical segment i.e. domestic.

34 Transfer of financial assets that are derecognised in their entirety where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

35 Revenue from contract with customers

(₹ In Crore)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Type of services		
Distribution income	65.26	37.92
Fees on value added services and products	16.77	9.60
Service and administration charges	15.78	7.58
Foreclosure income	2.27	1.74
Sale of services	169.15	54.84
	269.23	111.68
Geographical markets		
India	269.23	111.68
Outside India	-	-
	269.23	111.68
Timing of revenue recognition		
Services transferred at a point in time	269.23	111.68
Services transferred over time	-	-
	269.23	111.68

Contract balances

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Service assets	114.83	1.55
Fees, commission and other receivables	3.20	1.73

- Impairment loss allowance recognised for contract asset is ₹ Nil (Previous year ₹ Nil)

Notes to financial statements for the year ended 31 March 2020 (Contd.)

36 Employee benefits plan

Defined benefit plans

(A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

(i) Movement in defined benefit obligations

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Defined benefit obligation as at the beginning of the year	11.87	0.61
Current service cost	2.48	0.29
Past service cost	-	-
Interest on defined benefit obligation	0.89	0.05
Remeasurement (gain)/loss:	-	
Actuarial (gain)/loss arising from change in financial assumptions	1.50	0.05
Actuarial (gain)/loss arising from change in demographic assumptions	-	0.01
Actuarial (gain)/loss arising on account of experience changes	0.63	3.20
Benefits paid	(0.69)	(0.39)
Liabilities assumed/(settled)*	0.45	8.05
Defined benefit obligation as at the end of the year	17.13	11.87

* On accounting of business combination within group

(ii) Movement in plan assets

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Fair value of plan asset as at the beginning of the year	9.75	0.48
Employer contributions	6.93	1.00
Interest on plan assets	0.79	0.04
Administration expenses	-	(0.01)
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	0.14	0.58
Benefits paid	(0.69)	(0.39)
Assets acquired/(settled)*	0.45	8.05
Fair value of plan asset as at the end of the year	17.37	9.75

* On accounting of business combination within group

Notes to financial statements for the year ended 31 March 2020 (Contd.)

36 Employee benefits plan (Contd.)

(A) Gratuity (Contd.)

(iii) Reconciliation of net liability/(asset)

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Net defined benefit liability/(asset) as at the beginning of the year	2.12	0.13
Expense charged to statement of profit & loss	2.58	0.30
Amount recognised in other comprehensive income	1.99	2.69
Employer contributions	(6.93)	(1.00)
Net defined benefit liability/(asset) as at the end of the year	(0.24)	2.12

(iv) Expenses charged to the statement of profit and loss

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Current service cost	2.48	0.29
Interest cost	0.10	0.01
	2.58	0.30

(v) Remeasurement (gains)/losses in other comprehensive income

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Opening amount recognised in other comprehensive income	2.69	0.01
Changes in financial assumptions	1.50	0.05
Changes in demographic assumptions	-	0.01
Experience adjustments	0.63	3.20
Actual return on plan assets less interest on plan assets	(0.14)	(0.58)
Closing amount recognised in other comprehensive income	4.68	2.69

(vi) Amount recognised in Balance Sheet

(₹ In Crore)

Particulars	As at 31 March 2020	2019
Present value of funded defined benefit obligation	17.13	11.87
Fair value of plan assets	17.37	9.75
Net funded obligation	(0.24)	2.12
Net defined benefit liability recognised in balance sheet	(0.24)	2.12

Notes to financial statements for the year ended 31 March 2020 (Contd.)

36 Employee benefits plan (Contd.)

(A) Gratuity (Contd.)

(vii) Key actuarial assumptions

(₹ In Crore)

Particulars	As at 31 March 2020	2019
Discount rate	6.80%	7.70%
Salary escalation rate (p.a.)	11.00%	11.00%
Category of plan assets		
Insurer managed funds	100%	100%

(viii) Sensitivity analysis for significant assumptions is as shown below

(₹ In Crore)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on defined benefit obligation	(5.03%)	5.19%	(4.77%)	4.96%
Impact of decrease in 50 bps on defined benefit obligation	5.42%	(4.86%)	5.15%	(4.66%)

(ix) Projected plan cash flow

(₹ In Crore)

Particulars	As at 31 March 2020	2019
Maturity Profile		
Expected benefits for year 1	0.86	0.64
Expected benefits for year 2	0.96	0.72
Expected benefits for year 3	1.07	0.78
Expected benefits for year 4	1.22	0.84
Expected benefits for year 5	1.26	0.92
Expected benefits for year 6	1.28	0.93
Expected benefits for year 7	1.29	0.97
Expected benefits for year 8	1.30	1.12
Expected benefits for year 9	1.31	0.99
Expected benefits for year 10 and above	29.13	22.75

(x) Expected contribution to fund in the next year

(₹ In Crore)

Particulars	As at 31 March 2020	2019
Expected contribution to fund in the next year	1.50	1.00

Notes to financial statements for the year ended 31 March 2020 (Contd.)

36 Employee benefits plan (Contd.)

(B) Long-term service benefit liabilty

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of unfunded obligations	1.12	0.72
Expense recognised in the statement of profit and loss	0.39	0.65
Discount rate (p.a.)	6.80%	7.70%

37 Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of:

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Disputed claims against the Company not acknowledged as debts	0.79	0.05

(b) Capital and other commitments

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Capital commitments (estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))	1.05	0.90
(ii) Other commitments (towards partially disbursed/un-encashed loans)	515.65	197.09

38 Changes in liabilities

The Company does not have any financing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

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

(₹ In Crore)

		For the year ended 31 March			
		2020		2019	
Name of the related party and nature of relationship	Nature of Transaction	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
A. Holding Company, Subsidiaries and Fellow Subsidiaries:					
Bajaj Finserv Ltd. (Ultimate Holding company)	Business Support Charges Paid	0.03	-	-	-
Bajaj Finance Ltd. (Holding Company)	Contribution to Equity (4,883,333,329 shares of ₹ 10 each)	1,500.00	(4,883.33)	2,000.00	(3,550.00)
	Security deposit received	-	(0.08)	-	(0.08)
	Rent received	0.17	0.02	0.17	-
	Assets purchased	0.30	-	4.67	-
	Assets sale	0.33	0.18	0.04	-
	Purchase of loan portfolio	-	-	393.54	-
	Direct assignment of loan portfolio	1,454.20	-	-	-
	Sale of equity share of subsidiary (Bajaj Financial Securities Ltd.)	-	-	20.38	-
	Business support charges paid	5.00	(4.67)	19.75	-
	Business support charges received	1.50	-	1.13	-
	Fees and commission received	46.67	0.50	54.15	-
	Service Asset Income	53.33	47.99	-	-
	Amount received against service asset income	7.34	-	-	-
	Interest income on Service Assets	2.00	-	-	-
	Other receipts	0.02	-	1.81	-
	Other payments	0.12	-	-	-
Bajaj Allianz General Insurance Company Ltd. (Fellow subsidiary)	Insurance premium adjusted (including cancellation receipts)	1.09	(0.12)	8.22	(0.73)
	Insurance expense	0.91	0.09	1.91	0.09
	Secured non-convertible debentures issued	-	(150.94)	-	-
Bajaj Allianz Life Insurance Company Ltd.	Insurance premium adjusted (including cancellation receipts)	198.53	0.46	262.62	(8.60)
(Fellow subsidiary)	Insurance expense	0.50	0.07	0.44	0.04
	Unsecured non-convertible debentures issued	-	(218.20)	-	-
Bajaj Finserv Direct Ltd.	Business support charges paid	4.92	(0.13)	12.44	(1.63)
(Fellow subsidiary)	Assets purchased	0.11	-	-	-
	Assets sale	0.19	0.05	-	-
	Other Receipts	0.13	-	-	-

Notes to financial statements for the year ended 31 March 2020 (Contd.)

39 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of the related party and nature of relationship	Nature of Transaction	2020 Transaction Value	2020 Outstanding amounts carried in Balance Sheet	2019 Transaction Value	2019 Outstanding amounts carried in Balance Sheet
B. Key Management Personnel and their relatives					
Sanjiv Bajaj (Director)	Sitting Fees	0.06	-	-	-
Nanoo Pamnani (Director)	Sitting Fees	0.06	-	-	-
Lila Poonawalla (Director)	Sitting Fees	0.06	-	-	-
Atul Jain (Chief Executive Officer)	Remuneration	9.76	(5.58)	3.25	-
	Fair value of ESOPs issued by Holding Company	4.33	-	-	-
C. Other entities					
Bajaj Auto Ltd.	Rent paid	-	-	0.01	-
	Security deposit (paid)	-	0.02	0.02	0.02
	Interest expense on lease obligation	0.01	-	-	-
	Lease liability recognised at inception	0.13	(0.09)	-	-
	Payment towards lease obligation	0.04	-	-	-
Bajaj Holdings and Investment Ltd.	Secured non-convertible debentures issued	-	(150.16)	-	-
Hind Musafir Agency Ltd.	Services received	2.43	-	2.31	-
D. Post employment benefit entity					
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	2.50	-	0.50	-
Bajaj Auto Senior Staff Group Gratuity Fund	Gratuity contribution	4.50	-	0.50	-

Note:

- Transactions value are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the Company. 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.
- 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.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

40 Capital

The Company actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirements of the regulator, National Housing Bank. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by NHB.

(i) Capital management

Objective

The company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Company endeavors to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks-which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Tier I capital	5,495.58	3,626.71
Tier II capital	151.25	70.75
Total capital	5,646.83	3,697.46
Total risk weighted assets	22,450.99	14,324.25
Tier I CRAR	24.48%	25.32%
Tier II CRAR	0.67%	0.49%
Total CRAR	25.15%	25.81%

CRAR computed above is based on the financial statement of the Company as at and for the year ended March 31,2020 which complies in all material respects with previous GAAP, as noted by the Board of Directors for regulatory and supervisory purposes pursuant to the NHB Circular No. NHB (ND)/DRS/Policy Circular No. 89/2017-18 dated 14 June 2018.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

41 Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

42 Fair values

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

The company'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 (refer note no. 43) using quoted market prices of the underlying instruments;
- Fair values of investments under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair value of loans held for 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 Company has determined that the carrying values of cash and cash equivalents, trade receivables, short term loans, floating rate loans, 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.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

43 Fair value hierarchy

The company determines fair values of 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 Company 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.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2020

(₹ In Crore)

Particulars	Date of valuation	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments held for trading designated under FVTPL	31 Mar 2020	2,508.02	-	-	2,508.02
Loans designated under FVOCI	31 Mar 2020	-	21,659.54	-	21,659.54

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2019

(₹ In Crore)

Particulars	Date of valuation	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments held for trading designated under FVTPL	31 Mar 2019	1,756.17	-	-	1,756.17
Loans designated under FVOCI	31 Mar 2019	-	13,030.74	-	13,030.74

Notes to financial statements for the year ended 31 March 2020 (Contd.)

43 Fair value hierarchy (Contd.)

Fair value of financial instruments not measured at fair value as at 31 March 2020

(₹ In Crore)

Particulars	Carrying value	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets					
Cash and cash equivalents	658.72	658.72	-	-	658.72
Trade receivables	118.40	-	-	118.40	118.40
Loans at amortised cost*	6,315.87	-	-	6,315.87	6,315.87
Investments	-	-	-	-	-
Other financial assets	8.44	-	-	8.44	8.44
	7,101.43	658.72	-	6,442.71	7,101.43
Financial liabilities					
Trade payables	30.59	-	-	30.59	30.59
Other payables	17.83	-	-	17.83	17.83
Debt securities	7,823.59	-	7,925.42	-	7,925.42
Borrowings (other than debt securities)	17,776.85	-	-	17,776.85	17,776.85
Other financial liabilities	73.59	-	-	73.59	73.59
	25,722.45	-	7,925.42	17,898.86	25,824.28

* Substantial portion of loans are at floating rate of interest, hence does not have material impact on fair valuation.

Fair value of financial instruments not measured at fair value as at 31 March 2019

(₹ In Crore)

Particulars	Carrying value	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets					
Cash and cash equivalents	106.98	106.98	-	-	106.98
Trade receivables	3.31	-	-	3.31	3.31
Loans at amortised cost*	4,300.82	-	-	4,300.82	4,300.82
Other financial assets	8.39	-	-	8.39	8.39
	4,419.50	106.98	-	4,312.52	4,419.50
Financial liabilities					
Trade payables	16.06	-	-	16.06	16.06
Other payables	29.10	-	-	29.10	29.10
Debt Securities	7,632.36	-	7,626.63	-	7,626.63
Borrowings (other than debt securities)	7,603.77	-	-	7,603.77	7,603.77
Other financial liabilities	292.39	-	-	292.39	292.39
	15,573.68	-	7,626.63	7,941.32	15,567.95

* Substantial portion of loans are at floating rate of interest, hence does not have material impact on fair valuation.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

44 Risk management objectives and policies

Risk Management Framework

A summary of the major risks faced by the Company, its measurement, monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises • inability to raise incremental borrowings to fund business requirement or repayment obligations • when long term assets cannot be funded at the expected term resulting in cashflow mismatches; • amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board appointed Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by identifying gaps in the structural and dynamic liquidity statements. • assessment of incremental borrowings required for meeting the repayment obligation as well as the Company's business plan in line with prevailing market conditions. • monitored by – assessment of the gap between available liquidity and the near term liabilities given current market liquidity conditions and evolving regulatory directions for HFCs. – a constant calibration of sources of funds in line with emerging market conditions in banking and money markets – periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. • managed by the Company's treasury team under the guidance of ALCO through various means like liquidity buffers, sourcing of long term funds, positive asset liability mismatch, keeping strong pipeline of sanctions and approvals from banks and assignment of loans.
Interest Rate Risk	Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios.	Board appointed Asset Liability Committee (ALCO)	Interest rate risk is: • measured using Valuation at Risk ('VaR'), and modified duration analysis and other measures, including the sensitivity of net interest income; • monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities; and • managed by the Company's treasury team under the guidance of ALCO
Credit Risk	Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company	Board appointed Risk Management Committee	Credit risk is: • measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various metrics such as EMI default rate, overdue position, collection efficiency, customers non-performing loans etc. are used as leading indicators to assess credit risk. • monitored by Risk management committee using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer and portfolio concentration risks • managed by a robust control framework by the risk department which continuously align credit policies, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed risk management committee.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

44 Risk management objectives and policies (Contd.)

Liquidity and funding risk

The Company's ALCO monitors asset liability mismatches to ensure there are no imbalances or excessive concentrations on either side of the balance sheet.

The Company continuously monitors liquidity in the market; and as a part of its ALCO strategy, it maintains a liquidity buffer managed by an active investment desk to reduce this risk.

The Company maintains a judicious mix of borrowings from banks and money markets. The Company continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings has helped the Company maintain a healthy asset liability position. The Company continues to evaluate new sources of borrowing by way of new routes of funding like NHB refinance, External Commercial Borrowings (ECB), etc.

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities:

(₹ In Crore)

Particulars	As at 31 March 2020			As at 31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt securities	1,999.69	5,853.97	7,853.66	3,354.89	4,297.50	7,652.39
Borrowings (other than debt securities)	1,728.23	16,065.11	17,793.34	887.93	6,730.33	7,618.26
Trade payables	30.59	-	30.59	16.06	-	16.06
Other payables	17.83	-	17.83	29.10	-	29.10
Other financial liabilities	42.96	30.63	73.59	292.31	0.08	292.39
	3,819.30	21,949.71	25,769.01	4,580.29	11,027.91	15,608.20

Notes to financial statements for the year ended 31 March 2020 (Contd.)

44 Risk management objectives and policies (Contd.)

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

(₹ In Crore)

Particulars	As at 31 March 2020			As at 31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	658.72	-	658.72	106.98	-	106.98
Trade receivables	118.40	-	118.40	3.31	-	3.31
Loans	1,256.51	26,718.90	27,975.41	702.78	16,628.78	17,331.56
Investments	2,508.02	-	2,508.02	1,756.17	-	1,756.17
Other financial assets	2.69	5.75	8.44	4.19	4.20	8.39
Non-financial assets						
Current tax assets (net)	-	11.10	11.10	-	2.00	2.00
Deferred tax assets (net)	-	-	-	-	8.20	8.20
Property, plant and equipment	-	77.80	77.80	-	31.36	31.36
Other intangible assets	-	7.98	7.98	-	6.57	6.57
Other non-financial assets	6.55	-	6.55	3.30	-	3.30
	4,550.89	26,821.53	31,372.42	2,576.73	16,681.11	19,257.84
LIABILITIES						
Financial liabilities						
Trade payables	30.59	-	30.59	16.06	-	16.06
Other payables	17.83	-	17.83	29.10	-	29.10
Debt securities	1,997.22	5,826.37	7,823.59	3,354.24	4,278.12	7,632.36
Borrowings (other than debt securities)	1,724.76	16,052.09	17,776.85	875.20	6,728.57	7,603.77
Other financial liabilities	42.96	30.63	73.59	292.31	0.08	292.39
Non-financial liabilities						
Current tax liabilities (net)	7.07	-	7.07	-	-	-
Provisions	1.16	1.12	2.28	2.19	2.82	5.01
Deferred tax liabilities (net)	-	11.43	11.43	-	-	-
Other non-financial liabilities	44.06	-	44.06	20.80	-	20.80
	3,865.65	21,921.64	25,787.29	4,589.90	11,009.59	15,599.49

Notes to financial statements for the year ended 31 March 2020 (Contd.)

44 Risk management objectives and policies (Contd.)

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

Interest rate risk

On Investments

The Company holds shorter duration investment portfolio and thus it has a minimum fair value change impact on its investment portfolio. The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored using VaR and the parameters for monitoring the same are defined in its investment policy.

Sensitivity analysis as at 31 March 2020

(₹ In Crore)

Particulars	Carrying value	Fair value	Sensitivity to fair value 1% increase	Sensitivity to fair value 1% decrease
Investment at FVTPL	2,508.02	2,508.02	(3.00)	3.00

Sensitivity analysis as at 31 March 2019

(₹ In Crore)

Particulars	Carrying value	Fair value	Sensitivity to fair value 1% increase	Sensitivity to fair value 1% decrease
Investment at FVTPL	1,756.17	1,756.17	(2.49)	2.49

On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same are computed monthly and sensitivity of the market value of equity assuming varied changes in interest rates are presented and monitored by ALCO.

Sensitivity analysis as at 31 March 2020

(₹ In Crore)

Particulars	Carrying value	Fair value	Sensitivity to fair value 1% increase	Sensitivity to fair value 1% decrease
Loans	27,975.41	27,975.41	-	-
Debt Securities	7,823.59	7,925.42	(105.18)	110.07
Borrowings (other than debt securities)	17,776.85	17,776.85	-	-

Notes to financial statements for the year ended 31 March 2020 (Contd.)

44 Risk management objectives and policies (Contd.)

Sensitivity analysis as at 31 March 2019

(₹ In Crore)

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1% increase	1% decrease
Loans	17,331.56	17,331.56	–	–
Debt Securities	7,632.36	7,626.63	(88.16)	90.93
Borrowings (other than debt securities)	7,603.77	7,603.77	–	–

Credit Risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. The Company has a diversified lending model and focuses on six broad categories viz: (i) home loans, (ii) loan against property (iii) lease rental discounting, (iv) developer loans, (v) rural mortgage loans and (vi) unsecured loans. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

- Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;
- Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;
- Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised; and

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due ('DPD') and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12-month Point in Time ('PIT') probability weighted probability of default ('PD'). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro economic conditions (for a detailed note for methodology of computation of ECL please refer to significant accounting policies note no 4.4 (i) to the financial statements).

Financial instruments other than loans were subjected to simplified ECL approach under Ind AS 109 - 'Financial instruments' and accordingly were not subject to sensitivity of future economic conditions.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

44 Risk management objectives and policies (Contd.)

The table below summarises the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant

<table>
<tr><th>Lending verticals</th><th colspan="3">PD</th><th>EAD</th><th>LGD</th></tr>
<tr><td></td><td>Stage 1</td><td>Stage 2</td><td>Stage 3</td><td></td><td></td></tr>
<tr><td>Home loans</td><td colspan="2" rowspan="3">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers.</td><td rowspan="6">100%</td><td rowspan="3">EAD is computed based on past trends of proportion of outstanding at time of default to the outstanding on reporting date</td><td rowspan="6">Past trends of recoveries for each set of portfolios are discounted at reasonable approximation of the original effective rates of interest.</td></tr>
<tr><td>Loan against property</td></tr>
<tr><td>Rural mortgage loans</td></tr>
<tr><td>Lease rental discounting</td><td colspan="2" rowspan="2">External ratings or internal evaluation with a management overlay for each customer or customer industry segment.</td><td rowspan="2">EAD is computed given the time to default based on historic trends across rating profile</td></tr>
<tr><td>Developer loans</td></tr>
<tr><td>Other loans</td><td colspan="2">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers.</td><td>EAD is computed based on past trends of proportion of outstanding at time of default to the outstanding on reporting date</td></tr>
</table>

The table below summarises the gross carrying values and the associated allowance for expected credit loss (ECL) stage wise for loan portfolio:

As at 31 March 2020

(₹ In Crore)

Particulars	Secured Stage 1	Secured Stage 2	Secured Stage 3	Unsecured Stage 1	Unsecured Stage 2	Unsecured Stage 3
Gross carrying value	26,849.38	286.74	21.84	929.04	7.17	1.86
Allowance for ECL	83.89	21.73	7.91	5.12	0.87	1.10
ECL coverage ratio	0.31%	7.58%	36.22%	0.55%	12.13%	59.14%

As at 31 March 2019

(₹ In Crore)

Particulars	Secured Stage 1	Secured Stage 2	Secured Stage 3	Unsecured Stage 1	Unsecured Stage 2	Unsecured Stage 3
Gross carrying value	16,760.16	58.46	9.28	531.48	1.17	0.22
Allowance for ECL	21.44	3.19	3.27	1.11	0.11	0.09
ECL coverage ratio	0.13%	5.46%	35.24%	0.21%	9.40%	40.91%

Collateral valuation

The nature of products across these broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of its assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

44 Risk management objectives and policies (Contd.)

The main types of collateral across various products obtained are as follows:

Product Group	Nature of securities
Home loans	Equitable mortgage of residential properties.
Loan against property	Equitable mortgage of residential and commercial properties.
Rural mortgage loans	
Lease rental discounting	
Developer loans	

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics. The Company exercises its right to repossess properties mortgaged to it for delinquent customers. The repossessed assets are either sold or released to delinquent customers in case they come forward to settle their dues. The Company does not record repossessed assets on its balance sheet as non–current assets held for sale.

Analysis of Concentration Risk

The Company continues to grow its product offerings by expanding its geographic reach in order to reduce geographic concentrations while continually calibrating its product mix across its six categories of lending mentioned above.

Measurement uncertainty and sensitivity analysis of ECL estimates

Expected credit loss impairment allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis and are based on the economic scenarios described below. The recognition and measurement of ECL involves the use of estimation. It is necessary to formulate multiple forward-looking economic forecasts and its impact as an integral part of ECL model.

Methodology

The Company has adopted the use of three scenarios, representative of its view of forecast economic conditions, required to calculate unbiased expected loss. They represent a most likely outcome i.e. central scenario and two less likely outer scenarios referred to as the upside and downside scenarios. The Company has assigned a 10% probability to the two outer scenarios, while the central scenario has been assigned an 80% probability. These weights are deemed appropriate for the unbiased estimation of impact of macro factors on ECL. The key scenario assumptions are used keeping in mind external forecasts and management estimates which ensure that the scenarios are unbiased.

The Company has used multiple economic factors and tested their correlations with past loss trends witnessed. The economic factors tested were GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, crude oil prices, exchange rate and policy interest rates. Based on past correlation trends, CPI and policy interest rates were the two factors having acceptable correlation with past loss trends which were in line with management views on the drivers of portfolio trends. These factors were assigned appropriate weights to measure ECL in future economic conditions.

Given the Covid-19 pandemic, the Company has considered additional stress in the central and downside scenarios:

- Central Scenario: Centre for Monitoring Indian Economy (CMIE) released its latest estimate of unemployement rate which was at a elevated level of ~23% for March 2020 end till first week of April 2020 - this was significantly higher from 7.66% published for December 2019. Similarly, CPI which hovered between 3.42% to 5.86% for quarter ending September 2019 and December 2019, resepctively, has been projected to peak at 6.54% in September 2020 for stressed central scenario - representing anticipated stress impact due to lockdown and disruption in supply chains and increased prices for food and beverages.

- Downside Scenario: The Company has considered additional stress impact on unemployment rate as estimated by moody's forecast of Covid-19 scenarios for current expected credit loss (CECL).

Notes to financial statements for the year ended 31 March 2020 (Contd.)

44 Risk management objectives and policies (Contd.)

Risk management amidst Covid-19

The unprecedented health scare caused by Covid-19 which led to a countrywide lockdown is going to have a varying impact on different sectors of the economy. Salaried individuals may have to contend with a scenario of reduced income and/or job losses. Corporates, SMEs and MSMEs will struggle on account of reduced economic activities and business rhythm that is no longer efficient due to severe disruption in both demand and supply. All these will lead to major cash flow constraints and erosion in the asset value. These developments in turn will severely test risk management frameworks across the financial sector.

On 27 March 2020, the RBI, in order to provide relief on debt servicing obligations, permitted financial institutions to offer moratorium to their borrowers on instalments falling due between 1 March 2020 to 31 May 2020. With uncertainties caused by Covid-19 pandemic including the pace of easing of the lockdown restrictions, the time needed to restart the economy and attaining some level of normalcy, the credit performance and repayment behaviour of the customers need to be monitored closely.

An analysis of the customer segments seeking moratorium and their past repayment behaviour reflects heightened anxiety from customer. Expectations of elevated default on timely payment of instalments and collection related constraints are likely to result in higher credit costs than witnessed hitherto. The Company has committed for making requisite investment to deepen its collections infrastructure to control its credit costs.

Based on early indicators of moratorium and delayed payment metrics observed in April 2020, the Company has made a contingency provision of ₹ 50 crore in FY2020 including incremental ECL of ₹ 17.11 crore assessed under the stressed macro impact.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under future economic conditions

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Gross carrying amount of loans	28,096.03	17,360.77
Reported ECL	120.62	29.21
Reported ECL coverage	0.43%	0.17%
Assumptions for stressed central scenario		
Base ECL without macro overlay (based on emperical evidences)	68.53	-
Add: Management assessment of stress in unemployement rate and CPI	16.61	-
Add: Management overlay for Covid-19	32.89	-
Stressed Central Scenario	118.03	-
ECL amounts for alternate scenario		
Stressed Central Scenario (80%)	118.03	29.21
Downside scenario (10%)	154.01	54.35
Upside scenario (10%)	107.90	24.97
Reported ECL	**120.62**	**29.21**
Management overlay for Macro and Covid-19	52.09	-
Additional Management overlay in FY2020, representing Covid-19 stress	50.00	-
ECL coverage ratios by scenario		
Central scenario (80%)	0.42%	0.17%
Downside scenario (10%)	0.55%	0.31%
Upside scenario (10%)	0.38%	0.14%

Notes to financial statements for the year ended 31 March 2020 (Contd.)

45 Disclosures as required in terms of circular issued by RBI on COVID19 Regulatory Package - Asset Classification and Provisioning, RBI/2019-20/220/DOR.No.BP.BC.63/21.04.048/2020-21, 17 April, 2019

SMA/overdue categories, where the moratorium/deferment was extended

Asset Classification

(₹ In Crore)

Particulars	Total Exposure	ECL Provision
SMA	–	–
Overdue - Standard	5.98	1.36
Overdue - Others	–	–
	5.98	1.36

Asset classification benefit extension:

Asset Classification Benefit has been extended to two accounts having total outstanding of 0.64 crore wherein 0.32 crore of provision is being carried as on 31 March 2020.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018.

46.1 Disclosures

46.1.1 Capital

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) CRAR (%)	25.15%	25.81%
(ii) CRAR Tier I capital (%)	24.48%	25.32%
(iii) CRAR Tier II capital (%)	0.67%	0.49%
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt instruments	-	-

46.1.2 Reserve Fund u/s 29C of NHB Act, 1987

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year:		
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	19.05	4.49
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under section 29C of the NHB Act, 1987	7.40	-
	26.45	4.49
Addition/appropriation/withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	59.27	14.56
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under section 29C of the NHB Act, 1987	25.00	7.40
Less:		
a) Amount appropriated from the statutory reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	78.32	19.05
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under section 29C of the NHB Act, 1987	32.40	7.40
	110.72	26.45

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. (Contd.)

46.1.3 Investments

(₹ In Crore)

Particulars	As at 31 March 2020	2019
Value of Investments		
(i) Gross value of Investments		
(a) In India	2,500.45	1,754.43
(b) Outside India		
(ii) Provision for depreciation		
(a) In India	–	–
(b) Outside India	–	–
(iii) Net value of Investments		
(a) In India	2,500.45	1,754.43
(b) Outside India	–	–
Movement of provisions held towards depreciation on investments		
(i) Opening balance	–	–
(ii) Add: Provisions made during the year	–	–
(iii) Less: Write-off/written-back of excess provisions during the year	–	–
(iv) Closing balance	–	–

46.1.4 Derivatives

The company has not entered into any derivate/forward rate agrement/interest rate swap/exchange traded interest rate derivative during the year.

46.1.5.1 Securitisation

The company has not entered into any Securitisiation transactions during the year.

46.1.5.2 Details of financial assets sold to securitisation/reconstruction company for asset reconstruction

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Number of accounts sold	59	–
Aggregate outstanding*	7.54	–
Aggregate consideration received	5.92	–
Additional consideration realised in respect of accounts transferred in earlier years	–	–
Aggregate gain/(loss) over net book value	(1.62)	–

* Net of provision held

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. (Contd.)

46.1.5.3 Details of Assignment transactions undertaken by HFCs

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
(i) Number of accounts	25,155	1,500
(ii) Aggregate value (net of provisions) of accounts assigned	4,822.62	231.03
(iii) Aggregate consideration	4,822.62	231.03
(iv) Additional consideration realised in respect of accounts transferred in earlier years	–	–
(v) Aggregate gain/loss over net book value	–	–

46.1.5.4 Details of non-performing financial assets purchased/sold

(₹ In Crore)

Particulars	For the year ended 31 March 2020	2019
Number of accounts sold	240	–
Aggregate outstanding*	25.85	–
Aggregate consideration received	15.18	–

* Net of provision held

46.1.6 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 31 March 2020

(₹ In Crore)

Particulars	Up to 30/31 days (one month)	Over 1 month and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 month and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years and upto 7 years	Over 7 years and upto 10 years	Over 10 Years	Total
Liabilities											
Deposits											
Borrowings from bank	38.54	19.79	247.75	253.55	1755.58	7,468.97	6,930.44	1,511.86	153.85	–	18,380.33
Market borrowing	–	–	73.73	429.75	1,368.65	5,098.68	–	–	–	1,800.00	8,770.81
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances	526.90	384.38	386.50	1,113.81	2,067.43	6,421.93	4,506.46	3,432.82	3,741.59	5,639.77	28,221.59
Investments*	1,651.66	500.27	1,000.00	–	–	–	–	–	–	–	3,151.93
Foreign currency assets	–	–	–	–	–	–	–	–	–	–	–

Maturity pattern of certain items of Assets and Liabilities have been shown based on behavioural pattern. Borrowings from Bank includes undrawn credit limit of ₹ 587.56 crores sanctioned by banks. Market Borrowing includes to be called and paid amount of ₹ 1,548.00 Crores.

* Investments includes short term fixed deposits of ₹ 651.48 crore shown under Note 5 - cash and cash equivalents to the financial statements.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. (Contd.)

46.1.6 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 31 March 2019

(₹ In Crore)

Particulars	Up to 30/31 days (one month)	Over 1 month and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 month and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years and upto 7 years	Over 7 years and upto 10 years	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from bank	-	-	154.00	33.34	1,067.33	2,914.33	3,531.00	535.00	-	-	8,235.00
Market borrowing	2,042.14	1,285.42	-	-	-	3,129.60	944.25	-	-	-	7,401.41
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	283.74	198.32	195.80	574.90	1,110.76	3,912.40	2,702.82	1,999.43	2,269.44	4,182.05	17,429.66
Investments	1,754.43	-	-	-	-	-	-	-	-	-	1,754.43
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of Assets and Liabilities have been shown based on behavioural pattern. Borrowings from Bank includes undrawn credit limit of ₹ 616.80 crores sanctioned by banks.

46.1.7 Exposure

46.1.7.1 Exposure to Real Estate Sector

(₹ In Crore)

Particulars	As at 31 March 2020	2019
a) Direct Exposure		
(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh - ₹ 1,209.69 crore; previous year ₹ 904.78 crore).	22,118.25	13,786.18
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	4,598.31	2,798.99
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – (a) Residential (b) Commercial real estate	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. (Contd.)

46.1.7.2 Exposure to Capital Market

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows/issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

46.1.7.3 Details of financing of parent company products

Not applicable

46.1.7.4 Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the HFC

Company has not exceeded prudential exposure limit as on reporting date.

46.1.7.5 Unsecured Advances

The Company has unsecured advances of ₹ 952.65 crore (previous year: ₹ 536.88 crore). The Company has not granted any advances against intangible collateral.

46.2 Miscellaneous

46.2.1 Registration obtained from other financial sector regulators

The Company has obtained registration from Financial Intelligence Units, India vide Registration No. FIHFC00119.

46.2.2 Disclosure of penalties imposed by NHB and other regulators

During the year NHB in exercise of the powers vested with it under the National Housing Bank Act, 1987 has imposed penalty of ₹ 5,000 on 06 Nov 2019 on account of contravention of para 10 (5) of issuance of NCDs on private placement basis (NHB) Direction, 2014.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. (Contd.)

46.2.3 Related party transactions

(₹ In Crore)

		For the year ended 31 March			
		2020		2019	
Name of the related party and nature of relationship	Nature of Transaction	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
A. Holding Company, Subsidiaries and Fellow Subsidiaries:					
Bajaj Finserv Ltd. (Ultimate Holding company)	Business support charges paid	0.03	-	-	-
Bajaj Finance Ltd. (Holding company)	Contribution to equity	1,500.00	(4,883.33)	2,000.00	(3,550.00)
	Security deposit received	-	(0.08)	-	(0.08)
	Rent received	0.17	0.02	0.17	-
	Assets purchased	0.30	-	4.67	-
	Assets sale	0.33	0.18	0.04	-
	Purchase of loan portfolio	-	-	393.54	-
	Direct assignment of loan portfolio	1,454.20	-	-	-
	Sale of equity share of subsidiary (bajaj financial securities ltd.)	-	-	20.38	-
	Business support charges paid	5.00	(4.67)	19.75	-
	Business support charges received	1.50	-	1.13	-
	Fees and commission received	54.01	0.50	54.16	-
	Other receipts	0.02	-	1.81	-
	Other payments	0.12	-	-	-
Bajaj Allianz General Insurance Co Ltd (Fellow Subsidiary)	Insurance premium adjusted (including cancellation receipts)	1.09	(0.12)	8.22	(0.73)
	Insurance expense	0.91	0.09	1.91	0.09
	Secured non-convertible debentures issued	-	(150.00)	-	-
Bajaj Allianz Life Insurance Co Ltd. (Fellow Subsidiary)	Insurance premium adjusted (including cancellation receipts)	198.53	0.46	262.62	(8.60)
	Insurance expense	0.50	0.07	0.44	0.04
	Unsecured non-convertible debentures issued	-	(217.00)	-	-
Bajaj Finserv Direct Ltd. (Formerly Known Bajaj Financial Holdings Ltd.) (Fellow Subsidiary)	Business support charges paid	4.92	(0.13)	12.44	(1.63)
	Assets purchased	0.11	-	-	-
	Assets sale	0.19	0.05	-	-
	Other receipts	0.13	-	-	-
B. Key Managerial Personnel's and their close family members					
Atul Jain (Chief Executive Officer)	Remuneration	9.76	(5.58)	3.25	-
Gaurav Kalani (Chief Financial Officer)	Remuneration	1.42	(0.51)	0.74	-
C. Enterprises over which anyone in (B) exercises significant influence					
Bajaj Auto Ltd.	Rent Paid	0.05	-	0.01	-
	Security Deposit (Paid)	-	0.02	0.02	0.02
Bajaj Holdings And Investment Ltd.	Secured non-convertible debentures issued	-	(150.00)	-	-
Hind Musafir Agency Ltd.	Services received	2.43	-	2.31	-

Note:

- Transactions value 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 unsecured and are repayable in cash.
- Provisions for gratuity and leave 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.

Policy on Dealing with Related Party Transactions

All Related Party Transactions (RPTs) of the company covered under the Companies Act, 2013 and relevant provision of Accounting Standard will be approved by the audit committee of the Board from time to time.

Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules thereunder, and other applicable provisions for the time being in force.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. (Contd.)

46.2.4 Rating assigned by Credit Rating Agencies and migration of rating during the year

(₹ In Crore)

Rating Agency	Instruments	Rating assigned	Migration in ratings during the year	As at 31 March 2020	2019
India Ratings	Secured Non-Convertible Debenture and Unsecured Tier II debt	IND AAA/Stable	NIL	500.00	500.00
	Long-Term Bank Rating	IND AAA/Stable	NIL	15,600.00	5,600.00
	Short-Term Bank Rating	IND A1+	NIL	1,300.00	1,400.00
	Commercial Paper	IND A1+	NIL	5,000.00	5,000.00
CRISIL	Non-Convertible Debenture and Subordinated debts	CRISIL AAA/Stable	NIL	10,500.00	7,500.00
	Long-Term Bank Rating	CRISIL AAA/Stable	NIL	10,000.00	5,000.00
	Commercial Paper	CRISIL A1+	NIL	5,000.00	5,000.00

46.2.5 Remuneration of Directors

The Company has paid sitting fees of ₹ 0.18 crore (previous year ₹ Nil) to the directors during the current year.

46.2.6 Net Profit or Loss for the period, prior period items and changes in accounting policies

The Company has not debited any prior period items in statement of profit and loss during the current year.

46.2.7 Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

46.3 Additional Disclosures

46.3.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(₹ In Crore)

Particulars	As at 31 March 2020	2019
1. Provisions for depreciation on Investment	–	–
2. Provision made towards Income tax	140.32	48.46
3. Provision towards NPA	6.14	2.88
4. Provision for Standard Assets*	80.50	55.75
5. Other Provision and Contingencies	–	–
*** Breakup of provision for Standard Assets**		
Commercial Real Estate	14.12	18.58
Commercial Real Estate-Residential Housing	8.80	4.18
Others	57.58	32.99
	80.50	55.75

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. (Contd.)

Break up of Loan and Advances and Provisions thereon

(₹ In Crore)

Particulars	As at 31 March			
	Housing		Non-Housing	
	2020	2019	2020	2019
Standard Assets				
a) Total Outstanding Amount	16,217.85	9,544.85	11,989.43	7,878.24
b) Provisions made	68.45	26.87	82.80	43.88
Sub-Standard Assets				
a) Total Outstanding Amount	13.53	5.27	9.80	2.93
b) Provisions made	4.51	1.05	4.51	0.58
Doubtful Assets – Category-I				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category-II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category-III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	1.23	-	0.02
b) Provisions made	-	1.23	-	0.02
Total				
a) Total Outstanding Amount	16,231.38	9,551.35	11,999.23	7,881.19
b) Provisions made	72.96	29.15	87.31	44.48

46.3.2 Draw Down from Statutory Reserve created u/s 29C of the National Housing Bank Act, 1987

The Company has not drawn any amount from Statutory Reserve created u/s 29C of the National Housing Bank Act, 1987 during the current year.

46.3.3 Concentration of Public Deposits, Advances, Exposures and NPAs

46.3.3.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

The Company is non public deposit taking housing finance company and has not accepted any public deposits during the current year.

46.3.3.2 Concentration of Loans and Advances

(₹ In Crore)

Particulars	As at 31 March	
	2020	2019
Total Loans and Advances to twenty largest borrowers	1,369.36	1,309.65
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	4.85%	7.51%

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. (Contd.)

46.3.3.3 Concentration of all Exposure (including off-balance sheet exposure)

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Total Exposure to twenty largest borrowers/customers	1,396.89	1,309.65
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/customers	4.86%	7.43%

46.3.3.4 Concentration of NPAs

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Total Exposure to top ten NPA accounts	7.44	5.79

46.3.3.5 Sector-wise NPAs

(₹ In Crore)

Sector	Percentage of NPAs to Total Advances in that sector As at 31 March 2020	2019
Housing Loans		
Individuals	0.09%	0.07%
Builders/Project Loans	0.00%	0.00%
Corporates	0.00%	0.00%
Non-Housing Loans		
Individuals	0.11%	0.05%
Builders/Project Loans	0.00%	0.00%
Corporates	0.00%	0.00%

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. (Contd.)

46.3.4 Movement of NPAs

(₹ In Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
(I) Net NPAs to Net Advances (%)	0.05%	0.04%
(II) Movement of NPAs (Gross)		
a) Opening balance	9.45	-
b) Additions during the year	23.33	9.45
c) Reductions during the year	9.45	-
d) Closing balance	23.33	9.45
(III) Movement of Net NPAs		
a) Opening balance	6.57	-
b) Additions during the year	14.31	6.57
c) Reductions during the year	6.57	-
d) Closing balance	14.31	6.57
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	2.88	-
b) Provisions made during the year	9.02	2.88
c) Write-off/write-back of excess provisions	2.88	-
d) Closing balance	9.02	2.88

46.3.5 Overseas Assets

The Company has not held any overseas assets as on reporting date (P.Y.Nil).

46.3.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any SPVs sponsored which is required to be consolidated as per accounting norms.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

46 Disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. (Contd.)

46.3.7 Disclosure of Complaints

Customer Complaints*

Particulars	As at 31 March 2020	As at 31 March 2019
a) No. of complaints pending at the beginning of the year	0	0
b) No. of complaints received during the year	1221	125
c) No. of complaints redressed during the year	1194	125
d) No. of complaints pending at the end of the year	27	0

* includes complaints reported through NHB - GRIDS Portal is 60 (previous year 125)

47 Disclosure of frauds as per NHB (ND)/DRS/Policy Circular No.92/2018-19 dated 05 February, 2019

There was one case of fraud amounting to ₹ 161.63 lakh as reported to NHB during the financial year ended 31 March 2020 (previous year: ₹ 52 lakh)

48 The Company has not granted any loans against collateral of gold jewellery.

49 Amounts less than ₹ 50,000 have been shown at actual against respective line items which are statutorily required to be disclosed.

As per our report of even date

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

per Arvind Sethi
Partner
Membership number: 089802

Pune: 18 May 2020

On behalf of the Board of Directors

Atul Jain
Chief Executive Officer

Sanjiv Bajaj
Chairman

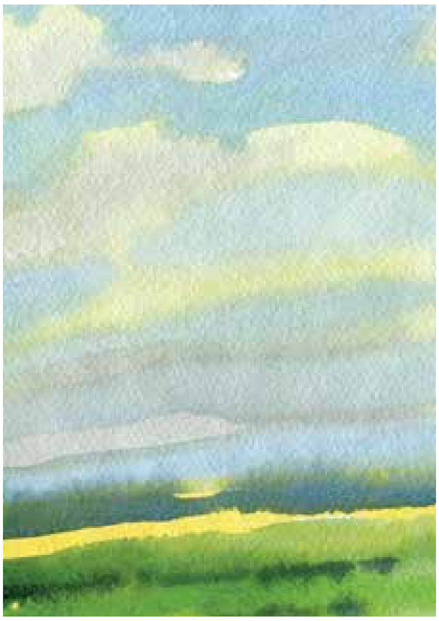
Gaurav Kalani
Chief Financial Officer

R Vijay
Company Secretary

Rajeev Jain
Managing Director

NOTES




BAJAJ HOUSING FINANCE LIMITED

Regd. Office: Bajaj Auto Limited Complex,
Mumbai-Pune Road, Akurdi, Pune - 411 035, India
Tel: (020) 7187 8060
www.bajajhousingfinance.in