

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of Bajaj Housing Finance Limited

To
The Board of Directors of
Bajaj Housing Finance Limited

Report on the audit of the Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date financial results of Bajaj Housing Finance Limited (the "Company") for the quarter and year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Company in connection with the consolidation of the Company's financial results with Bajaj Finance Limited (the "Holding Company") pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 8 to the Statement, which describes the uncertainty caused by the continuing COVID-19 pandemic and the related probable events which could impact the Company's estimates of impairment of loans to customers. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents 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.



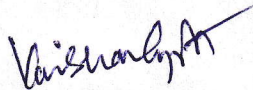
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

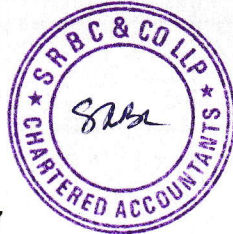
- a) The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us.
- b) This report is issued at the request of the Company and is intended solely for the information and use of the Holding Company for the purpose of presentation of its consolidated Ind AS financial results for the quarter and year ended March 31, 2021 and is not intended to be and should not be used for any other purpose.

For SRBC & CO LLP
Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Vaibhav Kumar Gupta
Partner
Membership No.: 213935
UDIN: 21213935AAAABP3847



Pune
April 26, 2021

BAJAJ HOUSING FINANCE LIMITED

Bajaj Housing Finance Limited

Statement of audited financial results for the year ended 31 March 2021

(₹ In Crore)

Particulars	Quarter ended			Year ended	
	31.03.2021 (Audited)	31.12.2020 (Reviewed)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1 Income					
(a) Revenue from operations					
Interest income	743.64	746.99	687.15	2,877.43	2,303.08
Fees and commission income	15.40	14.75	21.38	74.62	100.08
Net gain on fair value change	8.59	8.52	29.40	59.85	73.71
Sale of Services	72.40	50.54	35.99	142.15	169.15
Others	0.65	-	-	0.65	-
Total Revenue from operations	840.68	820.80	773.92	3,154.70	2,646.02
(b) Other income	0.06	0.06	0.05	0.58	0.21
Total Income	840.74	820.86	773.97	3,155.28	2,646.23
2 Expenses					
(a) Finance costs	471.26	491.69	490.95	1,965.87	1,616.03
(b) Fees and commission expense	0.84	0.11	0.22	1.33	1.30
(c) Impairment of financial instruments	29.92	106.69	88.59	247.21	124.33
(d) Employee benefits expense	78.94	63.18	53.47	245.76	248.51
(e) Depreciation and amortization expense	4.64	6.09	4.08	21.77	23.14
(f) Other expenses	13.97	18.27	14.35	60.16	65.47
Total expenses	599.57	686.03	651.66	2,542.10	2,078.78
3 Profit before tax (1-2)	241.17	134.83	122.31	613.18	567.45
4 Tax expense					
(a) Current Tax	42.50	52.00	31.58	187.00	126.10
(b) Deferred Tax expense/(credit)	19.77	(16.59)	0.04	(27.01)	20.02
Total tax expense	62.27	35.41	31.62	159.99	146.12
5 Profit after tax (3-4)	178.90	99.42	90.69	453.19	421.33
6 Other comprehensive Income					
A (i) Items that will not be reclassified to profit or loss	1.27	-	(1.99)	1.27	(1.99)
(ii) Tax impact on above	(0.32)	-	0.39	(0.32)	0.39
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Tax impact on above	-	-	-	-	-
Total other comprehensive income, net of tax	0.95	-	(1.60)	0.95	(1.60)
7 Total Comprehensive Income (5+6)	179.85	99.42	89.09	454.14	419.73
8 Paid-up Equity Share Capital (Face Value of ₹ 10)				4,883.33	4,883.33
9 Other equity				1,148.89	701.80
10 Earnings per share (not annualised)					
Basic (₹)	0.37	0.20	0.21	0.93	1.12
Diluted (₹)	0.37	0.20	0.21	0.93	1.12



Corporate Office Ext.: Cerebrum IT Park, B2 Building, 5th Floor, Kumar City, Kalyani Nagar, Pune - 411 014.

Registered Office: Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411035
Website: <https://www.bajajhousingfinance.in>

Tel: +91 20 30186403

Fax: +91 20 30186364

Corporate ID No.: U65910PN2008PLC132228

BAJAJ HOUSING FINANCE LIMITED

Bajaj Housing Finance Limited

Statement of audited financial results for the year ended 31 March 2021

Notes:

- 1 Disclosure of assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

		(₹ In Crore)	
Particulars		As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
A	ASSETS		
1	Financial assets		
	(a) Cash and cash equivalents	461.78	658.72
	(b) Bank balances other than cash and cash equivalents	255.00	-
	(c) Trade Receivables	310.66	118.47
	(d) Loans	33,418.90	27,975.41
	(e) Investments	3,266.04	2,508.02
	(f) Other financial assets	33.99	8.37
	Sub-total - Financial assets	37,746.37	31,268.99
2	Non-financial assets		
	(a) Current tax assets (net)	4.46	11.10
	(b) Deferred tax assets (net)	15.26	-
	(c) Property, plant and equipment	64.32	77.80
	(d) Intangible assets	14.57	7.98
	(e) Other non-financial assets	14.36	6.55
	Sub-total - Non-financial assets	112.97	103.43
	Total - Assets	37,859.34	31,372.42
B	LIABILITIES AND EQUITY		
	Liabilities		
1	Financial liabilities		
	(a) Trade payables		
	i. Total outstanding dues to micro enterprises and small enterprises	-	0.24
	ii. Total outstanding dues to creditors other than micro enterprises and small enterprises	20.90	30.35
	(b) Other payables		
	i. Total outstanding dues to micro enterprises and small enterprises	-	-
	ii. Total outstanding dues to creditors other than micro enterprises and small enterprises	21.28	17.83
	(c) Debt Securities	11,332.08	7,823.59
	(d) Borrowings (Other than debt securities)	20,268.52	17,776.85
	(e) Other financial liabilities	144.63	73.59
	Sub-total - Financial liabilities	31,787.41	25,722.45
2	Non-financial liabilities		
	(a) Current tax liabilities (net)	7.39	7.07
	(b) Provisions	2.29	2.28
	(c) Deferred Tax Liabilities	-	11.43
	(d) Other non-financial liabilities	30.03	44.06
	Sub-total - Non-financial liabilities	39.71	64.84
3	Equity		
	(a) Equity Share Capital	4,883.33	4,883.33
	(b) Other equity	1,148.89	701.80
	Sub-total - Equity	6,032.22	5,585.13
	Total - Equity and liabilities	37,859.34	31,372.42

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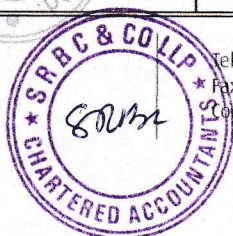
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BAJAJ HOUSING FINANCE LIMITED

Bajaj Housing Finance Limited

Statement of audited financial results for the year ended 31 March 2021

Notes:

2 Disclosure of statement of cashflow as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

		(₹ in crore)	
	Particulars	Year ended 31.03.2021 (Audited)	Year ended 31.03.2020 (Audited)
A.	Cash flow from operating activities		
	Profit before tax	613.18	567.45
	Adjustments for:		
	Interest income	(2,877.43)	(2,303.08)
	Depreciation and amortisation	21.77	23.14
	Impairment on financial instruments	247.21	124.33
	Finance Costs	1,965.87	1,616.03
	Net (gain)/ loss on disposal of property, plant and equipment	0.44	0.49
	Share based payments to employees	-	7.05
	Service fees for management of assigned portfolio of loans	(103.74)	(129.81)
	Net (gain)/ loss on financial instruments measured at FVTPL	(59.85)	(73.71)
		(192.55)	(168.11)
	Cash inflow from interest on loans	2,840.61	2,286.61
	Cash inflow from service asset	38.52	16.53
	Cash outflow towards finance cost	(1,669.72)	(1,247.51)
	Cash from operations before working capital changes	1,016.86	887.52
	Working capital changes:		
	(Increase) / decrease in trade receivables	(1.97)	(1.30)
	(Increase) / decrease in loans	(5,698.50)	(10,763.52)
	(Increase) / decrease in other financial assets	(275.64)	(0.56)
	(Increase) / decrease in other non-financial assets	(8.63)	(2.52)
	Increase / (decrease) in trade payables	(9.69)	14.53
	Increase / (decrease) in other payables	3.45	(11.27)
	Increase / (decrease) in other financial liabilities	77.78	(257.50)
	Increase / (decrease) in provisions	1.28	(4.72)
	Increase / (decrease) in other non-financial liabilities	(14.03)	23.26
		(4,909.09)	(10,116.08)
	Income taxes paid (net of refunds)	(180.04)	(128.13)
	Net cash used in operating activities (A)	(5,089.13)	(10,244.21)
B.	Cash flow from investing activities		
	Purchase of property, plant and equipment	(6.60)	(24.70)
	Proceeds from sale of property, plant and equipment	1.51	1.12
	Purchase of intangible assets	(8.43)	(3.65)
	Purchase of investments measured at FVTPL	(21,391.29)	(55,545.26)
	Proceeds from sale of investments measured at FVTPL	21,076.84	54,866.91
	Purchase of investments measured under amortised cost	(3,475.00)	-
	Proceeds from sale of investments measured under amortised cost	2,975.00	-
	Interest received on investments measured at FVTPL and cash equivalent fixed deposits	30.93	12.02
	Net cash used in investing activities (B)	(797.04)	(693.56)
C.	Cash flow from financing activities		
	Issue of equity share capital (including securities premium)	-	1,500.00
	Payment to holding on account of recharge liability	(7.05)	-
	Debt securities issued (net)	3,217.18	(178.77)
	Borrowings other than debt securities issued (net)	2,486.83	10,174.57
	Payment of lease liability	(7.73)	(6.29)
	Net cash generated from financing activities (C)	5,689.23	11,489.51
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(196.94)	551.74
	Cash and cash equivalents at the beginning of the year	658.72	106.98
	Cash and cash equivalents at the end of the year	461.78	658.72

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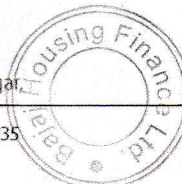
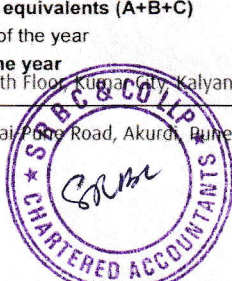
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BAJAJ HOUSING FINANCE LIMITED

Bajaj Housing Finance Limited

Statement of audited financial results for the year ended 31 March 2021

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on 26 April 2021 and subjected to audit by statutory auditors for the purpose of consolidation with Bajaj Finance Limited (holding Company).
- The secured non-convertible debentures issued by the Company during the year are fully secured by first pari-passu charge by mortgage of the Company's immovable property at Chennai and/or by hypothecation of book debts/loan receivables to the extent as stated in the information memorandum.
- The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment. The Company operates in a single geographical segment i.e. domestic.
- Disclosures as required by RBI circular dated 17 April 2020 'COVID-19 Regulatory Package - Asset Classification and Provisioning' are given below:

(₹ In Crore)

Particulars	As of 31.03.2021
Amount in SMA/Overdue categories as of 29 February 2020	22.32
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of 29 February 2020)	14.29
Respective amount where asset classification benefit is extended (outstanding as of 29 February 2020)*	11.98
Provision made in terms of paragraph 5 of the circular as at the end of moratorium (As per para 4, applicable to NBFC's covered under Ind AS)	2.65
Provisions adjusted against slippages in terms of paragraph 6 of the circular	2.17
Residual provisions as of 31 March 2021 in terms of paragraph 6 of the circular	0.48

* Loan outstanding as of 31 March 2021 and corresponding expected credit loss provision on the same are as below:

Loan outstanding where the Company continues to have asset classification benefit	3.47
Corresponding expected credit loss provision (excluding management and macro-economic overlays)	0.62

- Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 with respect to Resolution Framework for COVID-19-related Stress.

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	3,210	529.83	-	0.01	63.20
Corporate persons*	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	3,210	529.83	-	0.01	63.20

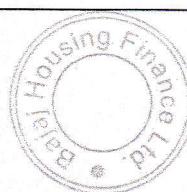
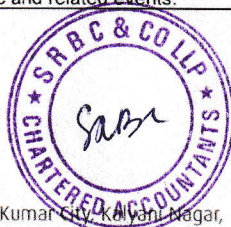
*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

- The COVID-19 pandemic has affected several countries across the world, including India. The pandemic and consequent lockdown imposed by the Government considerably impacted the Company's business operations during the year ended 31 March 2021. Apart from other adverse effects, the pandemic resulted in a significantly lower business acquisition and constrained recovery of overdues from customers for the large part of the year. Disclosures as required by RBI for moratorium and resolution framework are given in note no 6 and 7 respectively.

In accordance with the Reserve Bank of India ('RBI') guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on EMI moratorium dated 17 April 2020 and 23 May 2020, the Company had offered moratorium to its customers based on requests as well as on a suo-moto for EMIs falling due between 1 March 2020 to 31 August 2020. Further, the Company offered resolution plan to its customers pursuant to the RBI's guideline 'Resolution framework for COVID-19 related stress' dated 6 August 2020.

The Company holds a management overlay of ₹ 166 crore as at 31 March 2021

Given the dynamic and evolving nature of the pandemic, these estimates includes the possible impact of known events till date and are subject to uncertainty caused by resurgence of COVID-19 pandemic and related events.



BAJAJ HOUSING FINANCE LIMITED

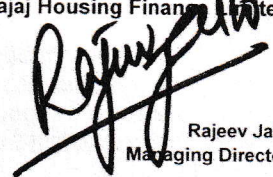
Bajaj Housing Finance Limited

Statement of audited financial results for the year ended 31 March 2021

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- 9 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 10 In accordance with the instructions in the RBI circular dated 7 April 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated the said amount and made provision for refund/ adjustment.
- 11 The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.
- 12 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.
- 13 The Company has designated an exclusive email ID viz. bhflinvestor.service@bajajfinserv.in for investor grievance redressal.

By order of the Board of Directors
For Bajaj Housing Finance Limited


Rajeev Jain
Managing Director

Pune
26 April 2021

CIN : U65910PN2008PLC132228

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Tel. : 020-71878060

E-mail: bhflinvestor.service@bajajfinserv.in | Website: <https://www.bajajhousingfinance.in/>



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