

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Bajaj Housing Finance Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Bajaj Housing Finance Limited (the "Company") for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 (the "Statement") attached herewith, being submitted by the Company in connection with the consolidation of the Company's financial information with Bajaj Finance Limited (the "Holding Company") pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 4 to the Statement, which describes the uncertainty caused by 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 conclusion is not modified in respect of this matter.



SRBC & COLLP

Chartered Accountants

Bajaj Housing Finance Limited

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6. 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 unaudited consolidated financial results for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 and is not intended to be and should not be used for any other purpose.

For SRBC & COLLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Vaibhav Kumar Gupta

Partner

Membership No.: 213935



UDIN: 21213935AAAAAH8777

Pune

January 18, 2021

BAJAJ HOUSING FINANCE LIMITED

Bajaj Housing Finance Limited

Statement of Unaudited Financial Results for the Quarter and Nine Months ended 31 December 2020

Particulars		Quarter ended			Nine Months ended		(₹ In Crore)
		31.12.2020 (Reviewed)	30.09.2020 (Reviewed)	31.12.2019 (Reviewed)	31.12.2020 (Reviewed)	31.12.2019 (Reviewed)	Year ended 31.03.2020 (Audited)
1	Income						
	(a) Revenue from operations						
	Interest income	746.99	695.62	619.85	2,133.79	1,615.93	2,303.08
	Fees and commission income	14.75	19.95	32.75	59.22	78.70	100.08
	Net gain on fair value change	8.52	15.47	21.73	51.26	44.31	73.71
	Sale of Services	50.54	7.01	48.33	69.75	133.16	169.15
	Total Revenue from operations	820.80	738.05	722.66	2,314.02	1,872.10	2,646.02
	(b) Other income	0.06	0.04	0.04	0.52	0.16	0.21
	Total Income	820.86	738.09	722.70	2,314.54	1,872.26	2,646.23
2	Expenses						
	(a) Finance costs	491.69	489.99	437.60	1,494.61	1,125.08	1,616.03
	(b) Fees and commission expense	0.11	0.20	0.32	0.49	1.08	1.30
	(c) Impairment of financial instruments	106.69	65.40	13.79	217.29	35.74	124.33
	(d) Employee benefits expense	63.18	50.55	69.48	166.82	195.04	248.51
	(e) Depreciation and amortization expense	6.09	4.07	5.75	17.13	19.06	23.14
	(f) Other expenses	18.27	15.10	20.38	46.19	51.12	65.47
	Total expenses	686.03	625.31	547.32	1,942.53	1,427.12	2,078.78
	Profit before exceptional item and taxes	134.83	112.78	175.38	372.01	445.14	567.45
3	Exceptional Items	-	-	-	-	-	-
3	Profit before tax (1-2)	134.83	112.78	175.38	372.01	445.14	567.45
4	Tax expense						
	(a) Current Tax	52.00	46.65	36.35	144.50	94.52	126.10
	(b) Deferred Tax expense/(credit)	(16.59)	(16.97)	8.51	(46.78)	19.98	20.02
	Total tax expense	35.41	29.68	44.86	97.72	114.50	146.12
5	Profit after tax (3-4)	99.42	83.10	130.52	274.29	330.64	421.33
6	Other comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(1.99)
	(ii) Tax impact on above	-	-	-	-	-	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	-	-	-	-	-	(1.60)
7	Total Comprehensive Income (5+6)	99.42	83.10	130.52	274.29	330.64	419.73
8	Paid-up Equity Share Capital (Face Value of ₹ 10)						4,883.33
9	Other equity						701.80
10	Earnings per share						
	Basic (₹)	0.20*	0.17*	0.37*	0.56*	0.93*	1.12
	Diluted (₹)	0.20*	0.17*	0.37*	0.56*	0.93*	1.12

* not annualised



BAJAJ HOUSING FINANCE LIMITED

Bajaj Housing Finance Limited

Statement of Unaudited Financial Results for the Quarter and Nine Months ended 31 December 2020

Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 18 January 2021 and subjected to limited review by statutory auditors for the purpose of consolidation with Bajaj Finance Limited (the "Holding Company").
- 2 The secured non-convertible debentures issued by the Company are fully secured by first pari-passu charge by mortgage of the Company's immovable property at Chennai and by hypothecation of book debts/loan receivables to the extent as stated in the respective information memorandum.
- 3 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.

- 4 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 nine-months ended December 2020. Apart from other adverse effects, the pandemic has also resulted in a significantly lower business acquisition and put constraints on recovery of overdues from customers during this period. Further, 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 basis between 1 March 2020 to 31 August 2020.

During the quarter, the Company, as a matter of prudence, has written off principal and interest amounts (including capitalised interest) of ₹ 0.18 crore and ₹ 0.02 crore respectively, of potentially unrecoverable loans, which were under moratorium, by utilising the available expected credit loss provision (including management overlay). Post such write off, the Company hold a management overlay of ₹ 140 crore as at 31 December 2020.

Given the dynamic and evolving nature of the pandemic, these estimates are subject to uncertainty and may be affected by the severity, duration of the pandemic and other variables.

- 5 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any account as NPA, as per NHB norms, after 31 August 2020 which was not NPA as of 31 August 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post 31 August 2020 have not been and will not be, classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. Such accounts have been classified as stage 3 and provisioned accordingly.
- 6 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.
- 7 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

Pune
18 January 2021



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


Rajeev Jain
Managing Director



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