

Bajaj Housing Finance Limited
Special Purpose Interim Balance Sheet as at 30 June 2024

(₹ in crore)

Particulars	Note No.	As at 30 June 2024	As at 31 March 2024
ASSETS			
Financial assets			
Cash and cash equivalents	5	56.72	63.86
Bank balances other than cash and cash equivalents	6	0.15	0.15
Derivative financial instruments	7	8.33	11.66
Trade receivables	8	23.97	13.36
Loans	9	85,283.20	79,300.75
Investments	10	2,656.05	1,938.57
Other financial assets	11	284.51	284.07
Total financial assets		88,312.93	81,612.42
Non-financial assets			
Current tax assets (net)	12	32.01	31.09
Deferred tax assets (net)	12	52.15	50.94
Property, plant and equipment	13	84.32	87.50
Intangible assets under development	13	0.66	0.87
Other Intangible assets	13	33.47	35.36
Other non-financial assets	14	23.29	8.91
Total Non-financial assets		225.90	214.67
Total assets		88,538.83	81,827.09
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	7	3.72	0.83
Payables	15		
<u>Trade payables</u>			
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small		73.85	57.61
<u>Other payables</u>			
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small		54.82	82.75
Debt securities	16	29,434.61	26,645.33
Borrowings (other than debt securities)	17	43,716.30	42,299.73
Deposits	18	196.15	184.26
Other financial liabilities	19	221.05	234.14
Total financial liabilities		73,700.50	69,504.65
Non-financial liabilities			
Current tax liabilities (net)	12	52.17	25.93
Provisions	20	43.28	35.64
Other non-financial liabilities	21	22.97	27.37
Total Non-financial liabilities		118.42	88.94
EQUITY			
Equity share capital	22	7,819.58	6,712.16
Other equity	23	6,900.33	5,521.34
Total equity		14,719.91	12,233.50
Total liabilities and equity		88,538.83	81,827.09

Summary of material accounting policies

4

The accompanying notes are an integral part of the special purpose interim financial statements

As per our report of even date

On behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Umesh S. Abhyankar
Partner
Membership No.: 113053

Shailesh Shah
Partner
Membership No.: 033632

Gaurav Kalani
Chief Financial Officer

Anami N Roy
Director
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Pune: 22 July 2024



Particulars	Note No.	Period ended 30 June 2024	Period ended 30 June 2023
Revenue from Operations			
Interest income	24	2,063.54	1,666.95
Fees and commission income	25	56.79	33.08
Net gain on fair value changes	26	50.70	35.62
Sale of services	27	22.95	16.47
Income on derecognised (assigned) loans	28	2.71	7.44
Other operating income	29	11.96	3.69
Total Revenue from operations		2,208.65	1,763.25
Other Income	30	0.08	0.13
Total Income		2,208.73	1,763.38
Expenses			
Finance costs	31	1,398.76	1,062.15
Fees and commission expense	32	2.97	2.91
Impairment on financial instruments	33	10.04	6.74
Employee benefits expense	34	113.42	114.24
Depreciation and amortisation	13	9.91	9.69
Other expenses	35	43.75	41.41
Total Expenses		1,578.85	1,237.14
Profit before tax		629.88	526.24
Tax expense			
Current tax		148.69	140.09
Deferred tax credit		(1.42)	(75.65)
Total tax expense	12	147.27	64.44
Profit after tax		482.61	461.80
Other Comprehensive Income			
<u>Items that will not be reclassified to profit or loss</u>			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income Tax impact on above		-	-
<u>Items that will be reclassified to profit or loss</u>			
Re-measurement gains on Investment measured at FVOCI		0.84	-
Income Tax impact on above		(0.21)	-
Other comprehensive income for the period (net of tax)		0.63	-
Total comprehensive income for the period		483.24	461.80
Earnings per equity share (Face value per share ₹ 10)			
Basic (₹)	36	0.62	0.69
Diluted (₹)	36	0.62	0.69

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I. Equity share capital

Particulars	(₹ in crore)	
	Period ended 30 June 2024	Period ended 30 June 2023
Balance at the beginning of the period	6,712.16	6,712.16
Changes in equity share capital during the period (refer note no. 22(a))	1,107.42	-
Balance at the end of the period	7,819.58	6,712.16

II. Other equity

For the period ended 30 June 2024

(₹ in crore)

Particulars	Reserves and Surplus				Other Comprehensive Income on Debt instrument through OCI	Total other equity
	Securities Premium	Statutory reserve in terms of 29C of NHB Act	Retained earnings	Share options outstanding account		
Balance as at 1 April 2024	837.72	963.76	3,719.33	-	0.53	5,521.34
Profit after tax	-	-	482.61	-	-	482.61
Other comprehensive income (net of tax)	-	-	-	-	0.63	0.63
Total	837.72	963.76	4,201.94	-	1.16	6,004.58
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987	-	-	-	-	-	-
Add: Issue of equity shares to Holding Company	892.48	-	-	-	-	892.48
Add: Share based payment to employee	-	-	-	3.27	-	3.27
Balance as at 30 June 2024	1,730.20	963.76	4,201.94	3.27	1.16	6,900.33

For the period ended 30 June 2023

(₹ in crore)

Particulars	Reserves and Surplus				Other Comprehensive Income on Debt instrument through OCI	Total other equity
	Securities Premium	Statutory reserve in terms of 29C of NHB Act	Retained earnings	Share options outstanding account		
Balance as at 1 April 2023	837.72	617.51	2,335.80	-	-	3,791.03
Profit after tax	-	-	461.80	-	-	461.80
Other comprehensive income (net of tax)	-	-	-	-	-	-
Total	837.72	617.51	2,797.60	-	-	4,252.83
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987	-	-	-	-	-	-
Balance as at 30 June 2023	837.72	617.51	2,797.60	-	-	4,252.83

The accompanying notes are an integral part of the special purpose interim financial statements

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Particulars	Period ended 30 June 2024	Period ended 30 June 2023
I. Cash flow from operating activities		
Profit before tax	629.88	526.24
Adjustments for:		
Interest income	(2,063.54)	(1,666.95)
Depreciation and amortisation	9.91	9.69
Impairment on financial instruments	10.04	6.74
Finance Costs	1,398.76	1,062.15
Share based payment expenses	3.27	-
Net loss on disposal of property, plant and equipment	0.26	(0.05)
Service fees for management of assigned portfolio of loans	(19.56)	(12.19)
Income on derecognised (assigned) loans	(2.71)	(7.44)
Net gain on fair value changes	(50.70)	(35.62)
	(84.39)	(117.43)
Cash inflow from interest on loans	1,992.64	1,606.31
Cash inflow from receivables on assignment of loans	23.10	25.04
Cash outflow towards finance cost	(1,183.55)	(914.29)
Cash generated from operations before working capital changes	747.80	599.63
Working capital changes:		
Decrease in Bank balances other than cash and cash equivalents	-	14.84
(Increase) in trade receivables	(10.66)	(5.56)
Decrease in other receivables	-	0.36
(Increase) in loans	(5,965.62)	(4,192.84)
(Increase) / decrease in other financial assets	(1.17)	1.05
(Increase) in other non-financial assets	(14.38)	(1.70)
Increase in trade payables	16.24	12.46
(Decrease) in other payables	(27.93)	(25.73)
Increase / (decrease) in other financial liabilities	(11.10)	53.25
Increase in provisions	7.64	2.84
Increase / (decrease) in other non-financial liabilities	(4.40)	8.79
	(5,263.58)	(3,532.61)
Income taxes paid (net of refunds)	(123.37)	(88.64)
Net cash used in operating activities (I)	(5,386.95)	(3,621.25)
II. Cash flow from investing activities		
Purchase of property, plant and equipment	(4.25)	(6.58)
Sale of property, plant and equipment	1.39	0.50
Purchase of intangible assets and intangible assets under development	(0.59)	(1.69)
Purchase of investments measured under FVTPL	(13,294.62)	(8,608.69)
Sale of investments measured under FVTPL	12,644.00	8,069.11
Purchase of investments measured under amortised cost	(2,099.48)	-
Sale of investments measured under amortised cost	2,099.48	-
Interest received on investments	28.66	13.41
Net cash generated from / (used) in investing activities (II)	(625.41)	(533.94)
III. Cash flow from financing activities		
Issue of equity share capital (including securities premium)	1,999.90	-
Proceeds from long term borrowings	9,891.27	6,941.32
Repayments towards long term borrowings	(4,303.28)	(2,161.78)
Short term borrowings (net)	(1,587.81)	(112.97)
Deposits (other than public deposits) (net)	8.57	0.82
Payment of lease liability	(3.43)	(3.45)
Net cash generated from financing activities (III)	6,005.22	4,663.94
Net decrease in cash and cash equivalents (I+II+III)	(7.14)	508.75
Cash and cash equivalents at the beginning of the period	63.86	93.88
Cash and cash equivalents at the end of the period	56.72	602.63



Statement of cash flows for the period ended 30 June 2024 (Contd.)

Notes

- 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.
- Refer note no. 42 for change in liabilities arising from financing activities.
- Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short term borrowings and shown on net basis. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan and triparty repo dealing and settlement. All other borrowings are defined as long term borrowings.

Components of cash and cash equivalents:

Particulars	(₹ in crore)	
	Period ended 30 June 2024	Period ended 30 June 2023
Cash and cash equivalents comprises of:		
Cash on hand	-	-
Balances with banks:		
In current accounts	56.72	602.63
Total	56.72	602.63

As per our report of even date

On behalf of the Board of Directors

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Ravi Jain
Vice Chairman
DIN: 0155015

Pune: 22 July 2024




Atul Patni
Company Secretary
FCS: F10094


Anami N Roy
Director
DIN: 0136111

1. Corporate information

The Company (earlier known as 'Bajaj Financial Solutions Limited') (Corporate ID No.: U65910PN2008PLC132228) was incorporated as a subsidiary of Bajaj Finserv Limited ('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 Limited (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 Limited (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 Non convertible debentures (NCDs) of the Company are listed on the Bombay Stock Exchange (BSE), India. The Company has a diversified lending model and focuses on five broad categories viz: (i) home loans, (ii) loan against property, (iii) lease rental discounting, (iv) developer financing, and (v) 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 Company has been classified as NBFC- UL (upper layer) by RBI as part of its 'Scale Based Regulation', since 30 September 2022.

The special purpose interim financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 22 July 2024, Board of Directors of the Company approved the special purpose interim financial statements.

2. Basis of preparation

The Special Purpose Interim Financial Statements as at and for the quarter ended 30 June 2024 have been prepared on an accrual and going concern basis in accordance with Indian Accounting Standards (Ind AS) -34 'Interim Financial Reporting' as prescribed in 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, the updated Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, dated 17 February, 2021 as amended ('the RBI Master Directions'), the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time, notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/ 2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') and other applicable RBI circulars/notifications. The Company uses accrual basis of accounting except in case of significant uncertainties. [Refer note no. 4.1(i)]

The special purpose interim financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Company, in denomination of crore rounded off to two decimal places as permitted by Schedule III to the Act. The special purpose interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

The special purpose interim 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.

3. Presentation of special purpose interim financial statements

The Company presents its special purpose interim balance sheet in the order of liquidity.

The Company prepares and presents its Special Purpose Interim Balance Sheet, Special Purpose Interim Statement of Profit and Loss and Special Purpose Interim Statement of changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Special Purpose Interim Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'. The special purpose interim financial statement have been prepared by the management of the Company for the purpose of preparation of restated financial information which is to be included in the Red Herring Prospectus ("RHP" or the "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer ("IPO")

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

Accounting estimates, judgements and assumptions

The preparation of the Company's special purpose interim 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 special purpose Interim financial statements for e.g.:

- Business model assessment (Refer note no. 4.3.(i))
- Impairment of financial assets (Refer note no. 4.3.(i), 9, 50)
- Provisions and other contingent liabilities (Refer note no. 4.7 and 41)
- Provision for tax expenses (Refer note no. 4.4)



4. Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these special purpose interim financial statements. These policies have been consistently applied to all the periods/ year presented, unless otherwise stated.

4.1 Revenue from operations

(i) Interest income

The Company recognises interest income using effective interest rate (EIR) method as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Delayed Payment interest (Penal interest and the like) are 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.

(ii) Revenue from operations other than interest income

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.

(a) Fees and commission income

The Company recognises:

- service and administration charges on completion of contracted service;
- bounce charges on realisation;
- fees on value added services and products on delivery of services and products to the customer;
- distribution income on completion of distribution of third-party products and services; and
- income on loan foreclosure and prepayment on realisation.

(b) Net gain on fair value changes

The Company recognises gains/loss on fair value change of financial assets measured at FVTPL. 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 is retained, recognises the fair value of future service fee income and service obligations cost on net basis as service fee income/ expense in the statement of profit and loss and, correspondingly creates a service asset/ liability in balance sheet. Any subsequent change in the fair value of service asset/ liability is recognised as service income/ expense in the period in which it occurs. The embedded interest component in the service asset / liability is recognised as interest income/ expense in line with Ind AS 109 - 'Financial instruments'.

(d) Income on derecognised (assigned) loans

The Company, on de-recognition of financial assets under the direct assignment transactions, recognises the right of excess interest spread (EIS) which is difference between interest on the loan portfolio assigned and the applicable rate at which the direct assignment is entered into with the assignee. The Company records the discounted value of scheduled cash flow of the future EIS, entered into with the assignee, upfront in the statement of profit and loss. Any subsequent increase or decrease in the fair value of future EIS is recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 - 'Financial instruments'.

(e) Other operating income

The Company recognises recoveries against written off financial assets on realisation. Any other operating income is recognised on completion of service.

4.2 Expenses

(i) Finance Cost

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

(ii) Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as fees payable for management of portfolio, are recognised in the Statement of Profit and Loss on an accrual basis.



4. Summary of material accounting policies (contd.)

4.3 Financial instruments

Recognition of financial Instruments

All 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

Initial measurement

All financial assets are recognized initially at fair value adjusted for incremental transaction costs and income that are directly attributable to the acquisition of the financial asset except for following :

- Financial assets measured at FVTPL which are recognised at fair value; and transaction cost are adjusted to profit and loss statement.
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) are recorded at transaction price

Classification and Subsequent measurement

For the purpose of classification, financial assets are classified into three categories as per the Company's Board approved policy:

- Debt instruments at amortised cost
- Debt instruments at FVOCI
- Debt instruments at FVTPL

The Classification depends on the contractual terms of the cash flows of the financial assets (SPPI) and Company's business model for managing financial assets which are explained below-

Business Model assessment

The Company has put in place its Board approved policies for determination of the business model. These policies consider whether the objective of the business model, at initial recognition, is to hold the financial asset to collect its contractual cash flows or, dually, to sell the financial asset and collect the contractual cash flows. The Company determines its business model 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.

SPPI Assessment

The Company assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

In making this assessment, the Company considers whether the contractual cash flows represent sole payments of principal and interest which means that whether the cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition.

a) Debt instruments at amortised cost:

The Company measures its debt instruments like Loans, certain debt instruments 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.

After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

The Company may enter into following transactions without affecting business model of the Company:

- considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies.
- Assignment and sale of Non-NPA transactions which are infrequent and below threshold provided by management.

b) Debt instruments at FVOCI:

The Company subsequently classifies its debt instruments 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 recognized 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.

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 profit or loss.



4. Summary of material accounting policies (contd.)

c) Debt instruments at FVTPL:

The Company operates a trading portfolio as a part of its treasury strategy and classifies its debt instruments which are held for trading under FVTPL category. As a part of its hedging strategy, the Company enters into derivative contracts and classifies such contracts under FVTPL.

Interest incomes is recorded in Statement of Profit and Loss according to the terms of the contract, Gains and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

Derecognition of Financial Assets:

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

- a) The right to receive cash flows from the asset has expired such as repayments in the financial asset, sale of the financial asset etc.; 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. A write-off of a financial asset constitutes a de-recognition event.

Derecognition in case of Direct Assignment

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, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the Company adequately for performing the service. If the present value of 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.

Write off

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery basis past trends. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write off. Any subsequent recoveries against such loans are credited to statement of profit and loss. The Company has Board approved policy on write off and one time settlement of loans.

Impairment on financial assets:

A) General Approach

Expected credit losses ('ECL') are recognised for applicable financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments as per the Board approved policy.

The Company follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' 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'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

Stage 1 (12-month ECL) is provided basis the default events that are likely to occur in the next 12 months from the reporting date. Stage 2 and stage 3 (lifetime ECL) is provided for basis all possible default events likely to occur during the life of the financial instrument.

Financial assets are written off in full, when there is no realistic prospect of recovery. The Company may apply enforcement activities to certain qualifying financial assets written off.



4. Summary of material accounting policies (contd.)

Treatment of the different stages of financial assets and the methodology of determination of ECL

a) Credit impaired (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.

Loan accounts where either principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

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 are upgraded to stage 1 if-

- The loan which was restructured is not in default for a period till repayment of 10% of principal outstanding or 12 months, whichever is later; and
- Other loans of such customer are not in default during this period.

Loans where one time compromise settlement is offered to the customer to close their loan accounts with certain relaxation and waiver of charges/interest/ principal are classified as stage-3 assets.

b) Significant increase in credit risk (stage 2)

The Company considers loan accounts which are overdue for more than or equal to 31 day but up to 90 days as on the reporting date as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Company recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

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.

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 assets in stage 1. Loan will fall under stage one if the DPD is up to 30 days. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis 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 current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. 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. In addition, the estimation of ECL takes into account the time value of money.

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.

- *Probability of default (PD)*

PD is the likelihood that a loan will not be repaid and will fall into default. Determination of PD is covered above for each stages of ECL i.e. For assets which are in stage 1, a 12 month PD is considered, for stage 2 and 3 lifetime PD is required.

- *Exposure at default (EAD)*

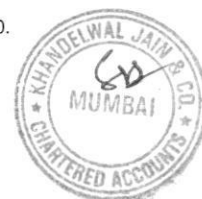
EAD represents the expected outstanding balance at default, taking into account the repayment of principal and interest from the balance sheet date to the date of default together with any expected drawdowns of committed facilities.

- *Loss Given Default (LGD)*

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. It is expressed as percentage of outstanding at the time of default.

The Company recalibrates above components of its ECL model on a periodical basis by using the available incremental and recent information as well as assessing changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 50.



4. Summary of material accounting policies (contd.)

e) ECL on undrawn commitments

Expected credit loss on undrawn loan commitment is the present value of the difference between :
-contractual cash flow that are due, if the holder of the loan commitment drawn down the loan and
-the cash flow that the entity expects to receive if the loan is drawn down.

Expected credit losses on loan commitments shall be consistent with its expectations of drawdowns on that loans commitment i.e. it shall consider the expected portion of the loan commitment that are expected to be drawn down within 12 months of the reporting date when estimating 12-month expected credit losses.

B) Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and other financial assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and other financial assets and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward looking estimates.

(ii) Financial liabilities

Initial measurement:

All financial liabilities are recognised initially at fair value adjusted for incremental transaction costs that are directly attributable to the financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to the statement of profit or loss.

Subsequent measurement:

After initial recognition, the Company subsequently measures all financial liabilities at amortised cost using the EIR method , unless Company is required to measure liabilities at fair value through profit or loss such as derivative liabilities. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition:

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

(iii) Derivative Financial Instruments

The Company enters into interest rate swaps (derivative financial instruments) to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates derivatives as hedges of the fair value of recognised liabilities (fair value hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge Accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.



4. Summary of material accounting policies (contd.)

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges hedge the exposure to changes in the fair value of a recognised liability, or an identified portion of such liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in Finance Cost.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

4.4 Taxes

Income tax comprises current tax and deferred tax.

Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the statement of profit and loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet, and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Company 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.

Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 12 Income Taxes.

4.5 Property, plant and equipment

The Company measures property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided on a prorata basis for all tangible assets on straight line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.

Useful life used by the Company is in line with Schedule II-Part C of the Companies Act, 2013, except for end user machines, chairs and vehicles. Useful life of assets are determined by the Management by an internal technical assessment where useful life is significantly different from those prescribed by Schedule III. Details of useful life is given in note no.13.

4.6 Intangible assets and amortization thereof

Intangible assets, representing softwares, licenses etc. are initially recognised at cost and subsequently carried at cost less accumulated amortization and accumulated impairment, if any. 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.

4.7 Provisions, contingent liabilities and Commitment

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 as a contingent liability. 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.

Commitments are future liabilities, which include Undrawn loan commitments, estimated amount of contracts remaining to be executed on capital account and not provided for.



4. Summary of material accounting policies (contd.)

4.8 Retirement and other employee benefits

a) Short term benefits

Short term employee benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. 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.

b) Employment benefit plans

The Company operates defined contribution, defined benefit and other long term service benefits.

Payment to defined contribution plans i.e. provident Fund and employees' state insurance are charged as an expenses as the employee render service.

Defined benefit plans for gratuity is funded by the Company. Payment for present liability of future payment of gratuity is made to the approved gratuity fund viz. Bajaj Auto Limited 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 Limited (BALIC). However, any deficits in plan assets managed by LIC and BALIC as compared to actuarial liability determined by an appointed actuary are recognised as a liability. Actuarial liability is computed using the projected unit credit method. The Calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with the plan's actuaries and past trend. Gains and 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.

c) Share based payments

The Company enters into equity settled share-based payment arrangement with its employees as compensation for the provision of their services. The Holding Company determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Company is recognised as employee benefits expenses in profit or loss .

4.9 Fair value measurement

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

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.

In case of financial instruments are classified on the basis of valuation techniques that features one or more significant market inputs that are unobservable, then measurement of fair value becomes more judgemental. Details on level 3 financial instruments along with sensitivity and assumptions are set out in note no. 49.

All assets and liabilities for which fair value is measured or disclosed in the special purpose interim 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. 48 and 49.

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.

4.10 Collateral Repossession

The nature of products across these broad product 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 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's 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.

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Company resorts to invoking its right under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues.

4.11 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the period ended 30 June 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



5. Cash and cash equivalents

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Cash on hand		
Balances with banks:		
In current accounts*	56.72	63.86
Total	56.72	63.86

*includes ₹ 0.25 crore in current account maintained for employees care fund (As at 31 March 2024 : ₹ 0.16 crore)

6. Bank balances other than cash and cash equivalents

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Fixed deposits (with original maturity more than 3 months)*	0.15	0.15
Total	0.15	0.15

*includes earmarked balance with banks of ₹ 0.15 crore (As at 31 March 2024: 0.02 crore) against overdraft facility.

7. Derivative financial instruments (at FVTPL)

As at 30 June 2024				(₹ in crore)
Particulars	Notional Amount	Fair value assets	Fair Value Liabilities	
Interest Rate Derivatives				
Interest Rate Swaps (Fair Value Hedge)	2,050.00	8.33	3.72	
Total	2,050.00	8.33	3.72	

As at 31 March 2024				(₹ in crore)
Particulars	Notional Amount	Fair value assets	Fair Value Liabilities	
Interest Rate Derivatives				
Interest Rate Swaps (Fair Value Hedge)	1,850.00	11.66	0.83	
Total	1,850.00	11.66	0.83	

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of interest rate swaps. The Company undertakes such transactions for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved.



8. Receivables

Particulars	As at	
	30 June 2024	31 March 2024
Trade receivables		
Considered good - Unsecured		
Fees, commission and others	24.07	13.41
Less: Impairment allowance	0.10	0.05
Total	23.97	13.36

-No receivables are due from directors or other officers of the Company either severally or jointly with any other person.

-No receivables are due from firms or private companies in which any director is a partner, a director or a member.

8. Receivables (Contd.)

Trade receivables (Gross) ageing schedule as at 30 June 2024 (₹ in crore)

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
(i) Considered good	-	-	24.07	-	-	-	-	24.07
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-

Trade receivables (Gross) ageing schedule as at 31 March 2024 (₹ in crore)

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
(i) Considered good	-	-	13.41	-	-	-	-	13.41
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-

Reconciliation of impairment loss allowance on trade receivables (₹ in crore)

Particulars	As at	
	30 June 2024	31 March 2024
Impairment loss allowance as at beginning of the period/year (a)	0.05	0.01
Increase during the period/ year (b)	0.05	0.04
Decrease during the period/year (c)	-	-
Impairment loss allowance at the end of the period/year (a+b-c)	0.10	0.05



9. Loans

(₹ in crore)

Particulars	As at 30 June 2024			As at 31 March 2024		
	At amortised Cost	At FVOCI*	Total	At amortised Cost	At FVOCI*	Total
Term Loan						
I. Secured						
Against equitable mortgage of immovable property	21,927.13	61,826.81	83,753.94	19,743.98	58,037.30	77,781.28
Less: Impairment loss allowance	174.11	328.47	502.58	171.08	327.38	498.46
Total (I)	21,753.02	61,498.34	83,251.36	19,572.90	57,709.92	77,282.82
II. Unsecured						
Unsecured loans	2,058.40	-	2,058.40	2,043.64	-	2,043.64
Less: Impairment loss allowance	26.56	-	26.56	25.71	-	25.71
Total (II)	2,031.84	-	2,031.84	2,017.93	-	2,017.93
Total (I+II)	23,784.86	61,498.34	85,283.20	21,590.83	57,709.92	79,300.75
Out of above:						
(i) Secured by tangible	21,738.27	61,498.34	83,236.61	19,549.45	57,709.92	77,259.37
(ii) Secured by intangible assets	268.95	-	268.95	271.19	-	271.19
(iii) Covered by Bank/ Government Guarantee	14.75	-	14.75	23.45	-	23.45
(iv) Unsecured	1,762.89	-	1,762.89	1,746.74	-	1,746.74
Total (i+ii+iii+iv)	23,784.86	61,498.34	85,283.20	21,590.83	57,709.92	79,300.75
Out of above :						
I. Loans in India						
Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Others	23,985.53	61,826.81	85,812.34	21,787.62	58,037.30	79,824.92
Less: Impairment loss allowance	200.67	328.47	529.14	196.79	327.38	524.17
Total (I+II)	23,784.86	61,498.34	85,283.20	21,590.83	57,709.92	79,300.75
II. Loans outside India						
Total (I+II)	23,784.86	61,498.34	85,283.20	21,590.83	57,709.92	79,300.75

*The net value is the fair value of these loans

Loans including installment and interest outstanding amounts to ₹ 16.25 crore (As at 31 March 2024 ₹ 15.10 Crore) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [SARFAESI].

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

Loan details

(₹ in crore)

Particulars	As at 30 June 2024			As at 31 March 2024		
	At amortised cost	At FVOCI	Total	At amortised cost	At FVOCI	Total
Total Gross loan	24,244.00	61,681.17	85,925.17	22,033.87	57,925.81	79,959.68
Less: EIR impact	258.47	(145.64)	112.83	246.25	(111.49)	134.76
Total for gross term loan net of EIR impact	23,985.53	61,826.81	85,812.34	21,787.62	58,037.30	79,824.92

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at 30 June 2024				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	85,253.83	322.33	236.18	85,812.34	79,319.31	290.00	215.61	79,824.92
Less: Impairment loss allowance	313.86	75.05	140.23	529.14	319.15	67.58	137.44	524.17
Net carrying amount	84,939.97	247.28	95.95	85,283.20	79,000.16	222.42	78.17	79,300.75



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

9. Loans (Contd.)

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans:

(₹ in crore)

Particulars	For the period ended 30 June 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Stage 2	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
Balance as at the beginning of the period	79,319.31	319.15	290.00	67.58	215.61	137.44	79,824.92	524.17
Transfer during the period								
Transfer to stage 1	47.93	12.24	(43.66)	(9.81)	(4.27)	(2.43)	-	-
Transfer to stage 2	(124.64)	(1.42)	134.64	6.42	(10.00)	(5.00)	-	-
Transfer to stage 3	(13.07)	(0.09)	(40.81)	(13.11)	53.88	13.20	-	-
	(89.78)	10.73	50.17	(16.50)	39.61	5.77	-	-
Impact of changes in credit risk on account of stage movements		(11.32)		25.61		6.96	-	21.25
Changes in opening credit exposures (repayments net of additional disbursement)	(1,848.87)	(35.75)	(17.84)	(1.64)	(17.41)	(8.31)	(1,884.12)	(45.70)
New credit exposures during the period, net of repayments	7,873.17	31.05	-	-	-	-	7,873.17	31.05
Amounts written off during the period	-	-	-	-	(1.63)	(1.63)	(1.63)	(1.63)
Balance as at the end of the period	85,253.83	313.86	322.33	75.05	236.18	140.23	85,812.34	529.14
Particulars	For the year ended 31 March 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Stage 2	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
Balance as at the beginning of the year	62,142.02	359.66	359.91	78.37	137.33	87.34	62,639.26	525.37
Transfer during the year								
Transfer to stage 1	129.37	30.90	(121.47)	(27.11)	(7.90)	(3.79)	-	-
Transfer to stage 2	(187.05)	(3.30)	193.38	6.95	(6.33)	(3.65)	-	-
Transfer to stage 3	(89.94)	(1.20)	(76.90)	(17.57)	166.84	18.77	-	-
	(147.62)	26.40	(4.99)	(37.73)	152.61	11.33	-	-
Impact of changes in credit risk on account of stage movements		(23.80)		37.94		74.71	-	88.85
Changes in opening credit exposures (repayments net of additional disbursement)	(15,518.71)	(186.98)	(79.06)	(15.08)	(31.54)	8.72	(15,629.31)	(193.34)
New credit exposures during the year, net of repayments	32,843.62	143.87	14.14	4.08	3.00	1.13	32,860.76	149.08
Amounts written off during the year	-	-	-	-	(45.79)	(45.79)	(45.79)	(45.79)
Others	-	-	-	-	-	-	-	-
Balance as at the end of the year	79,319.31	319.15	290.00	67.58	215.61	137.44	79,824.92	524.17

Details of impairment of financial instruments disclosed in the statement of profit and loss :

(₹ in crore)

Particulars	Period ended	Period ended
	30 June 2024	30 June 2023
Net impairment loss allowance charge/ (release) for the period/year	4.97	2.84
Amounts written off during the period/year	1.63	2.80
Impairment allowance on undrawn loan commitments	3.50	0.71
Impairment on loans	10.10	6.35
Add: Impairment on other assets	(0.06)	0.39
Impairment on financial instruments	10.04	6.74



10. Investments

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
(I) At fair value through other comprehensive income		
In Government Securities	510.39	519.68
Add: Fair value gain	1.55	0.70
Total (I)	511.94	520.38
(II) At fair value through profit or loss		
i. In mutual funds	0.74	0.64
Add: Fair value gain	0.04	0.03
Total (i) *	0.78	0.67
ii. In Government Securities / T-Bill	2,143.39	1,417.89
Add: Fair value loss	(0.06)	(0.37)
Total (ii)	2,143.33	1,417.52
Total (II)	2,144.11	1,418.19
Total (I) + (II)	2,656.05	1,938.57

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Out of above:		
In India	2,656.05	1,938.57
Outside India	-	-
	2,656.05	1,938.57

* All the mutual fund investments are in the debt oriented schemes which includes investments for employee care fund of ₹ 0.78 crore (As at 31 March 2024 ₹ 0.67 crore).

-Impairment loss allowance recognised on investments is ₹ Nil. (As at 31 March 2024 ₹ Nil)

11. Other financial assets

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Security deposits	7.04	7.01
Receivables on assigned loans	274.74	275.57
Others*	4.64	3.50
	286.42	286.08
Less: Impairment loss allowance**	1.91	2.01
Total	284.51	284.07

* Includes receivable from pools purchased under direct assignment ₹ 4.37 crore (As at 31 March 2024: ₹ 3.24 crore).

**Impairment loss allowance recognised on receivable on assigned loans is ₹ 1.86 crore (As at 31 March 2024: ₹ 1.89 crore).

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Reconciliation of impairment loss allowance on other financial assets		
Impairment loss allowance as at beginning of the period/year (a)	2.01	0.68
Increase during the period/year (b)	-	1.33
Decrease during the period/year (c)	(0.10)	-
Impairment loss allowance at the end of the period/year (a+b-c)	1.91	2.01



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

12. Income Tax

(a) (i) Current Tax Asset (Net)

Particulars	(₹ in crore)	
	Period ended 30 June 2024	Year ended 31 March 2024
Income taxes paid in advance	32.01	31.09
-net of provision for income tax of ₹ 217.84 crore (As at 31 March 2024 ₹ 837.20 crore)		
Total	32.01	31.09

(ii) Current Tax liability (Net)

Particulars	(₹ in crore)	
	Period ended 30 June 2024	Year ended 31 March 2024
Provision for Income tax	52.17	25.93
-net of taxes paid in advance of ₹ 1,346.20 crore (As at 31 March 2024 ₹ 650.73 crore)		
Total	52.17	25.93

(b) Deferred tax assets (net)

Particulars	(₹ in crore)	
	Period ended 30 June 2024	Year ended 31 March 2024
Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate		
Profit before tax	629.88	2,161.32
Tax at corporate tax rate of 25.17% (As at 31 March 2024: 25.17%)	158.54	544.01
Tax on expenditure not considered for tax provision (net of allowance)	6.77	18.36
Tax impact on deduction under Section 36(1)(viii) of the Income tax Act, 1961	(17.12)	(59.15)
Tax Impact of reversal of opening deferred tax liability on special reserve under section 36(1)(viii) of the Income tax Act, 1961*	-	(73.09)
Tax benefit on additional deductions		(0.03)
Current tax adjustment of earlier period/Year	(0.92)	-
Tax expense (effective tax rate of 23.38%, As at 31 March 2024 19.90%)	147.27	430.10

During the quarter ended 30 June 2023 and year ended 31 March 2024, the Company had reviewed the probability of utilisation of the Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961. Since there was no intention of utilisation of this Special Reserve in future and the deferred tax liability created on the said special reserve was not capable of being reversed, in the absence of any temporary difference, no deferred tax liability was required to be recognised. Consequent to this review, the deferred tax liability of ₹ 73.09 crore as at 1 April 2023, was reversed with corresponding credit to the Interim Statement of Profit and Loss



Movement in Deferred Tax Assets / (Liability)

For the period ended 30 June 2024				
Particulars	(₹ in crore)			
	Balance as at 1 April 2024	Recognised in profit and loss	Recognised in OCI	Balance as at 30 June 2024
I. Deferred tax asset				
Property, plant and equipment and Intangible assets	1.50	0.34	-	1.84
Remeasurements of employee benefits	2.12	1.04	-	3.16
Expected credit loss	114.99	-	-	114.99
EIR impact on financial instruments measured at amortised cost	0.25	(0.02)	-	0.24
Mark to Market impact on fair value hedge	0.57	(0.14)	-	0.43
Right of use assets and lease liability (net)	0.94	0.01	-	0.95
Unrealised net gain/ (loss) on fair value changes	0.10	(0.08)	-	0.02
Other temporary differences	-	0.05	-	0.05
Gross deferred tax assets (I)	120.47	1.21	-	121.68
II. Deferred tax liabilities				
Receivables on assigned loans	69.35	(0.21)	-	69.14
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	-	-	-	-
Fair value on Debt instruments designated under FVOCI	0.18	-	0.21	0.39
Gross deferred tax liabilities (II)	69.53	(0.21)	0.21	69.53
Deferred tax assets/ (liabilities), net (I-II)	50.94	1.42	(0.21)	52.15

For the year ended 31 March 2024				
Particulars	(₹ in crore)			
	Balance as at 1 April 2023	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2024
I. Deferred tax asset				
Property, plant and equipment and Intangible assets	1.02	0.48	-	1.50
Remeasurements of employee benefits	0.20	1.43	0.49	2.12
Expected credit loss	114.99	-	-	114.99
EIR impact on financial instruments measured at amortised cost	0.35	(0.10)	-	0.25
Mark to Market impact on fair value hedge	0.01	0.56	-	0.57
Right of use assets and lease liability (net)	1.05	(0.11)	-	0.94
Unrealised net gain/ (loss) on fair value changes	-	0.10	-	0.10
Other temporary differences	-	-	-	-
Gross deferred tax assets (I)	117.62	2.36	0.49	120.47
II. Deferred tax liabilities				
Receivables on assigned loans	72.51	(3.16)	-	69.35
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	73.09	(73.09)	-	-
Fair value on Debt instruments designated under FVTPL	0.24	(0.24)	-	-
Fair value on Debt instruments designated under FVOCI	-	-	0.18	0.18
Other temporary differences	0.05	(0.05)	-	-
Gross deferred tax liabilities (II)	145.89	(76.54)	0.18	69.53
Deferred tax assets/ (liabilities), net (I-II)	(28.27)	78.90	0.31	50.94



Notes to special purpose interim financial statements for the period ended 30 June 2024 (Contd.)

13. Property, plant and equipment and intangible assets
For the period ended 30 June 2024

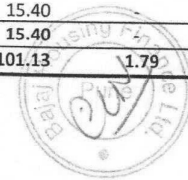
Particulars	Gross Block				Depreciation and amortisation				Net block
	As at 1 April 2024	Additions	Deductions/adjustments	As at 30 June 2024	As at 1 April 2024	Deductions/adjustments	For the period	As at 30 June 2024	As at 30 June 2024
	(₹ in crore)								
Property, plant and equipment									
Buildings									
- Own use ^(a)	2.39	-	-	2.39	0.48	-	0.01	0.49	1.90
- Right-of-use - Buildings	91.53	1.49	0.29	92.73	53.72	0.24	3.46	56.94	35.79
Computers	30.69	1.72	1.22	31.19	15.29	0.60	1.43	16.11	15.08
Furniture and Fixtures	13.88	0.08	0.03	13.93	6.87	0.03	0.42	7.26	6.67
Lease hold improvement	14.09	0.01	-	14.10	11.72	-	0.37	12.09	2.01
Vehicles	28.63	2.43	2.21	28.85	7.32	1.17	1.21	7.36	21.49
Office equipment	14.36	0.01	0.00	14.37	12.67	0.00	0.32	12.99	1.38
Total (i)	195.57	5.74	3.75	197.56	108.07	2.05	7.22	113.24	84.32
Intangible assets									
Computer Software	60.29	0.80	-	61.09	24.93	-	2.69	27.62	33.47
Total (ii)	60.29	0.80	-	61.09	24.93	-	2.69	27.62	33.47
Total (i+ii)	255.86	6.54	3.75	258.65	133.00	2.05	9.91	140.86	117.79

For the year ended 31 March 2024

Particulars	Gross Block				Depreciation and amortisation				Net block
	As at 1 April 2023	Additions	Deductions/adjustments	As at 31 March 2024	As at 1 April 2023	Deductions/adjustments	For the year	As at 31 March 2024	As at 31 March 2024
	(₹ in crore)								
Property, plant and equipment									
Buildings									
- Own use ^(a)	2.39	-	-	2.39	0.45	-	0.04	0.48	1.91
- Right-of-use - Buildings	82.02	14.53	5.02	91.53	41.85	2.16	14.03	53.72	37.81
Computers	25.16	10.50	4.97	30.69	12.14	2.59	5.74	15.29	15.40
Furniture and Fixtures	12.99	1.06	0.17	13.88	5.40	0.28	1.75	6.87	7.01
Lease hold improvement	14.23	0.43	0.57	14.09	10.24	0.44	1.92	11.72	2.37
Vehicles	19.04	13.37	3.78	28.63	4.61	1.73	4.44	7.32	21.31
Office equipment	14.82	0.29	0.75	14.36	11.04	0.52	2.15	12.67	1.69
Total (i)	170.65	40.18	15.26	195.57	85.73	7.72	30.07	108.07	87.50
Intangible assets									
Computer Software	43.47	16.82	-	60.29	15.40	-	9.53	24.93	35.36
Total (ii)	43.47	16.82	-	60.29	15.40	-	9.53	24.93	35.36
Total (i+ii)	214.12	57.00	15.26	255.86	101.13	7.72	39.60	133.00	122.86

For the period ended 30 June 2023

Particulars	Gross Block				Depreciation and amortisation				Net block
	As at 1 April 2023	Additions	Deductions/adjustments	As at 30 June 2023	As at 1 April 2023	Deductions/adjustments	For the year	As at 30 June 2023	As at 30 June 2023
	(₹ in crore)								
Property, plant and equipment									
Buildings									
- Own use ^(a)	2.39	-	-	2.39	0.45	-	0.01	0.46	1.93
- Right-of-use - Buildings	82.02	-	2.23	79.79	41.85	0.88	3.54	44.51	35.28
Computers	25.16	2.60	1.01	26.75	12.14	0.46	1.28	12.96	13.79
Furniture and Fixtures	12.99	0.02	0.04	12.97	5.40	0.02	0.58	5.95	7.02
Lease hold improvement	14.23	-	0.41	13.82	10.24	0.33	0.48	10.39	3.43
Vehicles	19.04	1.93	0.32	20.65	4.61	0.10	0.91	5.42	15.23
Office equipment	14.82	0.01	-	14.83	11.04	-	0.72	11.76	3.07
Total (i)	170.65	4.56	4.01	171.20	85.73	1.79	7.52	91.45	79.75
Intangible assets									
Computer Software	43.47	0.56	-	44.03	15.40	-	2.17	17.57	26.46
Total (ii)	43.47	0.56	-	44.03	15.40	-	2.17	17.57	26.46
Total (i+ii)	214.12	5.12	4.01	215.23	101.13	1.79	9.69	109.02	106.21



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

Notes

(a) Title deeds of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee) are held in the name of the Company.

(b) Useful life as used by the Company and as indicated in Schedule II are listed below:

Nature of assets	Useful life as per Schedule II	Useful life adopted by the Company
Building	60 years	60 years
Computers		
End user machines	3 years	4 years
Servers and Networks	6 years	6 years
Office equipment	5 years	5 years
Furniture and fixtures		
Chairs	10 years	4 years*
Other Furniture and fixtures	10 years	10 years
Vehicles	8 years	6 years*

* The Company changed useful life of vehicles and chairs from 8 years to 6 years and from 10 years to 4 years respectively during the period ended 30 June 2024.

- Based on internal assessment, the Management believes that the useful lives adopted by the Company best represent the period over which Management expects to use these assets.

13.(a) Intangible assets under development

Particulars	(₹ in crore)	
	Period ended 30 June 2024	Year ended 31 March 2024
Opening balance	0.87	0.31
Additions during the period/year	0.59	17.02
Deductions/Adjustments	(0.80)	(16.46)
Closing balance	0.66	0.87

13.(b) Aging for Intangible assets under development

Particulars	As at	Period				Total
		Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	30-Jun-24	0.66	-	-	-	0.66
Projects in progress	31-Mar-24	0.87	-	-	-	0.87

The Company does not have any project temporarily suspended or any Intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible asset under development completion schedule is not applicable



14. Other non-financial assets

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Capital advances	-	-
Advances to suppliers and others*	23.29	8.91
Total	23.29	8.91

* - Includes excess CSR spend of Rs 2.02 crore (As at 31 March 2024: ₹ 1.13 crore)

- Impairment loss allowance recognised on advances to suppliers is ₹ 0.01 (As at 31 March 2024: ₹ 0.01 crore).

15. Payables

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Trade payables		
Total outstanding dues of micro enterprises and small enterprises [#]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	73.85	57.61
Total	73.85	57.61
Other payables		
Total outstanding dues of micro enterprises and small enterprises [#]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	54.82	82.75
Total	54.82	82.75

[#] 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 period/year-end are furnished below:

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Principal amount due to suppliers under MSMED Act, as at the period end	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the period end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the period	-	0.71
Interest paid to suppliers under MSMED Act (Section 16)	-	0.01
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the period/year end to suppliers under MSMED Act	-	-

Trade Payable aging schedule as at 30 June 2024

Particulars	Not due	Unbilled	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
			(i) MSME	-	-	-	
(ii) Others	-	71.95	1.90	-	-	-	73.85
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payable aging schedule as at 31 March 2024

Particulars	Not due	Unbilled	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
			(i) MSME	-	-	-	
(ii) Others	-	57.05	0.56	-	-	-	57.61
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

16. Debt securities

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
At amortised cost		
Secured and fully paid		
Privately placed redeemable non-convertible debentures*	26,302.95	22,725.94
	<u>26,302.95</u>	<u>22,725.94</u>
Unsecured		
Borrowings by issue of commercial paper	1,838.50	2,650.29
Privately placed partly paid redeemable non-convertible debentures	1,293.16	1,269.10
	<u>3,131.66</u>	<u>3,919.39</u>
Total	29,434.61	26,645.33
Out of above		
In India	29,434.61	26,645.33
Outside India	-	-
Total	29,434.61	26,645.33

*All the Privately placed secured redeemable non-convertible debentures of the Company including those issued during the period ended 30 June 2024 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 respective information memorandum. Further, the Company has, at all times, for the non-convertible debentures, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

The quarterly statements or returns of assets filed by the Company with banks, financial institutions and debenture trustees are in agreement with books of accounts. The amount reported in quarterly statements is adjusted for net stage 3 loan balances, interest accrued but not due and loans to related parties as required by banks, financial institutions and debenture trustees.

The Company has no pending charges or satisfaction which are required to be registered with ROC.

As a part of Interest rate risk management, the Company has entered into INR interest rate swaps of a notional amount of ₹ 200 Crore during the period ended 30 June 2024 (1,750 crore for the period ended 31 March 2024.). The total outstanding as on 30 June 2024 is ₹ 2050 crore (As at 31 March 2024 ₹ 1850 crore).

Terms of repayment of non convertible debenture (NCDs) as at 30 June 2024

Original maturity (In no. of years)	(₹ in crore)				Total
	Due within 1 year	Due in 1 to 2 Years	Due in 2 to 3 Years	More than 3 years	
Redeemable at par (at face value)					
2 to 3 years	1,250.00	7,775.00	-	-	9,025.00
3 to 4 years	895.00	2,565.00	1,000.00	3,000.00	7,460.00
More than 4 years	-	-	1,346.00	8,931.00	10,277.00
Interest accrued	884.86				884.86
Fair value gain/ loss on NCD hedged through interest rate swap					(6.32)
Impact of EIR (including premium and discount on NCD)					(44.43)
Total					27,596.11

Interest rate ranges from 5.69 % p.a. to 8.10 % p.a. as at 30 June 2024.

Amount to be called and paid is ₹ 105 crore in Jan 2025 and ₹ 120 crore in Jan 2026.

Amount to be called and paid is ₹147 crore in Mar 2025 and ₹168 crore in Mar 2026.

Terms of repayment of non convertible debenture (NCDs) as at 31 March 2024

Original maturity (In no. of years)	(₹ in crore)				Total
	Due within 1 year	Due in 1 to 2 Years	Due in 2 to 3 Years	More than 3 years	
Redeemable at par (at face value)					
Up to 2 years	1,250.00	1,000.00	-	-	2,250.00
2 to 3 years	-	4,675.00	1,000.00	-	5,675.00
3 to 4 years	3,135.00	2,395.00	1,500.00	-	7,030.00
More than 4 years	-	-	-	8,277.00	8,277.00
Interest accrued	821.58				821.58
Fair value gain/ loss on NCD hedged through interest rate swap					(13.09)
Impact of EIR (including premium and discount on NCD)					(45.45)
Total					23,995.04

Interest rate ranges from 5.00 % p.a. to 8.00 % p.a. as at 31 March 2024.

Amount to be called and paid is ₹ 105 crore in Jan 2025 and ₹ 120 crore in Jan 2026.

Amount to be called and paid is ₹147 crore in Mar 2025 and ₹168 crore in Mar 2026.



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

16. Debt securities (Contd.)

Terms of repayment of commercial paper		(₹ in crore)	
Original maturity (In no. of years)		As at 30 June 2024	As at 31 March 2024
Issued at discount and redeemable at par			
Up to 1 years		1,788.97	2,605.14
Impact of EIR (including interest accrued)		49.53	45.15
Total		1,838.50	2,650.29

-Interest rate ranges from 7.20% to 8.03% p.a as at 30 June 2024 (31 March 2024 7.48% to 8.03% p.a)

-As at 30 June 2024, face value of commercial paper is ₹ 1,900 crore (31 March 2024 ₹ 2,750 crore)

17. Borrowings (other than debt securities)

		(₹ in crore)	
Particulars		As at 30 June 2024	As at 31 March 2024
At amortised cost			
Secured			
Term loans from banks*		34,770.21	34,542.75
Loans repayable on demand from banks*			
Cash credit / Overdraft facility		122.55	56.95
Working capital demand loan		25.01	862.44
Term loans from others			
National Housing Bank (NHB) ⁵		8,798.53	6,837.59
Total		43,716.30	42,299.73
Out of above:			
In India		43,716.30	42,299.73
Outside India		-	-
Total		43,716.30	42,299.73

The Company has not been declared a Wilful Defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

***Nature of security for term loans taken from Banks**

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

The quarterly statements or returns of assets filed by the Company with banks, financial institutions and debenture trustees are in agreement with books of accounts. The amount reported in quarterly statements is adjusted for net stage 3 loan balances, interest accrued but not due and loans to related parties as required by banks, financial institutions and debenture trustees.

⁵Nature of security for term loans taken from NHB

(i) All the outstanding refinancing from NHB are secured by hypothecation of specific loans/ book debts to the extent of 1.05 and 1.10 times of outstanding amount as per respective sanctioned terms.

(ii) The Company has availed refinance facility from NHB of ₹ 1,898 crore during the period ended 30 June 2024 (As at 31 March 2024: ₹ 5,499.38 crore) against eligible individual Housing loans under various refinance schemes including Affordable Housing Scheme.

The Company has no pending charges or satisfaction which are required to be registered with ROC.



17. Borrowings (other than debt securities) (Contd.)

Terms of repayment of term loan from banks as at 30 June 2024

Original maturity of loan (as per Sanction) (In no. of years)	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 years		Total	
	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore
Quarterly Principal Payment										
More than 4 years	118	2,437.10	106	2,181.26	88	2,095.13	160	2,992.28	472	9,705.77
Half yearly Principal Payment										
3-4 years	1	71.43	-	-	-	-	-	-	1	71.43
More than 4 years	64	2,276.34	75	3,247.43	83	3,703.68	184	7,555.73	406	16,783.18
Yearly Principal Payment										
3-4 years	1	375.00	-	-	-	-	-	-	1	375.00
More than 4 years	11	818.33	9	1,173.33	9	1,163.33	26	1,403.33	55	4,558.33
Bullet Payment on maturity										
Upto 3 years	-	-	-	-	1	75.00	-	-	1	75.00
3-4 years	1	500.00	-	-	-	-	-	-	1	500.00
More than 4 years	-	-	-	-	3	2,700.00	-	-	3	2,700.00
Interest accrued										3.49
Impact of EIR										(1.99)
Total									940	34,770.21

Interest rate ranges from 5.05 % p.a. to 9.05 % p.a. as at 30 June 2024.

Terms of repayment of term loan from NHB as at 30 June 2024

Original maturity of loan (as per Sanction) (In no. of years)	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 years		Total	
	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore
Quarterly Principal Payment										
More than 4 years	113	1,015.81	116	1,066.65	116	1,066.65	582	5,505.38	927	8,654.50
Interest accrued										144.03
Total									927	8,798.53

Interest rate ranges from 5.25 % p.a. to 8.45 % p.a. as at 30 June 2024.

Terms of repayment of working capital demand loan as at 30 June 2024

Original maturity of loan (In no. of years)	(₹ in crore)					Total
	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years		
On maturity (Bullet)						
Up to 1 year	25.00	-	-	-	-	25.00
Interest accrued and impact of EIR	0.01					0.01
Total						25.01

Terms of repayment of term loan from banks as at 31 March 2024

Original maturity of loan (as per Sanction) (In no. of years)	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 years		Total	
	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore
Quarterly Principal Payment										
3-4 years	2	200.00	-	-	-	-	-	-	2	200.00
More than 4 years	121	2,601.53	104	2,073.42	92	2,228.54	161	3,246.68	478	10,150.17
Half yearly Principal Payment										
3-4 years	2	142.86	-	-	-	-	-	-	2	142.86
More than 4 years	64	2,107.51	70	2,864.01	78	3,587.01	182	7,193.79	394	15,752.32
Yearly Principal Payment										
3-4 years	1	375.00	-	-	-	-	-	-	1	375.00
More than 4 years	12	868.33	8	673.33	9	1,163.33	29	2,016.67	58	4,721.66
Bullet Payment on maturity										
3-4 years	1	500.00	-	-	-	-	-	-	1	500.00
More than 4 years	-	-	-	-	1	500.00	2	2,200.00	3	2,700.00
Interest accrued										3.23
Impact of EIR										(2.49)
Total									939	34,542.75

Interest rate ranges from 5.05 % p.a. to 9.15 % p.a. as at 31 March 2024.



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

Terms of repayment of term loan from NHB as at 31 March 2024

Original maturity of loan (as per Sanction) (In no. of years)	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 years		Total	
	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore
Quarterly Principal Payment										
More than 4 years	78	647.47	104	863.29	104	863.29	545	4,463.54	831	6,837.59
Interest accrued										-
Impact of EIR										-
Total									831	6,837.59

Interest rate ranges from 5.25 % p.a. to 8.25 % p.a. as at 31 March 2024.

Terms of repayment of working capital demand loan as at 31 March 2024 (₹ in crore)

Original maturity of loan (In no. of years)	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	862.24	-	-	-	862.24
Interest accrued and impact of EIR					0.20
Total					862.44



18. Deposits

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Unsecured		
At Amortised Cost		
From Others (Inter corporate deposit)	196.15	184.26
Total	196.15	184.26

Terms of repayment of Deposits as at 30 June 2024

(₹ in crore)

Original maturity (In no. of years)	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	19.40	-	-	-	19.40
Over 1 to 2 years	165.34	-	-	-	165.34
More than 3 years	-	1.20	-	-	1.20
Interest accrued	10.21				10.21
Total					196.15

Interest rate ranges from 7.28 % p.a. to 7.80 % p.a. as at 30 June 2024

Terms of repayment of Deposits as at 31 March 2024

(₹ in crore)

Original maturity (In no. of years)	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	10.83	-	-	-	10.83
Over 1 to 2 years	165.34	-	-	-	165.34
Over 2 to 3 years	-	-	-	-	-
More than 3 years	-	1.20	-	-	1.20
Interest accrued	6.89				6.89
Impact of EIR					-
Total					184.26

Interest rate ranges from 7.28 % p.a. to 7.80 % p.a. as at 31 March 2024

19. Other financial liabilities

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Security deposits	0.08	0.08
Lease Liability [†]	39.55	41.54
Amount payable on swaps and other derivatives	2.85	1.73
Others*	178.57	190.79
Total	221.05	234.14

* - Includes amount for employee care fund of ₹ 1.03 crore (As at 31 March 2024 ₹ 0.92 crore).

- Includes amount payable to assignment partners and insurance partners.

[†] Disclosures as required by Ind AS 116 - 'Leases'

The Company has taken various office premises under lease. The period of lease agreements are ranging for a period 36 to 108 months. Lease liabilities are recognised in Balance Sheet at initial application basis incremental borrowing rate of similar tenure ranging from 5.26% to 8.20% as at 30 June 2024.

a. Lease Liability Movement

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Opening Balance / Transition adjustment	41.54	44.33
Add :		
Addition during the period/year	1.49	14.53
Interest on Lease Liability	0.76	2.90
Lease modification/ adjustments	-	-
Less :		
Deletion during the period/year	0.05	3.47
Lease rental payments	4.19	16.75
Balance at the end of the period/year	39.55	41.54



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

19. Other financial liabilities (Contd.)

b. Lease rentals of ₹ 0.43 crores (As at 31 March 2024 ₹ 1.10 crores) pertaining to short-term leases, low value assets and GST disallowance on lease rentals have been charged to statement of profit and loss.

c. Future Lease Cash Outflow for all leased assets

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
-Not later than one year	13.97	14.75
-Later than one year but not later than five years	31.14	32.77
-Later than five years	0.02	0.04

d. Maturity Analysis of Lease Liability

Particulars	(₹ in crore)			
	As at 30 June 2024		As at 31 March 2024	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Lease Liability	11.44	28.11	12.12	29.42

e. Amount recognised in statement of profit and loss

Particulars	(₹ in crore)	
	Period ended 30 June 2024	Year ended 31 March 2024
Interest on lease liabilities	0.76	2.90
Depreciation charge for the period/year	3.46	14.03
(Gain)/loss on pre-mature lease closure	-	(0.61)
Total	4.22	16.32

20. Provisions

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Provision for employee benefits		
Gratuity	5.47	3.52
Compensated absences	3.42	1.63
Other long term service benefits	3.64	3.25
Others provisions		
Impairment allowance on undrawn loan commitments	30.75	27.24
Total	43.28	35.64

21. Other non-financial liabilities

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Statutory Dues	20.41	26.42
Others	2.56	0.95
Total	22.97	27.37



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

22. Equity share capital

Particulars	₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Authorised		
9,00,00,00,000 (8,00,00,00,000) equity shares of ₹ 10 each	9,000.00	8,000.00
Issued		
7,81,95,75,273 (6,71,21,55,564) equity shares of ₹ 10 each	7,819.58	6,712.16
Subscribed and fully paid up		
7,81,95,75,273 (6,71,21,55,564) equity shares of ₹ 10 each fully called up and paid up	7,819.58	6,712.16
Total	7,819.58	6,712.16

a. Reconciliation of the shares outstanding at the beginning and at the end of the period

Equity share capital issued, subscribed and fully paid up	As at 30 June 2024		As at 31 March 2024	
	Nos.	₹ in crore	Nos.	₹ in crore
Outstanding at the beginning of the period/year	6,71,21,55,564	6,712.16	6,71,21,55,564	6,712.16
Add: Issue of equity shares on right basis	1,10,74,19,709	1,107.42	-	-
Outstanding at the end of the period/year	7,81,95,75,273	7,819.58	6,71,21,55,564	6,712.16

The Company has allotted 1,10,74,19,709 equity shares having face value of ₹ 10 each under right issue to its Holding Company (Bajaj Finance Limited) on 3 April 2024 at a premium of ₹ 8.06 per share involving aggregate amount of ₹ 19,99,99,99,944.54.

b. Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a face 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 30 June 2024		As at 31 March 2024	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finance Limited*	7,81,95,75,273	7,819.58	6,71,21,55,564	6,712.16

* A subsidiary of Bajaj Finserv Limited

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

Particulars	As at 30 June 2024		As at 31 March 2024	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finance Limited (Holding Company)	7,81,95,75,273	100%	6,71,21,55,564	100%

e. Details of shareholding of promoters

Shares held by promoters at the period ended 30 June 2024				% Changes during the year
S.N.	Promoter name	No. of Shares	% of total shares	
1	Bajaj Finance Limited	7,81,95,75,273	100%	-
Shares held by promoters at the year ended 31 March 2024				% Changes during the year
S.N.	Promoter name	No. of Shares	% of total shares	
1	Bajaj Finance Limited	6,71,21,55,564	100%	-



23. Other equity

(₹ in crore)

Particulars	As at 30 June 2024	As at 31 March 2024
(i) Securities premium		
Balance as at the beginning of the period/year	837.72	837.72
Add: Received during the period/year		
On right issue of shares	892.48	-
Balance as at the end of the period/year (i)	1,730.20	837.72
(ii) Statutory reserve in terms of Section 29C of the NHB Act, 1987		
Balance as at the beginning of the period/year		
a) Statutory Reserve u/s 29C of the NHB Act, 1987	415.70	304.45
b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	22.66	22.66
c) 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	525.40	290.40
Total	963.76	617.51
Addition / appropriation / withdrawal during the period/year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	-	111.25
b) Additional amount transferred u/s 29C of the NHB Act, 1987	-	-
c) 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	-	235.00
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987		-
b) Additional amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987		-
c) 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 period/year		
a) Statutory Reserve u/s 29C of the NHB Act, 1987	415.70	415.70
b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	22.66	22.66
c) 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	525.40	525.40
Balance as at the end of the period/year (ii)	963.76	963.76
(iii) Retained earnings		
Balance as at the beginning of the period/year	3,719.33	2,335.80
Profit for the period/year	482.61	1,731.22
Item of other comprehensive income recognised directly in retained earnings		
- on defined benefit plan	-	(1.44)
	4,201.94	4,065.58
Less: Appropriations:		
- Transfer to statutory reserve in terms of Section 29C of the NHB Act, 1987	-	111.25
- Transfer to additional statutory reserve in terms of Section 29C of the NHB Act, 1987	-	-
- 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	-	235.00
Total appropriations	-	346.25
Balance as at the end of the period/year (iii)	4,201.94	3,719.33
(iv) Other Comprehensive Income		
On debt instrument through OCI		
Balance at the beginning of the period/year	0.53	-
Addition during the period/year	0.63	0.53
Balance at the end of the period/year	1.16	0.53
(v) Share Options Outstanding account		
Balance as at the beginning of the period/year	-	-
Addition during the period/year	3.27	-
Balance at the end of the period/year	3.27	-
Total (i) to (iv)	6,900.33	5,521.34



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

23. Other equity (Contd.)

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. The Company has transferred twenty percent of its net profit during the previous year to the reserve fund. 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. Other comprehensive income

a) On loans

The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

Particulars	₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Balance as at the beginning of the period/year		
Fair value changes	1.09	(41.40)
Impairment loss allowances transferred to profit or loss	(1.09)	41.40
Balance as at the end of the period/year		

b) Investment measured at FVOCI

The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

v. Share options outstanding account

Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the company.



24. Interest income

(₹ in crore)

Particulars	Period ended 30 June 2024				Period ended 30 June 2023			
	On financial assets measured at				On financial assets measured at			
	Amortised Cost*	FVOCI*	FVTPL	Total	Amortised Cost*	FVOCI*	FVTPL	Total
On loans [#]	698.28	1,321.28	-	2,019.56	399.09	1,241.34	-	1,640.43
On investments	0.52	8.87	31.00	40.39	-	-	24.10	24.10
On deposits with Banks	3.59	-	-	3.59	2.42	-	-	2.42
Total	702.39	1,330.15	31.00	2,063.54	401.51	1,241.34	24.10	1,666.95

*As per effective interest rate (EIR). Refer note no. 4.1(i)

#Net of interest on credit impaired assets amounting to ₹ 4.81 crore (As at 31 March 2024 ₹ 18.53 crore).

25. Fees and commission income

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Distribution income	42.82	10.19
Service and administration charges	8.38	13.37
Foreclosure income	5.59	9.52
Total	56.79	33.08

26. Net gain on fair value changes

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Net gain/(loss) on financial instruments measured at fair value through profit or loss on trading portfolio		
Realised gain/(loss) on investments at FVTPL	50.39	34.99
Unrealised gain/(loss) on investments at FVTPL	0.31	0.63
Total	50.70	35.62

27. Sale of services

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Service charges	3.39	4.28
Service fees for management of assigned portfolio of loans	19.56	12.19
Total	22.95	16.47

28. Income on derecognised (assigned) loans

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Income on derecognised (assigned) loans	2.71	7.44
Total	2.71	7.44

29. Other operating income

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Bad debt recoveries	4.83	2.70
Digital Advertisement Charges	7.11	-
Miscellaneous charges and receipts	0.02	0.99
Total	11.96	3.69



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

30. Other income

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Rent Income	0.06	0.06
Net gain/(loss) on derecognition of property, plant and equipment	-	0.05
Miscellaneous income	0.02	0.02
Total	0.08	0.13

31. Finance costs

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
On financial liabilities measured at amortised cost:		
On debt securities	552.29	371.84
On borrowings other than debt securities	842.39	686.46
On Deposits	3.32	3.09
On lease liability	0.76	0.76
Total	1,398.76	1,062.15

32. Fees and commission expenses

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Commission and incentives	-	-
Loan portfolio management service charges	2.97	2.91
Total	2.97	2.91

33. Impairment on financial instruments

(₹ in crore)

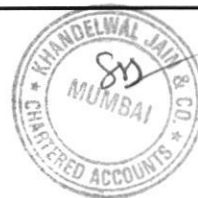
Particulars	Period ended 30 June 2024			Period ended 30 June 2023		
	At Amortised Cost	At FVOCI	Total	At Amortised Cost	At FVOCI	Total
On loans [#]	8.88	1.22	10.10	(1.21)	7.56	6.35
On Others	(0.06)	-	(0.06)	0.39	-	0.39
Total	8.82	1.22	10.04	(0.82)	7.56	6.74

#Net of interest on credit impaired assets amounting to ₹ 4.81 crore (As at 31 March 2024 ₹ 18.53 crore).

34. Employee benefits expenses

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Employees emoluments	95.16	98.83
Contribution to provident fund and other funds	5.46	5.13
Share based payments to employees	10.98	6.73
Staff welfare expenses	1.82	3.55
Total	113.42	114.24



35. Other expenses

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Travelling expenses	6.79	6.80
Information technology expenses	8.48	6.85
Repairs, maintenance and office expenses	2.32	4.10
Employee training, recruitment and management cost	2.31	1.24
Outsourcing / back office expenses	6.81	6.29
Advertisement, branding and promotion	0.71	1.06
Communication expenses	2.02	2.51
Rent, taxes and energy cost	1.21	1.57
Legal and professional charges	1.33	1.40
Bank charges	0.40	0.70
Customer experience	0.20	0.41
Printing and stationery	0.38	0.39
Director's fees, commission & expenses	0.96	0.45
Net loss on disposal of property, plant and equipment	0.26	-
Auditor's fees and expenses*	0.18	0.14
Insurance	0.11	0.08
Expenditure towards Corporate Social Responsibility activities **	7.86	5.17
Miscellaneous expenses	1.42	2.25
Total	43.75	41.41

* Auditor's fees and expenses

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
As auditor		
Audit fee	0.11	0.08
Tax audit fee	0.01	0.01
Limited review fee	0.03	0.03
In other capacity		
Other services	0.02	0.02
Reimbursement of expenses	0.01	-
Total	0.18	0.14
Total including GST disallowance	0.18	0.14

** Corporate Social Responsibility expenditure

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
(a) Gross amount required to be spent by the Company during the period	7.86	5.17
(b) Amount spent during the period on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	8.74	6.65
(c) Shortfall at the end of the period	-	-
(d) Total of Previous periods shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities (activities as per Schedule VII)	Activities mentioned in i, ii, iii	Activities mentioned in i, ii, iii, x
(g) Details of related party transactions	-	-
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-

Excess amount spent as per Section 135 (5) of the Companies Act, 2013

(₹ in crore)

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Opening balance	1.13	0.64
Amount spent during the period	8.74	6.65
	9.87	7.29
Amount required to be spent during the period	7.86	5.17
Closing balance	2.02	2.12



Notes to special purpose interim financial statements for the period ended 30 June 2024 (Contd.)

36. 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	Period ended 30 June 2024	Period ended 30 June 2023
Net profit attributable to equity shareholders (₹ in crore) (A)	482.61	461.80
Weighted average number of equity shares for basic earnings per share (B)	7,79,52,36,378	6,71,21,55,564
Weighted average number of equity shares for diluted earnings per share (C)	7,79,52,36,378	6,71,21,55,564
Earning Per Share (basic) (₹) (A/B)	0.62	0.69
Earning Per Share (diluted) (₹) (A/C)	0.62	0.69

37. Segment information

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. No single customer represents 10% or more of the total revenue for the period ended 30 June 2024 and 30 June 2023 as well for year ended March 2024

38. Transfer of financial assets that are derecognised in their entirety but 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.

39(a.) Revenue from contract with customers

Particulars	(₹ in crore)	
	Period ended 30 June 2024	Period ended 30 June 2023
Type of Services		
i) Fees and Service income		
Distribution income	42.82	10.19
Service and administration charges	8.38	13.37
Foreclosure income	5.59	9.52
ii) Other Services		
Digital advertisement charges	7.11	-
Total	63.90	33.08
Geographical markets		
India	63.90	33.08
Outside India	-	-
Total	63.90	33.08
Timing of revenue recognition		
Services transferred at a point in time	63.90	33.08
Services transferred over time	-	-
Total	63.90	33.08
Contract balances		
Particulars	As at 30 June 2024	As at 31 March 2024
Fees, commission and other receivables	24.07	13.41

Impairment allowance recognised for contract balances is ₹ 0.10 crore (As at 31 March 2024: ₹ 0.05 crore)

39 (b) Details of segment wise income from insurance partners as required by Insurance Regulatory and Development Authority of India (IRDAI) are as below

Particulars	(₹ in crore)	
	Period ended 30 June 2024	Period ended 30 June 2023
Income From Insurance intermediation		
Commission Income- Life Insurance	22.63	-
Commission Income- General Insurance	0.50	-
Total	23.13	-

The Company received Corporate Agency (CA) license from the Insurance Regulatory and Development Authority of India (IRDAI) on 22 December 2023. The Company entered into agreements with various Insurance partners as a Corporate Agent and received Commission Income during the period/year as disclosed above.



40. Employee benefits plan

(I) Defined benefit plans

Expenses charged to the statement of Profit and loss are as under

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Gratuity	1.95	1.75
Compensated absence	1.99	2.07
Long term service benefit	0.50	0.34

(II) Defined Contribution fund

A defined contribution plan is the post employment benefit under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contribution in case of shortfall in the plan asset. Contribution made by the Company under defined contribution plan is given below-

Particulars	Period ended 30 June 2024	Period ended 30 June 2023
Provident fund and Pension Scheme of EPFO	3.02	2.89
National Pension Scheme	0.32	0.21

41. Contingent liabilities and commitments

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

(₹ in crore)

Particulars	As at 30 June 2024	As at 31 March 2024
Disputed claims against the Company not acknowledged as debts	3.53	4.73

The Company does not expect any reimbursement in respect of the above contingent liabilities.

(b) Capital and other commitments

(₹ in crore)

Particulars	As at 30 June 2024	As at 31 March 2024
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
- Tangible	0.59	0.05
- Intangible	0.48	0.06
(ii) Other commitments (towards partially disbursed / sanctioned but not disbursed)	5,904.56	5,209.92

42. (a) Changes in capital and asset structure arising from Financing Activities & Investing activity

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.

(b) Changes in liability arising from Financing Activities

For the year ended 30 June 2024

(₹ In Crore)

Particulars	As at 1 April 2024	Cash flows	Change in fair value	Other*	As at 30 June 2024
Debt Securities	26,645.33	2,728.21	6.32	54.75	29,434.61
Borrowing other than Debt Securities	42,299.73	1,271.97	-	144.60	43,716.30
Deposits	184.26	8.57	-	3.32	196.15
Lease Liability	41.54	(3.43)	-	1.44	39.55
Total	69,170.86	4,005.32	6.32	204.11	73,386.61

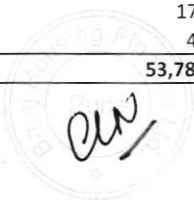
* Other includes Interest accrued and EIR adjustments

For the year ended 31 March 2024

(₹ In Crore)

Particulars	As at 1 April 2023	Cash flows	Change in fair value	Other*	As at 31 March 2024
Debt Securities	19,914.92	6,488.84	13.09	228.48	26,645.33
Borrowing other than Debt Securities	33,654.70	8,641.74	-	3.29	42,299.73
Deposits	175.77	8.05	-	0.44	184.26
Lease Liability	44.33	(13.85)	-	11.06	41.54
Total	53,789.72	15,124.78	13.09	243.27	69,170.86

* Other includes Interest accrued and EIR adjustments



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

(₹ in crore)

Name of the related party and nature of relationship	Nature of Transactions	Period ended 30 June 2024		Year ended 31 March 2024	
		Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
A. Ultimate Holding Company					
1 Bajaj Finserv Ltd	Secured non-convertible debentures issued	-	(200.00)	-	(400.00)
	Secured non-convertible debentures repaid	200.00	-	150.00	-
	Interest paid on non-convertible debentures	11.40	-	36.12	-
	Business Support Charges Paid	0.20	-	1.32	-
	Amount paid under ESOP recharge arrangements	-	-	0.65	-
B. Holding Company					
1 Bajaj Finance Ltd.	Contribution to Equity Shares (7,81,95,75,273 shares at face value of ₹10 each)	-	(7,819.58)	-	(6,712.16)
	Equity Contribution received (including Premium)	2,000.00	-	-	-
	Amount paid under ESOP recharge arrangements	-	-	29.93	-
	Loan portfolio assigned out	151.11	-	6,758.15	-
	Purchase of property, plant and equipment	-	-	0.55	-
	Sales of property, plant and equipment	-	-	0.53	-
	Security deposit received for leased premises	-	(0.08)	-	(0.08)
	Business support charges and servicing fee paid	2.12	-	14.85	-
	Business support charges received	0.18	-	1.01	-
	Rent income	0.06	-	0.22	-
	Fees, commission and servicing fee received	11.29	-	50.77	-
C. Fellow Subsidiaries					
1 Bajaj Financial Securities Ltd. (Fellow Subsidiary)	Company's contribution towards NPS (O/s as at 30 June 2024 ₹ 15,768)	0.30	-	0.90	-
2 Bajaj Finserv Direct Limited (Subsidiary of Ultimate Holding Company)	Purchase of property, plant and equipment	-	-	-	-
	Sales of property, plant and equipment	-	-	0.01	-
	Business support fees and commission paid	0.19	-	2.12	-
3 Bajaj Finserv Health Ltd. (Subsidiary of Ultimate Holding company)	Fees and commission received	15.78	0.60	9.60	1.87
4 Bajaj Finserv Venture Ltd. (Subsidiary of Ultimate Holding company)	Sales of property, plant and equipment (₹ 33,406)	-	-	-	-
5 Bajaj Allianz General Insurance Company Ltd. (Subsidiary of Ultimate Holding company)	Secured non-convertible debentures issued	-	(500.00)	-	(250.00)
	Secured non-convertible debentures repaid	-	-	-	-
	Interest paid on non-convertible debentures	11.55	-	11.55	-
	Advance towards insurance	-	1.02	-	4.87
	Insurance expenses	3.71	-	4.57	-
	Fees and commission received	0.29	0.34	0.47	0.12
6 Bajaj Allianz Life Insurance Company Ltd. (Subsidiary of Ultimate Holding company)	Unsecured non-convertible debentures issued	-	(1,085.00)	217.00	(1,085.00)
	Secured non-convertible debentures issued	-	(150.00)	-	-
	Interest paid on non-convertible debentures	-	-	67.84	-
	Advance towards insurance	-	0.48	-	0.43
	Insurance expense	-	-	1.12	-
	Fees and commission received	2.77	0.68	3.56	2.10
D. Associates of Holding Company					
1 Snapwork Technologies Pvt. Ltd.	Information technology design and development charges	-	-	1.59	-
	Support charges	-	-	0.48	-
2 Pennant Technologies Pvt. Ltd. (w.e.f. 19 January 2024)	Information technology design and development charges	0.48	-	1.24	-
	Support charges	0.84	-	0.42	-



43 Disclosure of transactions with related parties as required by Ind AS 24 (₹ in crore)

Name of the related party and nature of relationship	Nature of Transactions	Period ended 30 June 2024		Year ended 31 March 2024	
		Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
E. Key Management Personnel (KMP) and close members of KMP					
1 Sanjiv Bajaj (Chairman)	Short term benefits - Sitting Fees	0.05	-	0.13	-
	Short term benefits - Commission	-	(0.23)	0.26	(0.23)
2 Rajeev Jain (Vice Chairman)	Short term benefits - Sitting Fees	0.09	-	0.21	-
	Short term benefits - Commission	-	(0.38)	0.42	(0.38)
3 Atul Jain (Managing Director)	Short term employee benefits	2.53	(1.93)	14.08	(1.98)
	Share based Payment	3.84	-	9.56	-
4 Lila Poonawala (Director till 21 Jan 2023)	Short term benefits - Sitting Fees	-	-	-	-
	Short term benefits - Commission	-	-	-	-
4 Anami Narayan Roy (Director)	Short term benefits - Sitting Fees	0.08	-	0.18	-
	Short term benefits - Commission	-	(0.32)	0.36	(0.32)
5 Dr. Arindam K Bhattacharya (Director)	Short term benefits - Sitting Fees	0.09	-	0.20	-
	Short term benefits - Commission	-	(0.36)	0.40	(0.36)
6 Jasmine Arish Chaney (Director w.e.f. 1 April 2023)	Short term benefits - Sitting Fees	0.07	-	0.17	-
	Short term benefits - Commission	-	(0.31)	0.34	(0.31)
7 Gaurav Kalani (Chief Financial Officer)*	Short term employee benefits	0.46	(0.23)	2.52	(0.77)
	Share based Payment	0.33	-	0.82	-
8 Atul Patni (Company Secretary)*	Short term employee benefits	0.12	(0.08)	0.47	(0.07)
	Share based Payment	0.04	-	0.08	-
F. Entities in which KMP and their close members have significant influence					
1 Bajaj Auto Ltd.	Security deposit paid for leased premises	-	0.03	-	0.03
	Rent expense	0.02	-	0.06	-
	Business Support Charges Paid	0.59	-	1.97	-
2 Bajaj Holdings and Investment Ltd.	Business Support Charges Paid	0.48	-	1.83	-
3 Maharashtra Scooters Ltd.	Secured non-convertible debentures issued	-	(50.00)	-	(25.00)
	Secured non-convertible debentures repaid	25.00	-	25.00	-
	Interest paid on non-convertible debentures	1.40	-	2.88	-
4 Hind Musafir Agency Ltd.	Services received	0.93	-	3.89	-
5 Bajaj Allianz Staffing Solutions Ltd.	Outsourcing manpower supply services	20.44	-	76.45	-
G. Post employment benefit entity					
1 Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	-	-	1.09	-

*Key managerial personnel as per section 2(51) of the Companies Act, 2013. Disclosure of transactions made in compliance with RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and RBI Circular for Disclosures in Financial Statements- Notes to Accounts of NBFC dated 19 April 2022.

Notes: -

- Transactions value are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where Company act as intermediary and passed through Company's books of accounts are not in the nature of related party transaction and hence are not disclosed.
- Insurance claims received by the Company on insurance cover taken by it on its assets are not in the nature of related party transaction, hence not disclosed.
- The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard (Ind AS) 24.
- 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 except secured non-convertible debentures issued to related parties which are disclosed appropriately.
- Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.
- Non convertible debentures (NCDs) transaction includes only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting dates.
- The Company has allotted 1,10,74,19,709 equity shares having face value of ₹ 10 each under right issue to its Holding Company (Bajaj Finance Limited) on 3 April 2024 at a premium of ₹ 8.06 per share involving aggregate amount of ₹ 19,99,99,944.54.



44. Relationship with Struck off Companies

(₹ in crore)

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Balance outstanding as at 30 June 2024
CSE Computer Solutions East Pvt Ltd	Loan Given	No	0.34

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Balance outstanding as at 31 March 2024
CSE Computer Solutions East Pvt Ltd	Loan Given	No	0.34

45. Capital

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

(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 its growth strategy and the risks inherent to its business. The Company endeavours 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 adequacy 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 30 June 2024	As at 31 March 2024
Tier I capital	14,331.69	11,857.24
Tier II capital	346.62	348.45
Total capital	14,678.31	12,205.69
Total risk weighted assets	61,625.63	57,351.83
Tier I CRAR	23.26%	20.67%
Tier II CRAR	0.56%	0.61%
Total CRAR	23.82%	21.28%

46. Analytical Ratios

Ratio	Numerator (₹ in crore)	Denominator (₹ in crore)	As at 30 June 2024	As at 31 March 2024
Capital to risk-weighted assets ratio (CRAR)	14,678.31	61,625.63	23.82%	21.28%
Tier I CRAR	14,331.69	61,625.63	23.26%	20.67%
Tier II CRAR	346.62	61,625.63	0.56%	0.61%
Debt Equity Ratio	73,347.06	14,719.91	4.98	5.65
Liquidity Coverage Ratio	2,711.86	2,661.16	101.91%	192.31%



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

47. Events after reporting date

There have been no events after the reporting date that require adjustment in these special purpose interim financial statements.

48. 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 49) 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.

49. 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 financial instruments measured at fair value on recurring basis as at 30 June 2024:

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading designated under FVTPL	30 June 2024	2,144.11	-	-	2,144.11
Investments held under FVOCI	30 June 2024	511.94	-	-	511.94
Loans designated under FVOCI	30 June 2024	-	61,498.34	-	61,498.34
Derivative financial instrument (at FVTPL)	30 June 2024	-	4.61	-	4.61

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading designated under FVTPL	31 March 2024	1,418.19	-	-	1,418.19
Investments held under FVOCI	31 March 2024	520.38	-	-	520.38
Loans designated under FVOCI	31 March 2024	-	57,709.92	-	57,709.92
Derivative financial instrument (at FVTPL)	31 March 2024	-	10.83	-	10.83

- The Company does not carry any financial asset and liability which is fair valued on a non recurring basis

- During the period/year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.



49. Fair value hierarchy (Contd.)

Fair value of financial instruments not measured at fair value as at 30 June 2024:

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	56.72	56.72	-	-	56.72
Bank balances other than cash and cash equivalents	0.15	0.15	-	-	0.15
Trade receivables	23.97	-	-	23.97	23.97
Other receivables	-	-	-	-	-
Loans at amortised cost*	23,784.86	-	-	23,784.86	23,784.86
Other financial assets	284.51	-	-	284.51	284.51
Total financial assets	24,150.21	56.87	-	24,093.34	24,150.21
Financial liabilities					
Trade payables	73.85	-	-	73.85	73.85
Other payables	54.82	-	-	54.82	54.82
Debt securities	29,434.61	-	29,406.93	-	29,406.93
Borrowings (other than debt securities)	43,716.30	-	-	43,716.30	43,716.30
Deposits	196.15	-	-	196.15	196.15
Other financial liabilities	221.05	-	-	221.05	221.05
Total financial liabilities	73,696.78	-	29,406.93	44,262.17	73,669.10

*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 2024:

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	63.86	63.86	-	-	63.86
Bank balances other than cash and cash equivalents	0.15	0.15	-	-	0.15
Trade receivables	13.36	-	-	13.36	13.36
Other receivables	-	-	-	-	-
Loans at amortised cost*	21,590.83	-	-	21,590.83	21,590.83
Other financial assets	284.07	-	-	284.07	284.07
Total financial assets	21,952.27	64.01	-	21,888.26	21,952.27
Financial liabilities					
Trade payables	57.61	-	-	57.61	57.61
Other payables	82.75	-	-	82.75	82.75
Debt securities	26,645.33	-	26,636.65	-	26,636.65
Borrowings (other than debt securities)	42,299.73	-	-	42,299.73	42,299.73
Deposits	184.26	-	-	184.26	184.26
Other financial liabilities	234.14	-	-	234.14	234.14
Total financial liabilities	69,503.82	-	26,636.65	42,858.49	69,495.14

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



50. Risk management objectives and policies

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	<p>Liquidity risk arises from mismatches in the timing of cash flows.</p> <p>Funding risk arises from:</p> <ul style="list-style-type: none"> inability to raise incremental borrowings and deposits 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 Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	<p>Liquidity and funding risk is:</p> <ul style="list-style-type: none"> measured by <ul style="list-style-type: none"> identification of gaps in the structural and dynamic liquidity. assessment of incremental borrowings required for meeting the repayment obligation, the Company's business plan and prevailing market conditions. liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and Board approved liquidity risk framework. monitored by <ul style="list-style-type: none"> assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for HFCs. a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. periodic reviews by ALCO of liquidity position, LCR 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 liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks, assignment of loans and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.
Market risk	Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.	Board appointed RMC and ALCO	<p>Market risk for the Company encompasses exposures to interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles.</p> <ul style="list-style-type: none"> measured by using changes in prices, and parameters like Value at Risk ('VaR'), PV01 (price value of a basis point), modified duration and other measures to determine movements in the portfolios and impact on net interest income. monitored by assessment of key parameters like fluctuation in the equity and bond price, interest rate sensitivities and Market Value of Equity (MVE) analysis for probable interest rate movements on both fixed and floating assets and liabilities. The Company has a market risk management module which is integrated with its treasury system. ; and managed by the Company's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy



50. Risk management objectives and policies (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Credit Risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Company.	Board appointed RMC and Chief Risk Officer (CRO)	<p>Credit risk is:</p> <ul style="list-style-type: none"> measured as the amount at risk due to repayment default by customers or counterparties to the Company. Various metrics such as instalment default rate, overdue position, restructuring, resolution plans, debt management efficiency, credit bureau information, contribution of stage 2 and stage 3 assets etc. are used as leading indicators to assess credit risk. monitored by RMC and CRO through review of level of credit exposure, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and portfolio; and assessment of any major change in the business environment including economic, political as well as natural calamity / pandemic. managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and review of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business. The same is periodically reviewed by the Board appointed RMC.
Operational risk	Operational risk is the risk arising from inadequate or failed internal processes or controls, its people and system and also from external events.	Board appointed RMC / Senior Management and Audit Committee (AC)	<p>Operational risk is:</p> <ul style="list-style-type: none"> measured by KPI's set for each of the processes/ functions, system and control failures and instances of fraud. monitored by deviations identified in each of the set KPI's for the processes/controls, periodical review of technology platforms and review of control processes as part of internal control framework. managed by in house compliance units established across different businesses and functions, operations and internal audit function under the guidance of RMC and AC.

(a) Liquidity and funding risk

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

The Company maintains a judicious mix of borrowings from banks, money markets and 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 along with liquidity buffer framework has helped the Company maintain a healthy asset liability position and cost of borrowing during the period ended 30 June 2024, weighted daily average cost of borrowing was 7.87% versus 7.71%. The overall borrowings including debt securities stood at ₹ 73,347.06 crore as of 30 June 2024 (As at 31 March 2024 ₹ 69,129.32 crore).

The Company continuously monitors liquidity in the market; and as a part of its ALM strategy maintains a liquidity buffer through an active investment desk to reduce this risk. The Company endeavours to maintain liquidity buffer in the range of 5% to 7% of its overall borrowings in normal market scenario. The average liquidity buffer for June 2024 was ₹ 5,450 crore. Liquidity buffer was at ₹ 2,711 crore as on 30 June 2024.

RBI vide Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 has issued guidelines on liquidity risk framework for NBFCs. It covers various aspects of Liquidity risk management such as granular level classification of buckets in structural liquidity statement, tolerance limits thereupon, and liquidity risk management tools and principles. The Company has a Liquidity Risk Management Framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

The Company exceeds the regulatory requirement of LCR which mandate maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). As of 30 June 2024, the Company maintained a LCR of 101.91 %, well in excess of the RBI's stipulated norm of 85%. LCR requirement will move to 100% by December 2024.

The Company has a Board approved Contingency Funding Plan (CFP) to respond quickly to any anticipated or actual stressed market conditions. The primary goal of the Contingency Funding Plan (CFP) is to provide a framework of action plan for contingency funding when the company experiences a reduction to its liquidity position, either from causes unique to the Company or systemic events limiting its ability to maintain normal operations and service to customers. The CFP defines the framework to assess, measure, monitor, and respond to potential contingency funding needs. CFP also clearly lays down the Specific contingency funding sources, conditions related to the use of these sources and when they would be used. Roles and responsibilities of the Crisis Management Group constituted under the CFP have been identified to facilitate the effective execution of CFP in a contingency event.



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

Particulars	As at 30 June 2024						As at 31 March 2024		
	As at 30 June 2024			As at 31 March 2024					
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt securities	7,448.13	38,824.89	46,273.02	11,382.43	40,810.08	52,192.51			
Borrowings (other than debt securities)	9,188.82	35,452.44	44,641.26	8,859.32	23,959.58	32,818.90			
Deposits	198.34	1.29	199.64	189.12	1.29	190.41			
Trade payables	73.85	-	73.85	57.61	-	57.61			
Other payables	54.82	-	54.82	82.75	-	82.75			
Other financial liabilities	194.41	31.24	225.65	207.27	32.88	240.15			
Total	17,158.38	74,309.86	91,468.23	20,778.50	64,803.83	85,582.33			

The table below shows contractual maturity profile of carrying value of assets and liabilities:

Particulars	As at 30 June 2024						As at 31 March 2024		
	As at 30 June 2024			As at 31 March 2024					
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	56.72	-	56.72	63.86	-	63.86			
Bank balances other than cash and cash equivalents	0.12	0.03	0.15	0.12	0.03	0.15			
Derivative Financial Instrument	-	8.33	8.33	-	11.66	11.66			
Trade receivables	23.97	-	23.97	13.36	-	13.36			
Other receivables	-	-	-	-	-	-			
Loans	3,307.44	81,975.76	85,283.20	3,015.22	76,285.53	79,300.75			
Investments	2,151.41	504.64	2,656.05	1,434.58	503.99	1,938.57			
Other financial assets	61.54	222.97	284.51	66.09	217.98	284.07			
Non-financial assets									
Current tax assets (net)	-	32.01	32.01	-	31.09	31.09			
Deferred tax assets (net)	-	52.15	52.15	-	50.94	50.94			
Property, plant and equipment	-	84.32	84.32	-	87.50	87.50			
Intangible assets under development	-	0.66	0.66	-	0.87	0.87			
Other intangible assets	-	33.47	33.47	-	35.36	35.36			
Other non-financial assets	23.29	-	23.29	8.91	-	8.91			
Total assets	5,624.49	82,914.34	88,538.83	4,602.14	77,224.95	81,827.09			
LIABILITIES									
Financial liabilities									
Derivative Financial Instrument	-	3.72	3.72	-	0.83	0.83			
Trade payables	73.85	-	73.85	57.61	-	57.61			
Other payables	54.82	-	54.82	82.75	-	82.75			
Debt securities	4,867.23	24,567.38	29,434.61	7,833.01	18,812.32	26,645.33			
Borrowings (other than debt securities)	7,787.83	35,928.47	43,716.30	8,363.64	33,936.09	42,299.73			
Deposits	194.95	1.20	196.15	183.06	1.20	184.26			
Other financial liabilities	191.88	29.17	221.05	204.64	29.50	234.14			
Non-financial liabilities									
Current tax liabilities (net)	52.17	-	52.17	25.93	-	25.93			
Provisions	3.42	39.86	43.28	2.90	32.74	35.64			
Deferred tax liabilities (net)	-	-	-	-	-	-			
Other non-financial liabilities	22.97	-	22.97	27.37	-	27.37			
Total Liabilities	13,249.12	60,569.80	73,818.92	16,780.91	52,812.68	69,593.59			



50 Risk management objectives and policies (Contd.)

(b) 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.

Interest rate riskOn Investments

The Company manages the duration of its investment portfolio with an objective to optimise the return with minimal possible fair value change impact. The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored using VaR, PV01 and Modified Duration and other parameters as defined in its Investment and Market risk policy.

Sensitivity analysis as at 30 June 2024 :

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Investment at FVTPL	2,144.11	2,144.11	(10.44)	10.44
Investment at FVOCI	511.94	511.94	(16.57)	16.57

Sensitivity analysis as at 31 March 2024 :

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Investment at FVTPL	1,418.19	1,418.19	(7.02)	7.02
Investment at FVOCI	520.38	520.38	(17.39)	17.39

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 is monitored monthly by ALCO.

Sensitivity analysis as at 30 June 2024 :

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Loans	85,283.20	85,283.20	-	-
Debt Securities	29,434.61	29,406.93	(721.18)	763.28
Borrowings (other than debt securities)	43,716.30	43,716.30	-	-

Sensitivity analysis as at 31 March 2024 :

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Loans	79,300.75	79,300.75	-	-
Debt Securities	26,645.33	26,636.65	(584.31)	620.08
Borrowings (other than debt securities)	42,299.73	42,299.73	-	-

(c) Credit Risk

Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Company. The Company has a diversified lending model and focuses on five broad categories viz: (i) home loans, (ii) loan against property (iii) lease rental discounting, (iv) developer loans, and (v) 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; and
- 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.

Treatment and classification methodology of different stages of financial assets is detailed in note no. 4.4 (i)

Computation of impairment on financial instruments

The Company calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial instrument'. ECL uses three main components: PD (Probability of Default), LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions. For further details of computation of ECL please refer to significant accounting policies note no 4.4 (i).

The Company recalibrates components of its ECL model periodically by; (1) using the available incremental and recent information, except where such information do not represent the future outcome, and (2) assessing changes to its statistical techniques for a granular estimation of ECL. Accordingly, during the year, the Company has redeveloped its ECL model and implemented the same with the approval of Audit Committee and the Board.

The Company follows simplified ECL approach under Ind AS 109 'Financial instruments' for trade receivables, and other financial assets.



50 Risk management objectives and policies (Contd.)

(c) Credit Risk (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:

Lending verticals	PD			EAD	LGD
	Stage 1	Stage 2	Stage 3		
Home loans	Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers, and also basis DPD bucket approach. for retail loans and management evaluation/judgement for wholesale loans.			Ascertained based on past trends of proportion of outstanding at time of default to the opening outstanding of the analysis period, except Stage 3 where EAD is 100%.	LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.
Loan against property					
Lease rental discounting					
Developer loans					
Other loans					

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

Particulars	As at 30 June 2024						(₹ in crore)
	Secured			Unsecured			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Gross Carrying Value	83,224.73	309.85	219.36	2,029.10	12.48	16.82	
Allowance for ECL	304.93	70.86	126.79	8.93	4.19	13.44	
ECL Coverage ratio	0.37%	22.87%	57.80%	0.44%	33.57%	79.90%	

Particulars	As at 31 March 2024						(₹ in crore)
	Secured			Unsecured			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Gross Carrying Value	77,302.54	279.32	199.42	2,016.77	10.68	16.19	
Allowance for ECL	309.46	63.98	125.02	9.69	3.60	12.42	
ECL Coverage ratio	0.40%	22.91%	62.69%	0.48%	33.71%	76.71%	

Collateral valuation

The Company offers loans to customers across various lending verticals as articulated above. These loans includes both unsecured loans and loans secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of 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's 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.

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.
Lease rental discounting	
Developer loans	

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Company exercises its right of repossession across all secured products. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction 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 focuses on granulisation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across its five categories of lending mentioned above.



50 Risk management objectives and policies (Contd.)

(c) Credit Risk (Contd.)

ECL sensitivity analysis to forward economic conditions and management overlay

Allowance for impairment on financial instruments recognised in the special purpose interim financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below. The recognition and measurement of expected credit losses ('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.

The ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD and LGD rates used in the ECL model may not always capture all the characteristics of the market and the external environment as at the reporting date. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Methodology

The Company has adopted the use of three scenarios, representative of its view of forecast economic conditions, required to calculate unbiased estimation of forward looking economic adjustment to its ECL. 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 uses multiple economic factors and test their correlations with past loss trends witnessed for building its forward economic guidance (FEG) model. During the current period, the Company evaluated various macro factors GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, unemployment rate, crude oil prices and policy interest rates.

Based on past correlation trends, CPI (inflation) and GDP growth rates reflected acceptable correlation with past loss trends and were considered appropriate by the Management. GDP has a direct relation with the income levels whereas Inflation and inflationary expectations affect the disposable income of people. Accordingly, both these macro-variables directly and indirectly impact the economy. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.

For GDP growth rate data, the Company has considered data published by Ministry of Statistics & Programme Implementation, Government of India.

- While formulating the Central Scenario, the Company has considered moving average data of last 2 years and used Exponential Smoothing (ETS) algorithm for forecasting purpose.

- For the downside scenario, the Company believes that the downside risks might have passed, however, the downside nominal GDP growth rate might reach 0%. However, as per mean reversion approach, the downside scenario assumes it to recover from the peak and normalise to around 8% within next three years.

- For the upside scenario, the Company acknowledges various surveys and studies indicating improving economic situation and estimates nominal GDP growth rate might reach to 19%. Subsequently, as per mean reversion approach, the upside scenario assumes it to normalize from the peak and normalise to around 8% within next three years.

The Reserve Bank of India (RBI) projected CPI inflation for year FY 24-25 at 4.5%, with Q1 at 4.9%, Q2 at 3.8%, Q3 at 4.6%, and Q4 at 4.5%.

- The Central Scenario assumed by the Company considered inflation of around 5.5 - 6% on conservative basis average inflation trend of last three years.

-For the downside scenario, the Company considers that the inflation risk may continue due to various uncertainties (geopolitical conflict, elections etc), and therefore assumes the inflation to touch a peak of around 9% and subsequently normalise to around 6% within next three years.

-For the upside scenario, we believe that there would be certain factors which might come into play viz, base effect, higher food grain production, continuously falling WPI, better supply chain management etc, and, therefore, inflation may see easing to a base of around 3% before averaging back 6% within next three years.



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

50 Risk management objectives and policies (Contd.)

(c) Credit Risk (Contd.)

Additionally, the ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD and LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the special purpose interim financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

ECL sensitivity to future economic conditions

	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
ECL coverage of financial instruments under forecast economic conditions		
Gross carrying amount of loans	85,812.34	79,824.92
Reported ECL on loans	529.14	524.17
Reported ECL coverage	0.62%	0.66%
Base ECL without macro and management overlay	460.14	430.17
Add : Management overlay	35.00	60.00
ECL before adjustment for macro economic factors	495.14	490.17
ECL amounts for alternate scenario		
Central Scenario (80%)	532.52	527.55
Downside scenario (10%)	581.46	576.50
Upside scenario (10%)	449.75	444.79
Reported ECL	529.14	524.17
Management and Macro Economic overlay		
-Management overlay	35.00	60.00
-Overlay for macro economic factors	34.00	34.00
ECL coverage ratios by scenario		
Central scenario (80%)	0.62%	0.66%
Downside scenario (10%)	0.68%	0.72%
Upside scenario (10%)	0.52%	0.56%

(d) Operational risk

Operational risk is the risk arising from inadequate or failed internal processes, people or systems, or from external events. Operational risk is inherent in the Company's business activities, as well as in the related support functions. BHFL has in place an internal Operational Risk Management (ORM) Framework to manage operational risk in an effective and efficient manner. This framework aims at assessing and measuring the magnitude of risks, its monitoring and mitigation. The key objective is to enable the Company to ascertain an increased likelihood of an operational risk event occurring in a timely manner to take steps to mitigate the same. It starts with identifying and defining KRI's/KPIs through process analysis and ending with formulation of action plans in response to the observed trends in the identified metrics. This is achieved through determining key process areas, converting them to measurable and quantifiable metrics, setting tolerance thresholds for the same and monitoring and reporting on breaches of the tolerance thresholds in respect of these metrics. Corrective actions are initiated to bring back the breached metrics within their acceptable threshold limits by conducting the root cause analysis to identify the failure of underlying process, people, systems, or external events.

Further, the Company has a comprehensive internal control systems and procedures laid down around various key activities viz. loan acquisition, customer service, IT operations, finance function etc. Internal Audit also conducts a detailed review of all the functions at least once a year which helps to identify process gaps on timely basis. Information Technology and Operations functions have a dedicated compliance and control units who on continuous basis review internal processes. This enables the Management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.

The Company has a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) to ensure continuity of its operations including services to customers in situations such as natural disasters, technological outage, etc. Robust periodic testing is carried, and results are analysed to address any gaps in the framework. DR and BCP audits are conducted on a periodical basis to provide assurance regarding its effectiveness.



51. Employee stock option plan

(A) Employee stock option plan of Bajaj Housing Finance Ltd.

The Board of Directors at its meeting held on 24 April 2024, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of the Company aggregating to 39,09,78,763 equity shares of the face value of ₹ 10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders under Section 81(1A) of the Companies Act, 1956. The options issued under the ESOP Scheme vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Company or the Group except in case of death and retirement where the vesting would happen immediately.

The Nomination and Remuneration Committee of the Company has approved the following grants to tenured employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour in accordance with the Stock Option Scheme. Details of grants given upto the reporting date under the scheme are given as under:

As on 30 June 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
24-Apr-24	54.50	1,67,51,673	-	1,67,51,673	-	-	1,67,51,673
Total		1,67,51,673	-	1,67,51,673	-	-	1,67,51,673

Weighted average fair value of stock options granted during the period ended 30 June 2024 is ₹ 24.54

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 30 June 2024

Total for all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the period	-	-	-	-
Granted during the period	1,67,51,673	54.50	54.50	-
Cancelled during the period	-	-	-	-
Exercised during the period	-	-	-	-
Outstanding at the end of the period	1,67,51,673	54.50	54.50	7.32
Exercisable at the end of the period	-	-	-	-

Method used for accounting for share based payment plan:

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of grant are:

Grant date	Risk Free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)	Options granted	Vesting period
24-Apr-24	7.11%	3.5 - 6.5 years	38.29%	nil	54.50	1,67,51,673	4 years on SLM basis

For the period ended 30 June 2024, the Company has accounted expense of ₹ 3.27 crore as employee benefit expenses (note no. 34) on the aforesaid employee stock option plan (Previous year ₹ nil). The balance in employee stock option outstanding account is ₹ 3.27 crore as of 30 June 2024 (Previous year ₹ nil).

(B) Employee stock option plan of Bajaj Finance Limited

The Nomination and Remuneration Committee of the Bajaj Finance Limited (Holding Company) has approved grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Details of grants given upto the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under:

As on 30 June 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
16-May-19	3,002.75	1,37,550	58,253	-	64,206	15,091	58,253
19-May-20	1,938.60	2,55,000	1,27,488	-	95,686	31,826	1,27,488
27-Apr-21	4,736.55	1,15,446	58,267	24,322	20,159	12,698	82,589
26-Apr-22	7,005.50	1,17,897	48,550	60,706	1,834	6,807	1,09,256
26-Apr-23	6,075.25	1,77,250	40,409	1,23,826	3,167	9,848	1,64,235
Total		8,03,143	3,32,967	2,08,854	1,85,052	76,270	5,41,821



As on 31 March 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
A) From Bajaj Finance Limited (Holding Company) (BFL)							
16-May-19	3,002.75	1,37,550	61,178	-	61,281	15,091	61,178
19-May-20	1,938.60	2,55,000	88,866	52,235	82,073	31,826	1,41,101
27-Apr-21	4,736.55	1,15,446	37,763	50,576	15,389	11,718	88,339
26-Apr-22	7,005.50	1,17,897	24,018	87,833	1,834	4,212	1,11,851
26-Apr-23	6,075.25	1,77,250	-	1,74,256	-	2,994	1,74,256
Total		8,03,143	2,11,825	3,64,900	1,60,577	65,841	5,76,725

Weighted average fair value of stock options granted during the period/year is as follows:

Particulars	For period ended 30 June 2024	For the year ended 31 March 2024
	BFL	BFL
Grant date	-	26-Apr-23
No. of options granted	-	1,77,250
Weighted average fair value (₹)	-	2,756.16

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 30 June 2024

Total for all grants BFL	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the period	5,76,725	1938.60-7005.50	4,712.62	5.13
Granted during the period	-	-	-	-
Cancelled during the period	10,429	4736.55-7005.50	6,180.92	-
Expired during the period	-	1938.60-6075.25	-	-
Exercised during the period	24,475	1938.60-6075.25	3,146.35	-
Transfers during the period	-	-	-	-
Outstanding at the end of the period	5,41,821	1938.60-7005.50	4,755.11	4.89
Exercisable at the end of the period	3,32,967	1938.60-7005.50	3,855.23	3.79

The weighted average market price of equity shares for options exercised during the period ended 30 June 2024 is ₹ 6,986.87

As on 31 March 2024

Total for all grants BFL	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	4,63,412	1938.60-7005.50	3,990.38	5.38
Granted during the year	1,77,250	6075.25	6,075.25	-
Cancelled during the year	8,693	1938.60-7005.50	5,425.81	-
Expired during the year	-	NA	-	-
Exercised during the year	55,244	1938.60-7005.50	2,913.98	-
Transfers during the year	-	-	-	-
Outstanding at the end of the year	5,76,725	1938.60-7005.50	4,712.62	5.13
Exercisable at the end of the year	2,11,825	1938.60-7005.50	3,319.26	3.32

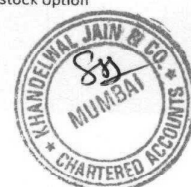
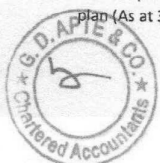
The weighted average market price of equity shares for options exercised during the year is ₹ 7,139.49

Method used for accounting for share based payment plan:

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk Free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)*
16-May-19	7.09%	3.5 - 6.5 years	34.03%	0.13%	3,002.75
19-May-20	5.07%	3.5 - 6.5 years	42.95%	0.83%	1,938.60
27-Apr-21	5.65%	3.5 - 6.5 years	42.51%	0.21%	4,736.55
26-Apr-22	6.56%	3.5 - 6.5 years	41.87%	0.29%	7,005.50
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25

For the period ended 30 June 2024, the Company has accounted expense of ₹ 7.55 crore as employee benefit expenses on the aforesaid employee stock option plan (As at 31 March 2024 ₹ 29.93 crore)



Bajaj Housing Finance Limited

Notes to special purpose interim financial statements for the period ended 30 June 2024 (Contd.)

(C) Employee stock option plan of Bajaj Finserv Limited

The Nomination and Remuneration Committee of the ultimate holding Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Details of grants are given as under:

As on 30 June 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
28-Apr-22	1,482.64	47,340	-	47,340	-	-	47,340
Total		47,340	-	47,340	-	-	47,340

As on 31 March 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
28-Apr-22	1,482.64	47,340	-	47,340	-	-	47,340
Total		47,340.00	-	47,340.00	-	-	47,340.00

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 30 June 2024

Total for all grants BFS	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the period	47,340	1,482.64	1,482.64	8.08
Granted during the period	-	-	-	-
Cancelled during the period	-	-	-	-
Exercised during the period	-	-	-	-
Outstanding at the end of the period	47,340	1,482.64	1,482.64	7.83
Exercisable at the end of the period	-	-	-	-

As on 31 March 2024

Total for all grants BFS	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	47,340	1,482.64	1,482.64	9.08
Granted during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	47,340	1,482.64	1,482.64	8.08
Exercisable at the end of the year	-	-	-	-

Method used for accounting for share based payment plan:

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black-Scholes Model. The key assumptions used in Black-Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk Free Interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹) *
28-Apr-22	6.75%	3.5 - 6.5 years	34.19%	0.02%	1,482.64

For the period ended 30 June 2024, the Company has accounted expense of ₹ 0.16 crore as employee benefit expenses on the aforesaid employee stock option plan (As on 31 March 2024 ₹ 0.71 crore)

52. Utilisation of Borrowed funds

Details of transaction where the Company has received fund from entities (Funding Party) with the understanding that the Company shall directly or indirectly lend or invest in other entities.

For the period ended 30 June 2024 no transaction had occurred where the company had received fund from entities (Funding Party) with the understanding that the Company shall directly or indirectly lend or invest in other entity

For the year ended 31 March 2024

Name of Funding Party	Date of fund received	Amount of fund received	Name of other intermediaries' or ultimate beneficiaries	Date of fund loaned	Amount of fund loaned
Chayadeep Properties Pvt Ltd (B/f prev. year)	22-Sep-22	8.33	Karuna Business Solutions LLP	31-Aug-23	5.00
Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078	23-Sep-23	10.83	Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Bangalore, Karnataka, 560036	22-Sep-23	3.00
PAN: AACCC3489Q			Bangalore, Karnataka, 560036	27-Sep-23	1.76
CIN: U45203KA2003PTC094179			PAN: AAOFK7G20G		
			LLP IN: AAD-0057		

The Company does not have relationship in terms of Companies Act 2013 and Ind AS 24 with the funding parties and beneficiaries companies.

In respect of above transactions, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)



Notes to special purpose interim financial statements for the period ended 30 June 2024 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended)

53.1 Principal Business Criteria

Criteria	As at 30 June 2024	As at 31 March 2024
Percentage of total assets towards housing finance	61.31%	61.43%
Percentage of total assets towards housing finance for individuals	50.80%	51.50%
Minimum regulatory percentage to be complied as at 30 June 2024 is 60% and 50% respectively. (As at 31 March 2024 is 60% and 50% respectively)		

53.2 Disclosures:

53.2.1 Capital

Particulars	₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
(i) CRAR (%)	23.82%	21.28%
(ii) CRAR Tier I capital (%)	23.26%	20.67%
(iii) CRAR Tier II capital (%)	0.56%	0.61%
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt instruments	-	-

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

Particulars	₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Balance at the beginning of the period/year:		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	415.70	304.45
b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	22.66	22.66
c) 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	525.40	290.40
Total	963.76	617.51
Addition / Appropriation / Withdrawal during the period/year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	-	111.25
b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	-	-
c) 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	-	235.00
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Additional amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
c) 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 period/year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	415.70	415.70
b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	22.66	22.66
c) 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	525.40	525.40
Total	963.76	963.76



53.2.3 Investments

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Value of investments		
(i) Gross value of investments		
(a) In India	2,654.52	1,938.21
(b) Outside India		
(ii) Provisions for (depreciation) / appreciation*		
(a) In India	1.53	0.36
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	2,656.05	1,938.57
(b) Outside India	-	-
Movement of provisions held towards (depreciation) / appreciation on investments		
(i) Opening balance	0.36	1.03
(ii) Add: Provisions made during the period/year (Net of appreciation)	-	-
(iii) Less: Write-off / Written-back of excess provisions during the period/year	(1.17)	0.67
(iv) Closing balance	1.53	0.36

* Represents unrealised gain due to fair value change

53.2.4 Derivatives

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
(i) The notional principal of swap agreements *	2,050.00	1,850.00
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	8.33	11.66
(iii) Collateral required upon entering into swaps	NA	NA
(iv) Concentration of credit risk arising from the swaps **	NA	NA
(v) The fair value of the swap book	8.33	11.66

* As a part of Interest rate risk management, the Company has entered into INR interest rate swaps of a notional amount of ₹ 200 Crore during the period ended 30 June 2024 (1,750 crore for 31 March 2024). The total outstanding as on 30 June 2024 is ₹ 2050 crore (As at 31 March 2024 ₹ 1850 crore).

** Concentration arising from SWAP is with Banks

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative.

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

Financial Risk Management

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, interest rate risk and counterparty risk.

The Investment and market risk policy, ALM Policy and currency and interest rate risk hedging policy as approved by the Board sets limits for exposures on various parameters. The Company manages its interest rate in accordance with the guidelines prescribed therein.

Liquidity risk and Interest rate risks, arising out of maturity mismatch of assets and liabilities, are managed through regular monitoring of maturity profiles. As a part of Asset Liability Management, the Company has also entered into interest rate swaps wherein it has converted a portion of its fixed rate rupee liabilities into floating rate liability. Counter party risk is reviewed periodically to ensure that exposure to various counter parties is well diversified and is within the limits specified by policy.

Constituents of Hedge Management Framework

Financial Risk Management of the Company constitutes the Audit & Governance Committee, Asset Liability Committee (ALCO), Investment Committee and the Risk Management Committee.

The Company periodically monitors various counter party risk and market risk limits, within the risk architecture and processes of the Company.



53.2.4 Derivatives (Contd.)

Hedging Policy

The Company has a Interest rate risk and currency risk hedging approved by the Board of Directors. For derivative contracts designated as hedges, the Company documents at inception, the relationship between the hedging instrument and hedged item. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed by the Investment Committee/ALCO at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cashflows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Measurement and Accounting

All derivative contracts are recognised on the balance sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per IND AS 109. Gain/loss arising on account of fair value changes are recognised in the Statement of Profit and Loss to the extent of ineffective portion of hedge instruments and hedged items. The gains/losses of effective portion of hedge instrument are offset against gain/losses of hedged items in P&L or in Other Comprehensive Income depending on the type of hedge.

The Company has entered into fair value hedges like interest rate swaps on fixed rate rupee liabilities as a part of the Interest rate risk management whereby a portion of the fixed rate liabilities are converted to floating rate. The Company has a mark to market gain of ₹ 4.61 crore on outstanding fair value hedges.

B. Quantitative Disclosure - Interest Rate Derivatives

Particulars	₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
(i) Derivatives (Notional Principal Amount)		
(ii) Market to Market Positions	2,050.00	1,850.00
(a) Assets (+)	8.33	11.66
(b) Liability (-)	3.72	0.83
(iii) Credit Exposure	8.33	11.66
(iv) Unhedged Exposures	-	-



Notes to special purpose interim financial statements for the period ended 30 June 2024 (Contd.)

53.2.5 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 30 June 2024

(₹ in crore)

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 month & up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 Years	Total
Liabilities											
Borrowings from bank	-	-	357.29	97.86	1,106.36	1,304.57	3,761.92	16,338.50	8,830.61	3,120.66	34,917.77
ICD	-	-	-	-	186.23	-	8.72	1.20	-	-	196.15
NHB Refinance	359.84	-	-	-	-	266.66	533.33	2,133.31	2,133.31	3,372.08	8,798.53
Market borrowing	-	1,107.62	574.07	551.52	150.24	666.23	1,817.55	12,650.02	6,850.10	5,067.26	29,434.61
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	865.01	1,057.94	826.80	1,638.52	1,778.94	4,585.17	8,020.08	23,372.76	14,424.66	28,713.32	85,283.20
Investments*	250.55	0.02	199.11	148.46	-	105.57	1,447.82	0.03	504.64	-	2,656.20
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of advances have been shown based on behavioural pattern.

*Investments includes fixed deposits of ₹ 0.15 crore shown under Note 5 - cash and cash equivalents and Note 6 - Bank balances other than cash and cash equivalents to the special purpose interim financial statements.

53.2.5 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 31 March 2024

(₹ in crore)

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 month & up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 Years	Total
Liabilities											
Borrowings from bank	267.37	250.06	219.55	607.66	1,070.78	1,645.28	3,655.48	13,088.87	11,521.83	3,135.26	35,462.14
ICD	-	-	-	-	-	183.04	0.02	1.20	-	-	184.26
NHB Refinance	-	-	-	-	-	215.81	431.65	1,726.59	1,726.59	2,736.95	6,837.59
Market borrowing	-	74.85	54.52	1,238.67	2,887.57	1,718.54	1,858.86	10,544.37	3,695.87	4,572.08	26,645.33
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	718.06	826.93	676.74	1,678.31	1,614.49	4,708.05	7,989.75	22,756.01	13,730.09	24,602.32	79,300.75
Investments*	0.67	5.87	10.53	98.86	0.01	587.24	731.52	0.03	503.99	-	1,938.72
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of advances have been shown based on behavioural pattern.

*Investments includes fixed deposits of ₹ 0.15 crore shown under Note 5 - cash and cash equivalents and Note 6 - Bank balances other than cash and cash equivalents to the special purpose interim financial statements.



53.2.6 Exposure
53.2.6.1 Exposure to Real Estate Sector

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
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.	56,533.70	53,409.90
(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.).	29,537.80	26,023.64
(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)	-	-
Total Exposure to Real Estate Sector*	86,071.50	79,433.54

* Exposure includes non-fund based (NFB) limits and undrawn loan commitment towards partially disbursed / sanctioned but not disbursed.

In addition to above, the Company has loan exposure amounting ₹ 3,835.85 crore as on 30 June 2024 (As at 31 March 2024 ₹ 3,804.36 crore) pertaining to commercial properties not required to be classified as commercial real estate exposure and on properties used for dual purpose of commercial and residential usage.

53.2.6.2 Exposure to Capital Market

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
(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)	-	-
(ix) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds*	-	-
x) Financing to stockbrokers for margin trading*	-	-
xi) All exposures to Alternative Investment Funds:*		
i. Category I	-	-
ii. Category II	-	-
iii. Category III	-	-
Total Exposure to Capital Market	-	-

* Disclosure pursuant to RBI Circular - RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022 - Disclosures in Financial Statements- Notes to Accounts of NBFCs



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

53.2.6.3 Details of financing of parent company products

The Company does not have any financing of Parent Company products during the current and As at 30 June 2023.

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

The Company has not exceeded the prudential exposure limits during the 30 June 2024 and As at 30 March 2024.

53.2.6.5 Unsecured Advances

The Company has unsecured advances net of ECL of ₹ 2031.84 crore (As at 31 March 2024: ₹ 2,017.93 crore) which includes advances net of ECL of ₹ 268.95 crore (As at 31 March 2024: ₹ 271.19 crore) secured against intangible assets.

53.2.6.6 Exposure to group companies engaged in real estate business

The Company does not have any exposure to group companies engaged in real estate business during the period ended 30 June 2024 and 31 March 2024.

53.3 Miscellaneous**53.3.1 Registration obtained from other financial sector regulators**

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

The Company has obtained registration from Insurance Regulatory and Development Authority vide Registration No. CA0885

53.3.2 Disclosure of penalties imposed by NHB/RBI and other regulators

No penalty was imposed by NHB or any other regulators as on 30 June 2024. During the year ended 31 March 2024 penalty of ₹ 0.05 crore was imposed by RBI.

53.3.3 Related party Transactions

Refer Note no. 43 Disclosure of transactions with related parties as required by Ind AS 24

53.3.4 Group Structure

Diagrammatic representation of group structure given below:



Above shareholding is as of 30 June 2024

Group structure above is basis disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended) issued by Reserve Bank of India.

53.3.5 Rating assigned by Credit Rating Agencies and migration of rating during the period/year

Rating Agency	Instruments	Rating assigned	Migration in ratings during the period/year	As at	
				30 June 2024	31 March 2024
India Ratings	Non-Convertible Debenture & Subordinated debt	IND AAA/Stable	NIL	10,000.00	10,000.00
	Long-Term Bank Rating/Short-Term Bank Rating	IND AAA(Stable) / IND A1+	NIL	50,000.00	50,000.00
	Commercial Paper	IND A1+	NIL	7,500.00	7,500.00
CRISIL	Non-Convertible Debenture	CRISIL AAA/Stable	NIL	49,187.80	42,717.80
	Subordinated debt	CRISIL AAA/Stable	NIL	1,000.00	1,000.00
	Long-Term / Short-Term Bank Rating	CRISIL AAA/(Stable) / CRISIL A1+	NIL	16,000.00	16,000.00
	Commercial Paper	CRISIL A1+	NIL	9,000.00	7,500.00



53.3.6 Remuneration of Non executive Directors

(₹ in crore)

Particulars	Period	Year ended
	ended 30 June 2024	31 March 2024
1. Sanjiv Bajaj	0.05	0.39
2. Rajeev Jain	0.09	0.63
3. Anami N Roy	0.08	0.54
4. Dr. Arindam Bhattacharya	0.09	0.60
5. Jasmine Chaney	0.07	0.51

53.4 Additional Disclosures

53.4.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(₹ in crore)

Particulars	As at	As at
	30 June 2024	31 March 2024
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax/deferred tax and tax adjustments of earlier period/years	147.27	430.10
3. Provision towards NPA / impairment loss allowance on stage 3 assets	2.79	50.10
4. Provision for Standard Assets / impairment loss allowance on stage 1&2 *	2.18	(51.30)
5. Provision for employee benefits	5.69	7.45
6. Other Provision and Contingencies	3.46	16.29

* Breakup of provision for Standard Assets / impairment loss allowance on stage 1&2

Particulars	As at	As at
	30 June 2024	31 March 2024
Commercial Real Estate	4.20	21.34
Commercial Real Estate-Residential Housing	4.62	17.70
Others	(6.64)	(90.34)
Total	2.18	(51.30)

Break up of Loan & Advances and Provisions thereon

(₹ in crore)

Particulars	Housing		Non-Housing	
	As at	As at	As at	As at
	30 June 2024	31 March 2024		
Standard Assets				
a) Total Outstanding Amount	54,184.26	50,187.56	31,391.90	29,421.75
b) Provisions made	188.98	186.60	199.93	200.13
Sub-Standard Assets				
a) Total Outstanding Amount	87.82	88.66	68.51	70.08
b) Provisions made	42.54	52.05	33.73	41.26
Doubtful Assets – Category-I				
a) Total Outstanding Amount	32.53	20.42	28.89	20.19
b) Provisions made	25.69	14.75	24.45	17.16
Doubtful Assets – Category-II				
a) Total Outstanding Amount	8.09	7.57	10.01	8.47
b) Provisions made	6.69	6.46	6.80	5.54
Doubtful Assets – Category-III				
a) Total Outstanding Amount	0.24	0.15	0.09	0.07
b) Provisions made	0.24	0.15	0.09	0.07
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	54,312.94	50,304.36	31,499.40	29,520.56
b) Provisions made	264.14	260.01	265.00	264.16

53.4.2 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 period ended 30 June 2024 and 31 March 2024.

53.4.3 Concentration of Public Deposits, Advances, Exposures and NPAs

53.4.3.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

The Company is non public deposit taking housing finance company.



53.4.3.2 Concentration of Loans & Advances

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Total Loans & Advances to twenty largest borrowers	7,530.96	6,796.18
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	8.78%	8.51%

53.4.3.3 Concentration of all Exposure (including off-balance sheet exposure)

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Total Exposure to twenty largest borrowers / customers	9,247.49	8,539.65
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	10.08%	10.04%

53.4.3.4 Concentration of NPAs

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
Total Exposure to top ten NPA accounts	37.06	34.62

53.4.3.5 Sector-wise NPAs

Sector	As at 30 June 2024			As at 31 March 2024		
	Total Advances in the sector	Gross NPAs	Gross NPAs% to total advances in the sector	Total Advances in the sector	Gross NPAs	Gross NPAs% to total advances in the sector
Housing Loans:						
Individuals	44,976.39	114.55	0.25%	42,142.16	102.68	0.24%
Builders/Project Loans	9,336.55	14.13	0.15%	8,162.20	14.12	0.17%
Non-Housing Loans:						
Individuals	15,363.12	95.06	0.62%	14,897.05	86.63	0.58%
Builders/Project Loans	3,639.15	-	0.00%	3,503.55	-	0.00%
Corporates	12,497.13	12.44	0.10%	11,119.96	12.18	0.11%

53.4.4 Movement of NPAs

Particulars	(₹ in crore)	
	As at 30 June 2024	As at 31 March 2024
(I) Net NPAs to Net Advances (%)	0.11%	0.10%
(II) Movement of NPAs (Gross)		
a) Opening balance	215.61	137.33
b) Additions during the period/year	53.88	169.84
c) Reductions during the period/year	33.31	91.56
d) Closing balance	236.18	215.61
(III) Movement of Net NPAs		
a) Opening balance	78.17	49.99
b) Additions during the period/year	33.72	75.23
c) Reductions during the period/year	15.94	47.05
d) Closing balance	95.95	78.17
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	137.44	87.34
b) Provisions made during the period/year	20.16	94.61
c) Write-off/write-back of excess provisions	17.37	44.51
d) Closing balance	140.23	137.44

53.4.5 Overseas Assets

The Company has not held any overseas assets as on reporting date (As at 31 March 2024 ₹ Nil).



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

53.4.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

The Company does not have any SPVs sponsored during period ended 30 June 2024 and year ended 31 March 2024 which were required to be consolidated as per accounting Norms.

53.4.7 Disclosure of Complaints
Customers Complaints*

Particulars	As at	As at
	30 June 2024	31 March 2024
a) No. of complaints pending at the beginning of the period/year	-	-
b) No. of complaints received during the period/year	48	308
c) No. of complaints redressed during the period/year	48	308
d) No. of complaints pending at the end of the period/year	-	-

*includes complaints reported through NHB - GRIDS Portal is 25 (As at 31 March 2024 :207)

54. Disclosure pursuant to RBI Notification RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22 October 2021 - Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and Circular - RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022 (as amended) - Disclosures in Financial Statements- Notes to Accounts

54.1 Exposure to real estate sector and capital market (Refer Note no. 53.2.6.1 and 53.2.6.2)

54.2 Sectoral exposure

Sector	Type of Loan	As at 30 June 2024			As at 31 March 2024		
		Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector *	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector *
Agriculture and allied activities							
	Loan against property	17.90	0.15	0.84%	15.66	0.02	0.13%
Industries							
	Loan against property	1,902.42	11.01	0.58%	1,785.26	8.93	0.50%
Services							
	Commercial Real estate (including CRE-RH)	29,348.36	14.13	0.05%	25,847.49	14.12	0.05%
	Loan against property-professionals	761.00	6.68	0.88%	793.43	4.37	0.55%
	Loan against property-others	3,187.37	34.68	1.09%	2,853.45	35.89	1.26%
Personal loans							
	Housing loans (including Top-up)	53,402.38	148.22	0.28%	50,625.15	131.37	0.26%
	Loan against property	1,287.03	4.49	0.35%	1,316.57	4.72	0.36%
Others							
	Unsecured loans	1,810.43	16.82	0.93%	1,797.83	16.19	0.90%
Total		91,716.89	236.18	0.26%	85,034.84	215.61	0.25%

*Aforementioned Gross NPA ratio is computed on the total exposure (includes on-balance sheet and off-balance sheet exposure) i.e Percentage of Gross NPAs to total exposure of respective sectors. However, actual Gross NPA ratio of the Company is computed on the basis of on-balance sheet exposure and accordingly both are not comparable.

54.3 Intra-group exposures

The Company does not have any Intra-group exposures during the period ended 30 June 2024 and year ended 31 March 2024.

54.4 Unhedged foreign currency exposure

The Company does not have unhedged foreign currency exposure during the period ended 30 June 2024 and year ended 31 March 2024.



Notes to special purpose interim financial statements for the period ended 30 June 2024 (Contd.)

54.5 Related Party Disclosure															
Related Party	Parent		Fellow Subsidiary		Directors		Key Management Personnel (KMP)		Relatives of KMP		Others		Total		
	As at 30 June 2024	As at 31 March 2024	As at 30 June 2024	As at 31 March 2024	As at 30 June 2024	As at 31 March 2024	As at 30 June 2024	As at 31 March 2024	As at 30 June 2024	As at 31 March 2024	As at 30 June 2024	As at 31 March 2024	As at 30 June 2024	As at 31 March 2024	
Balance Sheet															
Borrowings															
Outstanding at the period/year end	(200.00)	(400.00)	(1,735.00)	(1,335.00)	-	-	-	-	-	-	(50.00)	(25.00)	(1,985.00)	(1,760.00)	
Maximum during the period/year	(200.00)	(550.00)	(1,735.00)	(1,335.00)	-	-	-	-	-	-	(50.00)	(50.00)	(1,985.00)	(1,935.00)	
Deposits															
Outstanding at the period/year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Maximum during the period/year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Advances															
Outstanding at the period/year end	-	-	1.50	5.30	-	-	-	-	-	-	-	-	1.50	5.30	
Maximum during the period/year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investments															
Outstanding at the period/year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Maximum during the period/year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contribution to Equity Share Capital	(7,819.58)	(6,712.16)	-	-	-	-	-	-	-	-	-	-	(7,819.58)	(6,712.16)	
Other Payables	(0.08)	(0.08)	-	-	(3.54)	(3.58)	(0.31)	(0.84)	-	-	-	-	(3.93)	(4.50)	
Other Receivables	-	-	1.61	4.00	-	-	-	-	-	-	0.03	0.03	1.64	4.12	
Transactions during the period/year															
Purchase of fixed assets	-	0.55	-	-	-	-	-	-	-	-	-	-	-	0.55	
Purchase of other assets (loan portfolio)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of fixed assets	-	0.53	-	0.01	-	-	-	-	-	-	-	-	-	0.54	
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowings	-	-	-	217.00	-	-	-	-	-	-	-	-	-	217.00	
Borrowings repaid	200.00	150.00	-	-	-	-	-	-	-	-	-	-	-	-	
Loan repayment received	-	-	-	-	-	-	-	-	-	25.00	25.00	225.00	175.00	-	
Interest paid	11.40	36.12	11.55	79.39	-	-	-	-	-	-	-	-	-	-	
Interest received	-	-	-	-	-	-	-	-	-	1.40	2.88	24.35	118.39	-	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Business Support Charges Paid	2.31	16.17	-	-	-	-	-	-	-	-	1.07	3.80	3.38	19.97	
Business support charges received	0.18	1.01	-	-	-	-	-	-	-	-	-	-	0.18	1.01	
Fees and commission received	-	-	3.07	4.03	-	-	-	-	-	-	-	-	3.07	4.03	
Equity Contribution received (including Direct assignment of loan portfolio)	2,000.00	-	-	-	-	-	-	-	-	-	-	-	2,000.00	-	
ESOP recharge	151.11	6,758.15	-	-	-	-	-	-	-	-	-	-	151.11	6,758.15	
Rent income	-	30.58	-	-	-	-	-	-	-	-	-	-	-	30.58	
Rent expense	0.06	0.22	-	-	-	-	-	-	-	-	-	-	0.06	0.22	
Insurance expense	-	-	3.71	5.69	-	-	-	-	-	-	-	-	3.71	5.69	
Sitting Fees	-	-	-	-	0.38	0.89	-	-	-	-	-	-	0.38	0.89	
Commission	-	-	-	-	-	1.78	-	-	-	-	-	-	-	1.78	
Short term employee benefit	-	-	-	-	2.53	14.08	0.58	2.99	-	-	-	-	3.11	17.07	
Share based payment	-	-	-	-	3.84	9.56	0.36	0.90	-	-	-	-	4.21	10.46	
Rent expense	-	-	-	-	-	-	-	-	-	0.02	0.06	0.02	0.06	-	
Services received	-	-	-	-	-	-	-	-	-	2.25	7.62	2.25	7.62	-	
Manpower supply services	-	-	-	-	-	-	-	-	-	20.44	76.45	20.44	76.45	-	
Company's contribution towards NPS	-	-	0.30	0.90	-	-	-	-	-	-	-	-	0.30	0.90	
Servicing fees Received	11.29	50.77	-	-	-	-	-	-	-	-	-	-	11.29	50.77	
Commission Received	-	-	15.78	9.60	-	-	-	-	-	-	-	-	15.78	9.60	
Fees and commission paid	-	-	0.19	2.12	-	-	-	-	-	-	-	-	0.19	2.12	
Employees' gratuity	-	-	-	-	-	-	-	-	-	-	1.09	-	1.09	-	

Amount in bracket denotes credit balance.

- Disclosure of transactions made in compliance with RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and RBI Circular for Disclosures in Financial Statements- Notes to Accounts of NBFC dated 19 April 2022 which includes Key managerial personnel as per section 2(51) of the Companies Act, 2013. The Company has allotted 1,10,74,19,709 equity shares having face value of ₹ 10 each under right issue to its Holding Company (Bajaj Finance Limited) on 3 April 2024 at a premium of ₹ 8.06 per share involving aggregate amount of ₹ 19,99,99,99,944.54.



54.6 Disclosure of complaints

54.6.1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No.	Particulars	As at 30 June 2024	As at 31 March 2024
Complaints received by the NBFC from its customers			
(a)	Number of complaints pending at beginning of the period/year	-	-
(b)	Number of complaints received during the period/year	48	308
(c)	Number of complaints disposed during the period/year	48	308
	(i) of which, number of complaints rejected by the NBFC	-	-
(d)	Number of complaints pending at the end of the period/year	-	-

Disclosure on complaints received from Office of Ombudsman and Awards unimplemented not given as the Company, being a HFC, is not included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

54.6.2 Top five grounds of complaints received by the NBFCs from customer

For the period ended 30 June 2024

Grounds of complaints	Number of complaints pending as at 1 April 2024	Number of complaints received during the period	% increase/ (decrease) in the number of complaints received over the previous period	Number of complaints pending as at 30 June 2024	Number of complaints pending beyond 30 days as at 30 June 2024
1 Foreclosure and ROI related	-	8	(27%)	-	-
2 Collection Related	-	7	17%	-	-
3 Charges Related	-	6	500%	-	-
4 Customer Portal Related Queries	-	5	0%	-	-
5 VAS Refund	-	4	(64%)	-	-
6 Others	-	18	(73%)	-	-
	-	48		-	-

For the year ended 31 March 2024

Grounds of complaints	Number of complaints pending as at 1 April 2023	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending as at 31 March 2024	Number of complaints pending beyond 30 days as at 31 March 2024
1 Foreclosure and ROI related	-	55	(25%)	-	-
2 Insurance/VAS related	-	51	(15%)	-	-
3 Levy of charges related	-	35	21%	-	-
4 Wrong / incorrect linking of loan account	-	29	(37%)	-	-
5 Collection Related	-	26	24%	-	-
6 Other	-	112	(40%)	-	-
	-	308		-	-

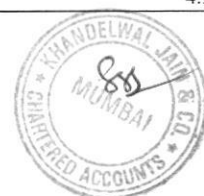
54.7 There were no breach of covenant of loan availed or debt securities issued in current period and as at 31 March 2024

54.8 No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory inspection for the year ended 31 March 2022 and for the year ended 31 March 2021 as per the requirement of the circular no. RBI/2022-23/26 DOR.ACC.REC.No 20/21.04.018 /2022-23 dated 19 April 2022.

54.9 Loans and contracts awarded to Directors, Senior Officers and relatives of Directors

Particulars	(₹ in crore)	
	Period ended 30 June 2024	Year ended 31 March 2024
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers*	4.91	16.05

* The above amount represents loans sanctioned in respective financial period/year.



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

55. Disclosure of Frauds as per NHB (ND)/DRS/Policy Circular No.92/2018-19 dated 05 February, 2019

There was no fraud reported to NHB during the period ended 30 June 2024 (One fraud amounting to 0.63 crore for year ended 31 March 2024)

56. The Company has not granted any loans against collateral of gold jewellery during the period ended 30 June 2024 and year ended 31 March 2024

57. Disclosures in respect of Liquidity Risk Management Framework as referred in para 3.1.1 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Annex II referred in para 15A of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

57.1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at	
	30 June 2024	31 March 2024
i) Number of Significant Counterparties*	21	22
ii) Amount(in ₹ crore)	58,736.64	55,137.55
iii) Percentage of funding concentration to total deposits [#]	NA	NA
iv) Percentage of funding concentration to total liabilities	79.57%	79.23%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies. Funding concentration based on significant counterparty has been computed using Latest Beneficiary Position instead of original subscribers.

[#] Total public deposits

Total liabilities are excluding Equity share capital and Other equity.

57.2 Disclosures on Top 20 large deposits is not applicable being non deposit taking NBFC

57.3 Top 10 borrowings

(₹ in crore)

Particulars	As at	
	30 June 2024	31 March 2024
i) Total amount of top 10 borrowings	46,224.75	44,008.16
ii) Percentage of amount of top 10 borrowings to total borrowings	63.02%	63.66%

Funding concentration based on significant counterparty has been computed using Latest Beneficiary Position instead of original subscribers.

57.4 Funding Concentration based on significant instrument/product*

(₹ in crore)

Particulars	As at		As at	
	30 June 2024	Percentage of total liabilities	31 March 2024	Percentage of total liabilities
i) Non-convertible debentures	27,596.11	37.38%	23,995.04	34.48%
ii) Loans from bank	34,917.77	47.30%	35,462.14	50.96%
iii) Loans from NHB	8,798.53	11.92%	6,837.59	9.83%
iv) Commercial paper	1,838.50	2.49%	2,650.29	3.81%
v) Deposits (Inter Corporate Deposits)	196.15	0.27%	184.26	0.26%

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

Total liabilities are excluding Equity share capital and Other equity.

57.5 Stock ratio

Particulars	As at	
	30 June 2024	31 March 2024
(i) Commercial paper as a percentage of total public funds*	2.51%	3.83%
(ii) Commercial paper as a percentage of total liabilities	2.49%	3.81%
(iii) Commercial paper as a percentage of total assets	2.08%	3.24%
(iv) Non convertible debentures (original maturity of less than 1 year) as a percentage of total public funds*	NA	NA
(v) Non convertible debentures (original maturity of less than 1 year) as a percentage of total liabilities	NA	NA
(vi) Non convertible debentures (original maturity of less than 1 year) as a percentage of total assets	NA	NA
(vii) Other short term liabilities as a percentage of total public funds [#]	15.56%	20.44%
(viii) Other short term liabilities as a percentage of total liabilities [#]	15.46%	20.30%
(ix) Other short term liabilities as a percentage of total assets [#]	12.89%	17.27%

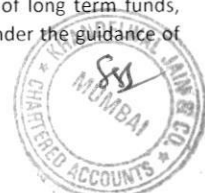
Total liabilities are excluding equity share capital and other equity.

* Public funds are considered as total of borrowings from NCD, CP, Bank Loans and ICDs.

[#] Other short term liabilities are residual maturities with in 12 months of Bank loan, NCDs and other liabilities(excl. CPs).

57.6 Institutional set-up for liquidity risk management

The Company manages its Liquidity Risk Management Framework 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 under the guidance of ALCO and Board. For qualitative disclosure on liquidity risk management, refer note no. 50



58. Disclosures in respect of Guidelines on Maintenance of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Annex II referred in para 15A of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Quarter on quarter LCR for the period ended 30 June 2024

	Q1 FY25	
	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets		
1. **Total High Quality Liquid Assets (HQLA)	2,422.60	2,422.60
Cash Outflows		
2. Deposits (for deposit taking companies)		
3. Unsecured wholesale funding	493.68	567.73
4. Secured wholesale funding	2,313.62	2,660.66
5. Additional requirements, of which		
(i) Outflows related to derivative exposures and other collateral	-	-
(ii) Outflows related to loss of funding on debt products	-	-
(iii) Credit and liquidity facilities	-	-
6. Other contractual funding obligations#	2,379.55	2,736.49
7. Other contingent funding obligations	-	-
8. TOTAL CASH OUTFLOWS	5,186.86	5,964.88
Cash Inflows		
9. Secured lending	-	-
10. Inflows from fully performing exposures	820.89	615.67
11. Other cash inflows*	6,184.90	4,638.68
12. TOTAL CASH INFLOWS	7,005.79	5,254.34
		Total Adjusted Value
13. TOTAL HQLA		2,422.60
14. TOTAL NET CASH OUTFLOWS		1,491.22
15. LIQUIDITY COVERAGE RATIO (%)		162.46%
16. NHB Requirement (%)		85.00%
17. NHB Requirement Amount		1,267.54
**Components of HQLA		
	Actual Cashflow	Stressed Cashflow
High Quality Liquid Assets (HQLA)		
1. Assets to be included as HQLA without any haircut	2,422.60	2,422.60
2. Assets to be considered for HQLA with a minimum haircut of 15%	-	-
3. Assets to be considered for HQLA with a minimum haircut of 50%	-	-
4. Approved securities held as per the provisions of section 45 IB of RBI Act	-	-
Total HQLA	2,422.60	2,422.60



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

Quarter on quarter LCR for the year ended 31 March 2024								
	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets								
1. **Total High Quality Liquid Assets (HQLA)	1,540.74	1,540.74	1,476.34	1,476.34	1,767.62	1,767.62	2,015.79	2,015.79
Cash Outflows								
2. Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3. Unsecured wholesale funding	113.33	128.90	350.09	402.60	744.62	856.32	523.15	601.62
4. Secured wholesale funding	1,265.65	1,455.50	1,652.57	1,900.45	1,516.06	1,743.47	2,182.22	2,510.70
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations#	2,764.46	3,179.30	2,818.19	3,240.92	1,859.48	2,138.40	2,209.90	2,541.39
7. Other contingent funding obligations	-	-	-	-	-	-	-	-
8. TOTAL CASH OUTFLOWS	4,143.44	4,763.70	4,920.85	5,543.97	4,120.16	4,738.19	4,916.27	5,653.71
Cash Inflows								
9. Secured lending	-	-	-	-	-	-	-	-
10. Inflows from fully performing exposures	666.52	499.89	720.00	540.00	727.56	759.03	569.28	569.28
11. Other cash inflows*	6,290.30	4,717.72	5,862.09	4,396.57	5,331.07	6,358.24	4,768.68	4,768.82
12. TOTAL CASH INFLOWS	6,956.82	5,217.61	6,582.09	4,936.57	6,058.63	7,117.27	5,337.96	5,338.10
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13. TOTAL HQLA		1,540.74		1,476.34		1,767.62		2,015.79
14. TOTAL NET CASH OUTFLOWS		1,190.93		1,385.99		1,184.55		1,413.43
15. LIQUIDITY COVERAGE RATIO (%)		129.37%		106.52%		149.22%		142.62%
16. NHB Requirement (%)		70.00%		70.00%		85.00%		85.00%
17. NHB Requirement Amount		833.65		970.19		1,006.87		1,201.41
**Components of HQLA								
	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow
High Quality Liquid Assets (HQLA)								
1. Assets to be included as HQLA without any haircut	1,540.74	1,540.74	1,476.34	1,476.34	1,767.62	1,767.62	2,015.79	2,015.79
2. Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3. Asset to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4. Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA	1,540.74	1,540.74	1,476.34	1,476.34	1,767.62	1,767.62	2,015.79	2,015.79

Other contractual funding obligations includes outflows from sanctioned but not disbursed and partially disbursed cases in nex. 30 Days as per ALM.

* Other cash inflows includes undrawn sanctioned term loan and CC lines from banks and other parties.



58. Disclosures in respect of Guidelines on Maintenance of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Annex II referred in para 15A of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Contd.)

The Liquidity Coverage Ratio (LCR) is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity HFCs are required to maintain adequate pool of unencumbered high-quality liquid assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next 30 calendar days. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

Company for purpose of computing outflows, has considered: (1) all the contractual debt repayments, (2) expected outflows from credit facilities contracted with customers, and (3) other expected or contracted cash outflows. Inflows comprise of: (1) expected receipt from all performing loans and other receivables, (2) liquid investment which are unencumbered and have not been considered as part of HQLA and (3) CC/OD/Committed credit line from Banks and parent company.

For the purpose of HQLA the Company considers: (1) Unencumbered government securities, (2) Cash and Bank balances.

The LCR is computed by dividing the stock of HQLA by its total net stressed cash outflows over next 30 days. LCR guidelines have become effective from 1 December 2021, requiring HFCs to maintain minimum LCR of 50%, LCR is gradually required to be increased to 100% by 1 December 2024. HFCs are required to maintain LCR of 85% as on 31 March 2024.

59. Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

59.1 Policy for sales out of amortised cost business model portfolios

Refer Note No. 4.3(i)(a)

59.2 A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

As at 30 June 2024

(₹ In Crore)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	85,253.83	313.86	84,939.97	421.85	(107.99)
	Stage 2	322.33	75.05	247.28	6.08	68.97
Subtotal (a)		85,576.16	388.91	85,187.25	427.93	(39.02)
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	156.33	76.27	80.06	23.56	52.71
(ii) Doubtful up to:						
1 year	Stage 3	61.42	50.14	11.28	20.68	29.46
1 to 3 years	Stage 3	18.10	13.49	4.61	8.11	5.38
More than 3 years	Stage 3	0.33	0.33	-	0.33	-
Subtotal (ii)		79.85	63.96	15.89	29.12	34.84
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		236.18	140.23	95.95	52.68	87.55
(c) Other items						
Others including	Stage 1	5,904.56	30.75	5,873.81	-	30.75
Loan	Stage 2	-	-	-	-	-
commitments and	Stage 3	-	-	-	-	-
derivatives	Subtotal	5,904.56	30.75	5,873.81	-	30.75
Total (a+b+c)	Stage 1	91,158.39	344.61	90,813.78	421.85	(77.24)
	Stage 2	322.33	75.05	247.28	6.08	68.97
	Stage 3	236.18	140.23	95.95	52.68	87.55
	Total	91,716.90	559.89	91,157.01	480.61	79.28

* Computed on the value as per the IRACP norms



As at 31 March 2024							(₹ In Crore)
Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms	
(1)	(2)	(3)	(4)	(5) = (3) – (4)	(6)	(7) = (4) – (6)	
(a) Performing Assets							
Standard	Stage 1	79,319.31	319.15	79,000.16	389.81	-70.66	
	Stage 2	290.00	67.58	222.42	6.45	61.13	
Subtotal (a)		79,609.31	386.73	79,222.58	396.26	-9.53	
(b) Non-Performing Assets (NPA)							
(i) Substandard	Stage 3	158.74	93.31	65.43	23.91	69.40	
(ii) Doubtful up to:							
1 year	Stage 3	40.61	31.91	8.70	13.73	18.18	
1 to 3 years	Stage 3	16.04	12.00	4.04	7.01	4.99	
More than 3 years	Stage 3	0.22	0.22	-	0.22	0.00	
Subtotal (ii)		56.87	44.13	12.74	20.96	23.17	
(iii) Loss	Stage 3	-	-	-	-	0.00	
Subtotal (b)		215.61	137.44	78.17	44.87	92.57	
(c) Other items							
Others including	Stage 1	5,209.92	27.24	5,182.68	-	27.24	
Loan	Stage 2	-	-	-	-	0.00	
commitments and	Stage 3	-	-	-	-	0.00	
derivatives	Subtotal	5,209.92	27.24	5,182.68	-	27.24	
Total (a+b+c)	Stage 1	84,529.23	346.39	84,182.84	389.81	-43.42	
	Stage 2	290.00	67.58	222.42	6.45	61.13	
	Stage 3	215.61	137.44	78.17	44.87	92.57	
	Total	85,034.84	551.41	84,483.43	441.13	110.28	

* Computed on the value as per the IRACP norms



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

60. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021

(a) Details of loans (not in default) transferred through assignment

Particulars	As at		As at
	30 June 2024	31 March 2024	31 March 2024
Number of accounts assigned through Direct Assignment	324	5,458	358
Amount of loan account assigned (₹ in crore)	151.11	6,758.14	333.78
Retention of beneficial economic interest (MRR)*	1%	1%	10%
Weighted average residual maturity (in months)	219.92	170.20	142.03
Weighted average holding period (in months)	24.99	14.32	14.78
Coverage of tangible security	100%	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated

* Retained by the originator

(b) Details of loans (not in default) acquired through assignment

Particulars	As at		As at
	30 June 2024	31 March 2024	31 March 2024
Number of accounts acquired through Direct Assignment	5,496	17,288	19
Amount of loan account acquired (₹ in crore)	1,000.16	2,895.02	61.68
Beneficial economic interest acquired *	90%	90%	80%
Weighted average residual maturity (in months)	230.93	206.73	205.37
Weighted average holding period (in months)	16.71	15.20	10.37
Coverage of tangible security	100%	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated

* Acquired by the assignee

Details of stressed loans transferred during the period/year	As at 30 June 2024			As at 31 March 2024		
	To ARC	To permitted transferees	To other transferees	To ARC	To permitted transferees	To other transferees
	No. of accounts	-	-	-	-	-
Aggregate principal outstanding of loans transferred	-	-	-	-	-	-
Weighted average residual tenor of the loans transferred (in years)	-	-	-	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-	-	-	-
Aggregate consideration	-	-	-	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

61. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated 24 September 2021

The Company has not entered into any Securitisation transactions during the current period and 31 March 2024.



Notes to Special Purpose Interim financial statements for the period ended 30 June 2024 (Contd.)

- 62. Amounts less than ₹ 50,000 have been shown at actual against respective line items which are statutorily required to be disclosed.
- 63. Figures for the previous period have been regrouped, wherever necessary, to make them comparable with the current period.

As per our report of even date


On behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Atul Jain
Managing Director
DIN: 09561712


Sanjiv Bajaj
Chairman
DIN: 00014615


Umesh S. Abhyankar
Partner
Membership No.: 113053


Shailesh Shah
Partner
Membership No.: 033632


Gaurav Kalani
Chief Financial Officer




Atul Jain
Vice Chairman
DIN: 02550158

Pune: 22 July 2024




Atul Patni
Company Secretary
FCS: F10094


Anami N Roy
Director
DIN: 01361110

