STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Report on the Standalone Financial Statements

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

Opinion

We have audited the accompanying standalone financial statements of Bajaj Finance Ltd. (the 'Company'), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SA's). Our responsibilities under those standards are further described in the Auditors' responsibility for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key audit matter	Auditors' response
1.	Allowances for expected credit losses ('ECL'):	
	As at 31 March 2023, the carrying value of loan assets carried at amortised cost, aggregated ₹ 179,097.12 crore (net of allowance for expected credit loss ₹ 3,840.84 crore) constituting approximately 83% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets carried at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the standalone financial statements. The elements of estimating ECL which involved increased level of audit focus are the following:	We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures carried at amortised cost. Additionally, we have confirmed that adjustments to the output of the ECL model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustments have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others:

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

S.N.	Key audit matter	Auditors' response
	• Qualitative and quantitative factors used in staging the loan assets carried at amortised cost; • Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. (Refer note 3.4, 9 and 47(c) to the standalone financial statements).	Testing the design and operating effectiveness of the following: • Completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied; • Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; • Accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL model; and • Validity of the changes made to the structured query language ('SQL') queries used for the ECL calculations to ensure that the changes made to them are reviewed, documented and duly approved by the designated officials. Test of details on a sample basis in respect of the following: • Accuracy and completeness of the input data such as period of default and other related information used in estimating the PD; • The mathematical accuracy of the ECL computation by using the same input data as used by the Company. • Use of the appropriate SQL queries for calibration of ECL rates and its application to the corresponding loan asset portfolio of the Company or part thereof. • Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. • Evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL model to ensure that the adjustment was in conformity with the overlay amount approved by the Audit Committee of the Company.
2.	Information technology and general controls: The Company is dependent on its information technology ('IT') systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environment. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a key audit matter.	With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: • We tested the design, implementation, and operating effectiveness of the Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned/modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. • We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to standalone financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the standalone financial statements.

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

Information other than the financial statements and Auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report (including annexures thereto), Business Responsibility and Sustainability Report ('BRSR') and Management Discussion and Analysis ('MD&A') (collectively referred to as 'other information') but does not include the consolidated financial statements, standalone financial statements, and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

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

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

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

Auditors' responsibility for the audit of the standalone financial statements

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

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on other legal and regulatory requirements

1. As required by section 143(3) of the Act, based on our audit on the separate financial statements, we report that:

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

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

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

    (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

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

(e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer note no. 41(a) to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries. Refer note no. 49 to standalone financial statements;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries. Refer note no. 49 to standalone financial statements; and

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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

v. The final dividend proposed with respect to previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note no. 44(iii) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

2. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government in terms of section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN: 23039826BGXRZB1137)

Date: 26 April 2023
Place: Pune

For G.M. Kapadia & Co.
Chartered Accountants
(Firm's Registration. No. 104767W)

Rajen Ashar
Partner
(Membership No. 048243)
(UDIN: 23048243BGXPQX5564)

Date: 26 April 2023
Place: Pune

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' section of our report of even date)

Report on the internal financial controls with reference to financial statements under clause (i) of sub-section 3 of section 143 of the Companies act, 2013 (the 'Act')

We have audited the internal financial controls with reference to standalone financial statements of Bajaj Finance Ltd. (the 'Company') as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the Institute of chartered accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of internal financial controls with reference to standalone financial statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal financial controls with reference to standalone financial statements includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure 'A' to the Independent Auditors' Report (Contd.)

Inherent limitations of internal financial controls with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 march 2023, based on the criteria for internal financial controls with reference to standalone financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issue by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN: 23039826BGXRZB1137)

Date: 26 April 2023
Place: Pune

For G.M. Kapadia & Co.
Chartered Accountants
(Firm's Registration. No. 104767W)

Rajen Ashar
Partner
(Membership No. 048243)
(UDIN: 23048243BGXPQX5564)

Date: 26 April 2023
Place: Pune

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Bajaj Finance Ltd. on the standalone financial statements as at and for the year ended 31 March 2023)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment, were physically verified during the year by the Management, in accordance with a regular programme of verification which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on our examination of the documents provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable to the Company.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks on the basis of security of current assets during the year. In our opinion, the quarterly statements filed with banks are in agreement with the books of account.

(iii) As explained in note no. 1 to the standalone financial statements, the Company is a Deposit-Taking Non-Banking Financial Company ('NBFC') registered with the Reserve Bank of India ('RBI') and as a part of its business activities is engaged in the business of lending across various types of loans.

During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee/security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees/security and loans and advances:

(a) The provisions of paragraph 3(iii)(a) of the Order are not applicable to the Company as its principal business is to give loans;

(b) In our opinion, having regard to the nature of the Company's business, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest;

Annexure 'B' to the Independent Auditors' Report (Contd.)

(c) In respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note 3.4 to the standalone financial statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balance as at 31 March 2023, aggregating ₹ 2,175.49 crore were categorised as credit impaired ('Stage 3') and ₹ 2,672.99 crore were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in Note 9 to the standalone financial statements. Additionally, out of loans and advances in the nature of loans with balances as at the year end aggregating ₹ 178,089.48 crore, where credit risk has not significantly increased since initial recognition (categorised as 'Stage 1'), delinquencies in the repayment of principal and payment of interest aggregating ₹ 12.76 crore were also identified, albeit of less than 2 days. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year end is ₹ 474.34 crore. Reasonable steps are being taken by the Company for recovery of the principal and interest.

(e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the Company as its principal business is to give loans.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) The Company has not advanced loans or made investments in or provided guaranty or security to parties covered by section 185 of the Act and the provisions of section 186 of the Act is not applicable to the Company. Hence reporting under paragraph 3(iv) of the Order is not applicable.

(v) In our opinion and according to the information and explanations given to us, the Company being NBFC registered with RBI, provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Hence reporting under paragraph 3 (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, cess and other material statutory dues applicable to it, to the appropriate authorities. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

There were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues in arrears as of 31 March 2023, for a period of more than six months from the date they became payable.

Annexure 'B' to the Independent Auditors' Report (Contd.)

(b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on 31 March 2023, on account of dispute are given below:

(₹ in crore)

Name of the statute	Nature of dues	Amount involved	Amount unpaid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15.49	15.49	FY 1995-96 to FY 2002-03 & FY 2006-07 to FY 2008-09	Bombay High Court
Income Tax Act, 1961	Income Tax	0.04	0.04	FY 1995-96, FY 1996-97, FY 1998-99	Income Tax Appellate Tribunal (Pune)
Income Tax Act, 1961	Income Tax	46.87	46.87	FY 2013-14, FY 2015-16, FY 2016-17 and FY 2018-19	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	2,164.00*	2,144.00	FY 2010-11 to June 2017	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	265.49*	258.43	June 2012 to June 2017	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	573.73*	563.73	October 2014 to June 2017	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	10.15*	9.97	FY 2007-08 to September 2015	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	3.86*	3.76	July 2012 to June 2016	Customs, Excise and Service Tax Appellate Tribunal
West Bengal Value Added Tax Act, 2003	Value Added Tax	0.86	0.86	FY 2005-06 to FY 2008-09	Additional Commissioner, Sales Tax
Rajasthan Value Added Tax Act, 2003	Value Added Tax	3.30*	2.00	FY 2008-09 to July 2014	Supreme Court of India
Rajasthan Value Added Tax Act, 2003	Value Added Tax	0.15	0.09	July 2014 to March 2017	VAT Appellate Tribunal
Employees State Insurance Act, 1948	ESIC contribution	4.46	4.46	FY 1999-2000 to FY 2006-07	Employees State Insurance Court
Employees State Insurance Act, 1948	ESIC contribution	0.68	0.68	FY 1991-92 to FY 2002-03	Deputy Director Employee State Insurance Corporation
Goods and Service Tax Act 2017	Goods and Service Tax	0.30	0.30	July 2017	Goods and Service Tax Appellate Tribunal
Goods and Service Tax Act 2017	Goods and Service Tax	30.40*	30.40	July 2017 to March 2020	Office of Joint Commissioner, GST, West Bengal

*Includes interest and penalty

Annexure 'B' to the Independent Auditors' Report (Contd.)

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.

(d) On the basis of the maturity profile of financial assets and financial liabilities provided in Note 47(a) to the standalone financial statements, financial liabilities maturing within the 12 months following the reporting date (i.e. 31 March 2023) are less than expected recoveries from financial assets during that period. Further, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable.

(b) The Company has not made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under review and hence reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under section 143(12) of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, etc., as required by the applicable accounting standards.

Annexure 'B' to the Independent Auditors' Report (Contd.)

(xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ('RBI Act') and it has obtained the registration.

(b) The Company has conducted the non-banking financial activities with a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.

(c) The Company is not a Core Investment Company ('CIC') and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Group (as defined under Master Direction DNBR.PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) has more than one CIC as part of the group. There are 17 CICs forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, aging and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

In respect of ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the balance sheet date out of the amounts that was required to be spent during the year, to a special account till the date of our report. However, the time period for such transfer i.e. 30 days from the end of the financial year as permitted under section 135(6) of the Act, has not elapsed till the date of our report.

Annexure 'B' to the Independent Auditors' Report (Contd.)

(xxi) Based on the review of the audit reports issued by the respective statutory auditors of the subsidiaries, which are companies incorporated in India and to which CARO is applicable, included in the consolidated financial statements, we report that none of these auditors have reported any qualifications or adverse remarks in their CARO report of the respective companies.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN: 23039826BGXRZB1137)

Date: 26 April 2023
Place: Pune

For G.M. Kapadia & Co.
Chartered Accountants
(Firm's Registration. No. 104767W)

Rajen Ashar
Partner
(Membership No. 048243)
(UDIN: 23048243BGXPQX5564)

Date: 26 April 2023
Place: Pune

BAJAJ FINSERV

Standalone Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Financial assets			
Cash and cash equivalents	5	1,191.35	2,872.93
Bank balances other than cash and cash equivalents	6	2,128.11	27.80
Derivative financial instruments	7	146.98	121.90
Trade receivables	8	1,070.21	1,017.11
Loans	9	179,097.12	144,276.25
Investments	10	28,737.85	16,371.82
Other financial assets	11	715.21	464.94
		213,086.83	**165,152.75**
Non-financial assets			
Current tax assets (net)		175.85	158.96
Deferred tax assets (net)	12	919.00	908.40
Property, plant and equipment	13	1,551.96	1,189.77
Capital work-in-progress	13	14.60	13.27
Intangible assets under development	13	64.93	19.41
Intangible assets	13	594.95	408.67
Other non-financial assets	14	116.63	165.35
		3,437.92	**2,863.83**
Total assets		**216,524.75**	**168,016.58**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	-	140.02
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		1.77	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		951.41	750.72
Other payables			
Total outstanding dues of micro enterprises and small enterprises		0.65	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		558.45	313.20
Debt securities	16	65,669.85	59,034.58
Borrowings (other than debt securities)	17	47,894.70	29,870.38
Deposits	18	44,489.79	30,289.13
Subordinated liabilities	19	3,630.29	3,845.77
Other financial liabilities	20	1,121.52	963.60
		164,318.43	**125,207.40**

Standalone Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March 2023	2022
Non-financial liabilities			
Current tax liabilities (net)		122.76	79.33
Provisions	21	254.46	162.24
Other non-financial liabilities	22	335.97	511.73
		713.19	**753.30**
Equity			
Equity share capital	23	120.89	120.66
Other equity	24	51,372.24	41,935.22
		51,493.13	**42,055.88**
Total liabilities and equity		**216,524.75**	**168,016.58**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajen Ashar
Partner
Membership number: 048243

On behalf of the Board of Directors

Rajeev Jain
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 26 April 2023

Standalone Statement of Profit and Loss

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2023	2022
Revenue from operations			
Interest income	25	30,141.84	23,736.06
Fees and commission income	26	4,203.96	2,940.62
Net gain on fair value changes	27	207.85	260.42
Sale of services	28	29.17	43.38
Other operating income	29	1,098.38	891.83
Total revenue from operations		**35,681.20**	**27,872.31**
Other income	30	5.37	6.81
Total income		**35,686.57**	**27,879.12**
Expenses			
Finance costs	31	9,285.23	7,578.58
Fees and commission expense	32	1,934.38	1,782.37
Impairment on financial instruments	33	3,066.46	4,622.06
Employee benefits expense	34	4,573.08	3,224.53
Depreciation and amortisation expenses	13	443.77	354.91
Other expenses	35	2,502.14	1,730.28
Total expenses		**21,805.06**	**19,292.73**
Profit before tax		**13,881.51**	**8,586.39**
Tax expense			
Current tax		3,593.00	2,242.00
Deferred tax (credit)/charge		(1.23)	(6.10)
Total tax expense	12	**3,591.77**	**2,235.90**
Profit after tax		**10,289.74**	**6,350.49**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		(33.32)	(4.30)
Tax impact on above		8.38	1.08
Changes in fair value of fair value through OCI (FVOCI) equity instruments		(13.99)	(4.36)
Tax impact on above		3.73	(2.78)
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities		(11.27)	(23.26)
Tax impact on above		2.84	5.86
Cash flow hedge reserve		22.16	83.68
Tax impact on above		(5.58)	(21.06)
Total other comprehensive income for the year (net of tax)		**(27.05)**	**34.86**
Total comprehensive income for the year		**10,262.69**	**6,385.35**

Standalone Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2023	2022
Earnings per equity share:	36		
(Nominal value per share ₹ 2)			
Basic (₹)		170.37	105.39
Diluted (₹)		169.51	104.63
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajen Ashar
Partner
Membership number: 048243

On behalf of the Board of Directors

Rajeev Jain
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 26 April 2023

BAJAJ FINSERV

Standalone Statement of Changes in Equity

Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Balance at the beginning of the year	120.66	120.32
Changes in equity share capital during the year	0.23	0.34
Balance at the end of the year	**120.89**	**120.66**

Other equity

For the year ended 31 March 2023

(₹ in crore)

Particulars	Note No.	Reserves and surplus: Securities premium	Retained earnings	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Other comprehensive income on: Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Total other equity
Balance as at 31 March 2022	24	17,217.78	17,961.12	5,642.75	788.51	9.25	397.56	(10.49)	(61.36)	(9.90)	41,935.22
Profit after tax		-	10,289.74	-	-	-	-	-	-	-	10,289.74
Other comprehensive income for the year (net of tax)		-	(24.94)	-	-	-	-	(8.43)	(10.26)	16.58	(27.05)
		17,217.78	**28,225.92**	**5,642.75**	**788.51**	**9.25**	**397.56**	**(18.92)**	**(71.62)**	**6.68**	**52,197.91**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	(2,060.00)	2,060.00	-	-	-	-	-	-	-
Dividend paid		-	(1,207.32)	-	-	-	-	-	-	-	(1,207.32)
Share based payment to employees - for the year		-	-	-	-	-	223.76	-	-	-	223.76
Transfer on allotment of shares to employees pursuant to ESOP scheme		65.44	-	-	-	-	(65.44)	-	-	-	-
Transfer on cancellation of stock options		-	-	-	0.42	-	(0.42)	-	-	-	-
		17,283.22	**24,958.60**	**7,702.75**	**788.93**	**9.25**	**555.46**	**(18.92)**	**(71.62)**	**6.68**	**51,214.35**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2022		283.83	-	-	-	-	-	-	-	-	283.83
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		125.94	-	-	-	-	-	-	-	-	125.94
Balance as at 31 March 2023	24	**17,441.11**	**24,958.60**	**7,702.75**	**788.93**	**9.25**	**555.46**	**(18.92)**	**(71.62)**	**6.68**	**51,372.24**

Standalone Statement of Changes in Equity (Contd.)

For the year ended 31 March 2022

(₹ in crore)

Particulars	Note No.	Reserves and surplus: Securities premium	Reserves and surplus: Retained earnings	Reserves and surplus: Reserve fund as per RBI Act	Reserves and surplus: General reserve	Reserves and surplus: Infrastructure reserve	Reserves and surplus: Share options outstanding account	Other comprehensive income on: Debt instruments through OCI	Other comprehensive income on: Equity instruments through OCI	Other comprehensive income on: Cash flow hedge reserve	Total other equity
Balance as at 31 March 2021	24	16,978.45	13,487.19	4,371.75	788.36	9.25	303.25	6.91	(54.22)	(72.52)	35,818.42
Profit after tax		-	6,350.49	-	-	-	-	-	-	-	6,350.49
Other comprehensive income for the year (net of tax)		-	(3.22)	-	-	-	-	(17.40)	(7.14)	62.62	34.86
		16,978.45	**19,834.46**	**4,371.75**	**788.36**	**9.25**	**303.25**	**(10.49)**	**(61.36)**	**(9.90)**	**42,203.77**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	(1,271.00)	1,271.00	-	-	-	-	-	-	-
Dividends paid		-	(602.34)	-	-	-	-	-	-	-	(602.34)
Share based payment to employees - for the year		-	-	-	-	-	161.21	-	-	-	161.21
Received on allotment of shares to Trust for employees pursuant to ESOP scheme		369.45	-	-	-	-	-	-	-	-	369.45
Transfer on allotment of shares to employees pursuant to ESOP scheme		66.75	-	-	-	-	(66.75)	-	-	-	-
Transfer on cancellation of stock options		-	-	-	0.15	-	(0.15)	-	-	-	-
		17,414.65	**17,961.12**	**5,642.75**	**788.51**	**9.25**	**397.56**	**(10.49)**	**(61.36)**	**(9.90)**	**42,132.09**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2021		86.96	-	-	-	-	-	-	-	-	86.96
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2022		283.83	-	-	-	-	-	-	-	-	283.83
Balance as at 31 March 2022	24	**17,217.78**	**17,961.12**	**5,642.75**	**788.51**	**9.25**	**397.56**	**(10.49)**	**(61.36)**	**(9.90)**	**41,935.22**

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajen Ashar
Partner
Membership number: 048243

On behalf of the Board of Directors

Rajeev Jain
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 26 April 2023

Standalone Statement of Cash Flows

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
(I) Operating activities		
Profit before tax	13,881.51	8,586.39
Adjustments for:		
Interest income	(30,141.84)	(23,736.06)
Depreciation and amortisation	443.77	354.91
Impairment on financial instruments	3,066.46	4,622.06
Net loss on disposal of property, plant and equipment and intangible assets	12.65	24.10
Finance costs	9,285.23	7,578.58
Share based payment expenses	197.08	141.80
Net gain on fair value changes	(207.85)	(260.42)
Service fees for management of assigned portfolio of loans	(29.17)	(43.38)
Dividend income (₹ 31,125, Previous year ₹ 30,750)		
	(3,492.16)	(2,732.02)
Cash inflow from interest on loans	29,884.69	24,110.29
Cash inflow from service asset	61.28	53.06
Cash outflow towards finance costs	(9,953.33)	(6,483.60)
Cash generated from operation before working capital changes	**16,500.48**	**14,947.73**
Working capital changes		
(Increase)/decrease in bank balances other than cash and cash equivalents	(2,100.31)	(25.69)
(Increase)/decrease in trade receivables	(80.41)	(323.23)
(Increase)/decrease in loans	(38,436.92)	(36,609.62)
(Increase)/decrease in other financial assets	(69.54)	99.82
(Increase)/decrease in other non-financial assets	45.18	(24.60)
Increase/(decrease) in trade payables	202.46	84.41
Increase/(decrease) in other payables	245.90	122.12
Increase/(decrease) in other financial liabilities	45.47	75.36
Increase/(decrease) in provisions	58.90	21.38
Increase/(decrease) in other non-financial liabilities	(175.76)	116.00
	(40,265.03)	(36,464.05)
Income tax paid (net of refunds)	(3,566.46)	(2,339.34)
Net cash used in operating activities (I)	**(27,331.01)**	**(23,855.66)**
(II) Investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(449.23)	(349.95)
Sale of property, plant and equipment	15.63	17.38
Purchase of intangible assets and intangible assets under development	(375.97)	(246.81)
Purchase of investments measured at amortised cost	(148.72)	(9,466.94)
Proceeds from liquidation of investments measured at amortised cost	5,107.14	4,879.41
Purchase of investments classified as FVOCI	(21,272.49)	(3,291.40)
Proceeds from liquidation of investments classified as FVOCI	10,900.36	2,083.84
Purchase of investments classified as FVTPL	(252,102.38)	(189,905.59)
Proceeds from liquidation of investments classified as FVTPL	247,971.31	200,402.37
Purchase of equity investments designated under FVOCI	-	(283.16)
Dividend received (₹ 31,125, Previous year ₹ 30,750)		
Interest received on investments	575.54	367.31
Investment in associate	(92.74)	-
Investment in subsidiaries	(2,500.00)	(400.00)
Net cash (used in)/generated from investing activities (II)	**(12,371.55)**	**3,806.46**

Standalone Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
(III) Financing activities		
Issue of equity share capital (including securities premium)	158.12	172.92
Share based payment recovered from subsidiary	26.67	19.22
Dividends paid	(1,206.86)	(602.63)
Payment of lease liability	(126.91)	(93.97)
Deposits received (net)	13,897.54	4,273.68
Short term borrowing availed (net)	10,855.49	3,049.76
Long term borrowing availed	40,153.15	26,243.58
Long term borrowing repaid	(25,736.22)	(11,512.22)
Net cash generated from financing activities (III)	**38,020.98**	**21,550.34**
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**(1,681.58)**	**1,501.14**
Cash and cash equivalents at the beginning of the year	**2,872.93**	**1,371.79**
Cash and cash equivalents at the end of the year	**1,191.35**	**2,872.93**

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

Components of cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2023	2022
Cash and cash equivalents comprises of		
Cash on hand	59.07	53.72
Balance with banks:		
In current accounts	1,132.28	561.20
In fixed deposits (with original maturity of 3 months or less)	-	2,258.01
	1,191.35	**2,872.93**

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajen Ashar
Partner
Membership number: 048243

On behalf of the Board of Directors

Rajeev Jain
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 26 April 2023

1 Corporate information

Bajaj Finance Ltd. ('the Company', 'BFL') (Corporate ID No.: L65910MH1987PLC042961) is a company limited by shares, incorporated on 25 March 1987 and domiciled in India. The shares of the Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), India. The Company is mainly engaged in the business of lending. BFL has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India. It also accepts public and corporate deposits and offers a variety of financial services products to its customers. The Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 4th floor, Bajaj Finserv Corporate Office, Pune, Maharashtra (India). The parent of the Company is Bajaj Finserv Ltd.

The Company is a deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) since 5 March 1998, with Registration No. A-13.00243 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. Under the scale based regulations for NBFCs, the Company has been classified as NBFC-UL (upper layer) by the RBI vide press release dated 30 September 2022.

Financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On 26 April 2023, the Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2 Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as 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 – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions'), notification for Implementation of Indian Accounting Standards issued by RBI 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 in preparation of financial statements (other than Statement of Cash flows) except in case of significant uncertainties [Refer note no. 3.1(i) and 3.1(iii)(a)].

The standalone financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Company, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated. The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the 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.

2.1 Presentation of financial statements

The Company presents its Balance Sheet in the order of liquidity.

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

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.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

2 Basis of preparation (Contd.)

Critical accounting estimates and judgements

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

- Business model assessment [Refer note no. 3.4(i)(a) and 9]
- Fair value of financial instruments (Refer note no. 3.15, 46)
- Impairment of financial assets [Refer note no. 3.4(i), 9 and 47]
- Provisions and contingent liabilities (Refer note no. 3.10 and 41)
- Provision for tax expenses (Refer note no. 3.6)

3 Summary of significant accounting policies

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

3.1 Income

(i) Interest income

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

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no. 3.4 (i) regarded as 'Stage 3'], the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired [as outlined in note no. 3.4 (i)], the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments or 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) Dividend income

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

(iii) Other revenue from operations

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is recognised at transaction price is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Revenue in case of non-cash consideration is recognised at fair value.

3 Summary of significant accounting policies (Contd.)

(a) Fees and commission income

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery. Bounce charges levied on customers for non payment of instalment on the contractual date is recognised on realisation.

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

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

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

(b) Net gain on fair value changes

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

(c) Sale of services

The Company, on derecognition 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) Other operating income

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

(iv) Taxes

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

3.2 Expenditures

(i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR [refer note no. 3.1(i)].

(ii) Fees and commission expense

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

(iii) Other expenses

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

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

3 Summary of significant accounting policies (Contd.)

3.3 Cash and cash equivalents

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

3.4 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are measured at amortised cost, unless otherwise specified.

All financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets. For tradable securities, the Company recognises the financial instruments on settlement date.

(i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity.

Initial measurement

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

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

Subsequent measurement

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

(a) Debt instruments at amortised cost

(b) Debt instruments at FVOCI

(c) Debt instruments at FVTPL

(d) Equity instruments designated under FVOCI

(a) <u>Debt instruments at amortised cost</u>

The Company measures its 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 Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the nature of portfolio, the period for which the interest rate is set and other factors which are integral to a lending arrangement.

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. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

3 Summary of significant accounting policies (Contd.)

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company.

After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). For further details, refer note no. 3.1(i). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

(b) Debt instruments at FVOCI

The Company subsequently classifies its 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 recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Investments in government securities to meet regulatory liquid asset requirement of the Company's deposit program 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.

(c) Debt instruments at FVTPL

The Company classifies its debt instruments which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in Statement of Profit and Loss according to the terms of the contract, or when the right to receive the same has been established. Gains and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

(d) Equity instruments designated under FVOCI

Equity instruments covered under Ind AS 109 'Financial instruments' are measured at fair value. In limited circumstances such as insufficiency of recent information or where fair value measurements could represent a wide range, cost of investment is assumed to be an appropriate estimate of fair value.

The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

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

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

3 Summary of significant accounting policies (Contd.)

Derecognition of financial assets

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

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

The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset, it recognises either a service asset or a service 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.

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

Reclassification of financial assets

The Company changes classification of its financial assets only on account of changes in its business model for managing those financial assets. Such reclassifications are given prospective impact as per the principles laid down in Ind AS 109 'Financial Instruments'.

Impairment of financial assets

(I) 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.

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.

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

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

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.

3 Summary of significant 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 principal and/or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Loan accounts where 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; and
- There are no other indications of impairment.

(b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, any overdue of more than 1 day past due and up to 90 days past due as on the reporting date is considered as an indication of financial assets to have suffered a significant increase in credit risk. Additionally, for mortgage loans, the Company recognised stage 2 based on other indicators such as frequent delay in payments beyond due dates.

One time restructuring (OTR) of loan accounts was permitted by RBI vide circulars dated 6 August 2020 'resolution framework for COVID-19 related stress' and 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances' and circulars dated 5 May 2021 'Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses' and 'Resolution Framework 2.0 – Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs)'. The Company considers OTR as an indicator of significant increase in credit risk and accordingly classifies such loans as stage 2. The Company reclassifies such loans to stage 1 on demonstration of regular payment of 12 instalments of principal and/or interest as per revised terms subject to no overdues as on the reporting date and no other indicators suggesting significant increase in credit risk.

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. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

3 Summary of significant accounting policies (Contd.)

(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 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.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD in 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.

The Company recalibrates above components of its ECL model on a periodical basis by using the available incremental and recent information, except where this informations does not represent the future outcome. Further, the Company assesses 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. 47.

(II) Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables falling under the scope of Ind AS 115. 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 falling under the scope of Ind AS 115. 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 historically observed default rates are updated for changes in the forward looking estimates.

(ii) Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

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 profit or loss.

3 Summary of significant accounting policies (Contd.)

Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method [Refer note no 3.1(i)]. 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.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet 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

3.5 Investment in subsidiaries and associates

Investment in subsidiaries and associates are recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

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

3.6 Taxes

(i) Current tax

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

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

(ii) Deferred tax

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

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

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

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

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

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

3 Summary of significant accounting policies (Contd.)

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

3.7 Property, plant and equipment

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

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Recognition and derecognition

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably.

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

Depreciation on property, plant and equipment:

(a) Depreciation is provided on a prorata basis for all tangible assets on straight line method over the useful life of assets.

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

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

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

(e) 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	10 years	10 years
Vehicles	8 years	8 years

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

3 Summary of significant accounting policies (Contd.)

3.8 Intangible assets and amortisation thereof

Intangible assets, representing softwares, licenses etc. are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment, if any. The Company recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Company and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company. The intangible assets including those internally generated are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate. Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the Statement Of Profit and Loss when the asset is derecognised.

3.9 Impairment of non-financial assets

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

3.10 Provisions and contingent liabilities

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made 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.

3.11 Foreign currency translation

Initial recognition

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

Conversion

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

Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss or Other Comprehensive Income as permitted under the relevant Ind AS.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

3 Summary of significant accounting policies (Contd.)

3.12 Retirement and other employee benefits

(i) Defined benefit plans

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by the Company, into an entity, or fund from which the employee benefits are paid. The Company is liable to make differential payment for any shortfall between defined benefit payments and the contribution made by the Company.

Gratuity

Payment for present liability of future payment of gratuity is made to the approved gratuity fund viz. Bajaj Auto Ltd. gratuity fund trust, which covers the same under cash accumulation policy and debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficits in plan assets managed by LIC and BALIC as compared to actuarial liability determined by an appointed actuary using the projected unit credit method are recognised as a liability. 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.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company contributes into following schemes under defined contribution plans:

Superannuation

Defined contribution to superannuation fund is made as per the scheme of the Company.

Provident fund

Each eligible employee and the Company make contribution at a percentage of the basic salary specified under the Employee Provident Funds and Miscellaneous Provisions Act, 1952. The Company recognises contributions payable to the Provident fund scheme as an expenditure when the employees render the related service. The Company has no further obligations under the plan beyond its periodic contributions.

Employees' state insurance

The Company contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

(iii) Compensated absences

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

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

3 Summary of significant accounting policies (Contd.)

3.13 Share based payments

The Company carries out fair value cost assessment of employee stock options on the grant date using Black Scholes model. The cost towards employees of the Company is recognised as employee benefits expenses and that pertaining to employees of subsidiaries are recovered from subsidiaries, over the period in which the service conditions are fulfilled. The cumulative expense/recharge recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for grants that do not ultimately vest because of non fulfillment of service conditions. Service conditions are not taken into account while determining the grant date fair value of options, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

3.14 Leases

The Company follows Ind AS 116 'Leases' for all long term and material lease contracts.

Measurement of lease liability

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

(i) increased by interest on lease liability;

(ii) reduced by lease payments made; and

(iii) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'.

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

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

3.15 Fair value measurement

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 46.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

3 Summary of significant accounting policies (Contd.)

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

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

3.16 Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Company are Cross Currency Interest Rate Swaps (CCIRS). Derivative contracts are initially recognised at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gains/losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship.

The Company designates its CCIRS derivatives as cash flow hedges of a recognised liability. The Company recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency 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 cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows 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.

Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

3 Summary of significant accounting policies (Contd.)

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the statement of profit and loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.17 Statement of cash flows

Cash flows are reported using indirect method as permitted under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash and cash equivalent shown in the financial statement exclude items which are not available for general use as on reporting date.

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 in the statement of cash flows. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan and triparty repo dealing and settlement. All other borrowings are terms as long term borrowings. Cash flows from deposits are shown on net basis as permitted under Ind AS 7.

3.18 Dividend on equity shares

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in other equity.

3.19 Earning per share

Basic EPS is calculated in accordance with Ind AS 33 'Earnings per share' 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.

4 Recent Accounting Pronouncements

Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from period starting 01 April 2023:

Ind AS 107 - Financial instruments : Disclosures

This amendment adds to the amendments in Ind AS 1 and specifies that material accounting policy information needs to be disclosed. It also specifies that information about the measurement basis (or bases) used for financial instruments is expected to be material information. Prior to the amendment, Ind AS 107 required an entity to disclose significant accounting policies, comprising the measurement basis (or bases) and other accounting policies used that are relevant to an understanding of the financial statements. Consequential changes have been carried out in Appendix B - Application Guidance. The said amendment does not have any material impact on the Company's financial statements.

4 Recent Accounting Pronouncements (Contd.)

Ind AS 1 - Presentation of financial statements

This amendment aims to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose their 'material accounting policy information' and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Consequential amendments have been made in Ind AS 107. The Company is currently assessing its accounting policy information disclosures to ensure consistency with the amended requirements.

Ind AS 8 - Accounting policies, changes in accounting estimates and errors

This amendment provides a clear definition of accounting estimates and clarifies the distinction between changes in accounting estimates and changes in accounting policies/correction of errors. It also, explains the difference between estimation techniques and valuation techniques by way of examples to provide clarity. The said amendment is not expected to have a material impact on the Company's financial statements.

Ind AS 12 - Income taxes

This amendment narrows the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The Company is currently assessing the impact of the amendments.

Ind AS 34 - Interim financial reporting

This amendment substitutes the words 'significant accounting policies' with the words 'material accounting policy information' consequential to the amendments to Ind AS 1 as stated above. The Company is currently assessing the impact on the financial statements.

5 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	59.07	53.72
Balance with banks:		
In current accounts	1,132.28	561.20
In fixed deposits (with original maturity of 3 months or less)	-	2,258.01
	1,191.35	2,872.93

6 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed deposits (with original maturity more than 3 months)		
Encumbered*	1,003.58	-
Unencumbered	1,030.20	0.28
Earmarked balance with banks:		
Against unclaimed dividend	2.25	1.79
Against unspent CSR	14.46	-
Escrow account balance	77.62	25.73
	2,128.11	27.80

*Include ₹ 1,000 crore (Previous year ₹ Nil) pledged towards floating charge in favour of trustees representing the public deposit holders of the Company towards maintenance of liquid assets as prescribed by RBI Act, 1934.

7 Derivative financial instruments (at FVTPL)

(₹ in crore)

Particulars	As at 31 March 2023		
	Notional amounts	Fair value asset	Fair value liability
Cross currency interest rate swaps:			
Cash flow hedge	1,299.50	146.98	-
	1,299.50	146.98	-

(₹ in crore)

Particulars	As at 31 March 2022		
	Notional amounts	Fair value asset	Fair value liability
Cross currency interest rate swaps:			
Cash flow hedge	5,382.16	121.90	140.02
	5,382.16	121.90	140.02

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency and interest rate swaps. The Company undertakes such transactions for hedging of foreign currency borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. Refer note no. 47(b) (iii) for foreign currency risk.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

8 Trade receivables

(₹ in crore)

Particulars	As at 31 March 2023	2022
Considered good - unsecured		
Interest subsidy	671.45	677.16
Fees, commission and others	324.04	237.92
Service asset	79.03	102.03
	1,074.52	1,017.11
Less : Impairment loss allowance	4.31	-
	1,070.21	1,017.11

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

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

Trade receivables (Gross) aging

(₹ in crore)

Particulars	Not due	Unbilled due	Outstanding from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023								
Undisputed trade receivables – considered good	714.40	44.85	315.27	-	-	-	-	1,074.52
As at 31 March 2022								
Undisputed trade receivables – considered good	666.41	-	350.70	-	-	-	-	1,017.11

9 Loans

(₹ in crore)

Particulars	At amortised cost As at 31 March 2023	As at 31 March 2022
(A) Loans		
Term loans*	182,684.66	148,213.09
Credit substitutes#	253.30	-
	182,937.96	148,213.09
Less: Impairment loss allowance	3,840.84	3,936.84
Total - Net (A)	179,097.12	144,276.25
(B) Out of above		
(I) Secured by tangible assets		
Against hypothecation of automobiles, equipments, durables, plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	81,237.65	63,348.01
Less: Impairment loss allowance	1,217.82	1,666.72
Total (I)	80,019.83	61,681.29
(II) Unsecured	101,700.31	84,865.08
Less: Impairment loss allowance	2,623.02	2,270.12
Total (II)	99,077.29	82,594.96
Total (B) = (I+II)	179,097.12	144,276.25
(C) Out of above		
(I) Loans in India		
(i) Public sector	-	-
Less: Impairment loss allowance	-	-
Sub-total (i)	-	-
(ii) Others	182,937.96	148,213.09
Less: Impairment loss allowance	3,840.84	3,936.84
Sub-total (ii)	179,097.12	144,276.25
Total (I) = (i+ii)	179,097.12	144,276.25
(II) Loans outside India	-	-
Total (C) = (I+II)	179,097.12	144,276.25

*Includes receivables from related parties ₹ Nil (Previous year ₹ 50.01 crore).

#Subscription to debentures which, in substance, are made with the intent of giving loan have been classified as Credit Substitutes. This classification results in a better presentation of the substance of such transactions.

-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.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

9 Loans (Contd.)

Summary of EIR impact on loans

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total gross loan	185,020.39	149,955.73
Less: EIR impact	2,082.43	1,742.64
Total for gross term loan net of EIR impact	182,937.96	148,213.09

Summary of loans by stage distribution

Term loans

(₹ in crore)

	As at 31 March 2023				As at 31 March 2022			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount	178,089.48	2,672.99	2,175.49	182,937.96	141,969.01	3,256.94	2,987.14	148,213.09
Less: Impairment loss allowance	1,597.05	854.92	1,388.87	3,840.84	1,246.44	951.24	1,739.16	3,936.84
Net carrying amount	176,492.43	1,818.07	786.62	179,097.12	140,722.57	2,305.70	1,247.98	144,276.25

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

(₹ in crore)

	For the year ended 31 March 2023							
	Stage 1		**Stage 2**		**Stage 3**		**Total**	
Particulars	**Term loans (Gross)**	**Impairment loss allowance**	**Term loans (Gross)**	**Impairment loss allowance**	**Term loans (Gross)**	**Impairment loss allowance**	**Term loans (Gross)**	**Impairment loss allowance**
As at 31 March 2022	141,969.01	1,246.44	3,256.94	951.24	2,987.14	1,739.16	148,213.09	3,936.84
Transfers during the year								
transfers to stage 1	544.38	109.38	(409.93)	(59.97)	(134.45)	(49.41)	-	-
transfers to stage 2	(1,772.24)	(31.12)	1,821.53	50.35	(49.29)	(19.23)	-	-
transfers to stage 3	(2,706.55)	(43.82)	(1,401.97)	(401.09)	4,108.52	444.91	-	-
	(3,934.41)	34.44	9.63	(410.71)	3,924.78	376.27	-	-
Impact of changes in credit risk on account of stage movements	-	(99.27)	-	518.48	-	3,736.11	-	4,155.32
Changes in opening credit exposures (repayments net of additional disbursements)	(69,036.62)	(129.54)	(1,173.38)	(408.15)	(2,044.01)	(1,600.83)	(72,254.01)	(2,138.52)
New credit exposures during the year, net of repayments	109,091.50	544.98	579.80	204.06	634.17	464.75	110,305.47	1,213.79
Amounts written off during the year	-	-	-	-	(3,326.59)	(3,326.59)	(3,326.59)	(3,326.59)
As at 31 March 2023	178,089.48	1,597.05	2,672.99	854.92	2,175.49	1,388.87	182,937.96	3,840.84

9 Loans (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2022							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2021	108,365.09	967.30	6,065.35	1,435.16	2,611.65	1,549.69	117,042.09	3,952.15
Transfers during the year								
transfers to stage 1	854.09	144.06	(780.38)	(118.86)	(73.71)	(25.20)	-	-
transfers to stage 2	(2,489.81)	(23.18)	2,534.06	36.78	(44.25)	(13.60)	-	-
transfers to stage 3	(3,860.16)	(80.73)	(3,557.35)	(765.48)	7,417.51	846.21	-	-
	(5,495.88)	40.15	(1,803.67)	(847.56)	7,299.55	807.41	-	-
Impact of changes in credit risk on account of stage movements	-	(203.73)	-	320.99	-	5,181.67	-	5,298.93
Changes in opening credit exposures (repayments net of additional disbursements)	(49,764.01)	(107.01)	(1,485.13)	(99.96)	(2,767.89)	(1,498.90)	(54,017.03)	(1,705.87)
New credit exposures during the year, net of repayments	88,863.81	549.73	480.39	142.61	581.91	437.37	89,926.11	1,129.71
Amounts written off during the year	-	-	-	-	(4,738.08)	(4,738.08)	(4,738.08)	(4,738.08)
As at 31 March 2022	141,969.01	1,246.44	3,256.94	951.24	2,987.14	1,739.16	148,213.09	3,936.84

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

(₹ in crore)

Particulars	For the year ended 31 March	
	2023	2022
(i) Net impairment loss allowance charge/(release) for the year	(96.00)	(15.31)
(ii) Amounts written off during the year	3,326.59	4,738.08
Impairment on loans	3,230.59	4,722.77
Less : Claimable amount under CGTMSE, ECLGS and other arrangements	200.74	101.55
Add: Impairment on other assets	36.61	0.84
Impairment on financial instruments	3,066.46	4,622.06

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

10 Investments

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
(A) At amortised cost		
In pass through certificates (PTC) representing securitisation of loan receivables	129.11	-
In Government securities*	-	5,125.74
	129.11	5,125.74
Less: Impairment loss allowance	0.52	-
Total (A)	128.59	5,125.74
*Includes ₹ Nil (Previous year ₹ 2,348.07 crore) pledged in favour of Credit Corporation of India Ltd. for triparty repo dealing and settlement (TREPs).		
(B) At fair value through other comprehensive income		
(i) In Government securities#	14,166.57	4,894.17
Add: Fair value gain/(losses)	(27.49)	(14.03)
Sub-total (i)	14,139.08	4,880.14
#Includes ₹ 4,201.15 crore (Previous year ₹ 3,917.82 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Company towards maintenance of liquid assets as prescribed by RBI Act, 1934 and ₹ 9,348.47 crore (Previous year ₹ 876.75 crore) pledged in favour of Credit Corporation of India Ltd. for triparty repo dealing and settlement (TREPs).		
(ii) In equity instruments		
Equity shares (Quoted)	150.00	150.00
Add: Fair value gain/(losses)	(89.60)	(94.27)
	60.40	55.73
Equity shares (Unquoted)	299.58	299.58
Add: Fair value gain/(losses)	0.10	28.68
	299.68	328.26
Compulsorily convertible term loan	280.47	280.47
Add: Fair value gain/(losses)	9.94	-
	290.41	280.47
Sub-total (ii)	650.49	664.46
(iii) In certificate of deposits	565.10	-
Add: Fair value gain/(losses)	1.16	-
Sub-total (iii)	566.26	-
(iv) In commercial papers	596.19	-
Add: Fair value gain/(losses)	1.04	-
Sub-total (iv)	597.23	-
Total (B) = (i+ii+iii+iv)	15,953.06	5,544.60
(C) At fair value through profit or loss		
In mutual funds	4,356.00	3.07
Add: Fair value gains/(losses)	9.08	0.03
Total (C)	4,365.08	3.10
(D) At cost		
Investment in subsidiaries		
Bajaj Housing Finance Ltd.	7,528.00	5,028.00
Bajaj Financial Securities Ltd.	670.38	670.38
Investment in associate		
Snapwork Technologies Pvt. Ltd.	92.74	-
Total (D)	8,291.12	5,698.38
Total (A+B+C+D)	28,737.85	16,371.82

10 Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Out of Above		
In India	28,737.85	16,371.82
Outside India	-	-
	28,737.85	16,371.82

- Impairment loss allowance recognised on investments is ₹ Nil except where specified.

11 Other financial assets

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	84.97	66.45
Advances to dealers	252.42	113.32
Receivable from government guarantee schemes	190.69	143.20
Receivable from debt management agencies	94.77	89.65
Others	94.47	52.32
	717.32	464.94
Less : Impairment loss allowance	2.11	-
	715.21	464.94

12 Deferred tax assets (net)

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

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	13,881.51	8,586.39
At corporate tax rate of 25.17% (Previous year 25.17%)	3,493.98	2,161.19
Tax on expenditure not considered for tax provision (net of allowance)	102.61	79.58
Tax benefit on additional deductions	(4.82)	(4.87)
Tax expense (effective tax rate of 25.874%, Previous year 26.040%)	3,591.77	2,235.90

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

12 Deferred tax assets (net) (Contd.)

Movement in Deferred tax asset/(liability)

For the financial year 2022-23

(₹ in crore)

Particulars	Balance as at 31 March 2022	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2023
(a) Deferred tax assets				
Property, plant and equipment and intangible assets	3.29	(3.29)	-	-
Remeasurements of employee benefits	41.83	14.83	8.38	65.04
Expected credit loss	869.21	0.65	-	869.86
EIR impact on financial instruments measured at amortised cost	2.45	(1.00)	-	1.45
Cash flow hedge reserve	3.34	-	(3.34)	-
Fair value on equity instruments designated under FVOCI	4.23	-	3.73	7.96
Right of use assets and lease liability (net)	9.44	3.12	-	12.56
Fair value on debt instruments designated under FVOCI	3.53	-	2.84	6.37
Other temporary differences	1.74	-	-	1.74
Gross deferred tax assets (a)	939.06	14.31	11.61	964.98
(b) Deferred tax liabilities				
Property, plant and equipment and intangible assets	-	(12.81)	-	(12.81)
Service asset on assigned loans	(25.68)	5.79	-	(19.89)
Fair value on debt instruments at FVTPL	-	(2.21)	-	(2.21)
Cash flow hedge reserve	-	-	(2.24)	(2.24)
Other temporary differences	(4.98)	(3.85)	-	(8.83)
Gross deferred tax liabilities (b)	(30.66)	(13.08)	(2.24)	(45.98)
Deferred tax assets/(liabilities), net (a+b)	908.40	1.23	9.37	919.00

12 Deferred tax assets (net) (Contd.)

For the financial year 2021-22

(₹ in crore)

Particulars	Balance as at 31 March 2021	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2022
(a) Deferred tax assets				
Property, plant and equipment and intangible assets	-	3.29	-	3.29
Remeasurements of employee benefits	34.09	6.66	1.08	41.83
Expected credit loss	869.21	-	-	869.21
EIR impact on financial instruments measured at amortised cost	5.72	(3.27)	-	2.45
Cash flow hedge reserve	24.40	-	(21.06)	3.34
Fair value on equity instruments designated under FVOCI	7.01	-	(2.78)	4.23
Right of use assets and lease liability (net)	8.01	1.43	-	9.44
Fair value on debt instruments designated under FVOCI	-	-	3.53	3.53
Other temporary differences	7.65	(5.91)	-	1.74
Gross deferred tax assets (a)	956.09	2.20	(19.23)	939.06
(b) Deferred tax liabilities				
Property, plant and equipment and intangible assets	(0.35)	0.35	-	-
Service asset on assigned loans	(25.72)	0.04	-	(25.68)
Fair value on debt instruments at FVTPL	(6.15)	6.15	-	-
Fair value on debt instruments designated under FVOCI	(2.33)	-	2.33	-
Other temporary differences	(2.33)	(2.65)	-	(4.98)
Gross deferred tax liabilities (b)	(36.88)	3.89	2.33	(30.66)
Deferred tax assets/(liabilities), net (a+b)	919.21	6.09	(16.90)	908.40

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

13 (A) Property, plant and equipment and intangible assets

For the financial year 2022-23

(₹ in crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2022	Additions	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	Deductions/ Adjustments	For the year	As at 31 March 2023	As at 31 March 2023
Property, plant and equipment (a)									
Freehold land (b) (e)	196.59	75.32	-	271.91	-	-	-	-	271.91
Buildings (c) (e)	245.81	13.41	-	259.22	65.54	-	3.55	69.09	190.13
Computers	290.59	151.81	48.26	394.14	153.40	37.43	63.69	179.66	214.48
Office equipment	206.00	47.03	4.59	248.44	136.56	4.52	34.02	166.06	82.38
Furniture and fixtures	187.29	36.27	8.54	215.02	81.31	6.11	18.40	93.60	121.42
Vehicles	126.96	105.16	14.01	218.11	35.41	7.62	21.72	49.51	168.60
Leasehold improvements	212.75	22.44	4.43	230.76	173.25	4.37	27.42	196.30	34.46
Right-of-use - Premises (e)	530.24	240.76	59.70	711.30	181.53	53.22	135.58	263.89	447.41
Right-of-use - Server	30.15	5.54	0.18	35.51	9.61	0.18	4.91	14.34	21.17
Sub-total	**2,026.38**	**697.74**	**139.71**	**2,584.41**	**836.61**	**113.45**	**309.29**	**1,032.45**	**1,551.96**
Intangible assets (d)									
Computer softwares	498.22	186.25	35.31	649.16	225.00	25.62	99.59	298.97	350.19
Internally generated software (f)	144.21	144.20	-	288.41	8.76	-	34.89	43.65	244.76
Sub-total	**642.43**	**330.45**	**35.31**	**937.57**	**233.76**	**25.62**	**134.48**	**342.62**	**594.95**
Total	**2,668.81**	**1,028.19**	**175.02**	**3,521.98**	**1,070.37**	**139.07**	**443.77**	**1,375.07**	**2,146.91**

For the financial year 2021-22

(₹ in crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022	As at 1 April 2021	Deductions/ Adjustments	For the year	As at 31 March 2022	As at 31 March 2022
Property, plant and equipment (a)									
Freehold land (b) (e)	105.47	91.12	-	196.59	-	-	-	-	196.59
Buildings (c) (e)	211.10	34.71	-	245.81	62.52	-	3.02	65.54	180.27
Computers	232.63	92.97	35.01	290.59	126.23	22.85	50.02	153.40	137.19
Office equipment	196.71	13.50	4.21	206.00	108.17	4.02	32.41	136.56	69.44
Furniture and fixtures	207.77	10.45	30.93	187.29	77.45	2.19	6.05	81.31	105.98
Vehicles	87.26	54.10	14.40	126.96	31.32	7.89	11.98	35.41	91.55
Leasehold improvements	178.98	34.79	1.02	212.75	118.63	0.99	55.61	173.25	39.50
Right-of-use - Premises (e)	394.85	198.43	63.04	530.24	138.63	55.98	98.88	181.53	348.71
Right-of-use - Server	29.27	5.00	4.12	30.15	8.65	4.12	5.08	9.61	20.54
Sub-total	**1,644.04**	**535.07**	**152.73**	**2,026.38**	**671.60**	**98.04**	**263.05**	**836.61**	**1,189.77**
Intangible assets (d)									
Computer softwares	494.09	127.18	123.05	498.22	239.33	97.43	83.10	225.00	273.22
Internally generated software (f)	-	144.21	-	144.21	-	-	8.76	8.76	135.45
Sub-total	**494.09**	**271.39**	**123.05**	**642.43**	**239.33**	**97.43**	**91.86**	**233.76**	**408.67**
Total	**2,138.13**	**806.46**	**275.78**	**2,668.81**	**910.93**	**195.47**	**354.91**	**1,070.37**	**1,598.44**

(a) See note no. 3.7 and 3.14
(b) Represents share in undivided portion of land on purchase of office premises.
(c) Includes cost of shares in co-operative society of ₹ 500 (Previous year ₹ 500).
(d) See note no. 3.8
(e) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Company.
(f) Includes directly attributable employees emoluments of ₹ 67.52 crore (Previous year ₹ 53.59 crore).

13 (B) Capital work-in-progress and Intangible assets under development

Capital work-in-progress

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Opening balance	13.27	7.07
Additions	1.33	6.20
Deductions/Adjustments	–	–
Closing balance	14.60	13.27

Aging for capital work-in-progress

(₹ in crore)

Particulars	As at	Amount for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 March 2023	1.33	6.20	7.07	–	14.60
Projects in progress	31 March 2022	6.20	7.07	–	–	13.27

Intangible assets under development

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Opening balance	19.41	43.99
Additions*	395.39	290.80
Deductions/Adjustments	349.87	315.38
Closing balance	64.93	19.41

Aging for intangible assets under development

(₹ in crore)

Particulars	As at	Amount for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 March 2023	64.93	–	–	–	64.93
Projects in progress	31 March 2022	19.41	–	–	–	19.41

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

*Includes directly attributable employees emoluments of ₹ 25.54 crore (Previous year ₹ 4.63 crore).

14 Other non-financial assets

(₹ in crore)

Particulars	As at 31 March 2023	2022
Capital advances	36.01	39.55
Deposits against appeals	40.11	40.09
Advances to suppliers and others	40.51	85.71
	116.63	165.35

-Impairment loss allowance recognised on other non financial assets is ₹ Nil (Previous year ₹ Nil).

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

15 Payables

(₹ in crore)

Particulars		As at 31 March 2023	2022
(I)	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises (MSME)#	1.77	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	951.41	750.72
		953.18	750.72
(II)	**Other payables**		
	Total outstanding dues of micro enterprises and small enterprises#	0.65	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	558.45	313.20
		559.10	313.20

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

(₹ in crore)

Particulars	As at 31 March 2023	2022
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	2.42	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	43.90	81.75
Interest paid to suppliers under MSMED Act (section 16)	0.75	0.46
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

Trade payables aging

(₹ in crore)

Particulars		Not due	Unbilled due	Outstanding from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023								
(i)	MSME	1.17	-	0.60	-	-	-	1.77
(ii)	Others	38.03	853.85	59.02	0.39	0.12	-	951.41
		39.20	853.85	59.62	0.39	0.12	-	953.18
As at 31 March 2022								
(i)	MSME	-	-	-	-	-	-	-
(ii)	Others	39.31	610.55	100.29	0.44	0.13	-	750.72
		39.31	610.55	100.29	0.44	0.13	-	750.72

16 Debt securities

(₹ in crore)

Particulars		As at 31 March 2023	2022
A.	**At amortised cost**		
	Redeemable non-convertible debentures		
	Secured and fully paid*	48,811.87	47,288.30
	Unsecured and fully paid	6,262.16	1,710.68
	Unsecured and partly paid	372.79	3,609.55
		55,446.82	52,608.53
	Commercial papers - Unsecured	10,223.03	6,426.05
		65,669.85	59,034.58
B.	**Out of above**		
	In India	65,669.85	59,034.58
	Outside India	-	-
		65,669.85	59,034.58

* All the secured non-convertible debentures (NCD) of the Company including those issued during the year ended 31 March 2023 are fully secured by hypothecation of book debts/loan receivables to the extent as stated in the respective information memorandum. Additionally, the Company had mortgaged one of its offices in Chennai on pari passu charge against specific secured NCDs issued till November 2020. The Company has, at all times, for the secured NCDs, maintained sufficient asset cover as stated in the respective information memorandum towards the principal amount, interest accrued thereon, and such other sums as mentioned therein.

C. Terms of repayment of non-convertible debentures (NCDs) as at 31 March 2023

(₹ in crore)

	Residual maturity of loan				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in More than 3 years	Total
Redeemable at par					
Up to 2 years	6,165.00	750.00	-	-	6,915.00
Over 2 to 3 years	2,325.00	4,350.00	1,510.00	-	8,185.00
Over 3 to 4 years	270.00	2,350.00	5,100.00	-	7,720.00
Over 4 years	1,981.00	4,225.00	2,302.00	20,262.50	28,770.50
Redeemable at premium					
Over 2 to 3 years	950.00	-	-	-	950.00
Over 3 to 4 years	75.00	-	906.00	-	981.00
Interest accrued	1,799.02	-	65.02	-	1,864.04
Impact of EIR (including premium and discount on NCD)					61.28
					55,446.82

-Interest rate ranges from 4.90% to 9.36% as at 31 March 2023.
-Amount to be called and paid is ₹ 350 crore each in June 2023, May 2024, May 2025 and June 2026.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

16 Debt securities (Contd.)

Terms of repayment of non-convertible debentures (NCDs) as at 31 March 2022

(₹ in crore)

Original maturity of loan	Residual maturity of loan: Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in More than 3 years	Total
Redeemable at par					
Up to 2 years	2,105.00	6,165.00	-	-	8,270.00
Over 2 to 3 years	6,360.00	2,325.00	3,530.00	-	12,215.00
Over 3 to 4 years	2,456.00	270.00	2,350.00	-	5,076.00
Over 4 years	337.00	1,981.00	4,225.00	12,045.00	18,588.00
Redeemable at premium					
Over 2 to 3 years	900.00	950.00	-	-	1,850.00
Over 3 to 4 years	2,974.00	75.00	-	406.00	3,455.00
Over 4 years	3.80	-	-	-	3.80
Interest accrued	2802.84	38.73	-	3.22	2,844.79
Impact of EIR (including premium and discount on NCD)					305.94
					52,608.53

-Interest rate ranges from 4.66% to 9.36% as at 31 March 2022.
-Amount to be called and paid is ₹ 915 crore in Nov 2022.

D. Terms of repayment of commercial papers

(₹ in crore)

Particulars	As at 31 March 2023	2022
Redeemable at par with original maturity up to 1 year		
- Due within 1 year	10,225.22	6,426.60
Impact of EIR	(2.19)	(0.55)
	10,223.03	6,426.05

-Interest rate ranges from 5.30% to 8.00% p.a as at 31 March 2023 (Previous year 4.05% to 4.90% p.a).
-As at 31 March 2023, face value of commercial paper is ₹ 10,445 crore (Previous year ₹ 6,475 crore).

17 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
(A) In India		
At amortised cost:		
Term loans from banks	36,230.84	21,308.08
Cash credit/Overdraft facility	304.57	290.70
Working capital demand loans	1,752.48	750.00
Triparty repo dealing and settlement (TREPs) against Government securities	8,145.36	1,999.16
	46,433.25	24,347.94
Outside India		
At amortised cost:		
External commercial borrowing*	1,461.45	5,522.44
	1,461.45	5,522.44
(B) Out of above		
Secured (Against hypothecation of loans, book debts)	47,394.65	29,870.38
Unsecured	500.05	-
	47,894.70	29,870.38

*ECB is denominated in foreign currency and secured against book debts.

- The Company has not been declared a wilful Defaulters 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.

(C) Terms of repayment of term loans from bank as at 31 March 2023

	Residual maturity of loan									
	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due in more than 3 year		Total	
Original maturity of loan	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										
Up to 3 years	10	1,090.91	-	-	-	-	-	-	10	1,090.91
Over 3 to 4 years	25	940.00	28	1,240.00	16	550.00	8	271.88	77	3,001.88
Over 4 years	29	1,640.17	16	470.00	9	185.00	7	109.38	61	2,404.55
Half yearly										
Up to 3 years	2	200.00	2	200.00	1	100.00	-	-	5	500.00
Over 3 to 4 years	6	375.00	8	708.32	8	708.32	8	708.36	30	2,500.00
Over 4 years	31	2,088.56	37	2,730.10	42	3,855.10	63	7,137.33	173	15,811.09
Yearly										
Over 3 to 4 years	5	492.50	4	431.25	-	-	-	-	9	923.75
Over 4 years	8	915.00	6	698.33	5	683.33	11	1,683.34	30	3,980.00
On maturity (Bullet)										
Up to 3 years	3	1,250.00	4	870.00	2	1,500.00	-	-	9	3,620.00
Over 3 to 4 years	-	-	2	1,900.00	1	499.74	-	-	3	2,399.74
Interest accrued		2.97		-		-		-		2.97
Impact of EIR										(4.05)
										36,230.84

-Interest rate ranges from 5.65% to 8.96% p.a as at 31 March 2023.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

Terms of repayment of term loans from bank as at 31 March 2022

	Residual maturity of loan									
	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due in more than 3 year		Total	
Original maturity of loan	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										
Up to 3 years	16	1,481.82	10	1,090.91	-	-	-	-	26	2,572.73
Over 3 to 4 years	12	426.25	13	515.00	16	815.00	4	125.00	45	1,881.25
Over 4 years	25	1,649.51	29	1,640.17	16	470.00	16	294.37	86	4,054.05
Half yearly										
Over 4 years	20	1,013.90	19	1,116.45	17	966.45	33	2,528.20	89	5,625.00
Yearly										
Over 3 to 4 years	5	417.50	5	492.50	4	431.25	-	-	14	1,341.25
Over 4 years	6	477.50	5	415.00	3	198.33	4	366.66	18	1,457.49
On maturity (Bullet)										
Up to 3 years	-	-	3	1,250.00	3	770.00	-	-	6	2,020.00
Over 3 to 4 years	-	-	-	-	2	1,900.00	-	-	2	1,900.00
Over 4 years	2	465.00	-	-	-	-	-	-	2	465.00
Interest accrued		0.99		-		-		-		0.99
Impact of EIR										(9.68)
										21,308.08

-Interest rate ranges from 5% to 7.12% p.a as at 31 March 2022.

(D) Terms of repayment of working capital demand loans from bank

	As at 31 March 2023		As at 31 March 2022	
Particulars	Total no. of Installments	₹ in crore	Total no. of Installments	₹ in crore
On maturity (Bullet)				
Up to 1 year	6	1,752.34	3	750.00
Interest accrued		0.14		-
	6	1,752.48	3	750.00

-Interest rate ranges from 7% p.a to 8.35% p.a as at 31 March 2023 (Previous year 4.35% p.a to 7.05%).

(E) Terms of repayment of TREPs

	As at 31 March 2023		As at 31 March 2022	
Particulars	Total no. of Installments	₹ in crore	Total no. of Installments	₹ in crore
On maturity (Bullet)				
Up to 1 year	20	8,145.36	9	1,999.16
	20	8,145.36	9	1,999.16

-Interest rate ranges from 6.76% p.a to 6.99% p.a as at 31 March 2023 (Previous year 3.35% p.a to 3.85% p.a).

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

(F) Terms of repayment of external commercial borrowing

Particulars	As at 31 March 2023		As at 31 March 2022	
	Total no. of Installments	₹ in crore	Total no. of Installments	₹ in crore
Due within 1 year				
Original maturity over 2 to 3 years	1	822.17	13	4,185.25
Original maturity over 3 years	1	616.63	-	-
Due in 1 to 2 year				
Original maturity over 2 to 3 years	-	-	1	758.07
Original maturity over 3 years	-	-	1	568.55
Interest Accrued		24.14		23.24
Impact of EIR		(1.49)		(12.67)
	2	1,461.45	15	5,522.44

-Contracted Interest rate ranges from 5.33% p.a to 5.76% p.a as at 31 March 2023 (Previous year 0.65% p.a to 1.22% p.a).

-Interest rate ranges from 5.85% to 6.70% p.a under Cross currency interest rate swap (CCIRS) as at 31 March 2023 (Previous year 5.85% p.a to 7.68% p.a).

18 Deposits (Unsecured)

(A) At amortised cost

(₹ in crore)

Particulars	As at 31 March **2023**	**2022**
Public deposits*	28,303.10	21,184.07
From others	16,186.69	9,105.06
	44,489.79	30,289.13

*As defined in chapter II, para 3 (xiii) of Master directions - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 as issued by RBI.

(B) Terms of repayment of deposits as at 31 March 2023

(₹ in crore)

Original maturity of deposits	Residual maturity of deposits				Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	
Up to 1 year	11,137.16	-	-	-	11,137.16
Over 1 to 2 years	5,453.75	3,237.35	-	-	8,691.10
Over 2 to 3 years	2,886.33	4,872.30	4,513.03	-	12,271.66
Over 3 years	846.82	1,381.17	2,982.35	5,855.16	11,065.50
Interest accrued	833.50	382.66	171.95	82.59	1,470.70
Impact of EIR					(146.33)
					44,489.79

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

18 Deposits (Unsecured) (Contd.)

Terms of repayment of deposits as at 31 March 2022

(₹ in crore)

	Residual maturity of deposits				
Original maturity of deposits	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	6,348.62	-	-	-	6,348.62
Over 1 to 2 years	3,440.78	3,182.11	-	-	6,622.89
Over 2 to 3 years	4,102.07	2,985.73	4,577.02	-	11,664.82
Over 3 years	450.84	854.97	1,417.37	1,908.32	4,631.50
Interest accrued	658.91	261.91	150.68	43.23	1,114.73
Impact of EIR					(93.43)
					30,289.13

19 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
(A) In India		
At amortised cost		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	3,630.29	3,845.77
	3,630.29	3,845.77
(B) Outside India	-	-

(C) Terms of repayment of subordinated liabilities as at 31 March 2023

(₹ in crore)

	Residual maturity of loan				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Redeemable at par					
Over 5 years	50.00	452.50	290.00	2,660.00	3,452.50
Interest accrued	188.08	-	-	-	188.08
Impact of EIR					(10.29)
					3,630.29

-Interest rate ranges from 8.05% to 10.15% as at 31 March 2023.

19 Subordinated liabilities (Unsecured) (Contd.)

Terms of repayment of subordinated liabilities as at 31 March 2022

(₹ in crore)

Original maturity of loan	Residual maturity of loan: Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Redeemable at par					
Over 5 years	207.10	50.00	452.50	2,950.00	3,659.60
Interest accrued	198.36	-	-	-	198.36
Impact of EIR					(12.19)
					3,845.77

-Interest rate ranges from 8.05% to 10.21% as at 31 March 2022.

20 Other financial liabilities

(₹ in crore)

Particulars	As at 31 March 2023	2022
Unclaimed dividends*	2.25	1.79
Security deposits	168.07	147.43
Unclaimed matured deposits*	0.84	0.39
Lease liability+	518.48	406.76
Payable to assignment partners	11.54	30.20
Outstanding liability for prepaid instrument	49.43	22.96
Unspent CSR liability	35.27	60.88
Others	335.64	293.19
	1,121.52	963.60

* There are no undisputed amounts which were due and unpaid to Investor Education and Protection Fund as at the close of the year.

+ Disclosures as required by Ind AS 116 - 'Leases' are stated below

(A) Lease liability movement

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Opening Balance	406.76	308.67
Add : Addition during the year	246.30	203.43
Interest on lease liability	38.53	27.91
Less : Deletion during the year	7.67	11.37
Lease rental payments	165.44	121.88
Balance at the end of the year	518.48	406.76

(B) Lease rentals of ₹ 2.26 crore (Previous year ₹ 14.16 crore) pertaining to short-term leases and low value assets has been charged to Statement of Profit and Loss.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

20 Other financial liabilities (Contd.)

(C) Future lease cash outflow for all leased assets

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Not later than one year	159.58	122.25
Later than one year but not later than five years	395.21	316.61
Later than five years	62.09	41.13
	616.88	479.99

(D) Maturity analysis of lease liability

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Within 12 months	125.78	96.29
After 12 months	392.70	310.47

(E) Amount recognised in statement of profit and loss

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities	38.53	27.91
Depreciation charge for the year	140.49	103.96
(Gain)/loss on pre-mature lease closure	(1.19)	(4.33)
	177.83	127.54

21 Provisions

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity	183.14	117.29
Compensated absences*	27.24	22.64
Other long term service benefits	44.08	22.31
	254.46	162.24

* includes amount payable for encashable leaves not permitted to be carried forward of ₹ 13.52 crore (Previous year ₹ 9.80 crore).

22 Other non-financial liabilities

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues	299.40	455.32
Others	36.57	56.41
	335.97	511.73

23 Equity share capital

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
750,000,000 (750,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued		
605,429,233 (605,429,233) equity shares of ₹ 2 each	121.09	121.09
Subscribed and paid up		
605,429,233 (605,429,233) equity shares of ₹ 2 each fully called up and paid up	121.09	121.09
Less: 1,008,401 (2,149,392) equity shares of ₹ 2 each held in a trust for employees under ESOP Scheme [See footnote (f) below]	0.20	0.43
	120.89	120.66

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

Particulars	Nos.	₹ in crore
As at 1 April 2021	602,587,339	120.52
Add: Issued during the year to Trust for employees pursuant to ESOP scheme	2,841,894	0.57
	605,429,233	121.09
Less: equity shares held in trust for employees under ESOP scheme	2,149,392	0.43
As at 31 March 2022	603,279,841	120.66
As at 1 April 2022	605,429,233	121.09
Add: Issued during the year to Trust for employees pursuant to ESOP scheme	-	-
	605,429,233	121.09
Less: equity shares held in trust for employees under ESOP scheme	1,008,401	0.20
As at 31 March 2023	604,420,832	120.89

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

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. 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 ₹ 2 per share)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finserv Ltd.*	317,816,130	63.56	317,816,130	63.56

* An associate of Bajaj Holdings and Investments Ltd.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

23 Equity share capital (Contd.)

(d) Details of shareholders holding more than 5% shares in the Company (Face value ₹ 2 per share)

	As at 31 March 2023		As at 31 March 2022	
Particulars	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Ltd.*	317,816,130	52.49%	317,816,130	52.49%

* An associate of Bajaj Holdings and Investments Ltd.

(e) Shareholding Pattern of Promoters (Face value ₹ 2 per share)

	As at 31 March 2023		As at 31 March 2022		% Changes during the year	% Changes during the previous year
Particulars	Nos.	% Holding	Nos.	% Holding		
Promoter Name						
Promoter:						
Bajaj Finserv Ltd.	317,816,130	52.49%	317,816,130	52.49%	0.00%	0.00%
Promoter Group :						
Rahulkumar Bajaj	-	0.00%	10,000	0.00%	(100.00%)	0.00%
Estate of Rahulkumar Bajaj	10,000	0.00%	-	0.00%	0.00%	0.00%
Suman Jain	7,093	0.00%	7,119	0.00%	(0.37%)	1.48%
Madhur Bajaj	2,000	0.00%	2,000	0.00%	0.00%	(96.88%)
Rajiv Bajaj	1,000	0.00%	1,000	0.00%	0.00%	0.00%
Sanjiv Bajaj	467,688	0.08%	467,688	0.08%	0.00%	0.00%
Shefali Bajaj	63,104	0.01%	63,104	0.01%	0.00%	0.00%
Siddhantnayan Bajaj	63,104	0.01%	63,104	0.01%	0.00%	0.00%
Sanjali Bajaj	63,104	0.01%	63,104	0.01%	0.00%	0.00%
Jamnalal Sons Private Ltd.	127,640	0.02%	127,640	0.02%	0.00%	0.00%
Maharashtra Scooters Ltd.	18,974,660	3.13%	18,974,660	3.13%	0.00%	0.00%
Bajaj Allianz Life Insurance Company Ltd.	247,000	0.04%	247,000	0.04%	0.00%	23.50%
Baroda Industries Private Ltd.	117,600	0.02%	117,600	0.02%	0.00%	0.00%
Bachhraj Factories Private Ltd.	72,000	0.01%	72,000	0.01%	0.00%	0.00%
Neelima Bajaj Family Trust (Kumud Bajaj)	61,000	0.01%	61,000	0.01%	0.00%	0.00%
Nimisha Bajaj Family Trust (Madhur Bajaj)	61,000	0.01%	61,000	0.01%	0.00%	0.00%
Kumud Bajaj	2,000	0.00%	2,000	0.00%	0.00%	Nil
Madhur Bajaj (A/c Kumud Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	Nil
Madhur Bajaj (A/c Kumud Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	Nil
Kumud Bajaj (A/c Madhur Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	Nil
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	Nil
Bajaj Sevashram Private Ltd.*	308,500	0.05%	-	0.00%	8.25%	Nil

* Where shares have been issued for the first time during the reporting period, such percentage change have been computed from date of such issuance.

23 Equity share capital (Contd.)

(f) Shares reserved for issue under employee stock option plan

(₹ in crore)

Particulars		No. of Stock options/Equity shares as at 31 March 2023	31 March 2022
a.	Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2009 to employees of the Company drawn in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 (SEBI Guidelines) (i.e. 5% of the then subscribed and paid up share capital)	35,071,160	35,071,160
b.	Options granted under the scheme	29,940,214	28,917,109
c.	Options cancelled and added back to pool for future grants	4,012,171	3,940,077
d.	Options granted net of cancellation under the scheme (d = b-c)	25,928,043	24,977,032
e.	Balance available under the scheme for future grants (e=a-d)	9,143,117	10,094,128
f.	Equity shares allotted to BFL Employee Welfare Trust	21,454,974	21,454,974
g.	Stock Options exercised	20,446,573	19,305,582
h.	Balance stock options available with BFL Employee Welfare trust (h = f-g)	1,008,401	2,149,392

Consequent to the opinion expressed by the 'Expert Advisory Committee' of the Institute of Chartered Accountants of India on the applicability of clause 22A.1 of the SEBI Guidelines, the balance unexercised equity shares held by the trust at the close of the year have been reduced against the share capital as if the trust is administered by the Company itself. The securities premium related to the unexercised equity shares held by the trust at the close of the year aggregating to ₹ 125.94 crore (As at 31 March 2022 ₹ 283.83 crore) has also been reduced from securities premium account and adjusted against the loan outstanding from the trust.

Dividends declared by the Company do not accrete to unexercised options. Accordingly, any dividend received by the ESOP trust is remitted to the Company and adjusted against the source from which dividend has been paid.

24 Other equity

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2023	2022
(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.	17,441.11	17,217.78
(ii)	Retained earnings	Retained earnings represents the surplus in profit and loss account and net amount of appropriations made to/from retained earnings. 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: (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).	24,958.60	17,961.12
(iii)	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Reserve fund is created as per the terms of section 45 IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.	7,702.75	5,642.75

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

24 Other equity (Contd.)

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2023	As at 31 March 2022
(iv)	General reserve	Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.	788.93	788.51
(v)	Infrastructure reserve in terms of section 36 (1) (viii) of the Income Tax Act, 1961	Infrastructure reserve is created to avail the deduction as per the provisions of section 36 (1) (viii) the Income Tax Act 1961 on profits derived from the business of providing long term finance for development of infrastructure facility in India.	9.25	9.25
(vi)	Other comprehensive income			
	(a) On equity investments	The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.	(71.62)	(61.36)
	(b) On debt investments	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.	(18.92)	(10.49)
	(c) On cash flow hedge reserve	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI and underlying hedged items.	6.68	(9.90)
(vii)	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 Group.	555.46	397.56
			51,372.24	41,935.22

25 Interest income

(₹ in crore)

Particulars	For the year ended 31 March 2023 — On financial assets measured at FVOCI*	Amortised cost*	FVTPL	Total	For the year ended 31 March 2022 — On financial assets measured at FVOCI*	Amortised cost*	FVTPL	Total
On loans	-	29,471.86	-	29,471.86	-	23,354.45	-	23,354.45
On investments	512.07	70.15	39.51	621.73	182.71	96.52	60.84	340.07
On others	-	48.25	-	48.25	-	41.54	-	41.54
	512.07	29,590.26	39.51	30,141.84	182.71	23,492.51	60.84	23,736.06

*As per effective interest rate (EIR), refer note no. 3.1(i).

26 Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Service and administration charges	1,518.51	1,130.88
Fees on value added services and products	502.57	439.63
Foreclosure income	307.59	216.62
Distribution income	1,875.29	1,153.49
	4,203.96	2,940.62

27 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain/(loss) on investments at FVTPL	221.92	273.48
Unrealised gain/(loss) on investments at FVTPL	8.78	(24.46)
(B) Others		
Realised gain/(loss) on sale of FVOCI debt instruments	(22.85)	11.40
	207.85	260.42

28 Sale of services

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Service fees for management of assigned portfolio of loans	29.17	43.38
	29.17	43.38

29 Other operating income

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Recoveries against financial assets	1,094.58	832.17
Net realisation on sale of written off loans	-	59.66
Others	3.80	-
	1,098.38	891.83

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

30 Other income

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Dividend income (₹ 31,125, Previous year ₹ 30,750)		
Miscellaneous income	5.37	6.81
	5.37	6.81

31 Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
On financial liabilities measured at amortised cost:		
On debt securities	4,002.15	3,500.04
On borrowings other than debt securities	2,284.47	1,673.24
On subordinated liabilities	316.83	327.78
On deposits	2,625.81	2,035.87
On lease liability	38.53	27.91
On others	17.44	13.74
	9,285.23	7,578.58

32 Fees and commission expense

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Commission and incentives	72.50	66.14
Recovery costs	1,686.82	1,598.92
Credit guarantee fees	104.72	70.22
Loan portfolio management service charges	70.34	47.09
	1,934.38	1,782.37

33 Impairment on financial instruments

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
On loans	3,029.85	4,621.22
On others	36.61	0.84
	3,066.46	4,622.06

34 Employee benefits expenses

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Employees emoluments	4,061.83	2,844.67
Contribution to provident fund and other funds	194.34	148.76
Share based payment to employees	199.42	141.80
Staff welfare expenses	117.49	89.30
	4,573.08	3,224.53

35 Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Communication expenses	151.51	126.56
Outsourcing/back office expenses	327.60	191.83
Travelling expenses	317.48	140.16
Information technology expenses	527.02	415.67
Bank charges	139.29	98.96
Net loss on disposal of property, plant and equipment and intangible assets	12.65	24.10
Auditor's fees and expenses*	1.59	1.60
Insurance charges	5.96	5.80
Rent, taxes and energy cost	50.08	45.51
Director's fees, commission and expenses	3.74	4.46
Advertisement, branding and promotion expenses	337.02	167.57
Expenditure towards Corporate Social Responsibility activities**	138.33	120.89
Repairs, maintenance and office expenses	132.11	104.81
Employee training, recruitment and management expenses	58.74	32.62
Printing and stationery expenses	12.29	7.42
Legal and professional charges	22.39	18.71
Customer experience cost	123.65	93.29
Miscellaneous expenses	140.69	130.32
	2,502.14	1,730.28

*** Payment to auditor** (net of GST credit availed)

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Audit fee	0.93	0.93
Tax audit fee	0.16	0.16
Limited review fees	0.31	0.19
In other capacity:		
Other services	0.14	0.31
Reimbursement of expenses	0.05	0.01
	1.59	1.60

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

35 Other expenses (Contd.)

**** Corporate Social Responsibility expenditure**

(₹ in crore)

Particulars		For the year ended 31 March 2023	2022
(a)	Gross amount required to be spent by the Company during the year	138.33	121.41
(b)	Excess amount spent in previous financial year carried forward	-	0.52
(c)	Net amount required to be spent by the Company during the year (a-b)	138.33	120.89
(d)	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purpose other than (i) above	117.46	60.01
(e)	Excess/(Shortfall) at the end of the year (d-c)	(20.87)	(60.88)
(f)	Total of previous years excess/(shortfall)	(14.41)	-
(g)	Reason for shortfall	Refer note (i) below	Refer note (i) below
(h)	Nature of CSR activities (activities as per Schedule VII)	Activities mentioned in i, ii, iii, iv, vi	Activities mentioned in i, ii, iii, x
(i)	Details of related party transactions (Refer note (ii) below)	0.30	NA
(j)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation		
	Opening provision balance	60.88	-
	Provision created during the year	20.87	60.88
	Amount spent during the year	(46.47)	-
	Closing provision balance	35.28	60.88

(k) In case of section 135(6) Details of ongoing projects

(₹ in crore)

Particulars	Opening balance With Company	Opening balance In Separate CSR unspent a/c	Amount required to be spent during the year	Amount spent during the year From Company's bank a/c	Amount spent during the year From separate CSR unspent a/c	Closing balance With company	Closing balance In Separate CSR unspent a/c
As at 31 March 2022	-	-	120.89	60.01	-	-	60.88
As at 31 March 2023	-	60.88	138.33	117.46	46.47	-	35.28

Note:

(i) Current year:

Due to delay in commencement of projects as compared to approved timelines, some part of the mandatory obligations for few ongoing projects remained unspent as on 31 March 2023. The unspent amount of ₹ 20.87 crore would be transferred to a designated Unspent Corporate Social Responsibility Account with scheduled commercial bank in line with the requirement prescribed in the Act.

Previous year:

Due to COVID-19 pandemic and the resultant lock-down, some part of the mandatory obligations for few ongoing projects remained unspent as on 31 March 2022, thereby transferred to an Unspent Corporate Social Responsibility Account. The unspent amount of ₹ 60.88 crore was transferred to a designated Unspent Corporate Social Responsibility Account with scheduled commercial bank in line with the requirement prescribed in the Act.

(ii) For the year ended 31 March 2023, the Company has entered into a transaction with Pratham Education Foundation for ₹ 0.30 crore for implementation of its Corporate Social Responsibility. No such transaction was entered with any of its related party in the previous year.

36 Earnings per equity share (EPS)

(₹ in crore)

Particulars		For the year ended 31 March 2023	2022
(A)	Net profit attributable to equity shareholders (₹ in crore)	10,289.74	6,350.49
(B)	Weighted average number of equity shares for basic earnings per share	603,976,750	602,574,303
	Effect of dilution:		
	Employee stock options	3,067,977	4,392,156
(C)	Weighted average number of equity shares for diluted earnings per share	607,044,727	606,966,459
	Earning per share (basic) (₹) (A/B)	170.37	105.39
	Earning per share (diluted) (₹) (A/C)	169.51	104.63

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.

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

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

39 Revenue from contracts with customers

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Type of services		
Service and administration charges	1,518.51	1,130.88
Fees on value added services and products	502.57	439.63
Foreclosure charges	307.59	216.62
Distribution income	1,875.29	1,153.49
	4,203.96	2,940.62
Geographical markets		
India	4,203.96	2,940.62
Outside India	-	-
	4,203.96	2,940.62
Timing of revenue recognition		
Services transferred at a point in time	4,203.96	2,940.62
Services transferred over time	-	-
	4,203.96	2,940.62

Contract balances

(₹ in crore)

Particulars	As at 31 March 2023	2022
Fees, commission and other receivables	324.04	237.92
	324.04	237.92

-Impairment loss allowance recognised on contract balances is ₹ 1.30 crore (Previous year ₹ Nil).

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

40 Employee benefit plans

Defined benefit plans

(A) Gratuity

The Company has a gratuity plan for its employee's which is governed by the Payment of Gratuity Act, 1972. The gratuity benefit payable to the employees of the Company is greater of the provisions of the Payment of Gratuity Act, 1972 and the Company's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The level of benefits provided depends on the employee's length of service, managerial grade and salary at retirement age. The gratuity plan is a funded plan and the Company makes contributions to approved gratuity fund.

Risk associated with defined benefit plan

S. No	Type of risk	Description of risk
(i)	Changes in discount rate	The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities and plan investment asset.
(ii)	Salary escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.
(iii)	Attrition rate risk	If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.
(iv)	Mortality rate risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase/decrease in the life expectancy of the plan participants can have impact on plan liability.

Movement in defined benefit obligations

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Defined benefit obligation as at the beginning of the year	257.92	208.65
Current service cost	46.50	40.73
Past service cost	9.00	-
Interest on defined benefit obligation	18.10	13.81
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(6.97)	(12.41)
Actuarial loss/(gain) arising from change in demographic assumptions	4.66	(5.44)
Actuarial loss/(gain) arising on account of experience changes	30.89	24.01
Benefits paid	(9.44)	(11.43)
Liabilities assumed/(settled)*	(7.78)	-
Defined benefit obligation as at the end of the year	342.88	257.92

* On account of business combination within the Group.

40 Employee benefit plans (Contd.)

Movement in plan assets

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Fair value of plan asset as at the beginning of the year	140.63	114.39
Employer contributions	30.41	31.06
Interest on plan assets	10.66	8.40
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(4.74)	(1.79)
Benefits paid	(9.44)	(11.43)
Assets acquired/(settled)*	(7.78)	-
Fair value of plan asset as at the end of the year	159.74	140.63

* On account of business combination within the Group.

Reconciliation of net liability/asset

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Net defined benefit liability/(asset) as at the beginning of the year	117.29	94.26
Expense charged to Statement of Profit and Loss	62.94	46.14
Amount recognised in Other Comprehensive Income	33.32	7.95
Employers contribution	(30.41)	(31.06)
Net defined benefit liability/(asset) as at the end of the year	183.14	117.29

Expenses charged to the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Current service cost	46.51	40.73
Past service cost	9.00	-
Interest cost	7.43	5.41
	62.94	46.14

Remeasurement gains/(losses) in Other Comprehensive Income

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Opening amount recognised in other comprehensive income	101.37	93.42
Changes in financial assumptions	(6.97)	(12.41)
Changes in demographic assumptions	4.66	(5.44)
Experience adjustments	30.89	24.01
Actual return on plan assets less interest on plan assets	4.74	1.79
Closing amount recognised outside profit or loss in other comprehensive income	134.69	101.37

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

40 Employee benefit plans (Contd.)

Amount recognised in Balance Sheet

(₹ in crore)

Particulars	As at 31 March 2023	2022
Present value of funded defined benefit obligation	342.88	257.92
Fair value of plan assets	159.74	140.63
Net funded obligation	183.14	117.29
Net defined benefit liability recognised in Balance Sheet	183.14	117.29

Key actuarial assumptions

Particulars	As at 31 March 2023	2022
Discount rate (p.a.)	7.45%	7.25%
Salary escalation rate (p.a.)	11.00%	11.00%
Category of plan assets		
Insurer managed funds	100%	100%

Sensitivity analysis for significant assumptions

	As at 31 March 2023		As at 31 March 2022	
Particulars	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(4.82%)	5.01%	(4.96%)	5.16%
Impact of decrease in 50 bps on defined benefit obligation	5.20%	(4.69%)	5.37%	(4.82%)

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March 2023	2022
Maturity Profile		
Expected benefits for year 1	23.06	16.59
Expected benefits for year 2	24.61	16.88
Expected benefits for year 3	24.49	19.04
Expected benefits for year 4	26.82	18.94
Expected benefits for year 5	26.30	20.04
Expected benefits for year 6	27.44	18.94
Expected benefits for year 7	34.00	17.30
Expected benefits for year 8	28.08	24.10
Expected benefits for year 9	26.56	20.96
Expected benefits for year 10 and above	621.88	469.53

40 Employee benefit plans (Contd.)

Expected contribution to fund in the next year

(₹ in crore)

Particulars	As at 31 March 2023	2022
Expected contribution to fund in the next year	30.50	29.50

(B) Compensated absences

(₹ in crore)

Particulars	As at 31 March 2023	2022
Maturity profile		
Present value of unfunded obligations	13.72	12.84
Expense recognised in the Statement of Profit and Loss	4.94	5.30
Discount rate (p.a.)	7.45%	7.25%
Salary escalation rate (p.a.)	11.00%	11.00%

(C) Long term service benefit liability

(₹ in crore)

Particulars	As at 31 March 2023	2022
Present value of unfunded obligations	44.08	22.31
Expense recognised in the Statement of Profit and Loss	25.19	4.55
Discount rate (p.a.)	7.45%	7.25%

(D) Provident fund

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contributions in case of shortfall in the plan asset. During the year, the Company recognised expense of ₹ 64.36 crore (Previous year ₹ 49.20 crore) towards contribution made to provident fund under defined contribution plan.

41 Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of

(₹ in crore)

Particulars	As at 31 March 2023	2022
Disputed claims against the Company not acknowledged as debts	63.45	52.87
VAT matters under appeal	4.31	4.29
ESI matters under appeal	5.14	5.14
Guarantees provided on behalf of the Company	2.50	2.50
Service tax/Goods and Service Tax matters under appeal		
On interest subsidy [Refer footnote (ii) below]	2,164.00	2,034.72
On additional reversal of credit on investment activity [Refer footnote (iii) below]	573.73	545.47
On penal interest/charges [Refer footnote (iv) below]	265.49	251.37
On reversal of input tax credit on credit note by the customer [Refer footnote (v) below]	30.41	-
On others	14.30	13.73
Income tax matters:		
Appeals by the Company	16.09	9.54
Appeals by the Income tax department	0.28	0.28

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

41 Contingent liabilities and commitments (Contd.)

(i) The Company is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense.

(ii) The Commissioner, Service Tax Commissionerate Pune, through an order dated 31 March 2017, has confirmed the demand of service tax of ₹ 644.65 crore and penalties of ₹ 198.95 crore from the Company in relation to the interest subsidy the Company received from manufacturers and dealers during the period 1 April 2010 to 30 September 2016. The Commissioner has also demanded payment of interest on the service tax amount confirmed until the date the Company pays the service tax demanded, which as at 31 March 2023 amounted to ₹ 883.95 crore. In accordance with legal advice, the Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. The Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

In addition, the Principal Commissioner, Central GST and Central Excise, Commissionerate Pune -I, through order dated 3 February 2021, has confirmed the demand of service tax of ₹ 217.22 crore and penalty thereon of ₹ 21.72 crore from the Company in relation to the interest subsidy received from manufacturers and dealers during the period 1 October 2016 to 30 June 2017. The Principal Commissioner has also demanded payment of interest on the service tax amount confirmed until the date the Company pays the service tax demanded, which as at 31 March 2023 amounted to ₹ 197.51 crore. In accordance with legal advice, the Company filed an appeal on 14 June 2021 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai against the said demand. The Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

(iii) The Commissioner, Central Excise and CGST, Pune -I, Commissionerate, through an order dated 15 November 2021, has confirmed the demand of service tax of ₹ 188.37 crore and penalty of ₹ 188.37 crore from the Company alleging short reversal of Cenvat credit with respect to investment activity in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period 1 October 2014 to 30 June 2017. In addition, the Commissioner has demanded payment of interest on the service tax amount confirmed until the date the Company pays the service tax demanded, which as at 31 March 2023 amounted to ₹ 196.99 crore. In accordance with legal advice, the Company filed an appeal on 17 February 2022 with the CESTAT Mumbai disputing the demands. The Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

(iv) The Commissioner, Central Excise and CGST, Pune -I, Commissionerate, through an order dated 7 September 2018, has confirmed the demand of service tax of ₹ 53.87 crore and penalties of ₹ 53.87 crore from the Company in relation to the penal interest/charges the Company received from the customers during the period 1 July 2012 to 31 March 2016. In addition, the Commissioner has demanded payment of interest on the service tax amount confirmed until the date the Company pays the service tax demanded, which as at 31 March 2023 amounted to ₹ 75.70 crore. In accordance with legal advice, the Company filed an appeal on 26 December 2018 with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai disputing the demands. The Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

In addition, the Principal Commissioner, Central GST and Central Excise, Pune -I Commissionerate, through an order dated 30 December 2019, has confirmed the demand of service tax of ₹ 40.22 crore and penalty thereon of ₹ 4.02 crore on penal interest/charges received by the Company from the customers during the period 1 April 2016 to 30 June 2017. The Principal Commissioner has also demanded payment of interest on the service tax amount demanded, until the date the Company pays the demand, which as at 31 March 2023, amounted to ₹ 37.81 crore. In accordance with legal advice, the Company filed an appeal on 28 August 2020 with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai disputing the demands. On 28 June 2019, the GST authority issued circular clarifying that additional/penal interest received satisfies the definition of interest as per GST law and hence, would be exempted under Sl. No. 27 of notification No. 12/2017-Central Tax (Rate) dated 28th June 2017. Further, vide circular dated 3 August 2022, the GST authority clarified that amount received for cheque dishonor fine/penalty is not a consideration for any service and thus, not liable to GST. The Company, in line with the opinion obtained from a legal counsel and the clarificatory circulars issued by the GST authority, is of view that the said demands are not tenable.

41 Contingent liabilities and commitments (Contd.)

(v) The Assistant Commissioner, West Bengal, through an order dated 06 February 2023, has confirmed the demand of GST of ₹ 11.46 crore and penalty of ₹ 11.46 crore from the Company alleging that input tax credit to the extent of credit notes issued by Company was not reversed by customers for the period 1 July 2017 to 31 March 2020. The Assistant Commissioner has also demanded payment of interest on the GST liability confirmed until the date the Company pays the GST demanded, which as at 31 March 2023 amounted to ₹ 7.49 crore. In accordance with legal advice, the Company is in the process of filing an appeal before the Deputy Commissioner, West Bengal disputing the demands. The Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

(vi) It is not practicable for the Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(b) Capital and other commitments

(₹ in crore)

Particulars	As at 31 March 2023	2022
(i) Capital commitments [Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)]		
Tangible	48.03	8.02
Intangible	5.93	23.29
(ii) Other commitments		
Towards partially disbursed/un-encashed loans	3,280.44	2,624.20
Towards future corporate social responsibility spend	165.83	82.65
	3,500.23	2,738.16

42 Changes in liability arising from financing activities

(a) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 - Statement of Cash flows)

The Company does not have any financing activities and investing 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 (Ind AS 7 - Statement of Cash flows)

(₹ in crore)

Particulars	As at 1 April 2022	Cash flows	Exchange difference	Other	As at 31 March 2023
Debt securities	59,034.58	7,484.60	-	(849.33)	65,669.85
Borrowing other than debt securities	29,870.38	17,994.90	9.59	19.83	47,894.70
Deposits	30,289.13	13,897.54	-	303.12	44,489.79
Subordinated liabilities	3,845.77	(207.12)	-	(8.36)	3,630.29
	123,039.86	39,169.92	9.59	(534.74)	161,684.63

(₹ in crore)

Particulars	As at 1 April 2021	Cash flows	Exchange difference	Other	As at 31 March 2022
Debt securities	43,071.71	15,101.77	-	861.10	59,034.58
Borrowing other than debt securities	27,080.25	2,729.39	37.53	23.21	29,870.38
Deposits	25,803.43	4,273.68	-	212.02	30,289.13
Subordinated liabilities	3,898.61	(50.01)	-	(2.83)	3,845.77
	99,854.00	22,054.83	37.53	1,093.50	123,039.86

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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 transaction	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet	FY2021-22 Transaction value	FY2021-22 Outstanding amounts carried in Balance Sheet
(A) Holding Company					
1. Bajaj Finserv Ltd.	Contribution to equity (317,816,130 shares of ₹ 2 each)	-	(63.56)	-	(63.56)
	Secured non-convertible debentures issued	-	(770.00)	-	(685.00)
	Secured non-convertible debentures redemption	415.00	-	35.00	-
	Interest paid on non-convertible debentures	50.50	-	42.17	-
	Dividend paid	635.63	-	317.82	-
	Asset purchases	0.08	(0.09)	-	-
	Asset sales	0.15	-	0.01	-
	Business support charges received	1.55	-	1.87	-
	Business support charges paid	41.45	-	38.78	-
	Amount paid under ESOP recharge arrangements	2.34	(2.52)	-	-
(B) Subsidiaries					
1. Bajaj Housing Finance Ltd.	Investment in equity shares	2,500.00	7,528.00	-	5,028.00
	Amount received under ESOP recharge arrangements	26.17	-	19.23	-
	Short term loan given	-	-	750.00	-
	Short term loan repayment received	-	-	750.00	-
	Loan portfolio assigned out	-	-	738.79	-
	Loan portfolio assigned in	1,789.90	-	1,503.69	-
	Inter-Corporate Deposits accepted	-	-	4,900.00	-
	Inter-Corporate Deposits repaid	-	-	4,900.00	-
	Interest accrued on Inter-Corporate Deposits	-	-	3.82	-
	Asset purchases	0.48	(0.35)	0.38	-
	Asset sales	0.79	0.10	0.27	-
	Security deposit for leased premises	-	0.08	-	0.08
	Business support charges received	4.21	2.61	3.67	-
	Service asset income	12.62	-	4.19	-
	Business support charges paid	0.81	-	1.14	-
	Rent and maintenance expenses	0.20	-	0.19	-
	Servicing fee paid	64.53	-	43.20	-
	Sourcing commission paid	1.76	(0.02)	1.44	-
2. Bajaj Financial Securities Ltd.	Investment in equity shares	-	670.38	400.00	670.38
	Amount received under ESOP recharge arrangements	0.50	-	0.20	0.20
	Short term loan given	7,478.00	-	6,520.00	50.00
	Short term loan repayment received	7,528.00	-	6,470.00	-
	Margin money given	10.00	-	-	-
	Margin money repayment received	10.00	-	-	-
	Interest received on short term loan given	5.23	-	5.51	0.01
	Asset sales	0.01	-	0.01	-
	Sourcing commission received (previous year transaction value ₹ 36,300, outstanding ₹ 42,834)	-	-		

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

(₹ in crore)

Name of the related party and nature of relationship		Nature of transaction	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet	FY2021-22 Transaction value	FY2021-22 Outstanding amounts carried in Balance Sheet
		Business support charges received	0.12	-	0.23	-
		Business support charges paid	0.87	-	0.98	(0.07)
		Sourcing commission paid	0.22	-	7.47	(0.28)
		Depository service charges paid	0.72	(0.09)	0.33	-
(C)	**Fellow subsidiaries**					
1.	Bajaj Allianz Life Insurance Company Ltd.	Contribution to equity (247,000 shares of ₹ 2 each)	-	(0.05)	-	(0.05)
		Secured non-convertible debentures issued	-	(200.00)	-	(200.00)
		Unsecured non-convertible debentures issued	425.00	(2,265.00)	425.00	(1,770.70)
		Unsecured non-convertible debentures redemption	0.70	-	-	-
		Interest paid on non-convertible debentures	179.07	-	140.03	-
		Dividend paid	0.49	-	0.20	-
		Security deposit for leased premises	0.29	1.82	-	1.53
		Advance towards insurance	-	1.99	-	1.18
		Commission income (previous year outstanding ₹ 14,387)	25.81	0.47	14.89	
		Insurance expenses	76.18	-	24.95	-
		Rent and maintenance expenses	2.70	-	1.81	-
2.	Bajaj Allianz General Insurance Company Ltd.	Secured non-convertible debentures issued	-	(243.50)	-	(760.00)
		Unsecured non-convertible debentures issued	-	(40.00)	-	(40.00)
		Secured non-convertible debentures redemption	660.00	-	-	-
		Interest paid on non-convertible debentures	67.19	-	63.97	-
		Asset purchases (previous year transaction value ₹ 35,577)	-	-		-
		Asset sales (previous year outstanding ₹ 18,190)	0.07	-	0.10	
		Advance towards insurance	-	0.74	-	47.55
		Commission income	19.08	2.02	12.91	1.00
		Interest subsidy received	3.08	-	4.16	-
		Business support charges received	-	-	2.93	-
		Insurance expenses	49.90	-	42.48	-
3.	Bajaj Finserv Direct Ltd.	Investment in equity shares	-	2.69	2.69	2.69
		Deemed equity at cost	-	280.47	280.47	280.47
		Asset purchases (previous year outstanding ₹ 2,967)	1.20	-	0.30	
		Purchase of platform	67.22	(8.17)	44.34	-
		Asset sales	0.18	-	0.06	-
		Business support charges received	6.94	-	1.32	-
		Business support charges paid	49.35	(0.43)	36.28	(4.29)
		Sourcing commission paid	122.32	(14.07)	66.62	(9.16)
		Platform usage charges	37.47	(4.42)	31.22	-
		Annual maintenance charges on loan	7.44	(0.79)	3.17	(0.15)

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet	FY2021-22 Transaction value	FY2021-22 Outstanding amounts carried in Balance Sheet
4. Bajaj Finserv Health Ltd.	Asset purchases	3.18	-	-	-
	Asset sales	0.02	-	0.24	-
	Commission income	79.35	10.11	54.48	12.30
	Interest subsidy received	0.83	-	1.88	-
	Product distribution fee	2.36	(0.39)	1.76	-
5. Bajaj Finserv Asset Management Ltd.	Business support charges received	0.01	-	-	-
(D) Associate					
1. Snapwork Technologies Pvt. Ltd. (Associate w.e.f. 25 Nov 2022)	Investment in equity shares	28.49	28.49	-	-
	Investment in Compulsorily Convertible Preference Shares	64.25	64.25	-	-
	Information technology design and development charges	4.98	-	-	-
(E) Key management personnel (KMP) and their relatives					
1. Rahul Bajaj (Director till 30 Apr 2021) (Chairman Emeritus till 12 Feb 2022)	Sitting fees	-	-	0.01	-
	Commission	-	-	0.02	(0.02)
2. Sanjiv Bajaj (Chairman)	Sitting fees	0.23	-	0.25	-
	Commission	0.58	(0.52)	0.61	(0.54)
3. Rajeev Jain (Managing Director)	Short-term employee benefits	17.91	-	14.17	(1.66)
	Share-based payment:				
	Equity shares issued pursuant to stock option scheme	5.09	-	12.77	-
	Fair value of stock options granted	26.25	-	19.44	-
4. Madhur Bajaj (Director till 31 Jul 2022)	Sitting fees	0.02	-	0.06	-
	Commission	0.05	(0.05)	0.15	(0.13)
5. Rajiv Bajaj (Director)	Sitting fees	0.06	-	0.05	-
	Commission	0.15	(0.14)	0.12	(0.11)
6. Dipak Poddar (Director till 31 Mar 2022)	Sitting fees	-	-	0.12	-
	Commission	-	-	0.29	(0.26)
7. Ranjan Sanghi (Director till 30 Apr 2022)	Sitting fees	0.02	-	0.13	-
	Commission	0.05	(0.05)	0.31	(0.28)
8. D J Balaji Rao (Director)	Sitting fees	0.07	-	0.06	-
	Commission	0.18	(0.16)	0.15	(0.13)
9. Dr. Omkar Goswami (Director till 9 Jul 2021)	Sitting fees	-	-	0.04	-
	Commission	-	-	0.08	(0.07)

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

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet	FY2021-22 Transaction value	FY2021-22 Outstanding amounts carried in Balance Sheet
10. Dr. Gita Piramal (Director till 30 Apr 2022)	Sitting fees	-	-	0.06	-
	Commission	-	-	0.15	(0.13)
11. Anami N Roy (Director)	Sitting fees	0.18	-	0.20	-
	Commission	0.45	(0.41)	0.49	(0.44)
12. Dr. Naushad Forbes (Director)	Sitting fees	0.15	-	0.14	-
	Commission	0.38	(0.34)	0.34	(0.31)
13. Pramit Jhaveri (Director)	Sitting fees	0.17	-	0.08	-
	Commission	0.43	(0.38)	0.20	(0.18)
14. Radhika Haribhakti (Director w.e.f. 1 May 2022)	Sitting fees	0.08	-	-	-
	Commission	0.20	(0.18)	-	-
	Fixed deposit repaid	0.30	-	-	-
	Interest accrued on fixed deposit	0.01	-	-	-
15. Radhika Singh (Spouse of Dr. Omkar Goswami, Director till 9 Jul 2021)	Fixed deposit accepted	-	-	-	(2.00)
	Interest accrued on fixed deposit	-	-	0.04	-
16. Sanjali Bajaj (Daughter of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits	0.13	-	0.09	-
17. Shekher Bajaj	Nil	-	-	-	-
18. Niraj Bajaj	Nil	-	-	-	-
19. Manish Kejriwal (Director of Holding Company)	Secured non-convertible debentures redemption	15.00	-	-	-
	Interest paid on non-convertible debentures	1.07	-	-	-
(F) Entities in which KMP and their relatives have significant influence					
1. Bajaj Auto Ltd.	Investment in equity shares (outstanding ₹ 7,685, previous year ₹ 7,685)	-		-	
	Secured non-convertible debentures issued	-	(500.00)	-	(500.00)
	Interest paid on non-convertible debentures	25.25	-	-	-
	Inter-Corporate Deposits accepted	500.00	(500.00)	-	-
	Inter-Corporate Deposits repaid	-	-	100.00	-
	Interest accrued on Inter-Corporate Deposits	9.52	(8.57)	0.90	-
	Security deposit for leased premises	-	0.21	-	0.21
	Dividend received (transaction value ₹ 21,000, previous year ₹ 21,000)		-		-
	Business support charges received	0.18	-	0.59	-
	Interest subsidy received	0.87	0.46	11.02	-
	Bad debts sharing received	7.19	8.48	-	-
	Business support charges paid	30.22	(1.39)	26.98	-
	Rent and maintenance expenses	1.49	-	1.29	-

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

(₹ in crore)

Name of the related party and nature of relationship		Nature of transaction	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet	FY2021-22 Transaction value	FY2021-22 Outstanding amounts carried in Balance Sheet
2.	Bajaj Holdings & Investments Ltd.	Investment in equity shares (outstanding ₹ 19,646, previous year ₹ 19,646)	-		-	
		Secured non-convertible debentures issued	-	-	-	(150.00)
		Secured non-convertible debentures redemption	150.00	-	-	-
		Interest paid on non-convertible debentures	12.98	-	12.98	-
		Dividend received (transaction value ₹ 10,125, previous year ₹ 9,750)		-		-
		Business support charges received	0.97	-	0.41	-
		Business support charges paid	16.71	-	9.94	(0.05)
3.	Hind Musafir Agency Ltd.	Services received	27.62	-	6.37	-
		Advance given	-	0.01	-	0.01
4.	Bajaj Electricals Ltd.	Inter-Corporate Deposits accepted	70.00	(70.00)	-	-
		Interest accrued on Inter-Corporate Deposits	0.54	(0.48)	-	-
		Interest subsidy received	0.15	0.07	0.06	0.02
		Asset purchases (outstanding ₹ 17,400)	0.16		0.04	-
5.	Jamnalal Sons Pvt. Ltd.	Contribution to equity (127,640 shares of ₹ 2 each)	-	(0.03)	-	(0.03)
		Dividend paid	0.26	-	0.13	-
		Security deposit for leased premises	0.03	0.13	0.03	0.22
		Security deposit repayment received	0.12	-	-	-
		Rent and maintenance expenses	0.35	-	0.59	-
6.	Maharashtra Scooters Ltd.	Contribution to equity (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
		Secured non-convertible debentures issued	-	(125.00)	-	(210.00)
		Secured non-convertible debentures redemption	85.00	-	-	-
		Interest paid on non-convertible debentures	14.22	-	11.42	-
		Dividend paid	37.95	-	18.97	-
		Business support charges received	0.15	-	0.14	-
7.	Hercules Hoists Ltd.	Fixed deposit accepted	-	-	-	(6.50)
		Fixed deposit repaid	6.50	-	-	-
		Interest accrued on fixed deposit	0.51	-	0.58	(1.09)
8.	Bachhraj Factories Pvt. Ltd.	Contribution to equity (72,000 shares of ₹ 2 each)	-	(0.01)	-	(0.01)
		Dividend paid	0.14	-	0.07	-
9.	Baroda Industries Pvt. Ltd.	Contribution to equity (117,600 shares of ₹ 2 each)	-	(0.02)	-	(0.02)
		Dividend paid	0.24	-	0.12	-
10.	CERG Advisory Pvt. Ltd.	Business support charges paid	-	-	0.05	-
11.	Bajaj Sevashram Pvt. Ltd.	Contribution to equity (308,500 shares of ₹ 2 each)	-	(0.06)	-	-
(G)	**Post employment benefit plans**					
1.	Bajaj Auto Ltd. Provident Fund	Unsecured non-convertible debentures issued	-	(36.00)	-	(46.00)
		Unsecured non-convertible debentures redemption	10.00	-	-	-
		Interest paid on non-convertible debentures	4.34	-	4.35	-
		Provident fund contribution (employer's share)	-	-	1.44	-

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

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2022-23		FY2021-22	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.40	-	0.38	-
3. Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	11.19	-	11.00	-
4. Bajaj Auto Senior Staff Group Gratuity Fund	Gratuity contribution	20.50	-	20.50	-

Notes

- Transaction values 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 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 nature of related party transaction, hence not disclosed.
- Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.
- Related parties as defined under clause 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key management 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.
- During the year, Bajaj Financial Securities Ltd. (Bfinsec) has charged brokerage and other transaction charges amounting to ₹ 3.51 crore (Previous year ₹ 1.46 crore) related to sale of securities on behalf of the Company's loan against securities customers. The Company receives net sale value i.e. after deduction of these charges which are ultimately borne by its customers. The Company does not recognise these customer related charges in its Statement of Profit and Loss. Amount receivable from BFinsec as on 31 March 2023 is ₹ 53.01 crore (Previous year ₹ 12.29 crore) towards such sale transaction on behalf of loan against shares customers has been shown as payable to customers.
- Bajaj Finance Ltd. approved ₹ 2,500 crore term loan facility to Bajaj Housing Finance Ltd.
- Bajaj Finance Ltd. approved ₹ 750 crore flexi term loan facility to Bajaj Financial Securities Ltd.
- As on 31 March 2023, 20 non-corporate related parties held Company's equity shares amounting to ₹ 0.20 crore (1,017,905 shares of ₹ 2 each) (Previous year 25 parties amounting to ₹ 0.22 crore, 10,85,348 shares of ₹ 2 each). During the year, dividend paid to such related parties amounts to ₹ 2.04 crore (Previous year ₹ 1.03 crore).
- Non-convertible debentures (NCDs) transactions include only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting date.
- 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.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

44 Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by 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 the risks inherent to its business and growth strategies. 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 the mandatory regulatory capital and 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 market.

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

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

The Company's dividend distribution policy states that subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout in the range of 15% to 25% of profits after tax on standalone financials, to the extent possible.

Further, the Company supports funding needs of its wholly owned subsidiaries, associates and other investee companies by way of capital infusion and loans. Similarly, the Company also makes investment in other companies for operating and strategic reasons. These investments are funded by the Company through its equity share capital and other equity which inter alia includes retained profits.

(ii) Regulatory capital

(₹ in crore)

	As at 31 March	
Particulars	**2023**	**2022**
Tier I capital	46,152.01	38,570.88
Tier II capital	3,513.81	3,850.54
Total capital (Tier I + Tier II)	49,665.82	42,421.42
Risk weighted assets	198,890.13	155,832.47
Tier I CRAR	23.20%	24.75%
Tier II CRAR	1.77%	2.47%
CRAR (Tier I + Tier II)	24.97%	27.22%

44 Capital (Contd.)

(iii) Dividend distributions made and proposed

Dividend on equity shares declared and paid during the year

(₹ in crore)

Particulars	FY 2023	FY 2022
Dividend paid out of profits of previous year*	1,210.86	603.59
Profit for the relevant year	6,350.49	3,955.51
Dividend as a percentage of profit for the relevant year	19.07%	15.26%

*Includes amount paid ₹ 3.54 crore (Previous year ₹ 1.25 crore) on unexercised option to Trust which do not accrete to it.

Proposed for approval at the annual general meeting (not recognised as a liability as at 31 March 2023)

(₹ in crore)

Particulars	FY 2023
Dividend on equity share at ₹ 30 per share (a)	1,816.29
Profit after tax for the year ended 31 March 2023 (b)	10,289.74
Dividend proposed as a percentage of profit after tax (a/b)	17.65%

45 Events after reporting date

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

46 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.

Fair value hierarchy

The Company determines fair values of its 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.

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 of 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.
- Use of fair values as determined by the derivative counter parties.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

46 Fair values (Contd.)

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are reviewed and validated by various units of the Company including risk, treasury and finance. The Company has an established procedure governing valuation which ensures 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 under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of investments in unquoted equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model.
- Fair values of investment in quoted equity and other instruments designated under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments.
- Derivative financial instrument i.e. cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated external commercial borrowings are accounted as a cash flow hedge. Fair value of CCIRS has been determined under Level 2 using discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cashflows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates to arrive at the fair value as at reporting date.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, 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 values are deemed to be fair values. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value as at 31 March 2023

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments held under FVTPL	31-Mar-23	4,365.08	-	-	4,365.08
Equity instrument designated under FVOCI (Unquoted)	31-Mar-23	-	-	590.09	590.09
Equity instrument designated under FVOCI (Quoted)	31-Mar-23	60.40	-	-	60.40
Debt instrument designated under FVOCI	31-Mar-23	14,139.08	1,163.49	-	15,302.57
Derivative financial instrument	31-Mar-23	-	146.98	-	146.98
		18,564.56	1,310.47	590.09	20,465.12

46 Fair values (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value as at 31 March 2022

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments held under FVTPL	31-Mar-22	3.10	-	-	3.10
Equity instrument designated under FVOCI (Unquoted)	31-Mar-22	-	-	608.73	608.73
Equity instrument designated under FVOCI (Quoted)	31-Mar-22	55.73	-	-	55.73
Debt instrument designated under FVOCI	31-Mar-22	4,880.14	-	-	4,880.14
Derivative financial instrument	31-Mar-22	-	(18.12)	-	(18.12)
		4,938.97	(18.12)	608.73	5,529.58

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets:

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Opening balance	608.73	281.21
Acquisitions during the year	-	298.84
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	-
Gains/(losses) recognised in other comprehensive income	(18.64)	28.68
Closing balance	590.09	608.73

Sensitivity analysis of significant unobservable input on the fair value of equity instrument designated under FVOCI

(₹ in crore)

	Sensitivity to fair value as at 31 March 2023		Sensitivity to fair value as at 31 March 2022	
	1% increase	1% decrease	1% increase	1% decrease
Discounting rate	(21.52)	25.18	(99.09)	120.27
Cash flows	14.86	(12.89)	71.68	(60.92)

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

46 Fair values (Contd.)

Fair value of financial instruments measured at amortised cost as at 31 March 2023

(₹ 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					
Loans	179,097.12	-	-	178,683.20	178,683.20
Investments	128.59	-	-	129.45	129.45
	179,225.71	-	-	178,812.65	178,812.65
Financial liabilities					
Debt securities	65,669.85	-	66,063.93	-	66,063.93
Borrowings (other than debt securities)	47,894.70	-	-	47,894.70	47,894.70
Deposits	44,489.79	-	-	44,395.63	44,395.63
Subordinated liabilities	3,630.29	-	3,725.52	-	3,725.52
	161,684.63	-	69,789.45	92,290.33	162,079.78

*Fair value computed using discounted cash flow method.

Fair value of financial instruments measured at amortised cost as at 31 March 2022

(₹ 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					
Loans	144,276.25	-	-	144,827.76	144,827.76
Investments	5,125.74	5,129.73	-	-	5,129.73
	149,401.99	5,129.73	-	144,827.76	149,957.49
Financial liabilities					
Debt securities	59,034.58	-	60,106.37	-	60,106.37
Borrowings (other than debt securities)	29,870.38	-	-	29,870.38	29,870.38
Deposits	30,289.13	-	-	30,454.77	30,454.77
Subordinated liabilities	3,845.77	-	4,143.60	-	4,143.60
	123,039.86	-	64,249.97	60,325.15	124,575.12

*Fair value computed using discounted cash flow method.

47 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	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises from: • 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 constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by – 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 – assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs. – 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 constituted RMC and ALCO	Market risk for the Company encompasses exposures to equity investments, changes in exchange rates (which may impact external commercial borrowings), interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles. • 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 it's 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

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

47 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 constituted RMC and Chief Risk Officer (CRO)	Credit risk is: • 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 constituted 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 constituted RMC/Senior Management and Audit Committee (AC)	Operational risk is: • 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, foreign market, public and other deposits 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 interest rate during the financial year 2022-23 (FY2023) - the weighted average cost of borrowing was 7.11 % versus 7.03 % despite highly volatile market conditions and rapid increase in policy rate. The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 161,684.63 crore as of 31 March 2023 (previous year ₹ 123,039.86 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 of 5% to 8% of its overall net borrowings in normal market scenario.

47 Risk management objectives and policies (Contd.)

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 31 March 2023, the Company maintained a LCR of 113%, well in excess of the RBI's stipulated norm of 70%. LCR requirement will move to 85% from 1 December 2023 and 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 contractual cashflow of the Company's financial liabilities :

(₹ in crore)

	As at 31 March 2023			As at 31 March 2022		
Particulars	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt securities	26,182.39	57,212.18	83,394.57	26,233.19	44,781.31	71,014.50
Borrowings (other than debt securities)	22,907.95	31,203.78	54,111.73	14,510.32	18,031.12	32,541.44
Deposits	22,909.91	26,835.58	49,745.49	16,093.46	17,328.53	33,421.99
Subordinated liabilities	354.87	4,232.06	4,586.93	532.50	4,586.69	5,119.19
Trade payables	953.18	-	953.18	750.72	-	750.72
Other payables	559.10	-	559.10	313.20	-	313.20
Other financial liabilities	762.62	457.30	1,219.92	679.09	357.74	1,036.83
	74,630.02	119,940.90	194,570.92	59,112.48	85,085.39	144,197.87

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

47 Risk management objectives and policies (Contd.)

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

(₹ in crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,191.35	-	1,191.35	2,872.93	-	2,872.93
Bank balances other than cash and cash equivalent	1,124.31	1,003.80	2,128.11	27.80	-	27.80
Derivative financial instruments	146.98	-	146.98	121.90	-	121.90
Trade receivables	1,070.21	-	1,070.21	1,017.11	-	1,017.11
Loans	73,055.71	106,041.41	179,097.12	65,489.07	78,787.18	144,276.25
Investments	15,978.86	12,758.99	28,737.85	6,981.08	9,390.74	16,371.82
Other financial assets	638.80	76.41	715.21	411.76	53.18	464.94
Non-financial assets						
Current tax assets (net)	-	175.85	175.85	-	158.96	158.96
Deferred tax assets (net)	-	919.00	919.00	-	908.40	908.40
Property, plant and equipment	-	1,551.96	1,551.96	-	1,189.77	1,189.77
Capital work-in-progress	-	14.60	14.60	-	13.27	13.27
Intangible assets under development	-	64.93	64.93	-	19.41	19.41
Other intangible assets	-	594.95	594.95	-	408.67	408.67
Other non-financial assets	76.52	40.11	116.63	125.26	40.09	165.35
	93,282.74	123,242.01	216,524.75	77,046.91	90,969.67	168,016.58
LIABILITIES						
Financial liabilities						
Derivative financial instrument	-	-	-	140.02	-	140.02
Trade payables	953.18	-	953.18	750.72	-	750.72
Other payables	559.10	-	559.10	313.20	-	313.20
Debt securities	23,857.37	41,812.48	65,669.85	24,531.66	34,502.92	59,034.58
Borrowings (other than debt securities)	20,656.41	27,238.29	47,894.70	13,169.70	16,700.68	29,870.38
Deposits	21,128.67	23,361.12	44,489.79	14,975.71	15,313.42	30,289.13
Subordinated liabilities	238.05	3,392.24	3,630.29	405.10	3,440.67	3,845.77
Other financial liabilities	728.82	392.70	1,121.52	653.13	310.47	963.60
Non-financial liabilities						
Current tax liabilities (net)	122.76	-	122.76	79.33	-	79.33
Provisions	20.77	233.69	254.46	13.01	149.23	162.24
Other non-financial liabilities	299.40	36.57	335.97	455.32	56.41	511.73
	68,564.53	96,467.09	165,031.62	55,486.90	70,473.80	125,960.70

47 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.

(i) Interest rate risk

On investment book other than equity

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 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in statement of profit and loss 1% increase	Impact in statement of profit and loss 1% decrease
Investment at amortised cost	128.59	129.45	(3.09)	3.20
Investment at FVTPL	4,365.08	4,365.08	(6.56)	6.56
Investment at FVOCI (other than equity)	15,302.57	15,302.57	(152.85)	152.85

Sensitivity analysis as at 31 March 2022

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in statement of profit and loss 1% increase	Impact in statement of profit and loss 1% decrease
Investment at amortised cost	5,125.74	5,129.73	(15.01)	15.01
Investment at FVTPL	3.10	3.10	-	-
Investment at FVOCI (other than equity)	4,880.14	4,880.14	(58.81)	58.81

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 and Market Value of Equity (MVE) and Net Interest Income analysis. The same is monitored monthly by ALCO. Sensitivity of the market value of unquoted equity investments other than those in subsidiaries and associates assuming varied changes in interest rates is presented in note no. 46.

Sensitivity Analysis as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in statement of profit and loss 1% increase	Impact in statement of profit and loss 1% decrease
Loans	179,097.12	178,683.20	(1,968.35)	2,027.46
Debt securities	65,669.85	66,063.93	1,626.83	(1,741.61)
Borrowings (other than debt securities)	47,894.70	47,894.70	-	-
Deposits	44,489.79	44,395.63	587.91	(605.24)
Subordinated liabilities	3,630.29	3,725.52	93.47	(97.22)

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

47 Risk management objectives and policies (Contd.)

Sensitivity Analysis as at 31 March 2022

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in statement of profit and loss	
			1% increase	1% decrease
Loans	144,276.25	144,827.76	(1,516.52)	1,561.83
Debt securities	59,034.58	60,106.37	1,230.18	(1,311.58)
Borrowings (other than debt securities)	29,870.38	29,870.38	-	-
Deposits	30,289.13	30,454.77	384.41	(395.31)
Subordinated liabilities	3,845.77	4,143.60	127.60	(133.79)

(ii) Price risk

The Company's quoted equity investments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, the Company periodically monitors the sectors it has invested in, performance of the investee companies and measures mark- to- market gains/(losses).

Sensitivity Analysis as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in statement of profit and loss	
			1% increase	1% decrease
Investment in equity shares (quoted)	60.40	60.40	6.04	(6.04)

Sensitivity Analysis as at 31 March 2022

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in statement of profit and loss	
			1% increase	1% decrease
Investment in equity shares (quoted)	55.73	55.73	5.57	(5.57)

(iii) Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its external commercial borrowing (ECB). The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal & Coupon). As a matter of prudence, the Company has hedged the entire ECB exposure for the full tenure as per Board approved Interest rate risk, Currency risk and Hedging policy.

The Company evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs for raising ECB. The Company manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved 'Interest rate risk, Currency risk and Hedging policy'.

The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR are as follows:

(₹ in crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	JPY	USD	JPY
Hedged				
ECB	(1,299.50)	-	(3,964.19)	(1,417.97)
Derivative financial instrument*	1,299.50	-	3,964.19	1,417.97
Unhedged	-	-	0.23	-

*Represents the notional amount of the derivative financial instrument.

47 Risk management objectives and policies (Contd.)

Hedging policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Impact of hedge on the Balance Sheet :

As at 31 March 2023

(₹ in crore)

Particulars	Notional amount	Carrying amount of hedging instrument asset	Carrying amount of hedging instrument liability
INR USD CCIRS	1,299.50	146.98	-

As at 31 March 2022

(₹ in crore)

Particulars	Notional amount	Carrying amount of hedging instrument asset	Carrying amount of hedging instrument liability
INR USD CCIRS	3,964.19	121.90	(9.48)
INR JPY CCIRS	1,417.97	-	(130.54)

(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 seven broad categories viz: (i) urban lending, (ii) two and three wheeler lending, (iii) SME lending, (iv) rural lending, (v) mortgages, (vi) loan against securities, and (vii) commercial lending. 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 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. 3.4(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 3.4 (i).

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

47 Risk management objectives and policies (Contd.)

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, pass through certificates ('PTC') and other financial assets.

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

<table>
<tr><th rowspan="2">Lending verticals</th><th rowspan="2">Nature of businesses</th><th colspan="3">PD</th><th rowspan="2">EAD</th><th rowspan="2">LGD</th></tr>
<tr><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr>
<tr><td>Urban Sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="6">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates.</td><td rowspan="6">Empirical performance across different DPD (Days Past Due) ranges</td><td rowspan="3">100%</td><td rowspan="7">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%.</td><td rowspan="7">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.</td></tr>
<tr><td>Two and three wheeler finance</td><td>Two and three wheeler financing</td></tr>
<tr><td>Urban B2C</td><td>Personal loans to salaried and self employed individuals</td></tr>
<tr><td>SME lending</td><td>Unsecured and secured loans to SME's, self employed customers and professionals</td><td rowspan="3">100%</td></tr>
<tr><td>Rural Sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td></tr>
<tr><td>Rural B2C</td><td>Personal loans to salaried, self employed customers, professionals and gold loans</td></tr>
<tr><td>Mortgages</td><td>Home loans, loans against property, developer finance and lease rental discounting</td><td colspan="2">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.</td><td>100%</td></tr>
<tr><td>Loan against securities</td><td>Loans against shares, mutual funds, deposits and insurance policies</td><td colspan="2">Determined basis empirical risk performance</td><td>100%</td><td>Determined basis empirical risk performance</td><td>Based on associated risk of the underlying securities</td></tr>
<tr><td>Commercial lending</td><td>Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.</td><td colspan="2">Internal evaluation/judgement applied at customer or industry segment.</td><td>100%</td><td>100%</td><td>Based on estimates of cash flows</td></tr>
</table>

47 Risk management objectives and policies (Contd.)

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

As at 31 March 2023

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	78,849.04	1,280.08	1,108.53	99,240.44	1,392.91	1,066.96
Allowance for ECL	348.84	282.41	586.57	1,248.21	572.51	802.30
ECL coverage ratio	0.44%	22.06%	52.91%	1.26%	41.10%	75.19%

As at 31 March 2022

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	59,809.13	1,842.83	1,696.05	82,159.88	1,414.11	1,291.09
Allowance for ECL	345.52	458.51	862.69	900.92	492.73	876.47
ECL coverage ratio	0.58%	24.88%	50.86%	1.10%	34.84%	67.89%

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 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 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
Urban sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture, digital products etc.
Two and three wheeler finance	Hypothecation of underlying two and three wheeler
Rural sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture and digital products etc.
Rural B2C - Gold loans	Pledge of gold jewellery.
SME lending (Secured)	Hypothecation of underlying product e.g. used car and medical equipment etc.
Mortgages	Equitable mortgage of residential and commercial properties.
Loan against securities	Pledge of equity shares and mutual funds and lien on deposits and insurance policies.
Commercial lending	Plant and machinery, book debts etc.

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 and primarily in its two wheeler and three wheeler financing business. 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. For its loan against securities business, the Company recoups shortfall in value of securities through part recall of loans or additional securities from the customer, or sale of underlying securities. The Company does not record repossessed assets on its Balance Sheet as non-current assets held for sale.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

47 Risk management objectives and policies (Contd.)

Guarantee cover taken on loans

To secure its eligible pool, the Company takes guarantee cover for its portfolios across B2C, MSME and three-wheeler financing business under Credit Guarantee Fund Scheme for NBFCs (CGS-II) from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI. As on 31 March 2023, the Company has covered ₹ 3,711 crore of its loan assets under this scheme. This has helped the Company to offset ₹ 171 crore worth of credit losses during the current year with further claims maturing over FY2024 and FY2025.

Further, the Company has also granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to its qualifying customers, as of 31 March 2023 ₹ 447 crore of loans are outstanding under ECLGS.

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 seven categories of lending mentioned above.

ECL sensitivity analysis to forward economic conditions and management overlay

Allowance for impairment on financial instruments recognised in the 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 year, 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 unemployment rate reflected acceptable correlation with past loss trends and were considered appropriate by the Management. Unemployment has a direct relation with the income levels and thus the growth of the economy from the expenditure side. 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 Unemployment, the Company has considered data published by a leading business information (BI) company engaged in monitoring of Indian economic indicators.

47 Risk management objectives and policies (Contd.)

In FY2023, Unemployment rate over the quarters has been oscillating around 7.5% versus pre COVID levels of around 7%, indicating normalisation towards its central scenario.

- While formulating the Central Scenario, the Company has considered that the current unemployment rate of 7.69% may move towards an average of 7.4% over the next few years.
- For the downside scenario, the Company believes that the downside risks might have passed, however, the downside peak unemployment rate might reach 8.78%. However, as per mean reversion approach, the downside scenario assumes it to fall from the peak and normalise to around 7.4% within next three years.
- For the upside scenario, the Company acknowledges various surveys and studies indicating improving employment situation as also industrial recovery. Therefore, while forecasting, a positive stance has been adopted with the expectation that the unemployment levels may not drop significantly. The unemployment rate may improve to a best case of 3.4% by the end of June 2024 but may come back to an historical (excluding COVID period) 4-year average of 7.4%.

Consumer Price Index (CPI or inflation) crossed the RBI comfort level of 6% and remained above 6% for first seven months of FY2023. Later again in Jan'23 and Feb'23, it crossed 6%. The inflation as at Mar'23 has moderated to 5.7%, which is within the RBI comfort level. MPC is taking appropriate measures to control inflation through monetary tightening and has projected inflation to reach a level of 5.3% in FY2024.

- The Central Scenario assumed by the Company considers a persistent inflation around 6.2% in Q4 FY2023. We have, however, seen higher levels of inflation in the first half of FY2023 and the Company expects inflation to come down in FY2024, which is in line with the Central bank's projection. However, keeping a conservative approach, company expects inflation to range between 6.3% to 6.2% during FY2024, suggesting inflation to decline moderately compared to previous year.
- For the downside scenario, the Company considers that the inflation risk may continue due to various uncertainties (SVB crisis, geopolitical conflict, elections the Company), and therefore assumes the inflation to touch a peak of around 9.66% in Q2 FY2024, and subsequently normalise to around 5.94% 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 the Company, and, therefore, inflation may see easing to a level of around 2.2% before averaging back to the average of 5.94%.

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 financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

47 Risk management objectives and policies (Contd.)

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Gross carrying amount of loans	182,937.96	148,213.09
Reported ECL on loans	3,840.84	3,936.84
Reported ECL coverage	2.10%	2.66%
Base ECL without macro overlay	3,117.84	3,087.84
Add : Management overlay	592.00	676.00
ECL before adjustment for macro economic factors	3,709.84	3,763.84
ECL amounts for alternate scenario		
Central scenario (80%)	3,833.79	3,916.05
Downside scenario (10%)	4,723.67	4,506.05
Upside scenario (10%)	3,014.43	3,533.94
Reported ECL	3,840.84	3,936.84
Management and Macro economic overlay	723.00	849.00
-Management overlay	592.00	676.00
-Overlay for macro economic factors	131.00	173.00
ECL Coverage ratios by scenario		
Central scenario (80%)	2.10%	2.64%
Downside scenario (10%)	2.58%	3.04%
Upside scenario (10%)	1.65%	2.38%

(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. BFL 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.

48 Employee stock option plan

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

The Board of Directors at its meeting held on 14 October 2009, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of the Company aggregating to 1,829,803 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 shareholders of the Company vide their special resolution passed through postal ballot on 15 December 2009 approved the issue of equity shares of the Company under one or more Employee Stock Option Scheme(s). The shareholders, at the Annual General Meeting held on 16 July 2014, approved an additional issue of 677,313 stock options i.e. from 1,829,803 to 2,507,116 options of the face value of ₹ 10 each under the stock options scheme of the Company i.e. Employee Stock Option Plan 2009.

Pursuant to the sub-division of each equity share of face value of ₹ 10 into five equity shares of face value of ₹ 2 on 10 September 2016 and allotment of bonus equity share in the proportion of one equity share of face value of ₹ 2 for every one equity share on 14 September 2016, the aggregate number of equity shares which would be available for future grants under the Employee Stock Option Plan, 2009 were adjusted from 2,507,116 equity shares of face value of ₹ 10 to 25,071,160 equity shares of face value of ₹ 2 each.

Further, vide the Special Resolution passed by the members of the Company through postal ballot on 19 April 2021, the aforesaid limit of options was enhanced by 10,000,000 options. The maximum limit under the scheme now stand revised from 25,071,160 options to 35,071,160 options.

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 select senior level executives of the Company and its subsidiaries in accordance with the Stock Option Scheme. Details of grants given up to 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 31 March 2023

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-
21-Jul-10	54.20	3,267,500	-	-	2,948,130	319,370	-
28-Jul-11	70.52	3,762,000	-	-	3,335,000	427,000	-
16-May-12	87.61	3,595,000	-	-	3,015,750	579,250	-
15-May-13	138.04	3,949,300	-	-	3,096,300	853,000	-
01-Nov-13	135.31	197,000	-	-	49,250	147,750	-
16-Jul-14	219.66	2,816,000	81,500	-	2,393,750	340,750	81,500
20-May-15	448.16	1,935,000	158,800	-	1,406,700	369,500	158,800
24-May-16	765.37	1,430,000	302,800	-	901,825	225,375	302,800
17-May-17	1,347.75	1,120,750	355,494	-	623,893	141,363	355,494
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-
01-Feb-18	1,677.85	120,000	21,702	-	49,334	48,964	21,702
17-May-18	1,919.95	1,273,416	511,235	-	555,967	206,214	511,235
16-May-19	3,002.75	1,123,900	477,036	244,897	316,936	85,031	721,933
19-May-20	1,938.60	2,054,250	569,830	912,853	405,973	165,594	1,482,683
27-Apr-21	4,736.55	936,643	180,681	659,013	48,915	48,034	839,694
26-Apr-22	7,005.50	1,003,756	-	986,280	-	17,476	986,280
25-Jul-22	6,258.25	19,349	-	19,349	-	-	19,349
		29,940,214	2,659,078	2,822,392	20,446,573	4,012,171	5,481,470

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

48 Employee stock option plan (Contd.)

As on 31 March 2022

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-
21-Jul-10	54.20	3,267,500	-	-	2,948,130	319,370	-
28-Jul-11	70.52	3,762,000	-	-	3,335,000	427,000	-
16-May-12	87.61	3,595,000	-	-	3,015,750	579,250	-
15-May-13	138.04	3,949,300	75,500	-	3,020,800	853,000	75,500
01-Nov13	135.31	197,000	-	-	49,250	147,750	-
16-Jul-14	219.66	2,816,000	285,255	-	2,189,995	340,750	285,255
20-May-15	448.16	1,935,000	315,145	-	1,250,355	369,500	315,145
24-May-16	765.37	1,430,000	403,375	-	801,250	225,375	403,375
17-May-17	1,347.75	1,120,750	440,307	-	539,080	141,363	440,307
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-
01-Feb-18	1,677.85	120,000	27,126	-	43,910	48,964	27,126
17-May-18	1,919.95	1,273,416	404,417	244,912	416,510	207,577	649,329
16-May-19	3,002.75	1,123,900	343,451	501,778	198,595	80,076	845,229
19-May-20	1,938.60	2,054,250	311,196	1,411,314	197,334	134,406	1,722,510
27-Apr-21	4,736.55	936,643	2,401	905,273	773	28,196	907,674
		28,917,109	2,608,173	3,063,277	19,305,582	3,940,077	5,671,450

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

(₹ in crore)

Particulars	FY2023		FY2022
Grant date	25-Jul-22	26-Apr-22	27-Apr-21
No. of options granted	19,349	1,003,756	936,643
Weighted average fair value (₹)	2,683.83	3,212.49	2,108.92

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

As on 31 March 2023

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 year	5,671,450	138.04-4,736.55	2,219.04	4.49
Granted during the year	1,023,105	6,258.25-7,005.5	6,991.37	
Cancelled during the year	72,094	1919.95-7,005.5	4,010.24	
Exercised during the year	1,140,991	138.04-4,736.55	1,385.83	
Outstanding at the end of the year	5,481,470	219.66-7,005.5	3,259.66	4.42
Exercisable at the end of the year	2,659,078	219.66-4,736.55	1,959.63	2.66

48 Employee stock option plan (Contd.)

As on 31 March 2022

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 year	6,633,275	87.61-3,002.75	1,560.95	4.51
Granted during the year	936,643	4,736.55	4,736.55	
Cancelled during the year	184,252	1,677.85-4,736.55	2,584.37	
Exercised during the year	1,714,216	87.61-4,736.55	1,008.80	
Outstanding at the end of the year	5,671,450	138.04-4,736.55	2,219.04	4.49
Exercisable at the end of the year	2,608,173	138.04-4,736.55	1,374.30	2.59

The weighted average market price of equity shares for options exercised during the year is ₹ 6,564.81 (Previous year ₹ 6,473.87).

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 (₹)*	Options granted	Vesting period
27-Apr-21	5.65%	3.5 -6.5 years	42.51%	0.21%	4,736.55	936,643	4 years on SLM basis
26-Apr-22	6.52%	3.5 - 6.5 years	42.12%	0.29%	7,005.50	946,983	4 years on SLM basis
26-Apr-22	6.95%	7.5 years	39.54%	0.29%	7,005.50	56,773	5 year bullet
25-Jul-22	7.09%	3.5 - 6.5 years	42.20%	0.32%	6,258.25	7,544	4 years on SLM basis
25-Jul-22	6.91%	3.5 years	44.71%	0.32%	6,258.25	8,202	1 year bullet
25-Jul-22	6.99%	4 years	44.15%	0.32%	6,258.25	3,603	18 month bullet

For the year ended 31 March 2023, the Company has accounted expense of ₹ 197.08 crore as employee benefit expenses (note no.34) on the aforesaid employee stock option plan (Previous year ₹ 141.80 crore). The balance in employee stock option outstanding account is ₹ 555.34 crore as of 31 March 2023 (Previous year ₹ 397.56 crore).

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

48 Employee stock option plan (Contd.)

(B) Employee stock option plan of Bajaj Finserv Ltd.

The Nomination and Remuneration Committee of the holding Company has approved grant of 183,050 stock options at an exercise price of ₹ 1,482.64, adjusted for split and bonus, having a bullet vesting of 5 years to select employees of the Company in accordance with the Stock Option Scheme of the Holding Company. Of the options granted, no option has vested, cancelled or exercised during the year. The weighted average fair value of the option granted is ₹ 689.20.

The Holding 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%	6 years	34.19%	0.02%	1,482.64

For the year ended 31 March 2023, the Company has accounted expense of ₹ 2.34 crore as employee benefit expenses (note no. 34) on the aforesaid employee stock option plan (Previous year ₹ Nil)

49 Ultimate beneficiary

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

50 Relationship with struck off companies

(₹ in crore)

S. No	Name of struck off company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding as at 31 March 2023	Balance outstanding as at 31 March 2022
1	Abhilash Global Corporation Pvt. Ltd.	Loan receivables	No	0.09	0.12
2	Aditya Infocom Pvt. Ltd.	Loan receivables	No	-	0.04
3	Alpic Formulations Pvt. Ltd.	Loan receivables	No	0.06	0.06
4	Asquare Events And Production Pvt. Ltd.	Loan receivables	No	0.13	0.13
5	Astor Metal Industries Pvt. Ltd.	Loan receivables	No	0.17	0.17
6	Attract Force Management Service Pvt. Ltd.	Loan receivables	No	0.05	0.07
7	Ayuh Meditech Solutions Pvt. Ltd.	Loan receivables	No	-	0.02
8	Balsam Publishing House Pvt. Ltd.	Loan receivables	No	-	0.20
9	Bhandari Hotels Pvt. Ltd.	Loan receivables	No	0.09	0.09
10	Cse Computer Solutions East Pvt. Ltd.	Loan receivables	No	0.14	0.54
11	Daffodils Daily Opc Pvt. Ltd.	Loan receivables	No	0.12	0.12
12	Dheer Software Solutions Pvt. Ltd.	Loan receivables	No	-	0.04

50 Relationship with struck off companies (Contd.)

(₹ in crore)

S. No	Name of struck off company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding as at 31 March 2023	Balance outstanding as at 31 March 2022
13	First Office Solutions India Pvt. Ltd.	Loan receivables	No	0.07	0.03
14	First Paper Idea India Pvt. Ltd.	Loan receivables	No	0.11	0.11
15	Fortuner Con Serve Pvt. Ltd.	Loan receivables	No	-	0.03
16	Gayathri Technocrats Pvt. Ltd.	Loan receivables	No	-	0.15
17	Gintara Pvt. Ltd.	Loan receivables	No	-	0.08
18	Grastance Techonologies Pvt. Ltd.	Loan receivables	No	0.03	0.05
19	Green Way Super Market Pvt. Ltd.	Loan receivables	No	0.11	0.11
20	Hyper Collective Creative Technologies Pvt. Ltd.	Loan receivables	No	-	-
21	Indira Smart Systems Pvt. Ltd.	Loan receivables	No	0.09	0.10
22	Indochin Electrotech Pvt. Ltd.	Loan receivables	No	0.13	0.13
23	Invision Entertainment Pvt. Ltd.	Loan receivables	No	2.06	1.83
24	Jamson Pharmaceutical Pvt. Ltd.	Loan receivables	No	-	0.11
25	Kool Gourmet Pvt. Ltd.	Loan receivables	No	0.10	-
26	Koolair Systems Pvt. Ltd.	Loan receivables	No	-	0.10
27	Mankut Facility Management Service Pvt. Ltd.	Loan receivables	No	0.09	-
28	Maxin Hydro Dynamic India Pvt. Ltd.	Loan receivables	No	0.14	0.06
29	Mazda Agencies Pvt. Ltd.	Loan receivables	No	0.11	0.11
30	Mechwing Engineering & Services Pvt. Ltd.	Loan receivables	No	0.10	0.10
31	Multi Tech System Industrial Automation Pvt. Ltd.	Loan receivables	No	-	-
32	Multiton Equipments Pvt. Ltd.	Loan receivables	No	-	0.11
33	Nur Automation Pvt. Ltd.	Loan receivables	No	0.07	-
34	R R Movers And Logistics Pvt. Ltd.	Loan receivables	No	0.13	0.13
35	Relied Staffing Solution Pvt. Ltd.	Loan receivables	No	0.12	0.12
36	Shrine Infrastructure Pvt. Ltd.	Loan receivables	No	0.56	0.57
37	Singh Hindustan Marine Pvt. Ltd.	Loan receivables	No	-	-
38	Solaris People Solutions Pvt. Ltd.	Loan receivables	No	0.10	0.10
39	Sri Beera Barji Trading Co. Pvt. Ltd.	Loan receivables	No	0.06	0.07
40	Sri Sampurna Laxmi Spinning Mills Pvt. Ltd.	Loan receivables	No	0.18	0.23
41	Suzal-Whole Sale Marketing Service Pvt. Ltd.	Loan receivables	No	-	0.08
42	Tejas India Buildtech Pvt. Ltd.	Loan receivables	No	0.14	0.13
43	Times Partner Pvt. Ltd.	Loan receivables	No	-	0.01
44	Tulsians Kharidiye Pvt. Ltd.	Loan receivables	No	-	-
45	Vijayasree Rearing and Processing Pvt. Ltd.	Loan receivables	No	-	0.04
46	Wave Aquatic Pvt. Ltd.	Loan receivables	No	-	0.11

The above disclosure has been prepared basis the relevant information compiled by the Company on best effort basis.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

51 Disclosure pertaining to stock statement filed with banks or financial institutions

The Company has availed of the facilities (secured borrowings) from the lenders inter alia on the condition that, the Company shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security and debenture trustee on behalf of security holders and debenture holders.

For the financial year ended 31 March 2023

The quarterly statements or returns of current assets filed by the Company with banks are in agreement with books of accounts.

For the financial year ended 31 March 2022

(a) Details of receivable reported in the quarterly stock statement and receivable as per books of account

(₹ in crore)

Particulars	Jun-21	Sep-21	Dec-21	Mar-22
Name of bank	Trustees	Trustees	Trustees	Trustees
Particulars of securities provided	Loans	Loans	Loans	Loans
Amount as per books of accounts	117,372.02	121,243.87	130,731.63	144,276.25
Add : Impairment loss allowance	4,780.96	4,427.84	4,040.30	3,936.84
Add : Impact of EIR	1,334.84	1,468.39	1,663.25	1,742.64
Amount as per books of accounts (Gross)	123,487.82	127,140.10	136,435.18	149,955.73
Amount as reported in the quarterly return/statement	112,020.80	125,534.07	135,802.51	141,462.65

Amount as reported in quarterly return is adjusted for net stage 3 loan balances, interest accrued but not due and loans to related parties.

(b) Summary of coverage required and available for secured borrowings

(₹ in crore)

Particulars	Jun-21	Sep-21	Dec-21	Mar-22
Receivables as reported in the quarterly return/ statement (A)	112,020.80	125,534.07	135,802.51	141,462.65
Coverage required for secured borrowings (including interest accrued thereon) (B)	66,603.21	70,457.49	73,133.57	80,375.39
Charge free receivables =(A-B)	45,417.59	55,076.58	62,668.94	61,087.26
Asset cover ratio =(A/B)	1.68	1.78	1.86	1.76

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated)

(A) Capital

(₹ in crore)

Particulars		As at 31 March 2023	2022
(i)	CRAR (%)	24.97%	27.22%
(ii)	CRAR -Tier I Capital (%)	23.20%	24.75%
(iii)	CRAR -Tier II Capital (%)	1.77%	2.47%
(iv)	Amount of subordinated liabilities raised as Tier II capital (Raised during the year Nil, previous year Nil)	3,630.29	3,845.77
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-
(vi)	Discounted value of tier II bonds considered for the purpose of Tier II capital	1,916.76	2,604.10

(B) Investments

(₹ in crore)

Particulars			As at 31 March 2023	2022
(I)	**Value of investments**			
	(i)	Gross value of investments		
		- In India	28,834.14	16,451.41
		- Outside India	-	-
	(ii)	Provisions for depreciation/amortisations		
		- In India	96.29	79.59
		- Outside India	-	-
	(iii)	Net value of investments		
		- In India	28,737.85	16,371.82
		- Outside India	-	-
(II)	**Movement of provisions held towards depreciation/appreciation/ amortisation on investments**			
	(i)	Opening balance	79.59	27.48
	(ii)	Add: Provisions made during the year (net of appreciation)	21.54	85.99
	(iii)	Less: Writeoff/write back of excess provisions during the year	4.84	33.88
	(iv)	Closing balance	96.29	79.59

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(C) Derivatives

(I) Forward rate agreement/interest rate swap

(₹ in crore)

Particulars		As at 31 March 2023	As at 31 March 2022
(i)	The notional principal of swap agreements*	1,299.50	5,382.16
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	146.98	121.90
(iii)	Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps#	-	-
(v)	The fair value of the swap book, net	146.98	(18.12)

*The Company has hedged its foreign currency borrowings through CCIRS (cross currency interest rate swaps). For Accounting Policy & Risk Management Policy. (Refer note no. 3.16 and 47)

#Concentration of credit risk arising from swaps with banks.

-Forward rate agreement (FRAs) entered into during the year ₹ Nil (Previous year ₹ Nil). The Company did not have Outstanding position as on 31 March 2023 and 31 March 2022.

(II) Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

(III) Disclosures on risk exposure in derivatives

Qualitative disclosure

Details for qualitative disclosure are part of accounting policy as per financial statements. (Refer note no. 3.16 & 47)

Quantitative disclosure

(₹ in crore)

Particulars		As at 31 March 2023	As at 31 March 2022
(i)	Derivatives (notional principal amount) for hedging	1,299.50	5,382.16
(ii)	Marked to market positions		
	(a) Asset	146.98	121.90
	(b) Liability	-	140.02
(iii)	Credit exposure	-	-
(iv)	Unhedged exposures	-	-

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(D) Asset Liability Management - maturity pattern of certain items of assets and liabilities*

As at 31 March 2023

(₹ in crore)

Particulars	Over 1 day to 7 days	Over 8 days to 14 days	Over 15 days to 30 days	Over 1 Month to 2 Months	Over 2 Months 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
Public deposits	90.69	105.10	238.90	453.16	564.29	2,080.89	5,031.45	14,726.63	5,011.99	-	28,303.10
Advances (loans)	6,001.56	1,957.63	4,444.49	8,202.98	7,590.53	19,038.10	28,584.70	66,427.95	23,623.62	13,225.56	179,097.12
Investments	5,378.13	8,854.01	1,169.13	5.35	39.93	228.44	303.87	2,275.12	1,253.39	9,230.48	28,737.85
Borrowings (other than public deposits)	10,110.36	1,397.38	1,610.15	6,325.58	7,883.88	9,345.65	20,424.38	41,848.44	16,013.67	16,960.59	131,920.08
Foreign currency liabilities	-	632.22	8.43	-	-	-	820.80	-	-	-	1,461.45

As at 31 March 2022

(₹ in crore)

Particulars	Over 1 day to 7 days	Over 8 days to 14 days	Over 15 days to 30 days	Over 1 Month to 2 Months	Over 2 Months 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
Public deposits	144.42	167.21	482.43	735.35	655.61	2,269.50	4,066.47	10,905.11	1,757.97	-	21,184.07
Advances (loans)	10,144.53	1,592.97	4,031.37	6,752.27	6,614.68	16,278.87	23,733.43	46,461.21	18,618.25	10,048.67	144,276.25
Investments	-	511.97	200.41	1,112.34	205.12	4,948.14	3.10	2,386.76	641.13	6,362.85	16,371.82
Borrowings (other than public deposits)	6,305.26	3,194.10	551.18	2,225.19	5,458.31	8,134.39	14,966.18	36,705.24	8,334.23	10,459.27	96,333.35
Foreign currency liabilities	-	3.06	16.95	3.23	-	-	4,178.32	1,320.88	-	-	5,522.44

*Amounts disclosed as per the behaviouralised pattern

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(E) Exposures

(I) Exposure to real estate sector

(₹ in crore)

Category			As at 31 March 2023	2022
(i)	**Direct exposure**			
	(a)	Residential mortgages lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	5,741.34	5,061.59
	(b)	Commercial real estate lending secured by mortgages on commercial real estates	4,138.16	4,290.02
	(c)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:		
		- Residential	128.59	-
		- Commercial Real Estate	-	-
(ii)	**Indirect Exposure**			
		Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies	3,064.90	2,728.97
		Investment in Housing Finance Companies	7,528.00	5,028.00

-In addition to above, the Company has loan exposures amounting ₹ 3,606.18 crore as on 31 March 2023 (Previous year ₹ 2,179.66 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.

(II) Exposure to capital market

(₹ in crore)

Particulars		As at 31 March 2023	2022
(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; (Refer note (i) to (iii) below)	743.23	664.47
(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;	83.13	5,954.98
(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; (Refer note (iv) below)	22,466.29	8,826.03
(iv)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,064.76	103.77
Total Exposure to Capital Market		24,357.41	15,549.25

Note:

(i) Excludes investments in 100% wholly owned subsidiaries amounting to ₹ 8,198.38 crore current year (Previous year ₹ 5,698.38 crore)

(ii) Includes investment in listed equity shares of RBL Bank having actual cost of ₹ 150 crore considered at net carrying value of
₹ 60.30 crore in current year (Previous year ₹ 55.64 crore)

(iii) Includes loan amounting to ₹ 290.41 crore given to Group company for current year (Previous year ₹ 280.47 crore) fully convertible into equity shares.

(iv) Includes loan against pledge of shares by Promoters of other companies amounting to ₹ 5,792.28 crore (Previous year ₹ 3,779.92 crore)

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(III) Intra-group exposures

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Total amount of intra-group exposures	3,250.00	3,000.00
Total amount of top 20 intra-group exposures	3,250.00	3,000.00
Percentage of intra-group exposures to total exposure of the borrowers/ customers	1.49%	1.83%

(IV) Unhedged foreign currency exposure

The Company's exposure of unhedged foreign currency risk at the end of the reporting period is ₹ Nil (Previous year ₹ 0.23 crore)

(V) Details of financing of Parent Company products

The Company does not have any financing of Parent Company products during the current and previous year.

(VI) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded

The Company has not exceeded the prudential exposure limits during the current and previous year.

(VII) Unsecured advances

Gross loans and advances includes unsecured advances ₹ 101,700.31 crore (Previous year ₹ 84,865.08 crore). There are no advances secured against intangible assets.

(F) Registration obtained from other financial sector regulators

Regulator	Registration no.	Date of registration/renewal
Insurance Regulatory and Development Authority - Corporate agent	CA0101	01-Apr-2016 01-Apr-2019 (Renewed till 31-Mar-25)
AMFI Registered Mutual Fund Advisor (ARMFA)	ARN - 90319	27-Jun-2016 27-Jun-2019 27-Jun-2022 (Renewed till 26-Jun-2025)

(G) Details of penalties imposed by RBI and other regulators

Current year:

Regional Director (MCA) vide its order dated 20 May 2022, imposed a fine of ₹ 3.39 lakhs on the Company for violation of provisions of section 297 of the erstwhile Companies Act, 1956 ('Previous Act'), for entering into transactions with PN Writer and Siliguri Autoworks without seeking approval of the Board or prior approval of the Central Government. A Compounding application was made by the Company in 2012 and resubmitted in 2020 in this regards. The Compounding hearing was held on 27 April 2022 with Regional Director and a compounding fee was charged to Company which was duly paid.

BSE vide its notice through email dated 22 February 2023, imposed a fine of ₹ 50,000 (excluding GST) for delayed intimation of payment of interest/principal to stock exchanges in relation to Non-Convertible Debentures (4 ISINs). There had been no delay in payment of interest/principal and the said delay had not affected any investor adversely and the Company had remitted the requisite amount to the stock exchange.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

Previous year:

FIU-IND vide its Order dated 28 March 2022, imposed penalty of ₹ 3 lakh under PMLA and its Rules, for not having in place an effective internal mechanism to detect, not reporting suspicious transactions reportable as STRs, failure to carry out KYC updation based on periodic risk assessment and to determine ultimate beneficial ownership. The observations were based on the review by FIU-IND during September 2018 for the FY 2016, 2017 and 2018. The Company has since taken necessary corrective actions in this respect. No other penalty has been levied by RBI or any other Regulators.

(H) Details of ratings assigned by credit rating agencies and migration of ratings during the year

Rating agency	Programme	Ratings assigned	Migration in ratings during the year
India Ratings	Non-convertible debenture	IND AAA/Stable	Nil
	Subordinate debt	IND AAA/Stable	Nil
	Long term bank rating	IND AAA/Stable	Nil
	Short term bank rating	IND A1+	Nil
CRISIL	Non-convertible debenture	CRISIL AAA/Stable	Nil
	Lower tier II bond	CRISIL AAA/Stable	Nil
	Fixed deposit	CRISIL AAA/Stable*	Nil
	Long term bank rating	CRISIL AAA/Stable	Nil
	Short term bank rating	CRISIL A1+	Nil
	Subordinate debt	CRISIL AAA/Stable	Nil
	Short term debt	CRISIL A1+	Nil
ICRA	Non-convertible debenture	ICRA AAA/Stable	Nil
	Fixed deposit	ICRA AAA/Stable*	Nil
	Subordinate debt	ICRA AAA/Stable	Nil
	Short term debt	ICRA A1+	Nil
CARE	Non-convertible debenture	CARE AAA/Stable	Nil
	Subordinate debt	CARE AAA/Stable	Nil
S&P	Entity level	Long term issuer rating of 'BB+' with positive outlook Short term rating of 'B'	Nil

* Rating assigned remain constant as compared to previous year, except change in nomenclature basis shift in the FD rating scale (from 14-point to 20-point) as mandated by SEBI.

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(I) Remuneration of non-executive Directors

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Late Rahul Bajaj ('Chairman Emeritus till 12 February 2022')	-	0.03
Sanjiv Bajaj	0.80	0.86
Madhur Bajaj ('resigned w.e.f. 1 August 2022')	0.07	0.21
Rajiv Bajaj	0.21	0.17
Dipak Poddar ('resigned w.e.f. 1 April 2022')	-	0.41
Ranjan Sanghi ('resigned w.e.f. 1 May 2022')	0.07	0.44
D J Balaji Rao	0.24	0.21
Dr. Omkar Goswami ('resigned w.e.f. 9 July 2021')	-	0.12
Dr. Gita Piramal ('resigned w.e.f. 1 May 2022')	-	0.21
Dr. Naushad Forbes	0.53	0.48
Anami N Roy	0.63	0.69
Radhika Haribhakti	0.28	-
Pramit Jhaveri	0.60	0.28

-Excluding GST.

(J) Provisions and contingencies

(₹ in crore)

Break up of 'Provisions and Contingencies' shown in the Statement of Profit and Loss	For the year ended 31 March 2023	For the year ended 31 March 2022
Provision for non performing assets*	(350.29)	189.47
Provision for income tax	3,593.00	2,242.00
Provision for standard assets**	2,156.77	(204.76)
Provision for employee benefits	92.22	25.68

* Represents impairment loss allowance on stage 3 assets.
** Represents impairment loss allowance on stage 1 and stage 2 assets.

(K) Draw Down from Reserves

During the year, the Company has not drawn down any amount from reserves.

(L) Concentration of deposits, advances, exposures and NPAs

(I) Concentration of deposits

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Total deposits of twenty largest depositors	7,367.76	5,155.86
Percentage of deposits to twenty largest depositors to total deposits	16.56%	17.02%

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(II) Concentration of advances

(₹ in crore)

Particulars	As at 31 March 2023	2022
Total advances to twenty largest borrowers	6,370.70	6,566.08
Percentage of advances to twenty largest borrowers to total advances	3.48%	4.43%

- The above exposures denotes gross carrying amount.

(III) Concentration of exposures (including off-Balance Sheet exposure)

(₹ in crore)

Particulars	As at 31 March 2023	2022
Total exposure to twenty largest borrowers/customers	9,663.37	9,263.89
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	4.44%	5.64%

- The above exposures denotes gross carrying amount.

(IV) Concentration of NPAs

(₹ in crore)

Particulars	As at 31 March 2023	2022
Total exposure to top four NPA accounts	80.18	466.27

- The above exposures denotes gross carrying amount.

(V) Sector-wise NPAs

(₹ in crore)

	As at 31 March 2023			As at 31 March 2022		
Sector	Total Advances in the sector	NPA	%	Total Advances in the sector	NPA	%
(i) Agriculture & allied activities	111.04	0.65	0.59%	42.28	0.35	0.83%
(ii) MSME*	8,130.92	14.12	0.17%	14,146.82	215.82	1.53%
(iii) Corporate borrowers#	-	-	0.00%	-	-	0.00%
(iv) Services	51,466.53	944.02	1.83%	36,726.28	1,561.80	4.25%
(v) Unsecured personal loans	67,065.70	639.18	0.95%	55,289.84	524.26	0.95%
(vi) Auto loans	11,014.36	243.63	2.21%	7,944.33	446.81	5.62%
(vii) Other personal loans	31,675.07	199.05	0.63%	25,794.73	162.19	0.63%
(viii) Industries	13,474.34	134.84	1.00%	8,268.81	75.91	0.92%
	182,937.96	2,175.49	1.19%	148,213.09	2,987.14	2.02%

#Covered under specific sectors.

*As at 31 March 2023, as per RBI clarification dated 21 August 2020 on 'New Definition of Micro, Small and Medium Enterprises. – Clarification' read with circular dated 25 June 2021, 18 February 2022 and 19 May 2022, customers who have submitted Udyam registration to the Company are being classified as MSME. Had the classification done basis Company's assessment, the amount of MSME exposure would had been ₹ 18,673.80 crore.

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(vi) Sectoral exposure

(₹ in crore)

Sector	As at 31 March 2023			As at 31 March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and allied activities	194.19	0.65	0.33%	42.78	0.35	0.82%
2. Industry	18,294.22	136.93	0.75%	11,661.31	122.40	1.05%
i. Other industries	18,294.22	136.93	0.75%	11,661.31	122.40	1.05%
3. Services	74,555.13	956.05	1.28%	55,991.96	1,731.13	3.09%
i. Transport operators	5,376.98	422.72	7.86%	4,530.98	802.06	17.70%
ii. Professional services	21,459.76	192.16	0.90%	16,789.99	147.79	0.88%
iii. Retail trade	19,277.70	182.02	0.94%	12,550.60	564.31	4.50%
iv. Commercial real estate	4,138.16	26.53	0.64%	4,307.60	43.87	1.02%
v. NBFCs	12,276.19	-	0.00%	7,515.75	-	0.00%
vi. Other services	12,026.34	132.62	1.10%	10,297.04	173.10	1.68%
Out of Services -						
(a) Micro and small enterprises	6,564.47	11.95	0.18%	11,599.82	168.52	1.45%
(b) Others	67,990.66	944.10	1.39%	44,392.14	1,562.61	3.52%
4. Personal loans	124,690.09	1,081.86	0.87%	96,676.05	1,133.26	1.17%
i. Consumer durables	21,489.78	84.17	0.39%	18,163.15	44.06	0.24%
ii. Vehicle/auto loans	11,021.09	243.63	2.21%	7,958.80	446.81	5.61%
iii. Advances to individuals against shares, bonds	7,018.55	1.15	0.02%	2,497.80	-	0.00%
iii. Other retail loans	85,160.67	752.91	0.88%	68,056.30	642.39	0.94%
	217,733.63	2,175.49	1.00%	164,372.10	2,987.14	1.82%

Note:

1. As per the disclosure requirement for the purpose of above disclosure GNPA ratio is computed on total exposure (includes on balance sheet and off-balance sheet exposure) i.e Percentage of Gross NPAs to total exposure to respective sectors. Actual GNPA ratio of the Company is computed on the basis of on balance sheet exposure and accordingly are not comparable.
2. MSME exposure as at 31 March 2023 is as per Udyam registration details available with the Company.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(M) Movement of NPAs

(₹ in crore)

Particulars			For the year ended 31 March	
			2023	**2022**
(i)	**Net NPAs to net advances (%)**		0.43%	0.85%
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	2,987.14	2,611.65
	(b)	Additions during the year	4,742.69	7,999.42
	(c)	Reductions during the year (including loans written-off)	5,554.34	7,623.93
	(d)	Closing balance	2,175.49	2,987.14
(iii)	**Movement of net NPAs**			
	(a)	Opening balance	1,247.98	1,061.96
	(b)	Additions during the year	96.92	1,534.17
	(c)	Reductions during the year	558.28	1,348.15
	(d)	Closing balance	786.62	1,247.98
(iv)	**Movement of provisions for NPAs**			
	(a)	Opening balance	1,739.16	1,549.69
	(b)	Provisions made during the year	4,645.77	6,465.25
	(c)	Writeoff/write-back of excess provisions	4,996.06	6,275.78
	(d)	Closing balance	1,388.87	1,739.16

(N) Disclosure of complaints

Customer complaints

(₹ in crore)

Particulars	For the year ended 31 March	
	2023	**2022**
Number of complaints pending at the beginning of the year	-	-
Number of complaints received during the year	7,426	7,538
Number of complaints disposed during the year	7,419	7,538
Of which, number of complaints rejected during the year	64	-
Number of complaints pending at the end of the year	7	-

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

Complaints from Office of Ombudsman

(₹ in crore)

Particulars	For the year ended 31 March 2023	2022
Number of maintainable complaints received from Office of Ombudsman	2635	3,330
Number of complaints resolved in favour by Office of Ombudsman	1002	1,126
Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	1158	1,756
Number of complaints resolved after passing of awards by Office of Ombudsman against the NBFC	-	-
Others#	475	448
Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

#Others includes RBI escalations for which closure details are not available, cases received over email, and which have been subsequently rejected etc.

Top five grounds of complaints received from customers

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
FY 2022-23					
Co-branded credit card#	-	4,100	(29%)	7	-
Debt management services	-	1,044	113%	-	-
Customer profile related	-	870	71%	-	-
Communication related	-	479	444%	-	-
EMI banking related	-	280	(16%)	-	-
Others	-	653	90%	-	-
	-	7,426		7	-
FY 2021-22					
Co-branded credit card#	-	5,775	-	-	-
Customer profile related	-	509	(12%)	-	-
Debt management services	-	489	23%	-	-
EMI banking related	-	334	(84%)	-	-
Flexi loan related	-	89	(67%)	-	-
Others	-	342	(78%)	-	-
	-	7,538		-	-

#Complaints related to co-brand credit card received at the co-brand credit card partner's end have been included.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(O) Disclosure of gold loan portfolio

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Total gold loan portfolio	2,806.47	2,047.91
Total assets (Loans)	182,937.96	148,213.09
Gold loan portfolio as % of total assets	1.53%	1.38%

- The above exposures denotes gross carrying amount.

(P) Disclosure of gold auction

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Number of loan accounts	11,102	21,876
Outstanding amount	73.35	231.12
Value fetched on auctions	74.88	223.11

- None of the sister concerns of the Company participated in the auction.

(Q) The disclosures as required by the Master Direction -Monitoring of frauds in NBFCs issued by RBI dated 29 September 2016

(₹ in crore)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of cases	₹ in crore	No. of cases	₹ in crore
Amount involved is greater than or equal to 1 lakh	114	11.16	14	6.65
Amount involved is less than 1 lakh	717	1.03	86	0.17
Wallet related fraud	1,356	2.39	311	0.07

(R) Disclosures as required for liquidity risk

(I) Funding concentration based on significant counterparty (both deposits and borrowings)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings		
Number of significant counter parties	18	19
Amount (₹ in crore)	68,708.19	48,678.65
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities	41.63%	38.65%

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(II) Top 20 large deposits

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Total amount of top 20 deposits	7,367.76	5,155.86
Percentage of amount of top 20 deposits to total deposits	16.56%	17.02%

(III) Top 10 borrowings

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Total amount of top 10 borrowings	53,221.41	34,922.77
Percentage of amount of top 10 borrowings to total borrowings	32.92%	28.38%

(IV) Funding concentration based on significant instrument/product

(₹ in crore)

Particulars	As at 31 March 2023	Percentage of total liabilities	As at 31 March 2022	Percentage of total liabilities
Non-convertible debentures	55,446.82	33.60%	52,608.53	41.77%
Deposits	44,489.79	26.96%	30,289.13	24.05%
Loans from bank	38,287.89	23.20%	22,348.78	17.74%
Commercial paper	10,223.03	6.19%	6,426.05	5.10%
External commercial borrowings	1,461.45	0.89%	5,522.44	4.38%
Subordinated liabilities	3,630.29	2.20%	3,845.77	3.05%
TREPs	8,145.36	4.94%	1,999.16	1.59%

(V) Stock ratios

(₹ in crore)

Particulars		As at 31 March 2023	As at 31 March 2022
(i)	Commercial paper as a percentage of total public funds*	6.32%	5.22%
(ii)	Commercial paper as a percentage of total liabilities	6.19%	5.10%
(iii)	Commercial paper as a percentage of total assets	4.72%	3.82%
(iv)	Other short term liabilities as a percentage of total public funds	36.08%	39.88%
(v)	Other short term liabilities as a percentage of total liabilities	35.35%	38.96%
(vi)	Other short term liabilities as a percentage of total assets	26.94%	29.21%
(vii)	Non convertible debentures** as a percentage of total public funds	NA	NA
(viii)	Non convertible debentures** as a percentage of total liabilities	NA	NA
(ix)	Non convertible debentures** as a percentage of total assets	NA	NA

* Public funds' includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.

** Non-convertible debentures with original maturity of less than one year.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(VI) Institutional set-up for liquidity risk management

For qualitative disclosure on liquidity risk management, refer note no. 47.

Quarter on quarter liquidity coverage ratio for the financial year ended 31 March 2023 :

(₹ in crore)

		Q1 FY23		Q2 FY23		Q3 FY23		Q4 FY23	
	Particulars	**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)**
1	Total High Quality Liquid Assets (HQLA)	7,847.64	7,052.44	8,400.49	7,555.49	9,346.35	8,421.70	10,818.75	9,733.59
	Cash Outflows								
2	Deposits (for deposit taking companies)	1,225.56	1,409.39	1,461.82	1,681.09	1,638.62	1,884.41	1,710.43	1,967.00
3	Unsecured wholesale funding	1,902.81	2,188.23	2,137.79	2,458.46	3,255.95	3,744.34	2,742.95	3,154.39
4	Secured wholesale funding	2,991.63	3,440.38	3,008.66	3,459.96	4,060.09	4,669.11	5,282.68	6,075.08
5	Additional requirements, of which	1,981.96	2,279.25	1,827.68	2,101.83	1,911.70	2,198.46	2,051.45	2,359.17
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	1,981.96	2,279.25	1,827.68	2,101.83	1,911.70	2,198.46	2,051.45	2,359.17
6	Other contractual funding obligations	2,799.85	3,219.83	2,599.35	2,989.25	2,059.86	2,368.83	2,134.06	2,454.17
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash outflows**	**10,901.81**	**12,537.08**	**11,035.30**	**12,690.59**	**12,926.22**	**14,865.15**	**13,921.57**	**16,009.81**
	Cash Inflows								
9	Secured lending	966.42	724.82	657.56	493.17	1,269.80	952.35	114.51	85.88
10	Inflows from fully performing exposures	8,821.64	6,616.23	9,615.02	7,211.27	10,101.99	7,576.49	10,443.91	7,832.93
11	Other cash inflows	8,884.47	6,663.35	14,474.83	10,856.12	13,009.21	9,756.90	10,899.13	8,174.34
12	**Total cash inflows**	**18,672.53**	**14,004.40**	**24,747.41**	**18,560.56**	**24,381.00**	**18,285.74**	**21,457.55**	**16,093.15**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
13	Total HQLA		7,052.44		7,555.49		8,421.70		9,733.59
14	Total net cash outflow		3,134.27		3,172.65		3,716.29		4,002.45
15	Liquidity coverage ratio (%)		225.01%		238.14%		226.62%		243.19%
	High Quality Liquid Assets (HQLA)	**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)**
1	Assets to be included as HQLA without any haircut	3,871.67	3,871.67	4,175.46	4,175.46	4,723.12	4,723.12	5,392.98	5,392.98
	(a) T-Bills	3,489.86	3,489.86	3,837.50	3,837.50	4,391.17	4,391.17	5,115.66	5,115.66
	(b) Bank balance	381.81	381.81	337.96	337.96	331.95	331.95	277.32	277.32
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 - Government securities	3,975.97	3,180.77	4,225.03	3,380.03	4,623.23	3,698.58	5,425.77	4,340.61
	Total HQLA	**7,847.64**	**7,052.44**	**8,400.49**	**7,555.49**	**9,346.35**	**8,421.70**	**10,818.75**	**9,733.59**

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

Quarter on quarter liquidity coverage ratio for the financial year ended 31 March 2022 :

(₹ in crore)

		Q1 FY22		Q2 FY22		Q3 FY22		Q4 FY22	
Particulars		**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)**
1	Total High Quality Liquid Assets (HQLA)	4,614.15	3,877.70	5,306.64	4,550.83	5,094.33	4,300.57	6,007.41	5,212.43
	Cash Outflows								
2	Deposits (for deposit taking companies)	956.17	1,099.60	1,258.29	1,447.04	1,089.91	1,253.40	1,309.47	1,505.89
3	Unsecured wholesale funding	1,593.15	1,832.13	5,286.78	6,079.80	3,210.29	3,691.83	3,269.94	3,760.43
4	Secured wholesale funding	2,139.25	2,460.14	1,333.35	1,533.36	2,937.01	3,377.57	3,471.94	3,992.74
5	Additional requirements, of which	2,972.53	3,418.41	3,063.62	3,523.17	3,034.76	3,489.97	3,517.22	4,044.80
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	2,972.53	3,418.41	3,063.62	3,523.17	3,034.76	3,489.97	3,517.22	4,044.80
6	Other contractual funding obligations	1,251.19	1,438.87	4,455.32	5,123.62	2,182.38	2,509.73	1,980.03	2,277.03
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash outflows**	**8,912.29**	**10,249.15**	**15,397.36**	**17,706.99**	**12,454.35**	**14,322.50**	**13,548.60**	**15,580.89**
	Cash Inflows								
9	Secured lending	-	-	600.00	450.00	50.00	37.50	-	-
10	Inflows from fully performing exposures	7,547.40	5,660.55	17,169.42	12,877.07	9,428.30	7,071.23	10,288.53	7,716.40
11	Other cash inflows	13,286.03	9,964.52	12,581.18	9,435.89	13,457.06	10,092.79	11,295.32	8,471.49
12	**Total cash inflows**	**20,833.43**	**15,625.07**	**30,350.60**	**22,762.96**	**22,935.36**	**17,201.52**	**21,583.85**	**16,187.89**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
13	Total HQLA		3,877.70		4,550.83		4,300.57		5,212.43
14	Total net cash outflow		2,562.28		4,426.75		3,580.63		3,895.22
15	Liquidity coverage ratio (%)		151.34%		102.80%		120.11%		133.82%
	High Quality Liquid Assets (HQLA)	**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)**
1	Assets to be included as HQLA without any haircut	931.91	931.91	1,527.57	1,527.57	1,125.50	1,125.50	2,032.51	2,032.51
	(a) T-Bills	458.10	458.10	460.83	460.83	707.41	707.41	1,443.42	1,443.42
	(b) Bank balance	473.81	473.81	1,066.74	1,066.74	418.09	418.09	589.09	589.09
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 - Government securities	3,682.23	2,945.79	3,779.07	3,023.26	3,968.84	3,175.07	3,974.90	3,179.92
	Total HQLA	**4,614.14**	**3,877.70**	**5,306.64**	**4,550.83**	**5,094.34**	**4,300.57**	**6,007.41**	**5,212.43**

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (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 NBFCs 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 calendar month. 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, have considered: (1) all the contractual debt repayments, (2) committed credit facilities contracted with the subsidiaries and customers, and (3) other expected or contracted cash outflows. Inflows comprises of: (1) expected receipt from all performing loans, and (2) liquid investment which are unencumbered and have not been considered as part of HQLA.

For the purpose of HQLA the Company considers: (1) Unencumbered government securities, (2) Cash and Bank balances and (3) Pledged Government securities for purpose of Statutory Liquid Ratio (SLR) with haircut of 20%.

The LCR is computed by dividing the stock of HQLA by its total net cash outflows over one-month stress period. LCR guidelines have become effective from 1 December 2020, requiring NBFCs to maintain minimum LCR of 50%, LCR is gradually required to be increased to 100% by 1 December 2024. NBFCs are required to maintain LCR of 70% as on 31 March 2023.

(S) Loans and contracts awarded to Directors, Senior Officers and relatives of Directors

(₹ in crore)

Particulars	For the period ended 31 March 2023		
	Loans	**Contracts**	**Total**
Directors and their relatives	-	-	-
Entities associated with directors and their relatives	-	1.33	1.33
Senior officers and their relatives (Loan ₹ 32,308)		-	

(₹ in crore)

Particulars	For the period ended 31 March 2022		
	Loans	**Contracts**	**Total**
Directors and their relatives	NA	NA	NA
Entities associated with directors and their relatives	NA	NA	NA
Senior officers and their relatives	NA	NA	NA

-The circular on Loans and Advances – Regulatory Restrictions - NBFCs is effective from 1 October 2022. The above disclosure is provided for loans/contracts entered on or after 1 October 2022.

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(T) Transactions with related parties

For the year ended 31 March 2023

Sr No.	Item/Related Party	1. Parent (as per ownership or control)			2. Subsidiaries			3. Associate			4. Director		
		Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year
1	Borrowings	-	(770.00)	(845.00)	-	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	-	-	-	-	-	-	-	-	(0.30)
3	Placement of deposits	-	-	-	10.00	0.08	5.08	-	-	-	-	-	-
4	Advances	-	-	-	7,478.00	-	655.00	-	-	-	-	-	-
5	Investments	-	-	-	2,500.00	8,198.38	8,198.38	92.74	92.74	92.74	-	-	-
6	Purchase of fixed/other assets	0.08	(0.09)	NA	0.48	(0.35)	NA	-	-	NA	-	-	NA
7	Sale of fixed/other assets	0.15	-	NA	0.80	0.10	NA	-	-	NA	-	-	NA
8	Interest paid	50.50	-	NA	-	-	NA	-	-	NA	0.01	-	NA
9	Interest received	-	-	NA	5.23	-	NA	-	-	NA	-	-	NA
10	Others												
	Dividend paid	635.63	-	NA	-	-	NA	-	-	NA	0.94	-	NA
	Loan portfolio assigned in	-	-	NA	1,789.90	-	NA	-	-	NA	-	-	NA
	Others	45.34	(66.09)	NA	112.74	2.50	NA	4.98	-	NA	3.36	(2.25)	NA
		731.70	(836.18)	(845.00)	11,897.15	8,200.71	8,858.46	97.72	92.74	92.74	4.31	(2.25)	(0.30)

For the year ended 31 March 2022

Sr No.	Item/Related Party	1. Parent (as per ownership or control)			2. Subsidiaries			3. Director			4. Relative of Director		
		Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year
1	Borrowings	-	(685.00)	(720.00)	-	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	4,900.00	-	(750.00)	-	-	-	-	(2.00)	(2.00)
3	Placement of deposits	-	-	-	-	0.08	0.08	-	-	-	-	-	-
4	Advances	-	-	-	7,270.00	50.00	500.00	-	-	-	-	-	-
5	Investments	-	-	-	400.00	5,698.38	5,698.38	-	-	-	-	-	-
6	Purchase of fixed/other assets	-	-	NA	0.38	-	NA	-	-	NA	-	-	NA
7	Sale of fixed/other assets	0.01	-	NA	0.28	-	NA	-	-	NA	-	-	NA
8	Interest paid	42.17	-	NA	3.82	-	NA	-	-	NA	0.04	-	NA
9	Interest received	-	-	NA	5.51	0.01	NA	-	-	NA	-	-	NA
10	Others												
	Dividend Paid	317.82	-	NA	-	-	NA	0.54	-	NA	0.26	-	NA
	Loan portfolio assigned in			NA	1,503.69	-	NA	-	-	NA	-	-	NA
	Others	40.65	(63.56)	NA	821.06	(0.14)	NA	4.09	(2.70)	NA	0.09	(0.05)	NA
		400.65	(748.56)	(720.00)	14,904.74	5,748.33	5,448.46	4.63	(2.70)	-	0.39	(2.05)	(2.00)

NA in above statement denotes 'Not Applicable'.
*The amount is below the rounding off norm adopted by the Company.

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(₹ in crore)

5. Relative of Director			6. Other KMP			7. Relatives of Other KMP			8. Other			Total	Total Sum of Outstanding amounts carried in Balance Sheet	
Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year
–	–	–	–	–	–	–	–	–	425.00	(3,409.50)	(3,768.20)	425.00	(4,179.50)	(4,613.20)
–	–	–	–	–	–	0.05	(0.05)	(0.05)	570.02	(570.07)	(570.07)	570.07	(570.12)	(570.42)
–	–	–	–	–	–	–	–	–	0.32	2.16	2.26	10.32	2.24	7.34
–	–	–	–	–	–	–	–	–	–	0.03	0.05	7,478.00	0.03	655.05
–	–	–	–	–	–	–	–	–	–	283.16	283.16	2,592.74	8,574.28	8,574.28
–	–	NA	–	–	NA	–	–	NA	71.77	(8.17)	NA	72.33	(8.61)	NA
–	–	NA	–	–	NA	–	–	NA	0.28	–	NA	1.23	0.10	NA
–	–	NA	–	–	NA	*	*	NA	314.69	(9.05)	NA	365.20	(9.05)	NA
–	–	NA	–	–	NA	–	–	NA	4.94	0.53	NA	10.17	0.53	NA
												–	–	
0.38	–	NA	0.47	–	NA	0.05	–	NA	39.46	–	NA	676.93		NA
–	–	NA	–	–	NA	–	–	NA	–	–	NA	1,789.90	–	NA
0.13	(0.04)	NA	61.93	(0.68)	NA	–	(0.01)	NA	596.25	(1.71)	NA	824.73	(68.28)	NA
0.51	(0.04)	–	62.40	(0.68)	–	0.10	(0.06)	0.05	2,022.73	(3712.62)	(4,052.80)	14,816.62	3,741.62	4,053.05

(₹ in crore)

5. Other KMP			6. Relatives of Other KMP			7. Other			Total Sum of YTD FY 22 Transaction Value		
Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year	Transaction value	Outstanding at year end	Maximum O/s during the year
–	–	–	–	–	–	425.00	(3,676.70)	(3,676.70)	425.00	(4,361.70)	(4,396.70)
–	–	–	–	–	–	0.25	(7.47)	(107.53)	4,900.25	(9.47)	(859.53)
–	–	–	–	–	–	0.03	1.97	1.97	0.03	2.05	2.05
–	–	0.01	–	–	–	0.01	*	0.01	7,270.01	50.00	500.02
–	–	–	–	–	–	283.16	283.16	283.16	683.16	5,981.54	5,981.54
–	–	NA	–	–	NA	44.68	*	NA	45.06	*	NA
–	–	NA	–	–	NA	0.40	*	NA	0.69	*	NA
–	–	NA	–	–	NA	234.27	(1.09)	NA	280.30	(1.09)	NA
*	–	NA	–	–	NA	17.12	0.02	NA	22.63	0.03	NA
0.17	–	NA	0.03	–	NA	19.61	–	NA	338.43	–	NA
–	–	NA	–	–	NA	–	–	NA	1,503.69	–	NA
57.92	(2.67)	NA	–	*	NA	374.49	44.45	NA	1,298.30	(24.67)	NA
58.09	(2.67)	0.01	0.03	*	–	1,399.02	(3,355.66)	(3,499.09)	16,767.55	1,636.69	1,227.38

52 The disclosures as required by the NBFC Master Directions and Disclosures in Financial Statements- Notes to Accounts of NBFCs as issued by RBI (Disclosures are made as per Ind AS financial statements except otherwise stated) (Contd.)

(U) Overseas assets

The Company does not have any joint ventures and subsidiaries aboard.

(V) Off-balance sheet SPVs sponsored

The Company does not have any off-balance sheet SPVs sponsored.

(W) Participation in currency futures & currency options

The Company has not undertaken any transaction during the current year and previous year for currency futures and currency options.

(X) Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items which are impacting Company's current year profit and loss.

(Y) Revenue recognition

There are no such circumstances in which revenue has been postponed pending the resolution of significant uncertainties.

(Z) Consolidated financial statement (CFS)

The Company has consolidated financial statement of its all the underlying subsidiaries.

(AA) Divergence in asset classification and provisioning

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.

53 Disclosure of restructured accounts as per directions issued by RBI

(₹ in crore)

	As on 31 March 2023		As on 31 March 2022	
Particulars	Amount Outstanding	Provision	Amount Outstanding	Provision
Standard	5.28	0.04	0.74	0.01
Substandard	536.94	323.02	299.34	147.26
Doubtful	5.16	5.00	3.76	3.76
Loss	-	-	-	-
	547.38	328.06	303.84	151.03

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

54 The disclosures as required by the NBFC Master Directions issued by RBI

For the year ended 31 March 2023

(₹ in crore)

Asset classification as per RBI norms (1)	Asset classification as per Ind AS 109 (2)	Gross carrying amount as per Ind AS(3)	Loss allowance (provisions)as required under Ind AS 109(4)	Net carrying amount (5) = (3) - (4)	Provision required as per IRACP norms* (6)	Difference between Ind AS 109 provision and IRACP norms (7) = (4) - (6)
(a) Performing assets						
Standard	Stage 1	178,089.48	1,597.05	176,492.43	752.10	844.95
	Stage 2	2,672.99	854.92	1,818.07	28.75	826.17
Subtotal (a)		180,762.47	2,451.97	178,310.50	780.85	1,671.12
(b) Non-performing assets (NPA)						
(i) Substandard	Stage 3	2,072.11	1,325.00	747.11	207.34	1,117.66
(ii) Doubtful up to :						
1 year	Stage 3	72.50	49.15	23.35	21.91	27.24
1 to 3 years	Stage 3	30.87	14.72	16.15	9.27	5.45
More than 3 years	Stage 3	0.01	-	0.01	-	0.00
		103.38	63.87	39.51	31.18	32.69
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		2,175.49	1,388.87	786.62	238.52	1,150.35
(C) Other items	Stage 1	146.98	-	146.98	0.59	(0.59)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (c)		146.98	-	146.98	0.59	(0.59)
	Stage 1	178,236.46	1,597.05	176,639.41	752.69	844.36
	Stage 2	2,672.99	854.92	1,818.07	28.75	826.17
	Stage 3	2,175.49	1,388.87	786.62	238.52	1,150.35
Total (a+b+c)		183,084.94	3,840.84	179,244.10	1,019.96	2,820.88

For the year ended 31 March 2022

(₹ in crore)

Asset classification as per RBI norms (1)	Asset classification as per Ind AS 109 (2)	Gross carrying amount as per Ind AS (3)	Loss allowance (provisions) as required under Ind AS 109 (4)	Net carrying amount (5) = (3) - (4)	Provision required as per IRACP norms* (6)	Difference between Ind AS 109 provision and IRACP norms (7) = (4) - (6)
(a) Performing assets						
Standard	Stage 1	141,969.01	1,246.44	140,722.57	593.86	652.58
	Stage 2	3,256.94	951.24	2,305.70	59.66	891.58
Subtotal (a)		145,225.95	2,197.68	143,028.27	653.52	1,544.16
(b) Non-performing assets (NPA)						
(i) Substandard	Stage 3	2,926.30	1,702.84	1,223.46	275.97	1,426.87
(ii) Doubtful up to :						
1 year	Stage 3	60.65	36.17	24.48	11.76	24.41
1 to 3 years	Stage 3	0.19	0.15	0.04	0.07	0.08
More than 3 years	Stage 3	-	-	-	-	0.00
		60.84	36.32	24.52	11.83	24.49
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		2,987.14	1,739.16	1,247.98	287.80	1,451.36
(C) Other items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (C)		-	-	-	-	-
	Stage 1	141,969.01	1,246.44	140,722.57	593.86	652.58
	Stage 2	3,256.94	951.24	2,305.70	59.66	891.58
	Stage 3	2,987.14	1,739.16	1,247.98	287.80	1,451.36
Total (a+b+c)		148,213.09	3,936.84	144,276.25	941.32	2,995.52

*Computed on the value as per the erstwhile IRACP norms.

55 (a) Disclosures pursuant to RBI notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021

For half year ended 31 March 2023

(₹ in crore)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of the previous half year i.e. 30 September 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 31 March 2023	Of (A) amount written off during the half year ended 31 March 2023#	Of (A) amount paid by the borrowers during the half year ended 31 March 2023^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half year i.e 31 March 2023
Personal Loans*	294.98	27.62	8.04	44.29	223.07
Corporate persons	6.37	6.37	-	-	-
of which, MSMEs	-	-	-	-	-
Others	6.37	6.37	-	-	-
	301.35	33.99	8.04	44.29	223.07

* Includes restructuring implemented pursuant to OTR 2.0 for personal loans, individual business loans and small business loans

Represents debt that slipped into stage 3 and was subsequently written off during the half year ended 31 March 2023

^ Represents receipts net of interest accruals and disbursements, if any

For half year ended 30 September 2022

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year i.e. 31 March 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 30 September 2022	Of (A) amount written off during the half year ended 30 September 2022#	Of (A) amount paid by the borrowers during the half year ended 30 September 2022^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half year i.e 30 September 2022
Personal Loans*	405.08	55.64	21.61	54.46	294.98
Corporate persons	6.98	-	-	0.61	6.37
of which, MSMEs	-	-	-	-	-
Others	6.98	-	-	0.61	6.37
	412.06	55.64	21.61	55.07	301.35

* Includes restructuring implemented pursuant to OTR 2.0 for personal loans, individual business loans and small business loans

Represents debt that slipped into stage 3 and was subsequently written off during the half-year

^ Represents receipts net of interest accruals and disbursements, if any

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

55 (Contd.)

For half year ended 31 March 2022 for OTR 1.0 implemented till 31 March 2021 and OTR 2.0 implemented till 30 September 2021

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year i.e. 30 September 2021(A)	Of (A), aggregate debt that slipped into NPA during the half year ended 31 March 2022	Of (A) amount written off during the half year ended 31 March 2022#	Of (A) amount paid by the borrowers during the half year ended 31 March 2022^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half year i.e 31 March 2022
Personal Loans*	555.24	94.70	36.60	60.84	399.70
Corporate persons	400.67	393.38	-	0.31	6.98
of which, MSMEs	-	-	-	-	-
Others	400.67	393.38	-	0.31	6.98
	955.91	488.08	36.60	61.15	406.68

* Includes restructuring implemented pursuant to OTR 2.0 till 30 September 2021 for personal loans, individual business loans and Small Business loans

Represents debt that slipped into stage 3 and was subsequently written off during the half year ended 31 March 2022

^ Represents receipts net of interest accruals and disbursements, if any

For half year ended 30 September 2021 for OTR 1.0 implemented till 31 March 2021

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year i.e. 31 March 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 30 September 2021	Of (A) amount written off during the half year ended 30 September 2021 #	Of (A) amount paid by the borrowers during the half year ended 30 September 2021^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half year i.e 30 September 2021
Personal Loans	616.69	201.34	86.06	21.75	393.60
Corporate persons	404.68	-	-	4.01	400.67
of which, MSMEs	-	-	-	-	-
Others	404.68	-	-	4.01	400.67
	1,021.37	201.34	86.06	25.76	794.27

Represents debt that slipped into stage 3 and was subsequently written off during the half-year

^ Represents receipts net of interest accruals and disbursements, if any

55 (Contd.)

(b) Details of resolution plan implemented as per RBI circular on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances dated 6 August 2020 as at 31 March 2023 are given below:

Type of borrower	No. of accounts restructured and outstanding as on 31 March 2023	Amount Outstanding as on 31 March 2023 (₹ in crore)	No. of accounts restructured and outstanding as on 31 March 2022	Amount Outstanding as on 31 March 2022 (₹ in crore)
MSMEs	7,030	207.64	9,225	315.12

(c) Details of resolution plan implemented as per RBI circular on Resolution Framework 2.0 – Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs) dated 5 May 2021 as at 31 March 2023 are given below :

Type of borrower	No. of accounts restructured and outstanding as on 31 March 2023	Amount Outstanding as on 31 March 2023 (₹ in crore)	No. of accounts restructured and outstanding as on 31 March 2022	Amount Outstanding as on 31 March 2022 (₹ in crore)
MSMEs	23	16.89	25	17.80

56 Disclosure pursuant to RBI notification - RBI/DOR/2021-22/86/DOR.STR. REC.51/21.04.048/2021-22 dated 24 September 2021 'Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021'

(a) Details of transfer through assignment in respect of loans not in default:

	For the year ended 31 March	
Particulars	**2023**	**2022**
Amount of loans transferred through assignment	Nil	₹ 738.78 crore
Retention of beneficial economic interest	Nil	1%
Weighted average residual maturity	Nil	185 months
Weighted average holding period	Nil	55 months
Coverage of tangible security coverage	Nil	100%
Rating-wise distribution of rated loans	Nil	Unrated

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

	For the year ended 31 March	
Particulars	**2023**	**2022**
Amount of loans acquired through assignment	₹ 1,789.89 crore	₹ 1,503.68 crore
Retention of beneficial economic interest	1%	1%
Weighted average residual maturity	127 months	140 months
Weighted average holding period	18 months	18 months
Coverage of tangible security coverage	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

56 Disclosure pursuant to RBI notification - RBI/DOR/2021-22/86/DOR.STR. REC.51/21.04.048/2021-22 dated 24 September 2021 'Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021' (Contd.)

(c) No stressed loans transferred during the financial year ended 31 March 2023

(d) Details of stressed loans transferred during the financial year ended 31 March 2022

	To Asset Reconstruction Companies (ARC)		To permitted transferees	
Particulars	NPA	SMA	NPA	SMA
Number of accounts	983	374	338	-
Aggregate principal outstanding of loans transferred (₹ in crore)	78.45	2.70	34.52	-
Weighted average residual tenor of the loans transferred (in years)	14.27	2.57	6.53	-
Net book value of loans transferred (at the time of transfer) (₹ in crore)	59.96	1.83	26.85	-
Aggregate consideration (₹ in crore)	39.50	0.15	16.89	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-	-
Excess provisions reversed to the Profit and Loss Account on account of sale	-	-	-	-

In addition to above the Company has transferred written off loans amounting to ₹ 1,117.45 crore for consideration of ₹ 60.02 crore.

(e) The Company has not acquired any stressed loan during the financial year ended 31 March 2023 and 31 March 2022.

57 Amounts less than ₹ 50,000 have been shown at actuals against respective line items statutorily required to be disclosed.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajen Ashar
Partner
Membership number: 048243

On behalf of the Board of Directors

Rajeev Jain
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 26 April 2023

Annexure (Forming part of the financial statements)

Schedule to Balance Sheet

As required by RBI Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions')

(₹ in crore)

Particulars			Amount outstanding as on 31 March 2023	Amount overdue
Liabilities side				
(1)	**Loans and advances availed by the Company inclusive of interest accrued thereon but not paid**			
	(a)	Debentures		
		Secured	48,811.87	-
		Unsecured	10,265.24	-
		(Other than falling within the meaning of public deposit *)		
	(b)	Deferred credits	-	-
	(c)	Term loans	37,692.29	-
	(d)	Inter-corporate loans and borrowings	16,186.69	-
	(e)	Commercial paper	10,223.03	-
	(f)	Public deposits (as defined in chapter II, para 3 (xiii) of Master directions - Non- Banking Financial Companies Acceptance of Public Deposits (Reserve Bank Directions, 2016 as issued by RBI.)	28,303.10	-
	(g)	Other Loans	10,202.41	-
		(TREPs, cash credit and working capital demand loan)		
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)**			
	(a)	In the form of unsecured debentures	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	-	-
	(c)	Other public deposits	28,303.10	-

(₹ in crore)

Particulars				Amount outstanding as on 31 March 2023
Asset side				
(3)	**Break - up of loans and advances including bills receivables (other than those included in (4) below)**			
	(a)	Secured		80,019.83
	(b)	Unsecured		100,979.34
(4)	**Break up of leased assets and assets under finance and hypothecation loans counting towards asset finance activities**			
	(i)	Lease assets including lease rentals under sundry debtors:		
		(a)	Financial lease	-
		(b)	Operating lease	-
	(ii)	Stock under finance including financing charges under sundry debtors		
		(a)	Assets under finance, net of unmatured finance charges and advance EMI	-
		(b)	Repossessed assets	-

Annexure (Forming part of the financial statements)

Schedule to Balance Sheet (Contd.)

(₹ in crore)

Particulars	Amount outstanding as on 31 March 2023
(iii) Hypothecation loans counting towards asset financing activities*	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
*The Company has not disclosed amount outstanding under assets financing activities under note 4(iii) and included entire loan amount outstanding under note 3 as RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category NBFC - Investment and Credit Company vide its circular no. DN BR (PD) CC. No.097/03.10.001/2018-19 dated February 22, 2019.	
(5) Break-up of investments	
Current Investments	
a. Quoted	
(i) Shares - (a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	4,365.08
(iv) Government securities	10,431.37
(v) Others - Certificate of Deposits & Commercial paper	1,163.49
b. Unquoted	
(i) Shares - (a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others (Pass through certificates)	18.92
Long-Term Investments	
a. Quoted	
(i) Shares - (a) Equity	60.40
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	3,707.71
(v) Others	-
b. Unquoted	
(i) Shares - (a) Equity	8,881.21
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others (Pass through certificates)	109.67

Schedule to Balance Sheet (Contd.)

(6) Borrower group-wise classification of all leased assets, stock under financing and loans and advances

(₹ in crore)

	Amount net of Provisions		
Category	**Secured**	**Unsecured**	**Total**
Related parties			
Subsidiaries	-	2.80	2.80
Companies in the same Group	-	17.16	17.16
Other related parties	-	9.36	9.36
Other than related parties	80,019.83	100,950.02	180,969.85
	80,019.83	100,979.34	180,999.17

(7) Investor group-wise classification of all investments (current and long-term in shares and securities)

(₹ in crore)

Category	**Market value**	**Book value**
Related parties		
Subsidiaries	8,198.38	8,198.38
Companies in the same Group	293.20	293.20
Other related parties	-	-
Other than related parties	20,246.27	20,246.27
	28,737.85	28,737.85

(8) Other information

(₹ in crore)

Particulars	**Amount**
Gross non-performing assets	
Related parties	-
Other than related parties	2,175.49
Net non-performing assets *	
Related parties	-
Other than related parties	786.62
Assets acquired in satisfaction of debt	-

* Provision for ECL Stage 3 Net of interest has been considered.